

# Bylaws of Laughing Matter

<b>Article I</b>	Defined Terms	2
<b>Article II</b>	Name and Purpose	2-3
<b>Article III</b>	Board of Directors	3-7
<b>Article IV</b>	Committees of the Board of Directors	7-9
<b>Article V</b>	Board Appointed Committees, Advisory Councils, and Other Bodies	9
<b>Article VI</b>	Officers	10-12
<b>Article VII</b>	Annual Meetings	12-14
<b>Article VIII</b>	Membership	14-15
<b>Article IX</b>	Chapters	15-16
<b>Article X</b>	Funds of the Corporation	17
<b>Article XI</b>	Miscellaneous	17-18

# BYLAWS OF LAUGHING MATTER

---

## Article I – Certain Defined Terms

Capitalized terms used below but not otherwise defined herein shall have the meaning set forth below:

- (a) "Board" means the Board of Directors of the Corporation. Members of the Board are sometimes also referred to in the Bylaws as Directors;
- (b) "Chapter" means each group of organized persons with a charter granted by the Corporation pursuant to these Bylaws recognizing the group as a local unit of the Corporation, is designated as a Chapter pursuant to Section 9.2, and is authorized to deliver improvisational comedy performances and workshops in a particular territorial jurisdiction;
- (c) "Entire Board" means the total number of members of the Board that the Corporation would have if there were no vacancies;
- (d) "Organizational Meeting" has the meeting set forth in Section (3.7)(a).

## Article II – Name and Purpose

**2.1 Name.** The name of the organization shall be Laughing Matter. It shall be a nonprofit organization incorporated under the laws of the Commonwealth of Massachusetts.

**2.2 Purpose.** Laughing Matter shall be organized exclusively for charitable, humanistic, and community service purposes. The specific objectives and purposes of this corporation shall

be: (a) to provide improvisational comedy performances to individuals at places of therapy, including hospitals, homeless shelters, and senior homes; (b) and to provide improvisational comedy workshops to individuals at places of therapy, including hospitals, homeless shelters, and senior homes, that teach and facilitate improvisational comedy warm-ups, drills, and games.

## Article III – Board of Directors

**3.1 General Power.** The Board is responsible for overall policy and direction of the association and delegates responsibility of day-to-day operations to the staff and committees. In furtherance, and not in limitation of the foregoing, the Board shall, subject to any limitations as may be provided by applicable law, have the power, authority, and responsibility to:

- (a) review and approve the mission statement of the Corporation;
- (b) approve and oversee the Corporation's strategic plan and maintain strategic oversight of operational matters;
- (c) select and evaluate the performance of the Executive Director and other officers of the Corporation;
- (d) oversee succession planning for management;
- (e) hold management accountable for performance;
- (f) oversee (i) the integrity of the financial statements of the Corporation, (ii) the performance of the Corporation's internal audit function, (iii) the Corporation's compliance with legal and regulatory requirements;
- (g) review and approve the annual budget of the Corporation and provide oversight of the financial stability of the Corporation;
- (h) review and approve capital expenditures that, as determined by the Board in its sole discretion, are significant to the Corporation, in each case in accordance with policies that may be established by the Board from time to time;
- (i) assist in ensuring the inclusiveness and diversity of the Corporation;
- (j) provide oversight of the protection of the brand of the Corporation;
- (k) oversee fundraising on behalf of the Corporation;
- (l) adopt standards applicable to members of the Board, in addition to specific standards of independence;
- (m) determine the duties and responsibilities to be performed by the Executive Director;
- (n) exercise other powers, authority, and responsibilities as may be determined by the Board.

**3.2 *Number and Composition.*** The board shall fix by resolution from time to time the number of members constituting the Entire Board, provided that as of November 15, 2011 there shall be no fewer than 4 and no more than 10 members. One half, or as close to one half as possible, the number of members of the Entire Board shall be of those members of the Corporation who engage in the regular and ongoing operations of a chapter. Should an odd number of members constitute the Entire Board, then the ratio of members with current or prior affiliation with the regular and ongoing operations of any given chapter to members with no current or prior relationship with the regular and ongoing operations of any given chapter shall skew in favor of whichever ratio the Executive Director determines as in the best interest of the Corporation at that time.

