

BYLAWS
NAMI-New York State
Amended November 2014

PREAMBLE Mission Statement

The purpose of NAMI-New York State shall be to serve as an alliance of local mutual support, advocacy, self-help groups and individual members at-large dedicated to improving the quality of life for people with serious mental illness and to the eventual eradication of the severe effects of mental illness.

We will:

- A) Support, advance and defend the rights, interests and welfare of persons with serious mental illness in New York State and ensure that persons with mental illness – in institutions and in the community – are protected from abuse, possible harm or exploitation.
- B) Advocate for neurobiological and sound clinical research to improve treatments, discover the causes and eventually eliminate mental illnesses. Support therapeutic, rehabilitative, and research programs and activities which improve the quality of life of persons with mental illness, and are in compliance with acceptable standards of professional treatment, which protect the safety and well-being of vulnerable persons with psychiatric disabilities.
- C) Educate the public, mental health professionals and government officials regarding the urgency of meeting the personal health, social, vocational and housing needs of people with serious mental illness and the necessity of understanding the dimensions of the illnesses.
- D) Eliminate the unjust stigma attached to mental illness through the use of media, schools and other avenues of communication.
- E) Encourage, promote and support policies at local, state and federal levels to insure quality institutional and community services for people with severe mental illness and monitor services being offered.
- F) Help families and persons affected by serious mental illness to organize mutual support/self-help groups to develop and expand a network to enhance the well-being of persons with serious mental illness.
- G) Serve as an information exchange center for similar groups in New York State.
- H) Work to improve support services for families and persons affected by serious mental illness and to educate professionals, families and persons who are in training to enter mental health fields about the needs and burdens of families of persons suffering from these illnesses.
- I) Assist local NAMI affiliates in New York State to achieve their goals of education, support and advocacy.
- J) Solicit, receive and contribute funds to accomplish the above goals.

ARTICLE I
Name

The name of the organization shall be NAMI-New York State, Inc.

ARTICLE II

Membership

Section 1. Voting members shall consist of individuals that accept the mission of NAMI-NYS and the NAMI organization. Annual dues paid to NAMI-NYS entitle the members to vote in state matters. The dues and the manner of payment shall be determined by resolutions of the Board of Directors of NAMI-NYS.

Members may become members through an “Open Door” policy that allows for a reduced dues payment. “Open Door” members are defined by income or economic necessity, at the discretion of NAMI-NYS or the affiliate. “Open Door” members shall have all the rights and privileges of members who pay full dues.

Section 2. Voting Members

A. Members

- 1) Definition: A member is a family member, consumer, or friend of a person who has or has had mental illness (such a person hereafter referred to as a “consumer”), who accepts the mission of NAMI-NYS and NAMI, who is a member of and has paid dues to an affiliate in accordance with deadlines established by NAMI NYS for state matters unless waived by the affiliate, and NAMI for national matters, for whom annual dues shall have been paid by the member’s affiliate to NAMI-NYS. The term “family member” includes a guardian in fact or in law.
- (2) Voting Rights: Members shall: (i) be the voting members of NAMI-NYS, (ii) shall nominate and elect the members of the Board of Directors (iii) adopt and amend the bylaws of NAMI-NYS as prescribed by these bylaws and; (iv) vote on resolutions as provided in Article IV.
- (3) Method of Voting: The method and formula for voting shall insure that members shall have equal access to the process of (i) nominating and electing the members of the Board of Directors of NAMI-NYS (ii)adopting and revising the bylaws and (iii) passage of resolutions.
- (4) Manner of Voting: Voting by members may be in person, by mail, or by individual written and signed proxy on a form prescribed by the Board of Directors of NAMI-NYS.

