

**BYLAWS
OF
USA NATIONAL KARATE-DO FEDERATION, INC.**

As revised on November 17, 2015

Effective January 1, 2016

SECTION 1.

NAME AND STATUS

Section 1.1. Name.

The name of the corporation shall be USA National Karate-Do Federation (referred to in these Bylaws as “USA-NKF”). USA-NKF may establish such acronyms or abbreviations as may be appropriate for business use, and may establish logos, service marks, or trademarks as may be appropriate to further its purposes, mission recognition and goals.

Section 1.2. Non-profit Status.

USA-NKF shall be a non-profit corporation incorporated and licensed pursuant to the laws of the State of Colorado. USA-NKF shall be operated for charitable and educational purposes and it shall also have as its purpose to foster national and international amateur sports competition in the sport of Karate. USA-NKF shall operate consistent with and shall maintain a tax-exempt status in accordance with section 501(c)(3) of the Internal Revenue Code. If, at the time of the adoption of these Bylaws, the USA-NKF is not yet incorporated under the laws of the State of Colorado, all steps reasonable and necessary to give effect to this provision shall be taken to incorporate in the State of Colorado as soon as practicable.

SECTION 2.

OFFICES

Section 2.1. Business Offices.

The principal office of USA-NKF shall be in Colorado Springs, Colorado. USA-NKF may at any time and from time to time change the location of its principal office. USA-NKF may have such other offices, either within or outside Colorado, as the Board of Directors may designate or as the affairs of USA-NKF may require from time to time. If, at the time of the adoption of these Bylaws, the USA-NKF principal office is not yet located in Colorado Springs, Colorado, all steps reasonable and necessary to give effect to this provision shall be taken as soon as practicable.

Section 2.2. Registered Office.

The registered office of USA-NKF required by the Colorado Revised Nonprofit Corporation Act (the "Nonprofit Corporation Act") shall be maintained in Colorado. The registered office may be changed from time to time by the Board of Directors or by the officers of USA-NKF, or to the extent permitted by the Nonprofit Corporation Act by the registered agent of USA-NKF. The registered office may be, but need not be, the same as the principal office.

SECTION 3.

MISSION

Section 3.1. Mission.

The Mission of USA-NKF shall be to enable United States athletes to achieve sustained competitive excellence and to promote and grow the sport of Karate in the United States.

SECTION 4.

RECOGNITION AS NATIONAL GOVERNING BODY

Section 4.1. Recognition as a National Governing Body.

USA-NKF shall seek and attempt to maintain recognition by the United States Olympic Committee as the National Governing Body for the sport of Karate in the United States. In furtherance of that purpose, USA-NKF shall comply with the requirements for recognition as a National Governing Body as set forth in the Ted Stevens Olympic and Amateur Sports Act, 36 U.S.C. § 220501 – 220529 and as mandated by the United States Olympic Committee as such requirements are promulgated or revised from time to time. In fulfilling those requirements USA-NKF shall:

- a. be a member of only one (1) international sports federation, which is recognized by the International Olympic Committee as the worldwide governing body for the sport of Karate (currently the World Karate Federation);
- b. be autonomous in the governance of the sport of Karate by independently determining and controlling all matters central to such governance, by not delegating any of that determination or control, and by being free from outside restraint;
- c. maintain the managerial and financial competence and capability to establish national goals for Karate relating to the development and wellbeing of the sport, to implement and administer a plan for the attainment of those goals, and to execute its obligations as the National Governing body for the sport of Karate;
- d. provide for individual and organizational membership;
- e. ensure that its Board of Directors, and any other governance body, has established criteria and election procedures for, and maintains among its voting members, individuals who are actively engaged in amateur athletic competition in Karate or who have represented the United States in an international amateur athletic competition in Karate within the preceding ten (10) years, and ensures that the voting power held by those individuals is not less than twenty (20) percent of the voting power held in its Board or Directors or other governing body;
- f. provide for reasonable direct representation on its Board of Directors for any amateur sports organization which, in the sport of Karate, conducts on a level of proficiency appropriate for selection of amateur athletes to represent the United States in international amateur athletic competition, a national program, or regular national amateur athletic competition, and ensure that representation reflects the nature, scope, quality, and strength of the programs and competitions of that amateur sports organization in relation to all other of those programs and competitions in the sport of Karate in the United States through the affiliated organization director;
- g. be governed by a Board of Directors, whose members are selected without regard to race, color, religion, national origin, or sex, with reasonable representation on the Board of both males and females;

- h. provide an equal opportunity to amateur athletes, coaches, trainers, managers, administrators, and officials to participate in Karate competitions without discrimination on the basis of race, color, religion, age, sex, or national origin and to protect the opportunity of athletes to compete;
- i. not have an officer who is also an officer of another amateur sports organization that is recognized by the USOC as a National Governing Body;
- j. provide procedures for the prompt and equitable resolution of grievances of its members;
- k. provide fair notice and an opportunity for a hearing to any amateur athlete, coach, trainer, manager, administrator, or official before declaring such individual ineligible to participate;
- l. agree to submit to binding arbitration in any controversy involving: (i) its recognition as a National Governing Body, or (ii) the opportunity of any amateur athlete, coach, trainer, manager, administrator, or official to participate in amateur athletic competition in Karate, upon demand of the USOC or any aggrieved amateur athlete, coach, trainer, manager, administrator, or official, conducted in accordance with the Commercial Rules of the American Arbitration Association or as modified pursuant to the Ted Stevens Olympic and Amateur Sports Act;
- m. not have eligibility criteria relating to amateur status or to participation in the Olympic or Pan American Games that are more restrictive than those of the international sports federation for the sport of Karate recognized by the International Olympic Committee (currently the World Karate Federation); and
- n. perform all other obligations and duties imposed by the Ted Stevens Olympic and Amateur Sports Act and by the USOC on a National Governing Body.

SECTION 5.

MEMBERS

Section 5.1. Categories of Membership.

The USA-NKF shall have individual and organization membership categories as follows:

- a. Individual Membership Categories –
 1. Athlete members. Athlete members are those individuals who register as competitive athletes and are eligible for competition in Karate.
 2. Coach members. Coach members are those individuals who register as active coaches, satisfy the USA-NKF Safe Sport Program requirements and who are recognized as a coach by USA-NKF. Coach members are eligible to compete as athletes in USA-NKF events and sanctioned events and/or to become licensed referees.
 3. Referee members. Referee members are those individuals who register as active referees, satisfy the USA-NKF Safe Sport Program requirements and who are recognized as referees by holding current licenses issued by USA-NKF. Referee members are eligible to compete as athletes in USA-NKF events and sanctioned events and/or to become certified coaches.
 4. Supporting members. Supporting members are those individuals who register as Supporting members and who are interested in the purpose, programs, aims and objectives of USA-NKF.

Notwithstanding how many membership categories an individual registers in, that individual need only pay one (1) membership dues fee, and comply with all other applicable requirements, to be eligible to participate as an athlete, coach or referee.

- b. Organization Membership Categories –
 1. Club members. Club members are those Karate clubs that register and are approved as clubs and which agree to conduct their programs in accordance with and agree to be bound by the rules and regulations of USA-NKF.
 2. Approved Sports Organization members. Approved Sports Organization members are those organizations that register and are approved as Approved Sports Organizations and which agree to conduct their programs in accordance with and agree to be bound by the rules and regulations of USA-NKF. Approved Sports Organizations shall be the exclusive representative for their membership. Approved Sports Organizations shall have more than 100 registered members (full members) and 3 registered clubs. An ASO shall be entitled to 1 vote.
 3. Contributing Organization members. Contributing Organization members are those amateur sports organizations that register and are approved as contributing

organizations, which conduct athletic programs or activities that further the sport of Karate in the United States or which otherwise support the sport of Karate in the United States, and which agree to be bound by the rules and regulations of USA-NKF.

4. Affiliated Organization members. Affiliated Organization members are those amateur sports organizations that register and are approved as affiliated organizations and which conduct, on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athlete competition, a national program or regular national amateur athletic competition in the sport of Karate.

Section 5.2. Voting Members.

Individuals belonging to the following membership categories shall be entitled to vote in an election for directors of the Board: Athlete members (athletes who are members and who satisfy the requirements of Sections 8.8.1 et seq. of the Bylaws of the United States Olympic Committee), Coach members and Referee members. Organizations belonging to the following membership categories shall be entitled to vote in an election for directors of the Board: Approved Sport Organization members and Affiliated Organization members. No other voting privileges are conferred upon these members.

An individual may belong to more than one (1) of the above mentioned membership categories. However, an individual is only eligible to vote in one (1) membership category. Any individual who is a member of more than one (1) membership category shall designate the membership category in which he or she shall vote. An individual in a voting class must remain in that class for 4 years at which time they can designate another voting class. An individual shall be a citizen of the United States and at least eighteen (18) years of age in order to be eligible to vote in an election. Notwithstanding these restrictions on voting, membership in USA-NKF is open to individuals who are less than eighteen (18) years of age and to individuals who are not citizens of the United States. An individual shall be a member of USA-NKF sixty (60) days prior to the date of the election (record date) in order to be eligible to vote in an election. An individual shall be in good standing in order to be eligible to vote in an election.

Individuals and organizations belonging to the following membership categories have no voting privileges: Supporting members, Club Members and Contributing Organization members.

Section 5.3. Membership Requirements and Dues.

Membership in USA-NKF is a privilege and creates with it certain obligations and duties. The Board of Directors may establish such membership requirements and dues as the Board shall deem necessary or appropriate. Further, the Board may establish such rules and procedures for the manner and method of payment of dues, the collection of delinquent dues and the proration or refund of dues, as the Board shall deem necessary or appropriate. No privilege of membership shall be available until all membership requirements are satisfied and all dues are paid in full. A member who obtains a Lifetime Membership will be treated as a auto-renewing individual membership and will follow the same criteria for membership category and voting rights as the individual membership.

