

## BYLAWS OF

WORLD SERVICE OFFICE, INC. (the "Corporation" or "WSO")

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

## ARTICLE 1. OFFICES

## 1.01 PRINCIPAL OFFICE

The principal office for the transaction of the activities and affairs of the Corporation ("Principal Office") is located at 16155 Wyandotte Street, Van Nuys, California 91406. The board of directors of the Corporation ("Board") may change the principal office from one location to another. Any change of this location shall be noted by the secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

## 1.02 OTHER OFFICES

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

## ARTICLE 2. OBJECTIVES AND PURPOSES

The general objectives of the Corporation shall be to carry the message of recovery to addicts who still suffer from addiction and to provide support to the Fellowship of Narcotics Anonymous in their efforts to provide opportunity to recover from addiction.

A specific purpose of the Corporation shall be to hold in a fiduciary capacity for the Fellowship of Narcotics Anonymous as given voice by its groups through their regional service representatives at the World Service Conference the rights to, by license agreement from Alcoholics Anonymous General Service Office, the use, control, publication and management of the Twelve Steps and Twelve Traditions of Narcotics Anonymous.

A specific purpose of the Corporation shall be to provide administrative, organizational and logistical services to the World Service Conference ("WSC") of Narcotics Anonymous and the Fellowship of Narcotics Anonymous at large and in such other capacities as the conference may desire or direct.

A specific purpose of the Corporation shall be to hold in a fiduciary capacity for the Fellowship of Narcotics Anonymous as given voice by its groups through their regional service representatives at the World Service Conference the ownership rights to the exclusive control, use, printing, duplicating, sales, distribution, licensing for production, printing, duplicating, sales and use of all the intellectual properties, logos, trademarks, copyrighted materials, emblems or other intellectual and physical properties of the WSC, the Fellowship of Narcotics Anonymous.

as a whole and such boards and committees of the WSC as may be directed by the WSC pursuant to Section 11.02.

A specific purpose of the Corporation shall be to control and manage the exclusive production, printing, manufacture or reproduction of the properties or the licensing for such production, printing, manufacture of the properties of the Fellowship of Narcotics Anonymous and offer said properties for sale to the fellowship and the general public.

A specific purpose of the Corporation shall be to provide service to individual addicts seeking recovery from addiction or groups of individual addicts seeking recovery from addiction and to assist the general public in understanding addiction and the Narcotics Anonymous program for recovery from addiction. Such assistance may include direct and indirect communication with addicts, organizations, agencies, governments and the public at large.

A specific purpose of the Corporation shall be to publish and distribute periodicals written or prepared by and for the Fellowship of Narcotics Anonymous as the Corporation may be directed to by the WSC pursuant to Section 11.02.

A specific purpose of the Corporation shall be to hold and manage in a fiduciary capacity the income produced by any of the activities described above in such manner that the other purposes outlined or assumed or as may be later assigned are satisfactorily accomplished when such is done within the spirit of the Twelve Steps and Twelve Traditions of Narcotics Anonymous.

### ARTICLE 3. NONPARTISAN ACTIVITIES

The Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the public purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

### ARTICLE 4. DEDICATION OF ASSETS

The properties and assets of the Corporation are irrevocably dedicated to the promotion of social welfare. No part of the net earnings, properties, or assets, of the Corporation on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or director of the Corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to the promotion

of social welfare, provided that the organization continues to be dedicated to the exempt purposes as specified in Internal Revenue Code Section 501(c)(3).

## ARTICLE 5. MEMBERS

**5.01 MEMBERS PROHIBITED.** The Corporation shall not have any members.

**5.02 EFFECT OF PROHIBITION.** Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval by the Board. All rights which would otherwise vest under the Non-profit Corporation Law in the members shall vest in the Board.

## ARTICLE 6. DIRECTORS

### 6.01 POWERS

1. Subject to any limitations in the Articles of Incorporation or these Bylaws, the business affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, or committee or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under ultimate direction of the Board.

2. Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:

- a. Select and remove all officers, agents, and employees of the Corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation.
- b. Change the principal executive office or principal business office in the State of California from one location to another within or outside the State; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting or meetings, including annual meetings.
- c. Adopt, make, and use a corporate seal.
- d. Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

## 6.02 NUMBER AND QUALIFICATION OF DIRECTORS

The authorized number of directors shall be twelve (12), which number may be changed only by amendment of these Bylaws. The qualifications for directors are (a) present membership in good standing in the Fellowship of Narcotics Anonymous, and (b) recovery from any use of any mind or mood altering chemical, as commonly described as "using" by the Fellowship of Narcotics Anonymous, effective June, 1992, a minimum of eight years clean time will be required for Board membership.

## 6.03 ELECTION

1. Nine (9) of the twelve (12) authorized director positions shall be filled by majority vote of the Board at the annual meeting of the Board, or by mail in such manner as set forth in these Bylaws following the expiration of the term of such director position(s) in accordance with Section 6.04. In order to conform with the goals and interests of the WSC and to form a closer working relationship with WSC, said nine (9) director positions shall be filled from a panel of nominations submitted to the WSO by the WSC in the following manner:
  - a. 180 days prior to each annual meeting of the WSC, the Board shall submit to WSC the number of director positions which have become or are about to become vacant by virtue of expiration of the term of office for those named directors by the next annual meeting of the Board.
  - b. At the annual meeting of the WSC, the WSC shall cause to have submitted to the then existing Board, a panel of nominations for election to the positions available that year.
  - c. The panel of nominations, as heretofore described, shall consist in number of at least one or more nominations for positions available that year. Any person selected by the WSC to the panel of nominations shall be eligible to be elected to the Board from the panel of nominations for a period of three (3) years from the date such person is placed on the panel of nominations by the WSC. Such person may be elected by the Board to any available three (3) year term or such shorter term as may be available due to a vacancy on the Board.
  - d. The existing Board may submit to the WSC their suggestions and requests for nominations which, if submitted, shall accompany the original notice to the WSC which indicates the number of positions to be filled for that year (or as soon thereafter as such suggestions and requests are available), however, it is specifically noted that WSC is in no way obligated to follow any such requests or is in no way bound to any such suggestions made pursuant hereto in the compilation of the nomination panel described heretofore.

Any such directors shall be eligible for election for a maximum of three (3) consecutive three (3) year terms provided they continue to meet the qualifications required by Section 6.02 of these Bylaws, and provided further that any such

director is included in the panel of nominations submitted to the WSO by the WSC following the expiration of such director's previous term.

- e. Following the expiration of the term of any person elected to the Board from the panel of nominations, such person must be reelected to a subsequent panel of nominations by the WSC in order to be eligible to be reelected to the Board, regardless of whether such person's initial term on the Board is one, two or three years.
2. Three (3) of the twelve (12) director positions shall be specifically reserved in continuum for election by the WSC, to be filled by designation as follows:

- a. The WSC, at its annual meeting, shall cause to have elected three (3) individuals who shall sit in three (3) designated director positions heretofore described and provided for, for a one (1) year term. The Board shall seat the individuals elected at each WSC at the Board's next annual meeting immediately following the election of the individuals.
- b. The WSC shall determine its own procedure for designating said three (3) individual directors.

Nothing herein shall be construed as any limitation on WSC's election procedure as it deems fit to impose.

- c. Said directors shall continue to serve in the capacity of designated directors until their replacement is selected by the WSC and seated at the annual meeting of the Board unless such person is removed, refuses to serve or fails to serve in such capacity, in which case the position may be filled by compliance with the provisions of the Bylaws which provide for the filling of a vacancy on the Board. Directors appointed under the provisions of Section 6.03 2.a. may not serve consecutive one (1) year terms. However, upon the expiration of a director's one (1) year term, said director will automatically be deemed to have been elected to the panel of nominations submitted by the WSC to the Board pursuant to Section 6.03 1.b. in such year and shall be eligible for election to the Board as if he or she had been elected by the WSC to the panel of nominations.

In the event that the WSC does not cause any one or more of the three (3) designated director positions to be filled pursuant to Section 6.03 2.a. in any year, the Board may fill such unfilled position(s) for such one (1) year term from the panel of nominations submitted to the Board by the WSC pursuant to Section 6.03 1.b. to the extent there are nominees available on such panel.

