

BYLAWS
of the
JACK MCGOVERN COATS' DISEASE FOUNDATION
A California Nonprofit Public Benefit Corporation

REVISED 12-10-2018 DRAFT

Article I. NAME

The name of this corporation is the **Jack McGovern Coats' Disease Foundation**.

Article II. PURPOSES

This corporation has been formed for charitable purposes. The specific purpose of this corporation is to provide public information and raise awareness about Coats' Disease, a disease of the eye for which there is currently no cure. In addition to providing public information and raising awareness, the Foundation intends to raise funds and make grants to other Foundations for medical research.

This corporation is formed for the purposes of performing all activities incidental to, or appropriate in, the achievement of its specific purpose stated above. However, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable purposes.

This corporation shall hold and may exercise all powers that are conferred on a nonprofit corporation by the laws of the State of California, and that may be necessary or expedient for the administration of the affairs and the attainment of the purposes of the corporation.

In no event shall the corporation engage in activities that are not permitted to be carried on by a corporation exempt under Section 501(c)(3) of the Internal Revenue Code.

Article III. PRINCIPAL OFFICE

The initial principal office of the corporation shall be located in the City of Burlingame, County of San Mateo, State of California. The Board of Directors may at any time change the location of the principal office from one location to another. The Board of Directors may at any time establish branch offices at any place where the corporation is qualified to do business.

Article IV. NONPARTISAN ACTIVITIES

The corporation has been formed under the California Nonprofit Public Benefit Corporation Law (Law) for the charitable purposes described above, and in 2008 was determined to have exempt status by the Internal Revenue Service under Internal Revenue Code Section 501(c)(3). The corporation shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of attempting to influence legislation, and the corporation shall not

participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

The corporation reserves the right to seek a qualified exemption under Internal Revenue Code Section 501(h), to engage in a limited amount of lobbying, including grass roots lobbying, as permitted by Section 501(h) for a 501(c)(3) exempt organization.

Article V. DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, director, or officer of this corporation. On liquidation or dissolution, all remaining properties and assets of the corporation shall be distributed and paid over to an organization dedicated to charitable purposes that has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Article VI. MEMBERSHIP

The corporation shall not have any members within the meaning of Section 5056 of the California Corporations Code. The corporation may use the term “members” to refer to persons associated with it, but such persons shall not be members within the meaning of Section 5056 of the California Corporations Code.

Article VII. BOARD OF DIRECTORS

Section 1. Powers. Subject to the provisions and limitations of the Law and any other applicable laws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the director of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the corporation to other individuals and committees, 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 of Directors.

Section 2. Number of Directors. The authorized number of directors of the corporation shall not be less than 5 (five) nor more than 11 (eleven), until changed by amendment of these bylaws. The Board of Directors shall fix the exact number of directors from time to time within these limits, and the Board shall elect and appoint all directors. (Revised by Board of Directors on October 21, 2015 at the monthly Board meeting).

Section 3. First Board of Directors Elected at Organizational Meeting. The first Board of Directors shall be elected at the organizational meeting, and the Board shall take over all duties from the Incorporator.

Section 4. Election, Designation, and Term of Directors. The initial Board of Directors shall serve until the next election. Except for the initial directors, the Board of Directors shall elect the directors. The term of each Director shall be five years, unless removed by the Board by vote at an earlier time. At the end of a Director's five-year term, the Director shall be eligible for election to another 5-year term. There is no limit on the length of time a Director may serve, including consecutive terms, if the Director continues to be re-elected by the Board.

Section 5. Fees and Compensation. Directors and members of committee may not receive any compensation for their services as such, but may receive reasonable reimbursement of expenses incurred in the performance of their duties. Directors may not be compensated for rendering services to this corporation in any capacity other than director, unless the compensation is reasonable and approved by the Board as provided in these bylaws.

Section 6. Vacancies. Vacancies on the Board may be filled by vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before the director's term of office expires.

Article VIII. BOARD MEETINGS

Section 1. Initial Meeting. The Board of Director shall hold the Initial Meeting wherein the following activities shall take place:

- Governing power over the Foundation shall be assumed by the Board, and call corporate powers shall be removed the Incorporator.
- The Board of Directors shall be take their position and be confirmed by the entire Board as the individuals who make up the board.
- The Officers of the Foundation shall be elected by nomination and vote. The candidate who receives the majority of votes shall be elected as the Officer being voted upon. If no candidate receives a majority on the first vote, then a subsequent election of the two directors receiving the most votes in the first election shall take place, and the majority winner in that election shall be elected to the Director position being voted on.
- The Board shall consider a tentative schedule of meetings to take place during the following year.
- The Board shall delegate assignments to the Officers and the other Board Members, as necessary to consider and carry forth the purpose and goals of the organization.

Section 2. Annual Meeting. The Board of Directors shall hold an annual meeting June of each year for the purpose of electing directors and officers of the corporation, if that is necessary, and for the transaction of other business. Notice of the annual meeting shall be given in the manner set forth below. Other regular meetings shall be held at such times as are fixed by the Board of Directors. Meetings may be held at any placed designated by the resolution of the Board. Special meetings shall be held at any place designated in the notice of the meeting. Notwithstanding the above, any meeting may be held at any place consented to in writing by all

the directors, either before or after the meeting. Consents shall be filed with the minutes of the meeting.