Any member of the USA-NKF, by reason of membership, agrees to be subject to the complaint procedures set forth in Section 14 of these Bylaws and agrees to be bound by any decision rendered pursuant to those complaint procedures.

Section 5.4. Suspension and Termination of Membership.

The membership of any member may be suspended and/or terminated at any time with or without cause by the Board of Directors, or in accordance with the procedures set out below, or by the rules of competition, or procedures otherwise established by the Board. A member shall have the right to a hearing prior to termination pursuant to the provisions related to administrative grievances under Section 14 below.

Section 5.5. Transfer of Membership.

Members may not transfer their membership in USA-NKF. Members shall have no ownership rights or beneficial interests of any kind in the property of USA-NKF.

SECTION 6.

BOARD OF DIRECTORS

Section 6.1. General Powers.

Except as otherwise provided in these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of USA-NKF shall be governed by, its Board of Directors.

Section 6.2. Function of the Board.

The Board of Directors represents the interests of USA-NKF's membership, the United States Karate community and Karate athletes by providing USA-NKF with policy, guidance and strategic direction. The Board oversees the management of USA-NKF and its affairs, but it does not manage USA-NKF. The Board shall select a well-qualified and ethical Chief Executive Officer and diligently oversee the Chief Executive Officer in the operation of USA-NKF. The Board shall focus on long-term objectives and impacts rather than on day-to-day management, empowering the Chief Executive Officer to manage a staff-driven organization with effective Board oversight. In addition, the Board performs the following specific functions, among others:

- a. implements procedures to educate each director of the Board on the business and governance affairs of USA-NKF, to evaluate each director's performance, and to orient new directors;
- b. selects, compensates, and evaluates the Chief Executive Officer and plans for management succession;
- c. reviews and approves USA-NKF's strategic plan and the annual operating plans, budget, business plans, and corporate performance;
- d. sets policy and provides guidance and strategic direction to management on significant issues facing USA-NKF;
- e. reviews and approves significant corporate actions;
- f. oversees the financial reporting process, communications with stakeholders, and USA-NKF's legal and regulatory compliance program;
- g. oversees effective corporate governance;
- h. approves capital structure, financial strategies, borrowing commitments, and long-range financial planning;
- i. reviews and approves financial statements, annual reports, audit and control policies, and, upon the recommendation of the Audit Committee, selects independent auditors;
- j. monitors to determine whether USA-NKF's assets are being properly protected;
- k. monitors USA-NKF's compliance with laws and regulations and the performance of its broader responsibilities; and

1. ensures that the Board and management are properly structured and prepared to act in case of an unforeseen corporate crisis.

Section 6.3. Diversity of Discussion.

The Board of Directors shall be sensitive to the desirability of diversity at all levels of USA-NKF. The Board shall develop and implement a policy of diversity, supported by meaningful efforts to accomplish diversity. The Board shall develop norms that favor open discussion and favor the presentation of different views.

Section 6.4. Qualifications.

Each director of the Board must be a citizen of the United States and eighteen (18) years of age or older. A director need not be a resident of Colorado.

A director shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgment, and shall be effective, in conjunction with the other directors, in serving the long-term interests of USA-NKF. Directors should possess the highest personal values, judgment and integrity, understanding of athletic competition and the Olympic ideals, and have diverse experience in the key business, financial, legal and other challenges that face USA-NKF. Directors should have a high level of experience and capability in Board oversight responsibilities, including in the areas of finance, legal, marketing, fundraising, audit, management, communications, and sport. Either the Independent Director or at least one (1) of the At-Large Directors shall serve on the Audit Committee and have financial expertise.

Section 6.5. Number.

The Board of Directors shall consist of nine (9) total directors, one (1) of whom shall be a Independent director, two (2) of whom shall be Athlete directors, one (1) of whom shall be a Coach director, one (1) of whom shall be a Referee director, one (1) of whom shall be a Approved Sports Organization director, two (2) of whom shall be At-Large directors, and one (1) of whom shall be an Affiliated Organization director. If there is no Affiliated Organization member, then the Affiliated Organization director seat shall remain vacant and there shall only be eight (8) total directors. Athlete directors shall at all times comprise at least twenty (20) percent of the membership and voting power of the Board.

Section 6.6. Election/Selection.

The Board of Directors shall be elected/selected as follows:

- a. Independent Director. The Nominating and Governance Committee shall select, using whatever process the Nominating and Governance Committee determines to be appropriate, one (1) Board director from among individuals considered to be independent, as that term is defined in Section 6.7.
- b. Athlete Directors. The two (2) Athlete Board directors shall be elected by athletes. The Athletes' Advisory Council shall elect from among its members, by majority

- vote, pursuant to Section 10.7 of these Bylaws, an individual who shall be an Athlete director. The other Athlete director shall be USA-NKF's representative to the USOC Athletes' Advisory Council, elected pursuant to Section 11.3 of these Bylaws. If for some reason USA-NKF's representative to the USOC Athlete's Advisory Council is unable or unwilling to serve, then USA-NKF's alternate representative to the USOC Athletes' Advisory Council, also elected pursuant to Section 10.7 of these Bylaws, shall serve as an Athlete director.
- c. Coach Director. The Nominating and Governance Committee shall solicit nominations of certified coaches who have obtained at least ten (10) signatures of support each from current USA-NKF Coach members. The nominees will be considered by the Nominating and Governance Committee. The Nominating and Governance Committee shall select at least two (2) individuals from those nominated who shall then stand for election. All current USA-NKF Coach members shall then vote for the Board director. Each USA-NKF Coach member shall have one (1) vote. The individual with the highest vote total is elected.
 - d. Referee Director. The Nominating and Governance Committee shall solicit nominations of certified referees who have obtained at least ten (10) signatures of support each from current USA-NKF Referee members. The nominees will be considered by the Nominating and Governance Committee. The Nominating and Governance Committee shall select at least two (2) individuals from those nominated who shall then stand for election. All current USA-NKF Referee members shall then vote for the Board director. Each USA-NKF Referee member shall have one (1) vote. The individual with the highest vote total is elected.
 - e. Approved Sports Organization Director. The Nominating and Governance Committee shall solicit nominations of individuals from the Approved Sports Organization members who have obtained at least five (5) signatures of support each from current USA-NKF members. The nominees will be considered by the Nominating and Governance Committee. The Nominating and Governance Committee shall select at least two (2) individuals from those nominated who shall then stand for election. All current USA-NKF Approved Sports Organization members shall then vote for the Board director. Each USA-NKF Approved Sports Organization member shall have one (1) vote. The individual with the highest vote total is elected.
 - f. At-Large Directors. The Nominating and Governance Committee shall select, using whatever process the Nominating and Governance Committee determines to be appropriate, two (2) Board directors from among individuals who are familiar with and have knowledge of the sport of Karate.
 - g. Affiliated Organization Director. If there is no Affiliated Organization member, then the Affiliated Organization Board director seat shall be vacant. If there is one (1) Affiliated Organization member, then that organization shall select a qualified individual to serve as the Affiliated Organization director. If there is more than one (1) Affiliated Organization member, then the Affiliated Organizations as a group shall nominate qualified individuals to be voted upon with each affiliated member entitled

to one (1) vote. The individual with the most votes will serve as the Affiliated Organization director.

- h. Single nominations. In the event that only one person is nominated to serve as a Coach Director, Referee Director, or Approved Sports Organization Director, the Nominating and Governance Committee shall submit that individual's name for election by the respective class, who shall have the right to approve or reject the nomination by a majority of votes cast by the eligible voters. In the event that the nomination is rejected, the Nominating and Governance Committee shall wait not fewer than three months before soliciting new nominations to fill the vacant seat.

Section 6.7. Independence.

An "independent director" must be determined to have no material relationship with USA-NKF, either directly or through an organization that has a material relationship with USA-NKF or is a competitor of the USA-NKF. A relationship is "material" if it would interfere with the director's independent judgment. The Nominating and Governance Committee shall determine the independence of a director after considering all relevant information concerning that director.

An individual may not be considered independent if, within the preceding two (2) years:

- a. the individual was employed by or held any governance position (whether a paid or volunteer position) with the USA-NKF, the international sports federation for the sport of Karate recognized by the International Olympic Committee (currently the World Karate Federation), a Pan American Karate organization, or any other organized karate entity;
- b. the individual is an immediate family member of a director and was employed by or held any governance position (whether a paid or volunteer position) with USA-NKF, the international sports federation for the sport of Karate recognized by the International Olympic Committee (currently the World Karate Federation), a Pan American Karate organization, or any other organized karate entity;
- c. the individual was affiliated with or employed by the USA-NKF's outside auditor or outside counsel;
- d. the individual is an immediate family member of a director and was affiliated with or employed by the USA-NKF's outside auditor or outside counsel as a partner, principal or manager;
- e. the individual was a Karate coach, referee, developmental, or affiliated organization member, or a member of USA-NKF or the USOC Athletes' Advisory Council;
- f. the individual receives any compensation from the USA-NKF, directly or indirectly;
or
- g. the individual is an executive officer, controlling shareholder, or partner of a corporation or partnership or other business entity that does business with the USA-NKF.

Section 6.8. Voting by Email.

Election of Athlete, Coach, Referee, and Approved Sports Organization directors to the Board of Directors shall be conducted by email ballot or such other method approved by the Board of Directors. Determination of the list of members eligible to vote shall be conducted in a non-discriminatory fashion by the National Office and approved by the Nominating and Governance Committee. All members shall be provided with ballots at least twenty-one (21) days before the date of the election. Ballots shall be time stamped no later than the date of the election, or if delivered by courier or by hand received no later than the date of the election.