3. No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) any brother, sister, ancestor, descendent, spouse, brother-

in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of each such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

#### **6.04 TERM OF OFFICE**

The term of each of the nine (9) directors who are elected pursuant to Section 6.03 1. of these Bylaws shall be three (3) years from the date of his or her election to the Board (or such shorter term as was available due to a vacancy on the Board). The term of each of the three (3) directors who are elected pursuant to Section 6.03 2. of these Bylaws shall be one (1) year from the date of the annual meeting of the Board immediately following the election of such individual at the WSC until the acceptance of the minutes at the next annual meeting of the Board.

#### **6.05 VACANCIES**

1. A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal for cause (as provided in Section 6.06 1. of any director; (ii) the removal of a director pursuant to Section 6.06 of these Bylaws; or (iii) the increase of the authorized number of directors.
2. Except as provided below, any director may resign by giving written notice to the chairman of the Board, or the secretary of the Board, or the executive director. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the Corporation would be left without a duly elected director or directors.
3. Vacancies on the Board shall be filled by a majority vote of the directors then in office at the time such vacancy exists, whether or not less than a quorum, or by a sole remaining director from the panel of nominations submitted to the Board by the WSC pursuant to Section 6.03 1.b.
4. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

#### **6.06 REMOVAL OF DIRECTORS**

1. The Board may declare vacant the office of any incumbent who has been:
  - a. Declared of unsound mind by a final order of a court; or
  - b. Convicted of a felony subsequent to their assumption of office as a director; or
  - c. Found by a final order or judgment of any court to have breached statutory duties relating to a director's standard of conduct under the California Nonprofit Corporation Law; or

- d. Found, after investigation by the Board, to have been "using" any mind or mood altering chemical as commonly described by Narcotics Anonymous; or
  - e. Found by the Board to have failed to attend or participate in any other manner as provided for herein, two (2) or more consecutive meetings in any twelve (12) month period, or three (3) meetings in total during such twelve (12) month period of the Board; provided, however, that any of the three (3) designated directors heretofore described as appointed by the WSC shall be removed pursuant to this section only in conjunction with the written consent of the chairperson of the WSC.
2. No director shall be removed without cause.
  3. The vote necessary to remove any director on any of the foregoing causes shall be a majority of the other directors present at a duly held meeting at which a quorum is present or in the alternative such removal may be accomplished by the unanimous written consent of the other directors without a meeting.
  4. Any action challenging the validity of any removal of a director must be commenced within six (6) months after the removal. After the six (6) month period, the removal is conclusively presumed valid, in the absence of fraud.

#### 6.07 DIRECTORS' MEETINGS

1. Regular meetings of the Board may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the Principal Office of the Corporation at such times as may be fixed by the Board. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting, or if not stated in the notice, at the Principal Office of the Corporation. Notwithstanding the above provisions of this Section 6.07 1., a regular or special meeting of the Board may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.
2. The Board shall hold an annual meeting at the Principal Office of the Corporation within sixty (60) days following the conclusion of the annual meeting of the WSC, for the purpose of organization, election of officers and transaction of other business. Notice of this meeting is not required.
3. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

## 6.08 SPECIAL MEETINGS

Special meetings of the Board for any purpose may be called at any time by the chairperson of the Board or the vice chairperson, the secretary, or any two directors.

1. Notice of the time and place of each special meeting shall be given to each director by one of the following methods: (1) in writing by personal delivery; (2) by first-class mail, postage paid; (3) by telephone communication, either directly to the director or to a person at the director's place of employment who would reasonably be expected to communicate such notice promptly to the director; or (4) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Corporation.
2. Notice sent by first class mail shall be deposited into a United States mail box at least ten (10) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting.
3. The notice shall state the time and place for the meeting. However, it need not specify the purpose of the meeting, or the place of the meeting if it is to be held at the Principal Office of the Corporation.

## 6.09 QUORUM

Fifty percent (50%), plus one director of the authorized directors pursuant to Section 6.02 shall constitute a quorum for the transaction of business. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

## 6.10 WAIVER OF NOTICE

Any required notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice.



## **6.11 ADJOURNMENT**

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

## **6.12 ACTION WITHOUT A MEETING**

Any action that the Board is required or permitted to take may be taken without a meeting if all the members of the Board consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in Section 5233 of the California Corporations Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

## **6.13 COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Directors shall serve without compensation, but may receive such reimbursement of expenses as the Board may determine by resolution to be just and reasonable to the Corporation at the time that the resolution is adopted.