PROVIDED, HOWEVER, THAT:

- (a) A voting member who is a member of two or more affiliates of NAMI-NYS (a Multiple Member) shall designate one of such affiliates as a Principal Affiliate. Such designation shall be sent in writing to each of the affiliates in which the person is a member, as well as to NAMI-NYS.
- (b) A Multiple Member may cast one vote as a member of the Principal Affiliate only. A vote by a Multiple Member in an affiliate other than the member’s Principal Affiliate shall not be valid. The vote or votes by a Multiple Member who fails or omits to designate the Principal Affiliate shall likewise be invalid.
- (c) The foregoing voting limitations of Multiple Members shall apply to NAMI-NYS and NAMI matters only. In all other respects the Multiple Member’s rights and duties as a member of an affiliate shall be governed by the affiliate’s own bylaws and other duly established governing procedures.

B. Affiliates – Eligibility

- (1) A local mutual support/self-help advocacy group or association situated in the State of New York composed of at least five members, whose purposes are the same to those stated in the Preamble to these Bylaws, may become an affiliate upon payment of annual dues in accordance with these Bylaws, approval of the Board of Directors, and the approval of the national organization, NAMI (National Alliance on Mental Illness).

(2) All applicants to NAMI for affiliate membership shall be endorsed by NAMI-NYS.

Section 3. Supporters: Any individual, association, or corporation may become a Supporter of NAMI-NYS unless this would represent an actual or potential conflict of interest for NAMI-NYS as determined by the Board of Directors.

ARTICLE III Finance

Section 1. The fiscal year shall be the calendar year.

Section 2. Dues:

- A) Affiliate Requirements - NAMI-NYS affiliate dues shall be established by the Board of Directors and should be paid by April 1 of each calendar year by all affiliates. New affiliates shall pay dues upon affiliation.
- B) Member Requirements - - Affiliates shall collect dues from their members, and forward the proper amounts to the NAMI-NYS office. Good standing shall be attained by the payment of dues for the calendar year 40 days in advance of the next scheduled election. Good standing is required for all voting rights and privileges of membership. This section takes effect the day payment is received by NAMI-NYS and is not retroactive.

Section 3. Reinstatement: If a member is not in good standing, good standing shall be re-instated by the payment of dues for the calendar year 40 days in advance of the close of voting for the election of Directors. Good standing is required for all voting rights and privileges of membership. Re-instatement takes effect the day of payment and is not retroactive.

ARTICLE IV Meetings of Members

Section 1. General Meetings: NAMI-NYS shall hold at least one general meeting each year, on a date and at a location determined by the Board of Directors. Notice of the date, time, and place of the meeting, a list of proposed nominees for Directors to be elected, any resolutions proposed to be adopted, ballot forms and forms of proxy, shall be sent in writing to all members in good standing at least 30 days prior to the meeting. Five percent (5%) of members present, in person, by proxy, or mail-in vote, shall constitute a quorum. A quorum is 5% of the members, provided however, that a quorum can never be less than 100 voting members.

Section 2. Special Meetings: Special meetings of the membership may be called by the President or by a majority of the Board of Directors. Special meetings may also be called by petition of one-eighth of the general membership. Notice of the date, time and place of the meeting shall be provided in writing to all members in good standing at least 30 days prior to the meeting.

Section 3. Robert's Rules of Order: Provided that they are not in conflict with the certificate of incorporation, the Not-for-Profit Corporation Law of New York, or these Bylaws, the most recent edition of Robert's Rules of Order shall govern the conduct of business in all meetings of members.

Section 4. Resolutions: All resolutions to be acted upon at general meetings shall be proposed by voting members or by the Board. Resolutions proposed by voting members shall be submitted in writing to the Bylaws and Resolutions Committee by United States Postal Service either by registered, certified mail, Express Mail or Priority Mail, or any other USPS service offering return receipts or signature confirmation. The Committee shall send the proposals with its recommendations to the Board of Directors. The Board will send the proposed resolutions with its recommendations to the members for a vote of approval or rejection.