Section 6.9. Tenure.

The term of office for a director of the Board shall be four (4) years. A director shall hold office until the director's successor is elected and qualified, or until the director's earlier resignation, removal, incapacity, disability or death.

Section 6.10. Staggered Board.

Directors of the Board shall serve staggered terms. To accomplish this, director seats shall be divided into three (3) classes. The first class shall consist of one (1) Independent director, one (1) Coach Director, one (1) Approved Sports Organization Director and one (1) Affiliated Director. The second class shall consist of one (1) Athlete Director who is the USA-NKF's Representative to the USOC Athlete Advisory Committee. The third class shall consist of one (1) Independent director, one (1) Athlete director, one (1) Referee director and one (1) At-Large director. For the first Board of Directors seated under these Bylaws, the term of office of the directors of the first class shall expire on December 31, 2011. The term of office of the director of the second class shall expire on December 31, 2012 as corresponds to the term of the USOC Athlete Advisory Committee. The term of office of the directors of the third class shall expire on December 31, 2013. Thereafter, the term of office for the first class, second class and the third class shall be for four (4) years, ensuring that the term for the second class coincides with the term of the USOC Athlete Advisory Committee.

Section 6.11. Term Limits.

No director of the Board shall serve more than two (2) consecutive terms in a twelve (12) year period.

For those initial directors whose term of office expires on December 31, 2011, their time of service shall not constitute a full four (4) year term. Those directors would be eligible to serve (2) additional four (4) year term immediately following their initial term. For those initial directors whose term of office expires on December 31, 2013, their time of service shall constitute a full four (4) year term. Those directors would be eligible to serve one (1) additional four (4) year term immediately following their initial term.

When a director is elected/selected to fill a vacancy because of the resignation, removal, incapacity, disability or death of a director, and the remaining term is for more than two (2) years, such term shall constitute a full term. If the vacancy being filled is for two (2) or more

years, the director can serve one (1) additional four (4) year term following completion of the filled vacancy term. If the vacancy being filled is for less than two (2) years, the term shall not be a full term and the director can serve two (2) additional four (4) year terms following completion of the filled vacancy term.

Upon approval of the removal of the first class Independent Director and addition of a second At-Large Director to the Board of Directors, the added At-Large Director's first term shall be identical to the remainder of the removed first class Independent Director's term. The term limit provisions stated in this section shall be applicable to the added At-Large Director.

Section 6.12. Director Attendance.

Directors of the Board are expected to attend all regularly scheduled Board meetings. Each director must attend at least one-half (1/2) of the Board meetings during any twelve-month (12) period. If the Board member misses more than one half of the Board meetings in any twelve month period, the Board of Directors shall call for a recall election at which the group who has the authority to elect or appoint such member may remove the member.

Section 6.13. Resignation, Removal and Vacancies.

A director's position on the Board may be declared vacant upon the director's resignation, removal, incapacity, disability or death. Any director may resign at any time by giving written notice to the President, except the President's resignation shall be given to the Board. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

a) Appointed Directors

Directors appointed by the Nominating and Governance Committee may be removed by the Board, and all other Board members may be removed by the class by whom they were elected if they fail to attend more than one-half (1/2) of the regular meetings of the Board during any twelve-month (12) period, unless they are able to demonstrate to the other directors of the Board that the presence of exigent circumstances caused and excused the absences. In such circumstances, the absent director can be removed upon the affirmative vote of a majority of the voting power of the Board (not including the voting power of the absent director) or a majority of the members voting in the removal election, provided at least as many votes are cast in the original election in which the director was elected, with respect to member-elected Board members.

Directors appointed by the Nominating and Governance Committee may also be removed without cause upon the affirmative vote of at least three-fourths (3/4) of the total voting power of the Board (excluding the voting power of the director in question).

b) Elected Directors

A director voted onto the Board by a particular membership category may only be removed by that particular membership category. A director who is being removed for

failing to attend in person more than one-half (1/2) of the regular meeting of the Board during any twelve-month period shall be removed upon the affirmative vote of a majority of the membership category.

A director may also be removed without cause. Any action for removal of a director must first be initiated by a petition signed by forty (40) per cent of the membership category for categories with 50 members or less and twenty (20) per cent of the membership category for categories with 51 members or more.

A director who is being removed without cause may be removed upon the affirmative vote of at least three-fourths (3/4) of the total voting power of the membership category for categories with 50 members or less. A director who is being removed without cause may be removed upon the affirmative vote of at least three-fourths (3/4) of the votes cast by the eligible voters in the removal election, provided at least as many votes are cast as the original election in which the director was elected, for categories with 51 members or more.

Any action for removal of a director must first be initiated by a petition signed by forty (40) per cent of the membership category for categories with 50 members or less and twenty (20) per cent of the membership category for categories with 51 members or more.

Any vacancy occurring in the Board shall be filled as set forth for the election of that director. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office.

Section 6.14. Regular and Special Meetings.

The Board of Directors shall meet at regularly scheduled meetings at least four (4) times per year. The Board shall hold at least one (1) meeting each quarter. Special meetings of the Board shall be held upon the call of the President or upon the written request of not less than fifty (50) percent of the Board.

Section 6.15. Notice of Meetings.

Notice of each meeting of the Board of Directors stating the date, time and place of the meeting, and in the case of a special meeting the purpose for which the meeting is called, shall be given to each director of the Board by or at the direction of the President. Notice may be given either in writing or orally. Written notice may be delivered either personally, by mail, by private carrier, by facsimile or by electronic transmission. It shall be the responsibility of each Board member to update his or her current mailing address, telephone number, facsimile telephone number and e-mail address and service upon the last such address provided shall be deemed proper notice. Such notice shall be delivered to the director's business or residential address (or to such other address provided by the director for such purpose), to the director's facsimile telephone number or to the director's email address. Written notice shall be delivered no fewer than five (5) days before the date of the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail. If delivered by private carrier, such notice is deemed delivered upon deposit with the carrier. If transmitted by facsimile or electronic transmission such notice shall

be deemed to be given when the transmission is complete. Oral notice may be delivered either personally or telephonically. Such notice shall be delivered to the director (or to such other individual provided by the director for such purpose). Oral notice shall be delivered no fewer than two (2) days before the date of the meeting. Oral notice is effective when communicated. The method of notice need not be the same as to each director.

A director may waive notice of any meeting before, at, or after such meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6.16. Quorum.

The presence of a majority of the directors of the Board at the start of any meeting constitutes a quorum for the transaction of business, and the act of a majority of directors on the Board constitutes the act of the Board.

Section 6.17. Voting by Proxy.

No director may vote or act by proxy at any meeting of the Board.

Section 6.18. Presumption of Assent.

A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such director's dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the individual acting as the Secretary of the Board before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Board immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 6.19. Action Without a Meeting.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if each and every director of the Board in writing either: (i) votes for such action; (ii) votes against such action; or (iii) abstains from voting. Each director who delivers a writing described in this Section 6.18. to the corporation shall be deemed to have waived the right to demand that action not be taken without a meeting.

Section 6.20. Transacting Business by Mail, Electronic Mail, Telephone or Facsimile.

The Board of Directors shall have the power to transact its business by mail, electronic-mail, telephone, or facsimile, if in the judgment of the President the urgency of the case requires such action.

Section 6.21. Agenda.

The agenda for a meeting of the Board of Directors shall be set by the President, after consultation with the Chief Executive Officer. Any director of the Board may request that items be placed on the Board's agenda.

Section 6.22. Questions of Order and Board Meeting Leadership.

Questions of order shall be decided by the President unless otherwise provided in advance by the Board. The President shall lead meetings of the Board. If the President is absent from any meeting of the Board, then the President shall designate in writing in advance one (1) other director of the Board to preside. If the President is unable to make or has not made such a designation, the Board may choose another director to serve as presiding officer for that meeting.

Section 6.23. Effectiveness of Actions.

Actions taken at a meeting of the Board of Directors shall become effective immediately following the adjournment of the meeting, except as otherwise provided in the Bylaws or when a definite effective date is recited in the record of the action taken.

Section 6.24. Open and Executive Meeting Sessions.

Ordinarily, all meetings of the Board of Directors shall be open to USA-NKF members. In the event the President, with the consent of a majority of the directors of the Board in attendance, deems it appropriate: (i) to exclude members at an open meeting for any reason, then the President, as Chair, may declare that the meeting is closed, or (ii) to convene an executive session to consider and discuss matters relating to personnel, nominations, discipline, budget, salary, litigation or other sensitive matter, then the President may specifically designate and call an executive session. Further, the President may open a meeting of the Board to non-USA-NKF members, with the consent of a majority of the directors of the Board in attendance.

Section 6.25. Minutes of Meetings.

The minutes of all meetings of the Board of Directors shall be published on USA-NKF's web site. Every reasonable effort will be made to publish the minutes within thirty (30) days after approval of the minutes.

Section 6.26. Compensation.

Directors of the Board shall not receive compensation for their services as directors, although the reasonable expenses of directors may be paid or reimbursed in accordance with USA-NKF's policies. The Board of Directors may determine in accordance with any restrictions imposed by Colorado law that a director may be reasonably compensated for services (i.e. technical seminars, education programs, intellectual property provided or any compensation from the PKF or WKF) provided to the federation. The Board of Directors must approve the compensation prior to the Director receiving the compensation.

SECTION 7.

OFFICERS

Section 7.1. Designation.

The officers of USA-NKF shall be the Chief Executive Officer, President and a Secretary.

Section 7.2. Election/Selection.

The Board of Directors shall elect from among the directors of the Board, by majority vote, a presiding officer or Chair, to be known as President. The election shall be held at the first meeting of the Board on odd numbered years. The newly elected President shall take office immediately.

