

BYLAWS OF
NARCOTICS ANONYMOUS WORLD SERVICES, INC.
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION
RECITALS

A. NARCOTICS ANONYMOUS WORLD SERVICES, INC. (the "Corporation") was incorporated under the name World Service Office, Inc. and is a successor by merger to World Convention Corporation, a California nonprofit public benefit corporation, all in order to create an organization that will contribute to the continuation and growth of Narcotics Anonymous by providing the highest possible quality of service and support to the Narcotics Anonymous Fellowship.

B. These Bylaws amend and restate the Bylaws of the Corporation, and therefore supersede and replace all of the Corporation's prior Bylaws and Bylaw amendments.

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 19737 Nordhoff Place, Chatsworth, California 91311. The Board (as defined in Section 6.01) 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. PURPOSES

The overriding specific purpose of the Corporation shall be to carry the message of recovery to addicts who still suffer from addiction, to provide support to the Fellowship of Narcotics Anonymous in their efforts to provide opportunity to recover from addiction, and to engage in any other activities related thereto legally permitted by an organization exempt under Internal Revenue Code Section 501(c)(3). In order to carry out its overriding specific purpose, the Corporation shall have the additional specific purposes set forth below.

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 delegates 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 (the "WSC") of Narcotics Anonymous and the Fellowship of Narcotics Anonymous at large and in such other capacities in accordance with the will of the WSC.

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 delegates at the WSC 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 otherwise in accordance with the will of the WSC.

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 in accordance with the will of the WSC.

A specific purpose of the Corporation shall be to administer the actions necessary to operate a World Convention that will create a collective demonstration of the unity of the fellowship of Narcotics Anonymous in the celebration of recovery, including the production and sale of various commemorative or other tangible materials in various forms that carry the fellowship name or message.

A specific purpose of the Corporation shall be to administer the action necessary to facilitate the communication of the message of recovery through workshops, correspondence and other means of communication, and to address philosophical issues and questions about the traditions and concepts of Narcotics Anonymous.

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, Twelve Traditions and Twelve Concepts of Narcotics Anonymous.

ARTICLE 3. NONPARTISAN ACTIVITIES

The Corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the charitable 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. MEMBERS

4.01 MEMBERS PROHIBITED. The Corporation shall not have any members, as such term is defined in Section 5056 of the California Corporations Code.

4.02 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 California Nonprofit Public Benefit Corporation Law in the members shall vest in the Board.

ARTICLE 5. NOMENCLATURE

As used in these Bylaws, the term "the Board" shall have the meaning of the term "the board of directors" as set forth in the California Nonprofit Public Benefit Corporations Law. Except as expressly provided otherwise herein, a "member" of the Board shall be deemed to be director as that term is defined and used in the California Nonprofit Public Benefit Corporations Law. In the interest of better carrying out its mission, the Board may choose to be called the "World Board" and may choose its members to be called "members" or some other title of honorable service without in any way constituting a change in such Board members' capacity, powers, duties, obligations or responsibilities as directors of a California nonprofit public benefit corporation. In no way shall the use of the term "member" be deemed to create a membership class of the Corporation, nor shall the use of the term "delegate" be deemed to create a class of delegates contemplated by Section 5152 of the California Corporations Code.

ARTICLE 6. BOARD

6.01 POWERS

1. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and 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 the ultimate direction of the Board.

2. Without prejudice to these general powers, and subject to the same limitations, the Board members 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, subject to the limitations on the powers of the Corporation as trustee as set forth in the Fellowship Intellectual Property Trust which, among other things, reserves from the trustee the power to encumber, mortgage or pledge copyrights, trademarks and service marks held by such trust.

6.02 NUMBER AND QUALIFICATION OF BOARD MEMBERS

The authorized number of Board members shall be twenty-four (24), which number may be changed only by amendment of these Bylaws. The qualifications for Board membership are (a) present membership in good standing in the Fellowship of Narcotics Anonymous, and (b) abstinence from any use of any mind or mood altering chemical, as commonly described as "using" by the Fellowship of Narcotics Anonymous, for a minimum of ten (10) continuous years clean time.

6.03 TERM OF OFFICE

Except as otherwise provided herein, Board members are selected for a term of six (6) years, with one-third of the Board members, as nearly as may be, selected every two (2) years. In order to facilitate the implementation of this staggered term system, the Board may establish interim procedures pursuant to which, among other things, all authorized Board members are selected in 1998 and with certain directors selected to hold office for terms of less than six (6) years.