Section 5. Time for Submission of Proposed Resolutions:

- A. Proposed resolutions shall be submitted to the Bylaws and Resolutions Committee 90 days in advance of the election.
- B. The Committee will forward the resolutions with recommendations to the NAMI-NYS Board 50 days in advance of the election.
- C. The Board of Directors will send the resolutions with recommendations to the members 30 days prior to the election.
- D. Resolutions will be passed by a majority of the voting power of the members voting at the general meeting.

ARTICLE V
Board of Directors

Section 1. Duties: The affairs of NAMI-NYS except as otherwise provided by law, a certificate of incorporation or by these Bylaws shall be conducted by a Board of Directors. The Board of Directors shall be responsible for the general management of NAMI-NYS. This entails establishing policies and reviewing operations, providing directions and goals, assisting in securing funding, monitoring finances and hiring and working with the Executive Director. All Board members are expected to be active advocates and participants on at least one committee. They should provide NAMI-NYS with dedication, skills, and resources to further its goals and objectives.

Section 2. Number of Directors: The Board of Directors shall consist of 16 elected members, each of whom shall be a member in good standing, and one of whom shall be nominated and elected as a consumer member. Each elected member shall serve for a term of three years, except for those filling vacancies. At each annual meeting of the members, five regular directors, and every three years the one consumer director, shall be elected to fill the vacancies of directors whose terms expire at the end of that meeting. The directors so elected shall hold office until the third succeeding annual meeting. In case of a tie vote, the Chairman of the meeting shall have a tie-breaking vote. To the greatest extent possible, the Board of Directors should represent the cultural and geographic diversity of New York State and should be elected with a view to bringing the diverse expertise, skill and resources required by NAMI-NYS.

Section 3. Founding President: Muriel Shepherd, the Founding President, was a permanent, non-voting member of the Board of Directors in accordance with her special status established by the resolution of the Board adopted in 1990. Posthumously, she is recognized as Founding President.

Section 4. Term Limits: A Director elected for a term of office of three years or elected or appointed for a term of office of at least one year shall be eligible to succeed himself or herself one time only. After succeeding himself or herself once, the Director is thereafter prohibited from having two terms in succession. A lapse of one year is required between terms. A term of office is considered completed by serving out the term or by resignation or removal from office at any time prior to the lapse of term.

Section 5. Resignations: A Director may resign from the Board after discharging any indebtedness to NAMI-NYS by delivering his/her resignation in writing to the President and/or to the Executive Director. This act shall operate as a release for him/her of future obligations. The date of the email or post mark of the letter shall be considered the effective date of resignation. The Director may, in writing, withdraw a resignation within 72 hours of submittal.

Section 6. Nominating Procedure: Each member may submit the name of any one or more members of NAMI-NYS as a proposed nominee for Director. Such proposals shall be written, accompanied by a brief resume up to 500 words and written consent of the person nominated, and forwarded to the Chairperson(s) of the Nominating and Election Committee postmarked not less than sixty (60) days prior to the scheduled election of the Board of Directors.

Nominator, affiliate and nominee must all be in good standing at the time of nomination. The Board shall send to each member the list of all nominees no later than thirty (30) days prior to the next scheduled meeting for the election of Directors.

Section 7. Vacancies: In the event of one or more vacancies on the Board of Directors, the remaining members of the Board shall elect replacements as soon as practical. All candidates for filled vacancies must be members of good standing in NAMI-NYS. The replacements shall serve until the scheduled end of the term of office of the Director being replaced.

Section 8. Staff Ineligibility: Paid staff members of NAMI-NYS or any NAMI affiliate shall not be eligible for election to the Board of Directors.

Section 9: Election Procedures:

- A. Nominations: The Board shall present the names of nominees for Director to the membership at the annual meeting called for the election of Directors.
- B. Elections: Members shall elect the members of the Board from the list of nominees by written ballot. Ballots must be voted for the exact number of positions open or the ballot will be void.
- C. Proxy Voting: Written proxy voting by members on ballots for NAMI NYS Board of Directors candidates and for amendments that may appear on the ballot shall be permitted.