Section 3. Meetings by Conference Telephone or Other Forms of Communication. Any meetings may be held by conference telephone or other communications equipment permitted by the Law, as long as all directors participating in the meeting can communicate with one another and all other requirements of the Law are satisfied. All such directors shall be deemed to be present in person at the meeting.

Section 4. Calling and Giving Notice of Meetings. Meetings of the Board for any purpose may be called at any time by the President of the Board, the secretary, or any two (2) directors. Notice of the date, time, and place of meetings shall be delivered personally to each director or communicated to each director by telephone, including a voice messaging system that records and communicates messages, facsimile, or electronic mail at least forty-eight (48) hours prior to the meeting, or communicated by telegraph, express mail service, first-class mail. The notice need not specify the purpose of the meeting. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, lack of notice to the director. The waiver of the notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be file with the corporate records or made a part of the minutes of the meeting.

Section 5. Quorum for Action at a Meeting. Presence of a majority of the directors then in office at a Meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in the Bylaws. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by the Articles of Incorporation, these bylaws, or the Law. Directors may not vote by proxy. A meeting at which a quorum is initially present, including an adjourned meeting, may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a disinterested majority of the required quorum for the meeting, or a greater number as required by the Articles of Incorporation, these bylaws or the Law.

Section 6. Adjourned Meeting and Notice. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. This notice may be waived in the manner provided for in these Bylaws.

Section 7. Action Without a Meeting. The Board of Directors may take any required or permitted action without a meeting, if all members of the Bard individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as the unanimous vote of the directors. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the Law.

Article IX: STANDARD OF CARE OF DIRECTORS

Section 1. General. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner the director believes to be in the best interest of this corporation and with the care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

Section 2. Liability of Directors. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
- Legal counsel, independent accountants or other persons as to matter that the director believes to be within the person's professional or expert competence; or
- A committee of the Board on which the director does not serve, as to matters within the committee's designated authority, which committee the director believes to merit confidence.

Reliance on the information set forth above is justified as long as in any case, the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that cause such reliance to be unwarranted.

Except as proved in these Bylaws, a person who performs the duties of a director in accordance with the above shall have no liability based on any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omission that exceed or defeat a public or charitable purpose to which the corporation, or assets held by it, are dedicated.

Section 3. Loans. This corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the California Attorney General. Provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of the officer or director as long as the individual would be entitled to be reimbursed for the expenses absent that advance.

Section 4. Conflict of Interest. The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable California and federal laws governing conflict of interest applicable to nonprofit and charitable corporations and is not intended as an exclusive statement of responsibilities.

Section a. Definitions: Unless otherwise defined, the terms used in this section have the following meanings:

- **“Interested Person”** – Any director, principal officer, or member of a committee with governing Board delegated powers, that has a direct or indirect financial interest, as defined below, is an interested person.

- **“Financial Interest”** – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (1) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; (2) compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing Board committee decides that a conflict of interest exists.

Section b. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material factors to the directors, who are considering the proposed transaction or arrangement.

Section c. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the determination of a conflict of interest is discussed and voted on. The remaining Board members shall decide if a conflict of interest exists.

Section d. Procedure for Addressing the Conflict of Interest: In the event that the Board determines that a proposed transaction or arrangement presents a conflict of interest, the Board shall take the following actions:

- An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- The President of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the Board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the

transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction or arrangement in conformity with this determination.

Section e. Violations of the Conflict of Interest Policy. If the Board has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for the belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article X: OFFICERS

Section 1. Officers. The officers of the corporation shall consist of a President, Vice President, Secretary, and Treasurer, and such other officers as the Board may designate by resolution. The same person may hold any number of offices, except that neither the secretary nor the treasurer may serve concurrently as the President of the Board. In addition to the duties specified in this section, officers shall perform all other duties customarily incident to their office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, subject to control of the Board of Directors, and shall perform these additional duties as the Board of Directors shall assign.

Section 2. Chosen By Board at Initial Meeting and Annual Meeting. The officers shall first be chosen by the Board at its initial meeting. Subsequent to that, the Board shall choose its officers at its annual meeting. Directors shall serve at the pleasure of the Board. Any officer may be removed with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board of Directors, the President of the Board, or the secretary of the corporation. Any resignation shall take effect on the date of the receipt of the notice or at any later time specified in the resignation; an, unless otherwise specified in the resignation, and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective. 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.

Section 3. President of the Board The president of the Board shall, when present, preside at all meetings of the Board of Directors. The president is authorized to execute in the name of the corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the corporation.

Section 4. Vice President of the Board. The vice president shall, in the absence of the president, or in the even of his or her inability or refusal to act, perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president.