6.04 SELECTION

1. All Board members shall hold office by virtue of selection pursuant to this Section 6.04 rather than by election or any other method. Selection of Board members shall be made by the chairperson of the Corporation, with the intent that such selection of Board members be made in accordance with the will of the WSC pursuant to the "External Guidelines" described below. Any questions or disputes as to the selection of Board members shall be resolved in accordance with the applicable provisions of such guidelines as may be approved by a majority of the members of the Board from time-to-time in accordance with the procedure established by a majority of the members of the Board for the approval of guidelines (the "External Guidelines"). It is anticipated that the External Guidelines will be drafted and implemented in accordance with the will of the WSC.

2. 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 Board member as Board member; 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 Section 6.04 2. shall not affect the validity or enforceability of any transaction entered into by the Corporation.

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 or resignation of any Board member; (ii) the removal of a Board member pursuant to Section 6.06; or (iii) the increase of the authorized number of Board members.
2. Except as provided below, any Board member may resign by giving written notice to the chairperson of the Corporation, or the secretary of the Corporation, or an executive director. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. Except on notice to the Attorney General of California, no Board member may resign if the Corporation would be left without a duly selected Board member or Board members.

3. Vacancies on the Board shall be filled by selection in accordance with the will of the WSC in the same manner as set forth in Section 6.04.
4. No reduction of the authorized number of Board members shall have the effect of removing any Board member before that Board member's term of office expires.

6.06 REMOVAL OF BOARD MEMBERS

1. Subject to the provisions of Section 6.06 5., 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 or equal offense subsequent to his or her assumption of office as a Board member; or
 - c. Found by a final order or judgment of any court to have breached statutory duties relating to a Board member's standard of conduct under the California Nonprofit Public Benefit 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. Such other grounds as shall be deemed to be caused under the External Guidelines, as amended from time-to-time in accordance with the provisions thereof.
2. No Board member shall be removed except for cause, which is defined as one or more of the grounds set forth in Section 6.06 1.
3. The vote necessary to declare vacant the office of any Board member shall be a two-thirds majority of the number of Board members then in office 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 Board members without a meeting.
4. Any action challenging the validity of any removal of a Board member must be commenced within six (6) months after the removal. After the six (6) month period, the removal shall be conclusively presumed valid, in the absence of fraud.
5. Any Board member removed by the Board may be reinstated as a Board member for all purposes for any remaining balance of such Board member's term by the chairperson, acting pursuant to the will of the WSC, in accordance with any and all applicable External Guidelines.

6.07 BOARD 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 Board members participating in the meeting can hear one another, and all such Board members shall be deemed to be present in person at such meeting.
2. The Board shall hold an annual meeting without notice at the Principal Office of the Corporation on such date in June of each year as the Board may fix from time to time, for the purpose of organization, election of officers and transaction of other business.
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 or the vice chairperson, the secretary, or any two Board members.

1. Special meetings of the Board shall be held upon ten days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means.
2. 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 Board member of the number of Board members then in office shall constitute a quorum for the transaction of business. Every action taken or decision made by a majority of the number of the Board members then in office 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 these Bylaws or the California Nonprofit Public Benefit 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. For example, so long as the number of Board Members in office is twenty-four (24), each Board action or decision at a duly held meeting shall require at least thirteen (13) affirmative votes. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Board members, if any action taken or decision made is approved by at least a majority of the number of Board members then in office.

6.10 WAIVER OF NOTICE

Any required notice of a meeting need not be given to any Board member 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 Board member 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 Board members present, whether or not a quorum is present, may adjourn a 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 Board members 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 Board member 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

Board members 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 may create one or more committees of the Board, each consisting of two or more Board members and no persons who are not Board members, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by a majority of the number of Board members then in office. One or more Board members may be appointed as alternate members of any such committee, who may replace any absent member at the meeting. There shall be an Executive Committee of the Board, consisting of the chairperson, the vice-chairperson, the secretary and the treasurer. The Executive Committee shall have all the authority of the Board, except that neither the Executive Committee nor any other committee of the Board may:
 - a. Fill vacancies on the Board or on any committee that has the authority of the Board;
 - b. Fix compensation of the Board members 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, unless such resolution by its express terms is amendable or repealable by committee action;
 - e. Create any 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 the Board members 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 Board 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 governance of any committee, provided they are consistent with these Bylaws.
3. All committee actions are subject to the review of the Board and may be repealed by the action of the Board.
4. The Board may create one or more advisory committees. Unless otherwise provided in these Bylaws or in any Board resolution, advisory committees may consist of one or more committee members, and committee membership may consist of Board members only, Board members and non-Board members together, or non-Board members only. Advisory committees shall

have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board.

5. There shall be an advisory committee designated as the "Guardians." There shall be four (4) members of the Guardians, all of whom shall be selected by the Board from among members of the Board. Acting as a kind of "bellwether" for the fellowship of Narcotics Anonymous and for the Board, the Guardians shall address principle-related issues, with responsibility of moving proactively on such issues by developing position papers and so forth, though the Guardians also may provide guidance on issues identified by the Fellowship of Narcotics Anonymous or the Board as problematic, controversial and/or topical. Remaining the "guardians" of the traditions and concepts of Narcotics Anonymous, the Guardians will also guide the Board in philosophical discussions that affect the continuation and growth of Narcotics Anonymous.