ARTICLE VI Directors Meetings

Section 1: First Meeting: Immediately following the general meeting at which the Directors are elected, the Board of Directors shall meet and shall elect from among themselves, the officers of NAMI-NYS for the coming year.

Section 2: Regular Meetings: The Board of Directors shall hold at least three meetings in addition to the first meeting, their dates, times and places to be designated by the President, subject to the approval of the Board. Notice of the date, time and place of each meeting shall be provided in writing to all Board members by the President, the Secretary or the Executive Director at least 30 days prior to the meeting.

Section 3: Special Meetings: The President or a majority of the Board of Directors may call a special meeting of the Board. Notice of the date, time and place of the meeting shall be provided in writing to all Board members by the President, Secretary or the Executive Director at least 15 days prior to the meeting.

Section 4. Quorum: A majority of the Board of Directors shall constitute a quorum at any meeting, and a majority of those present shall have the power to act in all matters, except as specifically provided to the contrary elsewhere in these bylaws.

Section 5. Membership Attendance: All members may attend meetings of the Board of Directors in a non-voting capacity, and may speak with the President's permission or with the permission of the majority of the Board on items before the Board. Only members of the Board, together with such persons as may be specifically invited by the Board, may attend executive sessions, which may be called by the President or majority of the Board members. In addition, a total of 30 minutes will be set aside at each Board meeting to hear from members who wish to share ideas or express concerns.

Section 6. Action Without a Meeting: In accordance with Sec. 708(b) of the New York Not-for-Profit Corporation Law, unless otherwise restricted by the certificate of incorporation or the bylaws, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing or by email to the adoption of a resolution authorizing the action.

The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the Board or committee.

Section 7. Absences: Any member of the Board of Directors who is absent without excuse from two consecutive Board meetings shall be subject to removal by a majority vote of the Board. In the case of a vacancy created by such removal, a replacement Director shall be elected to the Board as provided in Article V. The President shall promptly notify the Directors of the action of the Board.

When the Board of Directors determines that an individual should be removed, that individual shall be provided with notice of the intention to remove and shall have the opportunity to respond and object to such removal before the full Board within 10 days of receipt of notice.

Section 8. Proxy Voting: Proxy voting at Directors' meetings shall be forbidden.

Section 9: Abstentions: An abstention to a vote of the Board shall be recorded as such, and shall not be considered to be a vote either in favor of or against the proposal being voted upon.

Section 10. Physical Meetings Required: Notwithstanding the provisions of Section 708 (c) of the New York Not-for-Profit Corporation Law, meetings of the Board shall require the physical presence of the Directors attending the meeting, and no director shall be allowed to vote at a meeting based on participation by means of a conference call or similar communications equipment.

Section 11: Robert's Rules of Order: At any meeting of the Board, provided that they are not in conflict with the certificate of incorporation, the Not-for-Profit Corporation Law of New York, or these Bylaws, the most recent edition of Robert's Rules of Order shall govern the conduct of business at the meeting.

ARTICLE VII

Officers

Section 1. General: The corporation shall have a President, a First and Second Vice-President, a Secretary and a Treasurer, each elected by the Board as provided in Article VI, Section 1, for a one-year term. In case any officer shall become permanently incapacitated, die or resign during his or her term, a replacement shall be elected by the Board. No one person shall hold the office of both President and Secretary and no employee of the corporation shall hold the office of President.

Section 2. President: The President shall preside at all regular and special meetings of the Board of Directors and the Executive Committee of NAMI-NYS. The President shall exercise such authority as authorized by the Bylaws or as the Board of Directors may assign. The President shall be a member, ex-officio, of all committees except for the Nominating and Election Committee.

Section 3: Vice-Presidents: In the event of the President's incapacity or inability to act for any reason, the First Vice-President shall possess all the powers and perform all the duties of the President. If the President and First Vice-President are both incapacitated, or unable to act for any reason, the Second Vice-President shall possess all the powers and perform all the duties of the President. The Vice Presidents shall also perform such duties as may be assigned to them by the Board of Directors or President.