Section 5. Secretary & General Counsel of the Board. The secretary, or his or her designee, shall be custodian of all record and documents of the corporation that are to be kept at the principal office of the corporation, shall act as secretary of all the meetings of the Board of Directors, and shall kept the minutes of all meetings in books proposed for the purpose. He or she shall attend to the giving and serving of all notices of the corporation, and shall see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of the bylaws.

Section 4. Treasurer of the Board. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retain earnings, and other matters customarily included in financial statements.

The treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. The treasurer shall disburse or cause to be disbursed the funds of the corporation as may be ordered by the Board of Directors, and shall render to the president and directors, whenever they request it, an account of all of the treasurer's transactions as treasurer and of the financial condition of the corporation.

(Article X Revised by Board of Directors on October 21, 2015 at the monthly Board meeting).

Article XI: EXECUTION OF CORPORATE INSTRUMENTS

Section 1. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to executive any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and the execution or signature shall be binding on the corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the corporation, and other corporate instruments or documents shall be executed, signed, or endorsed by the President of the Board and one of the following: The vice president of the Board, the secretary, or the treasurer.

All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by the person or person as the Board of Directors shall authorized to do so.

Section 2. Loans and Contracts. No loans or advances shall be contracted on behalf of the corporation and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of the corporation may

enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation.

Article XII: RECORDS AND REPORTS

Section 1. Records of Meetings. Records or “Minutes” of all meetings shall be taken by the Secretary of all meetings of the Board, and any other meeting of the Directors. The Minutes shall be maintained in chronological order in the Official Minute Book of the Corporation.

Section 2. Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Section 3. Maintenance and Inspection of Federal Tax Exemption Application and Annual Informational Returns. The corporation shall keep at its principal office a copy of its federal tax exemption application and its annual informational returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 4. Maintenance and Inspection of Other Corporate Records. The corporation shall keep adequate and correct books and records of accounts, and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at the place or places designated by the Board of Directors, or, in the absence of such designation, at the principal office of the corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his or her successor or the president, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of the officer, employee, or agent during his or her term of office.

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. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Section 5. Preparation of Annual Financial Statements. The corporation shall prepare annual financial statements using generally accepted accounting principles. Such statements shall be audited by an independent certified public accountant, in conformity with generally accepted accounting standards. The corporation shall make these financial statements available to the California Attorney General and members of the public for inspection no later than 4 ½ months after the close of the fiscal year to which the statements relate.

Section 6. Annual Reports. The Board shall cause an annual report to be sent to all directors, within 120 days after the end of the corporation’s fiscal year, containing the following information:

- The assets and liabilities, including the trust funds, of this corporation at the end of the fiscal year.
- The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- The revenue or receipts of this corporation, both unrestricted restricted or particular purposes, for the fiscal year;
- The expenses or disbursements of this corporation for both general and restricted purposes during the fiscal year; and

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that the statements were prepared without audit from the books and records of the corporation.

Article XIII: FISCAL YEAR

The fiscal year for this corporation shall begin on January 1 and shall end on December 31.

Article XIV: AMENDMENTS AND REVISIONS

These bylaws may be adopted, amended, or repealed by the vote of a majority of the directors then in office. Such action is authorized only at a duly call and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these bylaws, unless such notice is waived in accordance with these bylaws. In any provision of these by laws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

Article XV: CORPORATE SEAL

The Foundation has no corporate seal. However, the Board of Directors may adopt, use, and alter a corporate seal, which shall be kept at the principal office of the corporation. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

Article XVI: CONSTRUCTIONS AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural numbers includes the singular, and the term "person" includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible the remainder of these bylaws shall be

considered value and operative, and effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

CERTIFICATE

I, Russell H. Miller, hereby certify:

That I am the Corporate Secretary of the Jack McGovern Coats' Disease Foundation, a California non-profit corporation; and

That the foregoing Bylaws, consisting of 12 pages, including this one, constitute the Bylaws of said corporation, as adopted by the Board of Directors and effective on the 19th day of June, 2008

IN WITNESS WHEREOF, I have hereunto set my hand.

Russell H. Miller

CERTIFICATE OF REVISION

I, Russell H. Miller, hereby certify:

That I am the Corporate Secretary of the Jack McGovern Coats' Disease Foundation, a California non-profit corporation; and

That the following revisions were approved by the Board of Directors at their October 21, 2015 monthly meeting of the Board:

Change maximum allowable Board Members to 15 (maintain minimum at 5)

Change titles of officers to correspond with the titles current in use. A list of these titles, and members of the Board of Directors, is set forth here:

The Jack McGovern Coats' Disease Foundation

BOARD OF DIRECTORS & OFFICERS

As of October 21, 2015

<i>President</i>	Jeanee Parker Martin
<i>Vice President</i>	Suzanne Levere
<i>Secretary & General Counsel</i>	Russell H. Miler

Treasurer	Kirk Pessner
Founder	Tina McGovern
Board Member at Large	John Bruno
Board Member at Large	Tyson Harper
Board Member at Large	Ed McGovern
Board Member at Large:	Jack McGovern
Board Member at Large:	Bill Vaughn
Board Member at Large:	Dr. Arthur Fu

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October 21, 2015).

Russell H. Miller
Secretary and General Counsel