The Chief Executive Officer shall select a Secretary, and an Assistant Secretary, if needed. The Secretary, and Assistant Secretary, if any, shall be an employee of USA-NKF. Any Secretary or Assistant Secretary shall be approved by the Board. The Secretary and Assistant Secretary, if any, shall not be a director of the Board and shall not have a vote on the Board.

Section 7.3. Tenure.

The term of office of the President shall be two (2) years. The newly elected President (President-Elect) shall take office immediately. The President shall hold office until the President's successor is elected and qualified, or until the President's earlier resignation, removal, incapacity, disability or death.

The term of office of the Secretary, or the Assistant Secretary, if any, is unlimited. The Secretary shall hold office until his or her employment by the USA-NKF ends, upon the Secretary's resignation, upon removal by the Chief Executive Officer, upon removal by a majority of the Board of Directors, or upon the Secretary's incapacity, disability or death. The Assistant Secretary, if any, shall hold office until his or her employment by the USA-NKF ends, upon the Secretary's resignation, upon removal by the Chief Executive Officer, upon removal by a majority of the Board of Directors, or upon the Secretary's incapacity, disability or death. In any circumstance in which the Chief Executive Officer has not designated an employee to serve as Secretary, the Board of Directors may select a director of the Board or another individual employed by the USA-NKF to serve as Secretary.

Section 7.4. Authority and Duties of Officers.

The officers of USA-NKF shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the Board of Directors or these Bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law:

- a. President. The President shall: (i) set all meeting and meeting agendas, (ii) preside at all meetings of the Board of Directors, (iii) see that all Board commitments, resolutions and oversight are carried into effect, and (iv) exercise such powers and perform such other duties as from time to time may be assigned by the Board.
- b. Chief Executive Officer – As defined in Section 13.
- c. Secretary. The Secretary shall: (i) keep the minutes of the proceedings of the Board; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records; (iv) perform all duties incident to the office of Secretary and (v) perform such other duties as from time to time may be assigned to the Secretary by the Chief Executive Officer or by the Board.
- d. Assistant Secretary. An Assistant Secretary, if any, shall have the same duties and powers as the Secretary.

Section 7.5. Restrictions.

Officers of USA-NKF shall perform their functions with due care. No individual may serve simultaneously as an officer of USA-NKF and as an officer of an organization holding membership in USA-NKF or as an officer of another amateur sports organization that is recognized by the USOC as a National Governing Body.

Section 7.6. Term Limits.

No President shall serve more than four (4) terms during a twelve (12) year period.

For the initial President whose term of office expires on December 31, 2010, his or her time of service shall not constitute a full term. That President would be eligible to serve four (4) additional two (2) year terms immediately following his or her initial term.

When a President is elected to fill a vacancy because of the President's resignation, removal, incapacity, disability or death, and the remaining term is for more than one (1) year, such term shall constitute a full term. If the vacancy being filled is for one (1) or more years, the President can serve three (3) additional two (2) year terms following completion of the filled vacancy term. If the vacancy being filled is for less than one (1) year, the term shall not be a full term and the director can serve four (4) additional two (2) year terms following completion of the filled vacancy term. The President can be retained for an additional term if voted by a simple majority vote of the board. If the President does not receive a majority vote an election will be held for the President's position.

There is no term limit for the Chief Executive Officer or the Secretary.

Section 7.7. Resignation, Removal and Vacancies.

An officer's position with USA-NKF may be declared vacant upon the officer's resignation, removal, incapacity, disability or death. The President may resign at any time by giving written

notice to the Board. The Secretary or Assistant Secretary, if any, may resign at any time by giving written notice to the Chief Executive Officer. Such resignation shall take effect at the time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

The President may be removed for cause upon the affirmative vote of at least two-thirds (2/3) of the total voting power of the Board (excluding the voting power of the director in question). The President may also be removed not for cause upon the affirmative vote of at least three-fourths (3/4) of the total voting power of the Board (excluding the voting power of the director in question). The Secretary or Assistant Secretary, if any, may be removed by the Chief Executive Officer, with or without cause.

Any vacancy occurring in the President shall be filled by the Board, by majority vote. A President elected to fill a vacancy shall be elected for the unexpired term of such President's predecessor in office. A vacancy in the office of Secretary, or Assistant Secretary, if any, shall be filled by the Chief Executive Officer. Any individual selected to fill a vacancy in the office of Secretary, or Assistant Secretary, if any, shall be approved by the Board.

Section 7.8. Compensation.

The President shall not receive compensation for his or her service as President, although the reasonable expenses of the President may be paid or reimbursed in accordance with USA-NKF's policies. The Board of Directors may determine that the President may be reasonably compensated for services (i.e. technical seminars, education programs, intellectual property provided or any compensation from the PKF or WKF) provided to the federation. The Board of Directors must approve the compensation prior to the President receiving the compensation.

SECTION 8.

COMMITTEES

Section 8.1. Designation.

USA-NKF shall have the following standing committees: an Audit Committee, an Ethics Committee, a Judicial Committee, a Medical Committee, a Nominating and Governance Committee, a Referee Committee, and a Technical Committee. The Board of Directors or the Chief Executive Officer may appoint such other committees and task forces as the Board or Chief Executive Officer deem to be necessary and appropriate. The delegation of authority to any committee or task force shall not operate to relieve the Board or any director of the Board from any responsibility or standard of conduct imposed by law or these Bylaws and if any such committee or task force has one (1) or more members who are entitled to vote and who are not then also directors, such committee or task force may not exercise any power or authority reserved to the Board.

Section 8.2. Number.

Membership on standing committees typically shall not exceed five (5) individuals and shall only exceed five (5) individuals if necessary and appropriate and if approved by a majority of the Board of Directors. .

Section 8.3. Athlete Representation.

All committees and task forces shall have at least twenty (20) percent athlete representation so as to comply with the Ted Stevens Olympic and Amateur Sports Act and the USOC Bylaws.

Section 8.4. Tenure.

The term for all standing and other committee members shall be two (2) years. A committee member shall remain on the committee until the committee member's successor is appointed, or until the committee member's earlier resignation, removal, incapacity, disability or death.

The term for all task force members shall be until their assignment is concluded, but in any event shall not exceed a period of two (2) years.

Section 8.5. Term Limits.

No committee member of the Ethics, Judicial or Nominating and Governance shall serve for more than three (3) consecutive 2 year terms.

Section 8.6. Committee Member Attendance.

Committee and task force members are expected to participate in all regularly scheduled committee and task force meetings of which they are a member. Each committee or task force member must attend a minimum of at least one-half (1/2) of the committee or task force meetings of which they are a member during any twelve-month (12) period. If the Committee member misses more than one half of the Committee meetings in any twelve month period, the Board of Directors shall call for a recall election at which the group who has the authority to elect or appoint such member may remove the member.

Section 8.7. Resignation, Removal and Vacancies.

A committee or task force member's position on a committee or task force may be declared vacant upon the committee member's resignation, removal, incapacity, disability or death. A committee member may resign at any time by giving written notice to the Board of Directors, if appointed by the Board or to the Chief Executive Officer, if appointed by the Chief Executive Officer. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Committee or task force members may be removed by the Board if they fail to participate in more than one-half (1/2) of the regular committee or task force meetings during any twelve-month (12) period, unless they are able to demonstrate to the directors of the Board, or to the Chief Executive Officer, if appointed by the Chief Executive Officer, that the presence of exigent circumstances caused and excused the absences. In such circumstances, the absent committee or task force member can be removed upon the affirmative vote of a majority of the voting power of the Board (not including the voting power of the absent committee member in question, if also a director), or upon the determination of the Chief Executive Officer, if appointed by the Chief Executive Officer. Committee members may also be removed for cause upon the affirmative vote of at least two-thirds (2/3) of the total voting power of the Board (excluding the voting power of the committee member in question, if also a director), or upon the determination of the Chief Executive Officer, if appointed by the Chief Executive Officer. Committee members may also be removed not for cause upon the affirmative vote of at least three-fourths (3/4) of the total voting power of the Board (excluding the voting power of the director in question, if also a director), or upon the determination of the Chief Executive Officer, if appointed by the Chief Executive Officer.

Any vacancy occurring in a committee or task force shall be filled as set forth for the appointment of that committee or task force member. A committee or task force member appointed to fill a vacancy shall be appointed for the unexpired term of such committee or task force member's predecessor in office.

Section 8.8. Procedures.

Each committee and task force shall establish procedures for conducting its business and affairs. Such procedures shall be subject to prior board approval and will be published and available on the USA-NKF's website.

Section 8.9. Open and Executive Meeting Sessions.

Ordinarily, all committee and task force meetings shall be open to USA-NKF members. In the event the committee or task force chair, with the consent of a majority of the committee or task force members in attendance, deems it appropriate: (i) to exclude members at an open meeting for any reason, then the chair may declare that the meeting is closed, or (ii) to convene an executive session to consider and discuss matters relating to personnel, nominations, discipline, budget, salary, litigation or other sensitive matter, then the chair may specifically designate and call an executive session. Further, the chair may open a meeting of the committee or task force to non-USA-NKF members, with the consent of a majority of the members of the committee or task force in attendance.

Section 8.10. Minutes of Meetings.

Each committee and task force shall take minutes of its meetings. Meeting minutes should be submitted to the Secretary to include in the corporate record.

Section 8.11. Compensation.

Committee and task force members shall not receive compensation for their services as committee or task force members, although the reasonable expenses of committee and task force members may be paid or reimbursed in accordance with USA-NKF's policies. Committee and task force members who are not directors of the Board may receive compensation for services rendered to or for the benefit of USA-NKF in any other capacity, provided the Board of Directors gives explicit approval in accordance with Colorado law.

Section 8.12. Audit Committee.