Section 4: Secretary: The Secretary shall attend all meetings of the Board of Directors and shall record all votes taken and draft minutes of all proceedings to be approved by the Board and thereafter placed in a permanent file. Copies of minutes shall be sent to the presidents of NAMI-NYS affiliates as soon as practicable. All consents of the Directors with respect to matters adopted by unanimous written consent in accordance with Section 6 of Article VI shall be placed in a permanent file. The Secretary shall perform such other duties as are incidental to the office and

may be assigned by the Board of Directors or President. In the absence of the Secretary at a meeting of the Board, the First Vice-President, or in his or her absence, the Second Vice-President, or in his or her absence, one of the other Directors present appointed by the President and approved by the Board of Directors shall perform the duties of the Secretary at the meeting.

Section 5. Treasurer: The Treasurer shall oversee the collection, receipts, deposit and investment of NAMI-NYS funds as approved by the Board of Directors. He or she shall submit at each regular Board meeting a report of the financial transactions and the financial condition of NAMI-NYS. The Treasurer shall submit to NAMI-NYS an annual financial report which shall be audited annually by a certified public accountant together with a statement listing the salaries and benefits of each staff member. The Treasurer shall perform such other duties that pertain to the office of Treasurer as may be requested from time to time by the Board or the President.

ARTICLE VIII

Committees

Committees should make every effort, if possible, to represent the diversity and geographic division of New York State.

Section 1. Executive Committee: The Executive Committee shall consist of the President, the two Vice-Presidents, the Treasurer and the Secretary and two other members of the Board of Directors appointed by the Board. In the absence or unavailability of any of the Executive Committee for an extended period of time, the Board may select a substitute from among the members of the Board of Directors. The Committee shall have all the powers of the full board except for (i) the adoption of substantially new policies, programs or strategic directions, (ii) commitments to join coalitions, alliances or partnerships previously rejected by the Board or contrary to previously established Board policy, (iii) the approval of major contractual commitments involving expenditures in excess of aggregate total of \$2,500, (iv) the filling of vacancies on the Board of Directors, (v) the election of officers, (vi) amendments to the certificate of incorporation, (vii) approval of budgets and amendments thereof, (viii) all actions that, pursuant to the Not-For-Profit Corporation Law, or any other law, require the vote of more than a majority of the members of the Board of Directors, as well as (ix) any other matters that may be proscribed, from time to time, by the Board of Directors. All actions taken by the Executive Committee shall have the same force and effect as actions taken by the full Board, but such actions shall be subject to review by the full Board of Directors who may amend, modify or revoke the Committee's determinations except that, to the extent that the rights of third parties dealing in good faith with NAMI-NYS are involved, the Committee's determinations shall be final and binding. A quorum of the Executive Committee shall consist of four members, and a majority of those present have the power to decide on all matters except as may be expressly forbidden by law or elsewhere in these bylaws. Meetings of the Executive Committee shall be called by the President or by a majority of the Committee by notice in writing at least five business days prior to the meeting, unless notice is waived by all members of the Committee.

Section 2: Standing Committees: Standing Committees shall be established by the Board of Directors as recommended by the President or any Director. Standing Committees shall consist of three members, except for the Nominating and Election Committee as noted in Section 5.

The responsibilities and duties of the Standing Committees shall be determined by the Board of Directors where not defined elsewhere in these Bylaws. The chairperson of each Standing Committee shall be appointed by the Board of Directors as recommended by the President, or any Director, and shall, except in the case of the Nominating and Election Committee, select the other members of the Committee. The Chairperson of the Standing Committees selected shall hold office until the next scheduled election of Directors. The Executive, Finance, Nominating and Election and Audit Committees are committees of the board and shall expire annually.