**3.3 *Terms and Compensation.*** All Board members shall serve one-year terms, but are eligible for re-election for up to five consecutive terms, with the exception of the Chair for whom there is no term limit. No member of the Board shall receive financial compensation for any services rendered in the capacity of a Board member.

**3.4 *Meetings and Notice.*** The Board shall meet at least quarterly, at an agreed upon time and place. A quarterly Board meeting requires that each Board member have written notice at least one week in advance, unless exceptional circumstance prevents such notice, in which case notice shall be provided as soon as circumstance allows.

**3.5 *Appointment and Election.***

- (a) Recommendations to Fill a Vacancy or Anticipated Vacancy of the Chair. In the event of (A) a vacancy in the office of the Chair, including a vacancy resulting from resignation, death, or disability, or (B) anticipated vacancy, including an anticipated vacancy resulting from an anticipated resignation or the expiration of the term of the of the then-serving Chair, the Board shall consider candidates to fill such a vacancy at least two months prior to an anticipated vacancy or otherwise as reasonably practicable under the circumstances. Once the Board has identified such candidates, it shall nominate such candidates and make its final selection by vote. If the then-serving Chair is eligible to serve another term of office at the end of his or her term, the Board may select by vote the then-serving Chair to serve another term of office as Chair without considering other candidates, in which case the Chair's reselection can be prevented only by a majority vote of the Board.
- (b) Members of the Board Other than the Chair. Members of the Board other than the Chair shall be nominated and appointed by the Chair. The Chair shall solicit the input of the Board prior to issuing his or her nomination; however, the final decision of an individual's nomination and appointment shall rest with the Chair.
- (c) Vacancies and Newly Created Board Positions. Vacancies in any Board position other than the Chair and in any newly created Board position shall be filled by nomination and appointment by the Chair. The Chair shall solicit the input of the Board prior to issuing his nomination; however, the final decision of a person(s) nomination shall rest with the Chair. Any director appointed in accordance with this Section 3.5(b) to fill a vacancy

(other than resulting from a newly-created Board position) shall hold office until the next annual meeting of the Corporation unless the Board determines to appoint such director to serve the remainder of the term of office of such vacancy. A vacancy on the Board shall not affect the powers, authority or responsibilities of the Board.

- (d) Executive Director. If the Executive Director serves as a member of the Board, he or she shall have full voting rights and other privileges of the Board, and in addition, shall by default serve as Chair. Termination of the Executive Director's employment with the Corporation as Executive Director for any reason, if involuntary, shall immediately terminate the Executive Director's membership on the Board.

### **3.6 Term of Office; Removal.**

(a) Term of Office.

(i) General. The term of office of each member of the Board shall be one year, except that any member of the Board elected by the Board to fill a vacancy in a Board position arising before the expiration of its term may, as determined by the Board pursuant to Section 3.5(c), serve for the remainder of that term or until the next annual meeting of the Corporation.

(ii) Term Limits. Except for the Chair, no person may serve as a member of the Board for more than five consecutive terms of office (except a director who is appointed to the Board to fill a vacancy or a newly-created Board position pursuant to Section 3.5(c) shall not constitute a term of office for purposes of this Section 3.5(a)(iii) if such term of office is less than 12 months). A person may serve as Chair for more than five consecutive terms, and if the Executive Director serves as a member of the Board, and therefore, also as Chair of the Board, he or she may serve as member of the Board for more than five consecutive terms upon final vote of the Board.

- (b) Resignations; Removal. Any director other than the Chair may at any time resign by giving written notice to the Board or the Chair. Such resignation shall take effect at the time specified in such notice or, if the time be not specified therein, upon receipt thereof, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. The Board may remove any director other than the Chair by majority vote. Any director so removed shall not be eligible for subsequent election or appointment to the Board.

### **3.7 Meetings.**

- (a) Regular Meetings. The organizational meeting of the Board, for the purpose of organization or otherwise, shall be the first meeting of the Board held after the annual meeting of the Corporation, on such date and at such time and place as shall be fixed from time to time pursuant to resolution of the Board (the "Organizational Meeting"). Other regular meetings of the Board may be held at such times and at such places as the Board shall from time to time determine, although regular meetings of the Board

shall be held in Boston, MA, unless otherwise determined by the Board or specified in a notice of the regular meeting.