## **6.14 COMMITTEES**

1. The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and persons who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office, or at the pleasure of the Board if the Board as a whole does not make the appointments. One or more directors may be appointed as alternate members of any such committee, who may replace any absent member at the meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:
  - a. Fill vacancies on the Board or on any committee that has the authority of the Board;
  - b. Fix compensation of the directors for serving on the Board or on any committee;
  - c. Amend or repeal Bylaws or adopt new Bylaws;
  - d. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;

- e. Create any other committees of the Board or appoint the members of committees of the Board;
  - f. Approve any contract or transaction to which the Corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233 (d) (3) of the California Corporations Code; or
  - g. Approve any action for which the California Nonprofit Corporation Law requires approval of the Board or of a majority of the Board.
2. Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by decision of the chairperson of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee, provided they are consistent with these Bylaws.

## **ARTICLE 7. OFFICERS**

### **7.01 OFFICERS OF THE CORPORATION**

The officers of the Corporation shall be a chairperson, a vice chairperson, a secretary, and a treasurer. The Corporation may also have, at the Board's discretion, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section 7.03 of these Bylaws. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the chairperson or the executive director. Any person who qualifies under these Bylaws to sit as a director of the Corporation shall be qualified to be an officer.

### **7.02 ELECTION OF OFFICERS**

The officers of the Corporation, except those appointed under Section 7.03 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board and shall hold their respective offices until their resignation, removal, or other disqualification from service and until their respective successors are elected and qualify. Officers of the Corporation shall serve without compensation.

### **7.03 OTHER OFFICERS**

The Board may appoint and may authorize the chairperson of the Board, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

#### **7.04 REMOVAL OF OFFICER**

Any officer may be removed with or without cause by the Board and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal.

#### **7.05 RESIGNATION OF OFFICERS**

Any officer may resign at any time by giving written notice to the chairman of the Board, or the secretary of the Board, or the executive director. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective.

#### **7.06 VACANCIES IN OFFICE**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies shall be filled as they occur and not on an annual basis.

#### **7.07 RESPONSIBILITIES OF OFFICERS**

1. **CHAIRPERSON:** Subject to such supervisory powers as the Board may give, if any, and subject to the control of the Board, the chairperson shall be the general manager of the Corporation and shall supervise and direct the Corporation's activities, affairs, and officers. The chairperson of the Board shall preside at all Board meetings. The chairperson shall have such other powers and duties as the Board or the Bylaws may prescribe.
2. **VICE CHAIRPERSON:** If the chairperson is absent or disabled, the vice chairperson shall perform all duties of the chairperson. When so acting, the vice chairperson shall have all powers of and be subject to all restrictions on the chairperson. The vice chairperson shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.
3. **SECRETARY:**
  - a. **Book of Minutes.** The secretary shall keep or cause to be kept, at the Corporations' Principal Office or such other place as the Board may direct a book of minutes of all meetings, proceedings and actions of the Board and of committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, and the names of those present at Board and committee meetings. The secretary shall keep or cause to be kept, at the Principal Office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

- b. **Notices, Seal, and Other Duties.** The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by applicable law or these Bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

4. **TREASURER:**

- a. **Books of Account.** The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The treasurer shall give or cause to be given to the directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times.
- b. **Deposit and Disbursement of Money and Valuables.** The treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the chairperson of the Board, and the Board, when requested, an account of all transactions and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.
- c. **Bond.** If required by the Board, the treasurer shall give the Corporation a bond (with the surety or sureties) in the amount specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the treasurer upon death, resignation, retirement, or removal from office. Any bond required by this Section will be paid for by the Corporation.

5. **EXECUTIVE DIRECTOR:** The executive director of the Corporation shall be selected by the Board and serve as the officer in charge of daily operation of the Corporation. The executive director shall serve under contract to the Board and in that contract the duties, responsibilities and authorities of the executive director shall be specified. The executive director may be assigned authority to perform responsibilities provided for in these Bylaws to be performed by others. The executive director shall be considered an officer of the Corporation but shall have no vote in the proceedings of the Board.

## **ARTICLE 8. INDEMNIFICATION**

### **8.01 RIGHT OF INDEMNITY**

To the fullest extent permitted by law, the Corporation shall indemnify its directors, officers, employees, and other persons described in Section 523(a) of the California Corporations Code, including any person formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in Article 8, shall have the same meaning as in Section 5238(a) of the California Code.