Section 3. Audit Committee. There shall be an audit committee composed of no fewer than three (3) independent board members each of whom, at the time of their appointment, shall have such education and/or experience to enable

him or her to be able to read, understand and explain the Corporation's financial statements and who shall be elected by the Board annually or more often from among nominees presented by the Nominating and Election Committee. The Chair, the President and the Treasurer shall be ineligible to serve as members of the Audit Committee; however the President may attend meetings to provide information at the request of the committee.

The Audit Committee shall meet and examine the Corporation's affairs and oversee the accounting and financial reporting processes and financial statement audits of the Corporation at least four (4) times a year. Among other things, the Audit Committee shall be responsible for:

(i) pre-approving all audit and permitted non-audit services performed by the certified public accounting firm engaged by the Corporation for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation (the "Auditor");

(ii) appointing, compensating, retaining and overseeing the Auditor through

a. reviewing the scope and planning of the audit with the independent auditor before the audit;

b. reviewing and discussing with the independent auditor any material risks and weaknesses in internal controls identified by the auditor, any restrictions on the scope of the auditor's activities or access to requested information, any significant disagreements between the auditor and management, and the adequacy of the corporation's accounting and financial reporting processes; and

c. considering the performance and independence of the independent auditor annually.

(iii) adopting procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal control and auditing matters, and (b) the anonymous, confidential submission by the Corporation's employees of concerns regarding questionable accounting and audit matters. The Audit Committee may engage separate legal counsel and other advisors as necessary to execute its duties.

(iv) The Corporation shall provide the Audit Committee such funds as the Audit Committee deems reasonably necessary to compensate the Auditor and other advisors it may engage. The Audit Committee shall keep minutes of its meetings and such minutes shall be submitted at the next regular meeting of the Board at which a quorum is present, and any action taken by the Board with respect thereto shall be entered in the minutes of the Board.

Section 4. Special Committees: Special Committees shall be established by the Board of Directors as recommended by the President or any Director. The Chairperson of such Special Committees shall be appointed by the Board of Directors as recommended by the President, or any Director, and approved by Board. The President, with the approval of the Board of Directors, may combine special committees, disband committees or establish new committees in the interest of effective management. In addition, non-board members may serve as chairs and/or members on Special Committees if approved by the Board of Directors. Special Committees shall consist of at least three members and are committees of the corporation.

Section 5: Nominating and Election Committee: The Nominating and Election Committee shall consist of five members, with the chairperson(s) appointed by the Board of Directors as soon as possible after each scheduled election. Members of the Nominating and Election Committee shall be proposed by the Chair of the Committee and elected by the Board of Directors.

ARTICLE IX Independence

Section 1. NAMI-NYS and each of its affiliates shall be independent of other agencies and advocacy groups not affiliated with NAMI-NYS or NAMI, and shall not share Bylaws, articles of incorporation, officers or boards of directors with such other groups.

ARTICLE X Executive Director

Section 1. An Executive Director may be employed by the Board of Directors and shall have general direction and supervision over the day-to-day affairs of the corporation. Such person shall exercise authority and perform such duties as the President and Board of Directors may from time to time assign. A complete up-to-date job description shall be on file as approved by the Board.

ARTICLE XI

Revision or Amendment of Bylaws

Section 1. Revisions or amendments to the Bylaws may be proposed in writing to the Bylaws and Resolutions Committee by any affiliate, a member in good standing, or may be proposed by the Bylaws and Resolutions Committee. All proposed revisions or amendments shall be submitted not less than ninety (90) days prior to the next scheduled election of Directors. Each member shall receive in writing from the Board of Directors all proposed revisions or amendments, together with a recommendation for adoption or rejection from the Board of Directors, not less than 30 days prior to the next scheduled election of Directors and the revisions or amendments shall be presented to the voting membership at such next meeting. A two-thirds majority of the membership voting shall be required to revise or amend these Bylaws. Bylaws should be reviewed annually by the Bylaws and Resolutions Committee.