- (b) Special Meetings. Special meetings of the Board may be held at such times and at such places whenever called by a quorum of the Board or by the Chair, with special meetings of the Board being held in Boston, MA, unless otherwise specified in the notice of the special meeting. Reasonable notice thereof shall be given by the person or persons calling the meeting.
- (c) Notice of Meetings; Waiver. Notice of regular meetings of the Board or of any adjourned meeting thereof need not be given. Notice of each special meeting of the Board shall be given to each director by telecopy, facsimile or by electronic transmission, in either case addressed to such director at the director's residence or usual place of business, or shall be given personally or by telephone, in each case not later than one week before the meeting is to be held, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. The exception to this will be if any director within one week after the notice of meeting has been given shall object to the lack of notice of less than one week. In this case, if they so request any and all matters voted on at a meeting for which due notice has not been given shall be considered null and void. The exception to this is regarding a time-sensitive circumstance. The Chair shall have the final determination as to what constitutes time-sensitive circumstances. Unless otherwise required by these Bylaws, every such notice shall state the time and place but need not state the purpose of the meeting.
- (d) Participation in Meetings by Means of Communications Equipment. Members of the Board, or any committee or other body designated by the Board, may participate in a meeting of the Board or of such committee or other body by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.6(d) shall constitute presence in person at such meeting.
- (e) Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board or of any committee or other body designated by the Board may be taken without a meeting if all members of the Board, committee, or other body, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board, committee, or other body. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. In the event of a director's absence, he or she may submit his or her vote on any business scheduled to come before the Board through submission of a proxy vote to the Clerk.
- (f) Quorum and Manner of Acting. A majority of the Entire Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of the directors present at any meeting at which a quorum is present shall be

the act of the Board. In the event a quorum shall not be present at any meeting of the Board, the directors or a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present.

- (g) Proxies. Voting by proxy is not allowed at any meeting of the Board or of any committee or other body designated by the Board.

**3.8 Rules and Regulations.** The Board may adopt such rules and regulations not inconsistent with applicable laws or these Bylaws for the conduct of its meetings and overseeing the management of the business and affairs of the Corporation.

## Article IV – Committees of the Board of Directors

**4.1 Establishment of Committees of the Board of Directors.** The Board may designate one or more committees that shall have such name or names as may be determined from time to time by the Board. Each committee shall consist of one or more members of the Board, and the Board shall designate a chair and/or vice-chair of each committee from among the committee's members. The Board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in a resolution of the Board or a charter of a committee adopted by the Board, shall have and may exercise all the powers and authority of the Board in directing and of overseeing the management of the business and affairs of the Corporation, and may authorize the emblem of the Corporation to be affixed to all papers which may require it; provided, however, no such committee, including the Executive Committee and other standing committees of the Board, shall have the power or authority in reference to the following matters:

- (a) the removal of any member of the Board;
- (b) the filling of vacancies on the Board;
- (c) the appointment, removal or reassignment of a member of any committee of the Board, or the filling of vacancies on any committee of the Board;
- (d) the designation of any committee of the Board or any Board-appointed committee, advisory council to the Board, or other Board-appointed body;
- (e) the appointment, removal or reassignment (or the concurrence in the appointment, removal or reassignment) of any officer of the Corporation, except that vacancies in established positions may be filled by the Executive Committee subject to ratification by the Board;
- (f) the amendment or repeal of these Bylaws or the adoption of new bylaws;
- (g) the amendment, alteration, repeal, or taking of any action inconsistent with any resolution or action of the Board when the resolution or action of the Board provides

by its terms that it shall not be amended, altered or repealed by action of a committee of the Board;

- (h) the sale or transfer of any of the Corporation's property and assets;
- (i) the approval of the annual budget of the Corporation; and
- (j) the dissolution of the Corporation or a revocation of a dissolution.

The Board may, from time to time, establish, eliminate and modify the power and authority of any committee of the Board; change the size of a committee; and add, remove or replace the chair or member of any committee.