The Audit Committee shall be appointed and have the responsibilities as follows:

- a. The Board of Directors shall appoint the members of the Audit Committee and its chair, all of whom shall be directors of the Board. An Independent Director or At-Large Director of the Board with financial experience shall be on the Audit Committee.
- b. The Audit Committee shall –
 1. select the independent auditors of USA-NKF, review the report of the independent auditors and management letter, and recommend action as needed;
 2. investigate matters of fiscal controls and disclosure and such other matter as directed by the Board; and
 3. perform such other duties as assigned by the Board.

Section 8.13. Coaches Committee.

The Coaches Committee shall be appointed and have the responsibilities as follows:

- a. The President shall appoint the members of the Coaches Committee and its chair, with approval by the Board of Directors.
- b. The Coaches Committee shall:
 1. define and develop curricula for the training and education of coaches;
 2. develop and monitor a certification program to augment the training and educational system;
 3. create appropriate materials and manuals to assist coaches;
 4. coordinate, develop and administer seminars and clinics for coaches;
 5. provide a current list of all certified coaches to the National Office; and
 6. perform such other duties as assigned by the Board of Directors or Chief Executive Officer.

Section 8.14. Ethics Committee.

The Ethics Committee shall be appointed and have the responsibilities as follows:

- a. The Board of Directors shall appoint the members of the Ethics Committee and its chair. Members of the Ethics Committee shall satisfy the standards of independence for “independent directors” as set forth in these Bylaws. No director of the Board shall be appointed to the Ethics Committee.
- b. The Ethics Committee shall –
 1. develop, and review on an annual basis, a Code of Ethics for the Board, officers, committee and task force members, volunteers, staff and member organizations for adoption by the Board;
 2. generally administer and oversee compliance with the Code of Ethics;
 3. review and investigate matters of ethical impropriety and make recommendations on such matters to the Board;
 4. review and provide guidance on ethical questions presented to it by the Board, officers, committee and task force members, volunteers, staff and USA-NKF members;
 5. perform such other duties as assigned by the Board of Directors or Chief Executive Officer.

Section 8.15. Judicial Committee.

The Judicial Committee shall be appointed and have the responsibilities as outlined in Section 14 and as follows:

- a. The Board of Directors shall appoint the members of the Judicial Committee and its chair. No director of the Board shall be appointed to the Judicial Committee.

- b. The Judicial Committee shall –
 - 1. generally administer and oversee all administrative grievances and right to compete matters filed with USA-NKF;
 - 2. identify individuals who would be fair and impartial and who would have the qualifications and ability to serve on hearing panels;
 - 3. hear and render a decision, or appoint a panel to hear and render a decision, on grievances and disciplinary matters;
 - 4. perform such other duties as assigned by the Board of Directors.

Section 8.16. Medical Advisory Committee.

The Medical Advisory Committee shall be appointed and have responsibilities as follows:

- a. The President shall appoint the members of the Medical Advisory Committee and its chair, with approval of the Board of Directors.
- b. The Medical Committee shall:
 - 1. As requested to do so by the Board of Directors or Chief Executive Officer, make recommendations regarding selection of national team medical personnel;
 - 2. Provide feedback on proposed changes to the rules of competition and the impact to athlete safety.
 - 3. As requested to do so by the Board of Directors or Chief Executive Officer, coordinate and arrange for the provision of medical services to national teams at international and domestic competitions;
 - 4. Review current research data regarding medical issues, pharmaceuticals, and prevention and treatment of injuries and periodically report to the Board of Directors regarding that review;
 - 5. Compile medical reports from national team medical personnel and periodically report to the Board of Directors regarding that compilation;
 - 6. develop educational programs whereby experts in the appropriate field will advise athletes, coaches and officials on: (a) the prevention and care of athletic injuries; (b) available medications, supplies, equipment, immunizations and other preventive health requirements; (c) proper nutrition and the use of supplements; and (d) the prevention of drug abuse in sports; and
 - 7. perform such other duties as assigned by the Board of Directors

Section 8.17. Nominating and Governance Committee.

The Nominating and Governance Committee shall be elected/selected and have the responsibilities as follows:

- a. The initial Nominating and Governance Committee shall consist of the Transition Board appointed pursuant to the Restructure Plan adopted by USA-NKF; provided,

that if any member of the Transition Board desires to seek election to the new Board, that individual shall be precluded from serving on the Nomination and Governance Committee. In such a case, the remaining members of the Nominating and Governance Committee by unanimous vote shall select/elect an individual to serve on the Nominating and Governance Committee to replace the Transition Board Member who is seeking election. The individual who is elected/selected as replacement shall come from the same class as the individual who they are replacing.

- b. Subsequent Nominating and Governance Committees shall be selected as follows—
 - 1. one (1) individual elected by the previous Nominating and Governance Committee from that Committee, who shall be the chair;
 - 2. one (1) individual who is independent as that term is defined in these Bylaws and who is selected by the previous Nominating and Governance Committee;
 - 3. one (1) athlete as elected by the Athlete members (full members);
 - 4. one (1) coach or referee as elected by the Coach and Referee members; and
 - 5. one (1) representative as elected by Approved Sports Organization members.

No director of the Board or Chief Executive Officer shall be elected/selected to the Nominating and Governance Committee. Members of the Nominating and Governance Committee are precluded from serving as a Board director, Chief Executive Officer, or as a member of the Ethics or Judicial Committee for a period of two (2) years after their service on the Nominating and Governance Committee ends.

- c. The Nominating and Governance Committee shall –
 - 1. identify and evaluate prospective candidates for the Board;
 - 2. select individuals to serve on the Board as provided in these Bylaws;
 - 3. recommend as requested by the Board individuals to serve on various committees and task forces;
 - 4. consult as needed with the Ethics Committee with respect to vetting all nominations for potential conflict of interest or other problematic background issues;
 - 5. develop and recommend to the Board for its consideration an annual self-evaluation process of the Board and its committees and task forces;
 - 6. oversee the election for the Board, including supervising preparation of a list of members eligible to vote , supervising the issuance of ballots and supervising the counting of ballots to determine the election vote;
- d. perform such other duties as assigned by the Board of Directors In considering a candidate for nomination to the Board, the Nominating and Governance Committee takes into consideration:
 - 1. the candidate’s contribution to the effective functioning of the USA-NKF;
 - 2. any potential or impending change in the candidate's principal area of responsibility with his or her company or in his or her employment;

3. whether the candidate continues to bring relevant experience to the Board;
4. whether the candidate has the ability to attend meetings and fully participate in the activities of the Board;
5. the candidate's reputation for personal integrity and commitment to ethical conduct;
6. whether the candidate has developed any relationships with another organization, or other circumstances have arisen, that might make it inappropriate for the director to continue serving on the Board; and
7. any other qualification the Nominating and Governance Committee deems appropriate to select a qualified and capable director.

Section 8.18. Referee Committee.

The Referee Committee shall be appointed and have the responsibilities as follows:

- a. The President shall appoint the members of the Referee Committee and its chair, with approval by the Board of Directors.
- b. The Referee Committee shall:
 1. Maintain the rules of competition with advice from the technical and medical committee and National Staff. Board of Director approval is required for all changes to the rules of competition.
 2. Coordinate officials for domestic and international competitions under the direction of the Chief Executive Officer or its delegate.
 3. define and develop curricula for the training and education of referees;
 4. develop and monitor a certification program to augment the training and educational system;
 5. create appropriate materials and manuals to assist referees;
 6. coordinate, develop and administer seminars and clinics for referees;
 7. provide a current list of all certified referees to the National Office; and
 8. perform such other duties as assigned by the Board of Directors or Chief Executive Officer.

Section 8.19. Technical Committee.

The Technical Committee shall be appointed and have the responsibilities as follows:

- a. The President shall appoint the members of the Technical Committee and its chair, with approval by the Board of Directors.
- b. The Technical Committee shall:
 1. advise the Board of Directors in technical matters related to Karate-do

2. provide feedback on proposed changes to the rules of competition and the impact on technical matters of Karate-do.
3. organize technical meetings that contribute to the proper technical feedback of ASO , national, and international affiliated organizations
4. organize and present technical seminars for the membership of the USA-NKF
5. supervise Dan certification for the USA-NKF
6. help maintain and teach Kata standards and technical understanding of the four major styles of Karate recognized by the WKF (Shotokan, Shito Ryu, Goju Ryu, Wado Ryu)
7. relate and teach an understanding of Kata from other recognized styles of Karate and encourage their participation (Japanese, Okinawan, Korean, etc.)
8. relate and teach an understanding of weapons Kata (Kobudo, Buki Waza, Iaido)
9. to perform other such duties as assigned by the Board of Directors or Chief Executive Officer.

SECTION 9.

ANNUAL KARATE ASSEMBLY

Section 9.1. Purpose.

There shall be an annual Karate Assembly at which all individual and organization members and other Karate constituencies shall gather and provide input to the Board of Directors on important issues confronting the organization. The Board shall provide a report on the “State of the Union.” The Chief Executive Officer shall provide a managerial report addressing issues of concern and importance to USA-NKF. Individual and organization members and other Karate constituencies may pose questions to the Board and Chief Executive Officer for response. The annual Karate Assembly shall be purely advisory and shall have no rulemaking, budgetary, legislative, or other authority. The Board shall determine the agenda of the annual Karate Assembly. Notwithstanding the foregoing, an annual meeting of the voting members is not required.

Section 9.2. Place.

The annual Karate Assembly shall be held in conjunction with a meeting of the Board of Directors. The Board meeting shall take place after the annual Karate Assembly. If practicable, the annual Karate Assembly shall also be held in conjunction with a major USA-NKF competition.

Section 9.3. Notice.

Notice of the annual Karate Assembly stating the place, date and time of the Assembly shall be posted on the website of USA-NKF no fewer than thirty (30) days before the date of the meeting.