### **8.02 APPROVAL OF INDEMNITY**

On written request to the Board by any person seeking indemnification under Section 5638(b) or Section 5238(c) of the California Corporation Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, application for indemnification shall be made by the Corporation to the Court as authorized in Section 5238(e)(3) of the California Corporations Code.

### **8.03 ADVANCEMENT OF EXPENSES**

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 8.01 and 8.02 of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

### **8.04 INSURANCE**

The Corporation shall have the right to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

## **ARTICLE 9. RECORDS AND REPORTS**

### **9.01 MAINTENANCE OF CORPORATE RECORDS**

The Corporation shall keep:

1. Adequate and correct books and records of account.
2. Minutes in written form of the proceedings of its Board and committees of the Board.

All such records shall be kept at the Corporation's Principal Office.

### **9.02 MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS**

The Corporation shall keep at its Principal Office the original or a copy of the Articles of Incorporation, and Bylaws as amended to date, which shall be open to inspection by the officers and directors of the Corporation at all reasonable times during office hours.

### **9.03 INSPECTION BY DIRECTORS**

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

### **9.04 ANNUAL REPORT**

The Board shall cause an annual report to be sent to the directors within one hundred twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

1. The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
2. The principal changes in assets and liabilities, including trust funds.
3. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes.
4. The expenses or disbursement of the Corporation for both general and restricted purposes.
5. Any information required by Section 9.05 of these Bylaws.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized employee of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an annual report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided however, that the information specified above for inclusion in an annual report must be furnished annually to all directors who request it in writing.

#### **9.05 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS**

No later than one hundred twenty (120) days after the close of the Corporation's fiscal year, the Corporation shall prepare and mail or deliver to each director a statement of the amount and circumstances of any transaction or indemnification of the following kind:

1. Any transaction(s) in which the Corporation, its parent or its subsidiary was a party, and in which any director or officer of the Corporation, its parent or subsidiary had a direct or indirect financial interest.
2. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the Corporation pursuant to Article 8 hereof.

#### **ARTICLE 10. PROHIBITION AGAINST SHARING PROFITS OR ASSETS**

No director, officer, employee, or other person connected with the Corporation, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this provision shall not prevent payment to any such person of reasonable compensation for services rendered to or for the Corporation affecting its purposes as shall be fixed by resolution of the Board.

#### **ARTICLE 11. AFFILIATION WITH OTHER ORGANIZATIONS**

##### **11.01**

The Corporation is a service entity which serves a function within the totality of an organization known as Narcotics Anonymous. In so doing, it endorses the aims, goals and purposes of that organization, and in fact, by special endorsement per Section 11.02 hereinafter, it operates under the guidelines of the Twelve Traditions as espoused by Narcotics Anonymous.

##### **11.02**

All directors and officers of the Corporation shall be, and are, subject to, and will abide by, the principles of the Twelve Traditions of Narcotics Anonymous as set forth in the book identified and titled as *Narcotics Anonymous* and the Twelve Concepts and shall further abide

by motions adopted at each WSC meeting and implement decisions reached by the WSC as they pertain to operation of the Corporation. It is herein specifically acknowledged that the Corporation acts as a fiduciary in its dealings with WSC and the Fellowship of Narcotics Anonymous. Furthermore, the Corporation shall be subject to the decisions and actions of the Board of the WSO.

## ARTICLE 12. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person.

## ARTICLE 13. AMENDMENTS


The Board may adopt, amend or repeal the Articles of Incorporation and Bylaws at any regular or special meeting, provided that the Board shall not amend the provisions of Section 6.03(2) of these Bylaws without the concurrence of a majority vote of the participants at the annual WSC meeting.



*CERTIFICATE OF SECRETARY*

I, the undersigned, certify that I am the duly elected and acting Secretary of WORLD SERVICE OFFICE, INC., a California nonprofit corporation, and the above Bylaws, consisting of 17 pages, are the Bylaws of the Corporation as adopted at a meeting of the Board of Directors held on September 25, 1993, and that they have not been amended or modified since that date.

DATED: March 11, 1994

  
Tim K Bawen, Secretary

*Revised 8-25-93*

*Revised 9/15/93*

*Revised at BOD Meeting 9/25/93*

*Revised 11.01, page 16 at BOD Mtg. 3/5/94*

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