ARTICLE 7. OFFICERS

7.01 OFFICERS OF THE CORPORATION

The officers of the Corporation shall be a chairperson, a vice chairperson, a secretary, a treasurer and an executive director(s). The Corporation may also have, at the Board's discretion, one or more assistant secretaries, one or more assistant treasurers, an additional executive director(s), one or more assistant executive directors and such other officers as may be appointed in accordance with Section 7.03. 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(s). Any person who qualifies under these Bylaws to sit as a Board member of the Corporation shall be qualified to be an officer, except that only sitting Board members may serve as chairperson, vice chairperson, secretary or treasurer.

7.02 ELECTION OF OFFICERS

The officers of the Corporation, except those appointed under Section 7.03, 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 qualified. Sitting Board members serving as officers of the Corporation shall serve without compensation.

7.03 OTHER OFFICERS

The Board may appoint and may authorize the chairperson 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 chairperson or the secretary of the Board or the executive director(s). 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 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 Corporation's 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 Board members 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 Board member 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 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 shall be paid for by the Corporation.

5. **EXECUTIVE DIRECTOR(S):** There shall be one or two executive directors of the Corporation, who shall be selected by the Board and serve as the officers in charge of daily operation of the Corporation. The Board shall establish the duties, responsibilities and authorities of each executive director(s). The executive director(s) may be assigned authority to perform responsibilities provided for in these Bylaws to be performed by others. The executive director(s) shall be considered an officer of the Corporation and shall attend meetings of the Board, the Executive Committee and such other committees of the Board and advisory committees as the Board shall direct, but shall have no vote in the proceedings of the Board or of any committee.

ARTICLE 8. INDEMNIFICATION

8.01 RIGHT OF INDEMNITY

To the fullest extent permitted by law, the Corporation shall indemnify its Board members, officers, employees, and other persons described in Section 5238 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 this Article 8, shall have the same meaning as in Section 5238 of the California Corporations 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 Corporations 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) of the California Corporations Code has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Board members who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Board members 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 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, Board members, employees, and other agents, against any liability asserted against or incurred by any officer, Board members, employee, or agent in such capacity or arising out of the officer's, Board member'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 Board members of the Corporation at all reasonable times during office hours.

9.03 INSPECTION BY BOARD MEMBERS

Every Board member 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 Board member 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 Board members 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.

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 Board members 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 Board member 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 Board member 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 Board member of the Corporation pursuant to Article 8 hereof.

ARTICLE 10. PROHIBITION AGAINST SHARING PROFITS OR ASSETS

No Board member, 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, it operates under the guidelines of the Twelve Traditions as espoused by Narcotics Anonymous.

11.02: All Board members 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. In the exercise of their duties, the Board members and officers of the Corporation shall, in a manner consistent with the requirements of the California Nonprofit Public Benefit Corporations Law, act in a manner consistent with the will of the WSC and with the purposes of the Corporation as enunciated in the Articles of Incorporation of the

Corporation and these Bylaws. In accordance with foregoing, the Board members shall not act to amend or repeal any action adopted in accordance with the will of the WSC unless such act is also in accordance with the will of the WSC.

ARTICLE 12. CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Public Benefit Corporations 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 the Corporation, any other entity, 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, with the intention that such acts be taken in a manner consistent with the will of the WSC whenever expressed.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the duly elected and acting Secretary of NARCOTICS ANONYMOUS WORLD SERVICES, INC., a California nonprofit corporation, and the above Bylaws, consisting of sixteen (16) pages, are the Bylaws of the Corporation as adopted at a meeting of its Board held on 26 April, 1998, and that they have not been amended or modified since that date.

DATED: 4-27-98



Mario Tesoriero, Secretary

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

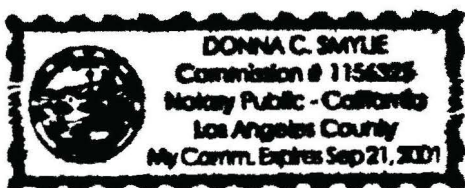
State of CALIFORNIA

County of LOS ANGELES

On 28 April 1998 before me, DONNA C. Smylie, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared MARIO TESORIERO
Name(s) of Signer(s)

☒ personally known to me - OR - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Donna C. Smylie
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: NAWS By laws

Document Date: April 27 1998 Number of Pages: 17

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: MARIO TESORIERO

- ☐ Individual
☒ Corporate Officer
Title(s): SECRETARY
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

WORLD SERVICE OFFICE
a NAWS SECRETARY

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here



Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing:

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OF SIGNER
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