SECTION 10.

ATHLETES' ADVISORY COUNCIL

Section 10.1. Transition.

During the transition period contemplated by the USA-NKF Governance Restructure Plan, the members of the Athletes' Advisory Council as of July 2007, which number 15, shall remain on the Athletes' Advisory Council. Their terms shall expire at the time the new Athletes' Advisory Council is elected as provided for in the following Sections.

Section 10.2 Designation.

The USA-NKF shall have an Athletes' Advisory Council consisting of seven (7) individuals.

Section 10.3. Qualifications.

Those individuals: (i) who have represented the United States as athletes in the Olympic Games, the Pan American Games, World Championships or other Operation Gold event in the sport of Karate within the ten (10) year period prior to December 31 of the year in which the election is held, or (ii) who have competed in and medaled at the USA-NKF's National Championships as an athlete within the two (2) year period prior to the date the election is held shall be eligible to run for election to the Athletes' Advisory Council. Additionally, in order to be eligible to run for election, an individual shall be a citizen of the United States and eighteen (18) years of age or older by December 31 of the year in which the election is held. The athletes shall make reasonable efforts to insure that there is adequate representation on the Athletes' Advisory Council of male and female athletes and of Kata and Kumite disciplines.

Section 10.4. Election/Selection.

Five (5) individuals shall be elected to the Athletes' Advisory Council as follows. An individual who wishes to run for election to the Athletes' Advisory Council and to be placed on the ballot shall self nominate him/herself for election. Those individuals: (i) who have represented the United States as athletes in the Olympic Games, the Pan American Games, World Championships or other Operation Gold event in the sport of Karate within the ten (10) year period prior to December 31 of the year in which the election is held, or (ii) who have competed in and finished in the top half at the USA-NKF's National Championships as an athlete within the two (2) year period prior to the day the election is held shall be eligible to vote in the election. Additionally, in order to be eligible to vote in the election, an individual shall be a citizen of the United States and eighteen (18) years of age or older by December 31 of the year in which the election is held. Further, an individual shall be a member of USA-NKF sixty (60) days prior to the date of the election (record date) in order to be eligible to vote in the election. The election shall take place after conclusion of the Summer Olympic Games, but prior to January 1 of the year following the Summer Olympic Games. The five (5) individuals with the

highest vote totals are elected to the Athletes Advisory Council. The sixth (6th) and seventh (7th) position on the Athletes' Advisory Council shall be filled by USA-NKF's representative to the USOC Athletes' Advisory Council and by the USA-NKF's alternate representative to the USOC's Athlete Advisory Council.

Section 10.5. Tenure.

The term for members of the Athletes' Advisory Council shall be for four (4) years. A member shall remain on the Athletes' Advisory Council until the member's successor is elected and qualified, or until the member's earlier resignation, removal, incapacity, disability or death.

Section 10.6. Term Limits.

No Athletes Advisory Council member shall serve for more than two (2) consecutive terms.

Section 10.7. Chair.

The Athletes' Advisory Council shall elect from among its members, by majority vote, a chair. The term of office of the chair shall be four (4) years. The newly elected chair shall take office immediately. The chair shall hold office until the chair's successor is elected and qualified, or until the chair's earlier resignation, removal, incapacity, disability or death.

Section 10.8. Board of Directors.

The Athletes' Advisory Council shall elect from among its members, by majority vote, an individual who shall be an athlete director on the Board.

Section 10.9. Procedures.

The Athletes Advisory Council shall establish procedures for conducting its business and affairs. Such procedures shall be published and available on USA-NKF's website.

Section 10.10. Open and Executive Meeting Sessions.

Ordinarily, all meetings of the Athletes' Advisory Council shall be open to USA-NKF members. In the event the Athletes Advisory Council chair, with the consent of a majority of the Athletes Advisory Council members in attendance, deems it appropriate: (i) to exclude members at an open meeting for any reason, then the chair may declare that the meeting is closed, or (ii) to convene an executive session to consider and discuss matters relating to personnel, nominations, discipline, budget, salary, litigation or other sensitive matter, then the chair may specifically designate and call an executive session. Further, the chair may open a meeting of the Athletes' Advisory Council to non-USA-NKF members, with the consent of a majority of the members of the Council in attendance.

Section 10.11. Compensation.

Athlete Advisory Council members shall not receive compensation for their services as Athlete Advisory Council members. USA-NKF shall pay for the reasonable expenses of all members of the Athletes Advisory Council to attend Athletes Advisory Council meetings. In addition, USA-NKF shall pay for the reasonable expenses of the two (2) athlete Board directors to attend USA-NKF Board meetings.

SECTION 11.

USOC ATHLETES' ADVISORY COUNCIL

Section 11.1. Designation.

The USA-NKF shall have a representative and an alternate representative to the USOC Athletes' Advisory Council.

Section 11.2. Qualifications.

Those individuals who have represented the United States as athletes in the Olympic Games, the Pan American Games, World Championships or other Operation Gold event in the sport of Karate within the ten (10) year period prior to December 31 of the year in which the election is held shall be eligible to run for election to the USOC Athletes' Advisory Council. Additionally, in order to be eligible to run for election, an individual shall be a citizen of the United States and eighteen (18) years of age or older by December 31 of the year in which the election is held.

Section 11.3. Election/Selection.

An individual who wishes to run for election to the USOC Athletes' Advisory Council and to be placed on the ballot shall self nominate him/herself for election. Those individuals who have represented the United States as athletes in the Olympic Games, the Pan American Games, World Championships or other major international competitions in the sport of Karate within the ten (10) year period prior to December 31 of the year in which the election is held shall be eligible to vote in the election. Additionally, in order to be eligible to vote in the election, an individual shall be a citizen of the United States and eighteen (18) years of age or older by December 31 of the year in which the election is held. The election shall take place after conclusion of the Summer Olympic Games, but prior to January 1 of the year following the Summer Olympic Games. The individual with the highest vote total is elected as athlete representative to the USOC Athletes' Advisory Council. The individual with the second highest vote total of the opposite gender (as is required by the USOC Athletes' Advisory Council), is elected as the alternate representative to the USOC Athletes' Advisory Council.

Section 11.4. Tenure.

The term for all representatives to the USOC Athletes' Advisory Council shall be for four (4) years. A representative shall remain on the USOC Athletes' Advisory Council until the representative's successor is elected and qualified, or until the representative's earlier resignation, removal, incapacity, disability or death.

Section 11.5. Term Limits.

No representative to the USOC Athletes' Advisory Council shall serve for more than two (2) consecutive terms. There is no is term limit restriction for the position of alternate representative.

SECTION 12.

USOC NATIONAL GOVERNING BODIES' COUNCIL

Section 12.1. Designation.

The USA-NKF shall have a representative and an alternate representative to the USOC National Governing Bodies' Council.

Section 12.2. Election/Selection.

The Chief Executive Officer shall be USA-NKF's representative to the USOC National Governing Bodies' Council. The President or Secretary shall be USA-NKF's alternate representative to the USOC National Governing Bodies' Council.

SECTION 13.

CHIEF EXECUTIVE OFFICER

Section 13.1. Designation.

USA-NKF shall have a Chief Executive Officer.

Section 13.2. Tenure.

The Chief Executive Officer shall be employed by the Board of Directors for whatever term the Board deems appropriate. The Chief Executive Officer may be removed by the Board at any time, with or without cause, but removal shall not affect the contract rights, if any, of the Chief Executive Officer. If the Chief Executive Officer has a contract of employment with USA-NKF, the contract shall provide that the Chief Executive Officer's employment may be terminated by the Board with or without cause.

Section 13.3. Secretary General.

The Chief Executive Officer shall serve as Secretary General of USA-NKF and in that capacity shall represent the USA-NKF in relations with the international sports federation for the sport of Karate recognized by the International Olympic Committee (currently the World Karate Federation) and at international Karate functions and events. The Chief Executive Officer may appoint a Secretary General to serve in place of the Chief Executive with consent of the Board of Directors.

Section 13.4. Responsibilities.

The Chief Executive Officer shall:

- a. develop a strategy for achieving the USA-NKF's mission, goals and objectives and present the strategy to the Board of Directors for approval;
- b. prepare and submit quadrennial and annual budgets to the Board for approval;
- c. determine the staff needed to effectively carry out USA-NKF's mission, goals and objectives, within USA-NKF's budget;
- d. oversee the hiring and termination of all staff;
- e. either directly or by delegation manage all staff functions;
- f. be responsible for resource generation and allocation of resources;
- g. coordinate USA-NKF's international activities;
- h. with the President, act as the USA-NKF's spokesperson;
- i. perform all functions as usually pertain to the office of Chief Executive Officer.

SECTION 14.

COMPLAINT PROCEDURES

Section 14.1. Designation of Complaints.

The following kinds of complaints may be filed with USA-NKF:

- a. **Administrative Grievance.** The USA-NKF or any member of USA-NKF may file a complaint pertaining to any matter within the cognizance of the USA-NKF, including but not limited to any alleged violation of or grievance concerning: (i) any USA-NKF rule or regulation, (ii) any provision of USA-NKF's Bylaws, or (iii) any provision of the Ted Stevens Olympic and Amateur Sports Act relating to USA-NKF's recognition as a National Governing Body;
- b. **Right to Participate or Compete.** Any athlete, coach, trainer, manager, administrator or official may file a complaint pertaining to any alleged denial, or alleged threat to deny, of that individuals opportunity to participate or compete in a USA-NKF sanctioned competition.

Section 14.2. Jurisdiction.

Any member of the USA-NKF, by reason of membership, agrees to be subject to these complaint procedures and agrees to be bound by any decision rendered pursuant to these complaint procedures.

Section 14.3. Manner of Filing.