ARTICLE XII

Other Provisions

Section 1. NAMI Name and Logo: NAMI-NYS recognizes that NAMI controls the name, acronym and logo of NAMI. Their uses shall be in accordance with NAMI policy, and upon termination of charter with NAMI-NYS, the uses of the name, acronym or logo shall cease.

Section 2. All names selected by affiliates shall be subject to approval by NAMI and the NAMI-NYS Board of Directors. The acronym NAMI shall be a required part of the names of all affiliates.

Section 3. Resolution of Disputes

- A. Between Affiliates: The Board of Directors of NAMI-NYS shall have authority to mediate disputes between its affiliates, between its proposed affiliates, between proposed affiliates and between its members and its affiliates by procedures and standards prescribed in a Dispute Resolution Procedure approved by the Board. If the dispute cannot be resolved in 90 days from the receipt by the President of NAMI-NYS of written notice from one of the parties to the dispute of the existence of a dispute, the dispute together with the names of the persons authorized to act on behalf of the disputants, shall be referred to the Board of Directors of NAMI for final binding resolution.
- B. Between NAMI-NYS and its Affiliates: A mediation procedure shall be established by the Board for resolving disputes between NAMI-NYS and one or more of its affiliates or proposed affiliates. If a resolution can not be achieved within 90 days from receipt by the President of a written notice of the dispute, the dispute, together with the names of the persons authorized to act on behalf of the disputants, shall be referred to the Board of Directors of NAMI for binding and final resolution by that board.

Section 4. Non-Discrimination:

- A. There shall be no discrimination against persons by NAMI-NYS or any affiliate of NAMI-NYS on account of race, creed, sex, sexual preference, religion, age, disability, or national, urban or rural, or other geographical areas in the requirements for membership or its policies or actions.
- B. Membership in local affiliates and NAMI-NYS must be open to all persons with mental illness.

Section 5. Conflict of Interest: Employees and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. The Board Operating Policies and Procedures provide the framework within which NAMI-NYS wishes its business to operate.

Section 6. Indemnification of Directors, Officers and Employees:

- A. Authorized Indemnification. Unless clearly prohibited by law or Section 6B of this Article, the Corporation shall indemnify any person (“Indemnified Person”) made, or threatened to be made, a party in any action or proceeding, whether civil, criminal, administrative, investigative or otherwise, including any action by or in the right of the Corporation, by reason of the fact that he or she is or was a Director or officer of the Corporation. The indemnification shall be against all judgments, fines, penalties, amounts paid in settlement (provided the Corporation shall have consented to such settlement) and reasonable expenses, including attorneys’ fees and costs of investigation, incurred by an Indemnified Person with respect to any such threatened or actual action or proceeding, and any appeal thereof.
- B. Prohibited Indemnification. The Corporation shall not indemnify any person if a judgment or other final adjudication adverse to the Indemnified Person (or to the person whose actions are the basis for the action or proceeding) establishes, or the Board of Directors in good faith determines, that such person’s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.
- C. Determination of Indemnification. Indemnification mandated by a final order of a court of competent jurisdiction will be paid. After termination or disposition of any actual or threatened action or proceeding against an Indemnified Person, if indemnification has not been ordered by a court, the Board of Directors shall, upon written request by the Indemnified Person, determine whether and to what extent indemnification is permitted pursuant to these by-laws. Before indemnification can occur the Board of Directors must explicitly find that such indemnification will not violate the provisions of Section 6B of this Article. No Director with a personal interest in the outcome, or who is a party to such actual or threatened action or proceeding concerning which indemnification is sought, shall participate in this determination. If a quorum of disinterested Directors is not obtainable, the Board of Directors shall act only after receiving the opinion in writing of independent legal counsel that indemnification is proper in the circumstances under then applicable law and these by-laws.
- D. Binding Effect. Any person entitled to indemnification under these by-laws has a legally enforceable right to indemnification which cannot be abridged by amendment of these by-laws with respect to any event, action or omission occurring prior to the date of such amendment.