The complainant shall file a written complaint with the Judicial Committee. The complaint shall set forth in clear and concise language, preferably in numbered paragraphs: (i) the alleged violation, grievance, denial or threat to deny, and (ii) the remedy requested. The complainant shall sign the complaint.

Section 14.4. Filing Fee.

A complaint filed by an individual shall be accompanied with a \$250.00 filing fee. A complaint filed by an organization shall be accompanied with a \$500.00 filing fee, except that the USA-NKF is not required to pay a filing fee. The complainant may request that the filing fee be reduced or waived for reasons of significant financial hardship. If such request is made, the Judicial Committee shall determine whether or not to reduce or waive the filing fee. Further, a Hearing Panel may determine as part of its decision that the filing fee should be refunded for just cause.

Section 14.5. Statute of Limitations.

A complaint filed under these Bylaws shall be filed within one hundred and eighty (180) days of the occurrence of the alleged violation, grievance, denial or threat to deny.

Section 14.6. Doping Decisions.

A decision concerning a doping violation adjudicated by the independent anti-doping organization designated by the USOC to conduct drug testing (currently the United States Anti-Doping Agency) shall not be reviewable through, or the subject of, these complaint procedures.

Section 14.7. Field of Play Decisions.

The final decision of a referee during a competition regarding a field of play decision (a matter set forth in the rules of the competition to be within the discretion of the referee) shall not be reviewable through, or the subject of, these complaint procedures unless the decision is: (i) outside the authority of the referee to make, or (ii) the product of fraud, corruption, partiality or other misconduct of the referee. For purposes of this Section, the term “referee” shall include any individual with discretion to make field of play decisions.

Section 14.8. Administration.

The Judicial Committee shall generally administer and oversee all administrative grievances and right to compete matters filed with USA-NKF. The Judicial Committee shall be responsible to ensure that all complaints are heard in a timely, fair and impartial manner. The Judicial Committee may promulgate procedures in addition to those set forth in these Bylaws for the effective administration of complaints filed with USA-NKF.

Section 14.9. Hearing Panel.

Upon the filing of a complaint, the chair of the Judicial Committee, after consultation with the other Committee members, shall appoint a hearing panel consisting of three (3) individuals to hear the complaint. The Judicial Committee shall also appoint a chair of the hearing panel. Judicial Committee members may be appointed to and serve on the hearing panel. Other disinterested individuals identified by the Judicial Committee may also be appointed to and serve on the hearing panel. At least one (1) member of the hearing panel shall be an athlete. Members of the panel need not be members of USA-NKF or involved in the sport of Karate.

Section 14.10. Conduct of the Proceeding.

The Hearing Panel shall rule on all motions and other matters raised in the proceeding. If the complaint is not dismissed, the hearing panel shall hold a hearing on the complaint. The hearing panel shall set such timelines and other rules regarding the proceeding and the conduct of the hearing as it deems necessary. Testimony shall be taken under oath.

The hearing may be conducted by teleconference, if necessary or convenient to the parties. Each party shall have the right to appear personally or through a legal representative. All parties shall be given a reasonable opportunity to present and examine evidence, cross-examine witnesses and to present argument. Members of the hearing panel shall have the right to question witnesses or the parties to the proceeding at any time.

Any party may have a record made of the hearing. A court reporter may be present at the hearing at the request of a party. The court reporter shall be paid for by the party requesting the court reporter, or if mutually agreed, the cost may be equally divided. Any transcript shall be paid for by the party requesting the transcript.

Section 14.11. Due Process Considerations.

In any hearing conducted pursuant to these Bylaws, the parties shall be provided with the following:

- a. notice of the charges or alleged violations, with specificity and in writing, and possible consequences if the charges are found to be true;
- b. reasonable time between receipt of the notice of charges and the hearing with respect to the charges, within which to prepare a defense;
- c. notice of the identity of adverse witnesses provided in advance of the hearing;
- d. the right to have the hearing conducted at such a time and place so as to make it practicable for the person charged to attend;
- e. a hearing before a disinterested and impartial body of fact finders;
- f. the right to be assisted in the presentation of one's case at a hearing, including the assistance of legal counsel, if desired; however all fees shall be paid by the party seeking assistance of legal counsel;
- g. the right to present oral and written evidence and argument;
- h. the right to call witnesses to testify at the hearing, including the right to have individuals under the control of an adverse party attend; and to confront and cross-examine such individuals;
- i. the right to have a record (i.e., transcript) made of the hearing (In this regard, the reporter shall be paid for by the party requesting the reporter; and a copy of any transcript shall be provided to the other party upon payment of half of the cost. Any transcript ordered by a party shall be made available to the Hearing Panel upon request of the Hearing Panel);
- j. the burden of proof shall be on the proponent of the charge, which burden shall be at least a "preponderance of the evidence" unless an applicable rule of law provides for a higher burden of proof;
- k. a written decision, with reasons therefore, based solely on the evidence of record, handed down in a timely fashion; and
- l. written notice of appeal procedures, if the decision is adverse to the person charged, and the prompt and fair adjudication of any appeal.

Section 14.12. Expedited Procedures.

Upon the request of a party, and provided that it is necessary to expedite the proceeding in order to resolve a matter relating to a competition that is so scheduled that compliance with regular procedures would not be likely to produce a sufficiently early decision to do justice to the affected parties, the Judicial Committee is authorized to order that the complaint be heard and decided within forty-eight (48) hours of the filing of the complaint. In such a case, the hearing panel is authorized to hear and decide the complaint pursuant to such procedures as are necessary, but fair to the parties involved.

Section 14.13. Complaints Involving Selection to Participate in a Competition.

Where a complaint is filed involving selection of an individual to participate in a competition, the complainant shall include with the complaint a list of all other individuals, together with their contact information, that may be adversely affected by a decision rendered on the complaint. The adverse party to the complaint shall also submit a list of individuals, together with their contact information, that may be adversely affected by a decision rendered on the complaint. The hearing panel shall determine those individuals who must receive notice of the complaint. The complainant shall then be responsible for providing appropriate notice to these individuals. Any individual so notified then shall have the option to participate in the proceeding as a party. If an individual is notified of the complaint, then that individual shall be bound by the decision of the hearing panel even though the individual chose not to participate as a party.

Section 14.14. Decision.

A decision shall be determined by a majority of the hearing panel. The hearing panel's decision shall be in writing and distributed to the parties.

Section 14.15. Arbitration.

A party may appeal an adverse decision to the Board of Directors, which shall consider the appeal. No party shall have the right to a hearing before the Board of Directors with respect to such appeal. However, the Board of Directors may determine that such a hearing is necessary to a fair consideration of the appeal. Any party may appeal a decision of the Board of Directors to the American Arbitration Association. The arbitrator appointed by the American Arbitration Association shall have the authority to hear the matter anew or if requested by a party to render a decision on a more limited review. Either party may submit the decision of the hearing panel to the arbitrator for the arbitrator's consideration. The arbitrator may give whatever weight or authority to the hearing panel's decision as the arbitrator deems appropriate.

SECTION 15.

SANCTIONING EVENTS

Section 15.1. Prompt Review of Request.

USA-NKF shall promptly review every request submitted by an ASO or person for a sanction and make a determination on such request: (i) to hold an international or national amateur athletic competition in the United States, or (ii) to sponsor U.S. Karate athletes to compete in an international athletic competition held outside the United States.

Section 15.2. Standard for Review.

If USA-NKF, as a result of its review: (i) does not determine by clear and convincing evidence that holding or sponsoring an international or national amateur athletic competition would be detrimental to the best interest of Karate, and (ii) confirms that the amateur sports organization or person meets the requirements for obtaining a sanction as set forth in these Bylaws, then USA-NKF shall grant the sanction requested by the amateur sports organization or person.

Section 15.3. Requirements for Holding an International or National Amateur Athletic Competition in the United States.

An amateur sports organization or person requesting a sanction to hold an international or national amateur athletic competition in the United States shall comply with the following requirements:

- a. submits, in the form required by USA-NKF, an application to hold such competition;
- b. pays to USA-NKF the required sanctioning fee, provided that such fee shall be reasonable and nondiscriminatory;
- c. upon request submits to USA-NKF an audited or notarized financial report of similar events, if any, conducted by the organization or person; and
- d. demonstrates that –
 1. appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur competition;
 2. appropriate provision has been made for validation of records which may be established during the competition;
 3. due regard has been given to any international amateur athletic requirements specifically applicable to the competition;
 4. the competition will be conducted by qualified officials;
 5. proper medical supervision will be provided for athletes who will participate in the competition; and

6. proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition;

Section 15.4. Requirements for Sponsoring U.S. Karate Athletes to Compete in An International Athletic Competition Held Outside the United States.

An amateur sports organization or person requesting a sanction to sponsor U.S. Karate athletes to compete in an international athletic competition held outside the United States shall comply with the following requirements:

- a. submits, in the form required by USA-NKF, an application to hold such competition;
- b. pays to USA-NKF the required sanctioning fee, provided that such fee shall be reasonable and nondiscriminatory;
- c. submits a report of the most recent trip to a foreign country, if any, that the amateur sports organization or person sponsored for the purpose of having United States amateur athletes compete in international amateur athletic competition, and
- d. submits a letter from the appropriate entity that will hold the international amateur athletic competition certifying that –
 1. appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur competition;
 2. appropriate provision has been made for validation of records which may be established during the competition;
 3. due regard has been given to any international amateur athletic requirements specifically applicable to the competition;
 4. the competition will be conducted by qualified officials;
 5. proper medical supervision will be provided for athletes who will participate in the competition; and
 6. proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition

SECTION 16.

RECORDS OF THE CORPORATION

Section 16.1. Minutes.

USA-NKF shall keep as permanent records minutes of all meetings of the Board of Directors, a record of all actions taken by the Board without a meeting, and a record of all waivers of notices of meetings of the Board.

Section 16.2. Accounting Records.

The USA-NKF shall maintain appropriate accounting records.

Section 16.3. Membership List.

USA-NKF shall maintain a record of the members in a form that permits preparation of a list of the names and addresses of the members in alphabetical order, by class.

Section 16.4. Records In Written Form.

USA-NKF shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 16.5. Website.

USA-NKF shall maintain a website for dissemination of information to its members. USA-NKF shall post on its website its Bylaws. Additionally, USA-NKF shall post on its website its most recent annual financial statement and its most recent 990 Form filed with the Internal Revenue Service.

Section 16.6. Records Maintained at Principal Office.

USA-NKF shall keep a copy of each of the following records at its principal office:

- a. the articles of incorporation;
- b. these Bylaws;
- c. rules or regulations adopted by the Board of Directors pertaining to the administration of the sport of Karate;
- d. the minutes of all meetings of the Board of Directors, and records of all action taken by the Board without a meeting, for the past three (3) years;
- e. all written communications within the past three (3) years to the members generally as the members;

- f. a list of the names and business or home addresses of the current directors and officers;
- g. a copy of the most recent corporate report delivered to the Colorado secretary of state;
- h. all financial statements prepared for periods ending during the last three (3) years;
- i. USA-NKF's application for recognition of exemption and the tax-exemption determination letter issued by the Internal Revenue Service; and
- j. all other documents or records required to be maintained by USA-NKF at its principal office under applicable law or regulation.

Section 16.7. Inspection of Records by Members.

The following rights and restrictions shall apply to the inspection of records by members:

- a. **Records Maintained at Principal Office.** A member shall be entitled to inspect and copy, during regular business hours at USA-NKF's principal office, any of the records of the USA-NKF described in Section 16.6., provided that the member gives USA-NKF written demand at least five (5) business days before the date on which the member wishes to inspect and copy such records. Copies of records shall be at the requester's expense.
- b. **Financial Statements.** Upon the written request of any member, USA-NKF shall mail to such member its most recent annual financial statements showing in reasonable detail its assets and liabilities and results of its operations.
- c. **Membership List.**
 - 1. **Preparation of Membership Voting List.** After determining the members entitled to vote in an election USA-NKF shall prepare, by class, an alphabetical list of the names of all members who are entitled to vote. The list shall show for each member entitled to vote, that member's name and address, and the number of votes the member is entitled to cast.
 - 2. **Right of Inspection.** A member shall be entitled to inspect and copy, during regular business hours at USA-NKF's principal office, a list of members who are entitled to vote in an election, provided that (i) the member has been a member for at least three (3) months immediately preceding the demand to inspect or copy, (ii) the demand is made in good faith and for a proper purpose reasonably related to the member's interest as a member, (iii) the member gives USA-NKF written demand at least five (5) business days before the date on which the member wishes to inspect and copy such voting list, (iv) the member describes with reasonable particularity the purpose for the inspection, and (v) the inspection of the list of members is directly connected with the described purpose. Any member seeking to inspect and copy a membership list shall, prior to such inspection and copying, execute a signed agreement in the form as approved by USA-NKF limiting the use of such list in accordance with Section 16.7.c.3.
 - 3. **Limitation on Use of Membership Voting List.** Without consent of the Board of Directors, a membership voting list may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the previous sentence, without the consent of the Board a membership

voting list may not be: (i) used to solicit money or property; (ii) used for any commercial purpose; or (iii) sold to or purchased by any person.

d. Scope of Members' Inspection Rights.

1. Agent or Attorney. The member's duly authorized agent or attorney has the same inspection and copying rights as the member.
2. Right to Copy. The right to copy records under these Bylaws includes, if reasonable, the right to receive copies made by photographic, xerographic, electronic or other means.
3. Reasonable Charge for Copies. USA-NKF may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to a member. The charge may not exceed the estimated cost of production and reproduction of the records.
4. Litigation. Nothing in these Bylaws shall limit the right of a member to inspect records to the same extent as any other litigant if the member is in litigation with USA-NKF, or the power of a court to compel the production of corporate records for examination.

SECTION 17.

CODE OF ETHICS

Section 17.1. Code of Ethics.

USA-NKF shall adopt a Code of Ethics for directors of the Board, officers, committees, task forces, members, employees and others who are associated with USA-NKF. The Code of Ethics shall be approved by the Board. The Ethics Committee shall oversee implementation of and compliance with the Code of Ethics.

SECTION 18.

FIDUCIARY MATTERS

Section 18.1. Indemnification.

USA-NKF shall defend, indemnify and hold harmless each director of the Board and each officer from and against all claims, charges and expenses which he or she incurs as a result of any action or lawsuit brought against such director or officer arising out of the latter's performance of his or her duties in the USA-NKF, unless such claims, charges and expenses were caused by fraud or willful misconduct on the part of said officer or director.

Section 18.2. Discharge of Duties.

Each director of the Board and officer shall discharge his or her duties: (i) in good faith, (ii) with the care an ordinarily prudent individual in a like position would exercise under similar circumstances, and (iii) in a manner the director or officer reasonably believes to be in the best interests of USA-NKF.

Section 18.3. Conflicts of Interest.

If any director of the Board, officer, committee or task force member has a financial interest in any contract or transaction involving USA-NKF, or has an interest adverse to USA-NKF's business affairs, and that individual is in a position to influence a determination with regard to the contract, transaction or business affair, such individual shall: (i) disclose the conflict of interest, (ii) not participate in the evaluation of the contract, transaction or business affair and (iii) not vote on the contract, transaction or business affair.

The standard of behavior at the USA-NKF is that all staff, volunteers and board members scrupulously avoid conflicts of interest between the interests of the USA-NKF on the one hand, and personal professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

The purposes of this policy are to protect the integrity of the USA-NKF's decision-making process, to enable the members to have confidence in the integrity of the board, and to protect the integrity and reputations of the volunteers, staff and board members.

All board members will disclose any interests in any transaction or decision he/her (including his/her business or nonprofit affiliations), his/her family, significant other, employer, or close associates will receive an advantage, benefit or gain. All board members will refrain from voting on, or otherwise addressing, any issue before the board in which that board member has a conflict of interest.

Section 18.4. Prohibited Loans.

No loans shall be made by USA-NKF to the President, to any director of the Board, or to any committee or task force member or to any USA-NKF employee. Any Chair, director, committee or task force member or USA-NKF employee, who assents to or participates in the making of any such loan, shall be liable to USA-NKF for the amount of such loan until it is repaid.

SECTION 19.

FINANCIAL MATTERS

Section 19.1. Fiscal Year.

The fiscal year of USA-NKF shall commence January 1 and end on December 31 each year.

Section 19.2. Budget.

USA-NKF shall have an annual budget.

Section 19.3. Audit.

Each year USA-NKF shall have an annual audit of its books and accounts prepared by an independent certified public accountant as recommended by the Audit Committee. The Audit Committee shall provide the auditors report to the Board of Directors upon completion.

Section 19.4. Individual Liability.

No individual director of the Board or officer shall be personally liable in respect of any debt or other obligation incurred in the name of USA-NKF pursuant to the authority granted directly or indirectly by the Board of Directors.

Section 19.5. Irrevocable Dedication and Dissolution.

The property of USA-NKF is irrevocably dedicated to charitable purposes, and no part of the net income or assets of USA-NKF is organized and operated for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.

SECTION 20.

MISCELLANEOUS PROVISIONS

Section 20.1. Severability and Headings.

The invalidity of any provision of these Bylaws shall not affect the other provisions of these Bylaws, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

Section 20.2. Savings Clause.

Failure of literal or complete compliance with any provision of these Bylaws in respect of dates and times of notice, or the sending or receipt of the same, or errors in phraseology of notice of proposals, which in the judgment of the directors of the Board do not cause substantial injury to the rights of the directors, shall not invalidate the actions or proceedings of the directors at any meeting.

Section 20.3. Non-discrimination Policy.

The USA-NKF is dedicated to the principles of equal employment opportunity in any and all terms, conditions or privileges of employment including hiring, promotions, termination, training and compensation. The USA-NKF does not discriminate against applicants or employees on the basis of age, race, sex, color, religion, national origin, disability, veteran status, sexual orientation, gender identity or expression, genetic information or any other status protected by federal, state or local law, where applicable.

SECTION 21.

AMENDMENTS OF BYLAWS

Section 21.1. Amendments.

These Bylaws may be amended, repealed, or altered, in whole or in part, and new Bylaws may be adopted, by a majority of directors of the Board at any meeting duly called and at which a quorum is present, provided, however, that any meeting at which a change, repeal or alteration to the Bylaws, in whole or part, is contemplated must state such change in the Agenda as a separate item and said Agenda shall be disseminated amongst the Board members at least thirty (30) days in advance of the meeting at which such item is to be addressed.

SECTION 22.

EFFECTIVE DATE AND TRANSITION

Section 22.1. Effective Date and Election/Selection of New Board.

These Bylaws shall be effective when adopted by the current Board of Governors or by the Board of Directors as provided for in Article XXVI of USA-NKF's Bylaws dated July 2002. Immediately upon adoption, the Transition Board appointed pursuant to the USA-NKF Governance Restructure Plan shall be seated and shall serve as the Board with full authority to conduct all affairs of USA-NKF as set forth in these Bylaws. The Transition Board will continue for such period of time sufficient to ensure that the USA-NKF has a proper governance structure in place and has the managerial and financial capability to plan and execute its obligations and fulfill its mission as a National Governing Body. The Transition Board shall initiate a process to have a new Board elected/selected pursuant to these Bylaws that the new Board can be seated at the termination of the Transition Board.