#### **4.2 Certain Rules Applicable to All Committees of the Board.**

- (a) Meetings; Notice; Waiver. Regular meetings of each committee of the Board, of which no notice shall be necessary, may be held at such times and places as shall be fixed by resolution adopted by a majority of the total number of authorized committee members of each such committee, whether or not there exists any vacancies or unfilled previously authorized committee offices. Special meetings of any committee of the Board shall be called at the request of any member of such committee. Notice of each special meeting of any committee of the Board shall be sent to each member of such committee by telecopy, facsimile or by electronic transmission, in either case addressed to such committee member at the member's residence or usual place of business, or shall be given personally or by telephone, in each case not later than a week before the meeting is to be held, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances. The exception to this will be if any director, either before, during, or within 24 hours after the meeting should object to the lack of notice. In this case, if they so request any and all matters voted on at a meeting for which due notice has not been given shall be considered null and void. The exception to this is regarding a time-sensitive circumstance. The Chair shall have the final determination as to what constitutes time-sensitive circumstances. Unless otherwise required by these Bylaws, every such notice shall state the time and place but need not state the purpose of the meeting. Any special meeting of any committee of the Board shall be a legal meeting without any notice thereof having been given, if all the members of such committee shall be present at the meeting and no member shall object to the lack of notice to such member. Notice of any adjourned meeting of any committee of the Board need not be given.
- (b) Quorum and Manner of Acting. A majority of the authorized members of any committee of the Board shall constitute a quorum for the transaction of business at any meeting, and the vote of a majority of the members of such committee present at any meeting at which a quorum is present shall be the act of such committee.
- (c) Adoption of Committee Rules. Any committee of the Board may adopt such rules and regulations not inconsistent with applicable laws and these Bylaws, the Board resolution designating the committee, or a committee charter adopted at the discretion of the Board for the conduct of its meetings as such committee of the Board may deem advisable.

- (d) Minutes and Reports. Each committee shall keep regular minutes of its meetings and report the same to the Board, when required, and present to the Board such reports as are requested by the Board or required by these Bylaws, the Board resolution designating the committee, or the committee charter adopted by the Board or as are deemed advisable by the Committee.
- (e) Subcommittees. Unless otherwise provided in these Bylaws, the resolution of the Board designating the committee or the committee charter adopted by the Board, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee and be composed solely of members of the committee, and delegate to a subcommittee any or all of the powers, authority and responsibilities of the committee.

## Article V – Board Appointed Committees, Advisory Councils, and Other Bodies

- 5.1 *Establishment of Board-Appointed Committees, Advisory Councils to the Board of Directors, and Other Bodies.*** The Board may designate one or more Board-appointed committees, advisory councils, and other bodies that shall have such name or names as may be determined from time to time by the Board. Such Board-appointed committees, advisory councils, and other bodies may consist of one or more, or no, members of the Board and one or more, or no, individuals who are not members of the Board, as determined by the Board.
- 5.2 *Board-Appointed Committees and Other Bodies.*** Board-appointed committees and other bodies shall have such purposes, powers, authority and responsibilities as may be designated by the Board by resolution or in a charter of the committee or other body adopted by the Board. The Board may, from time to time, establish, eliminate and modify the purposes, powers, authority and responsibilities of any committee or other body; change the size of any committee or other body; and add, remove or replace the chair or member of any advisory council.
- 5.3 *Advisory Councils.*** Advisory Councils shall be advisory only and shall have no power or authority to act on behalf of the Board or of the Corporation, but shall provide such advice and assistance to the Board or such other constituency within the Corporation, and have such other purposes, powers, authority and responsibilities as may be designated by the Board by resolution or in a charter of the advisory council adopted by the Board. The Board may, from time to time, establish, eliminate and modify the purposes, powers, authority and responsibilities of any advisory council; change the size of any advisory council; and add, remove or replace the chair or member of any advisory council.

## Article VI – Officers

**6.1 Officers.** Except as otherwise provided in this Section 6, the officers of the Corporation shall be a Chair, a President, an Executive Director, a Treasurer, and a Clerk, and such other officers and agents with such titles and such duties as the Board (or an officer authorized by the Board) may from time to time determine, each to have such powers, authority or responsibilities as provided in these Bylaws or as the Board (or an officer authorized by the Board) may from time to time determine. Except as otherwise provided in these Bylaws or by resolution of the Board, one person may hold the offices and perform the duties of any two or more of said officers; provided, however, that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law or these Bylaws to be executed, acknowledged or verified by two or more officers.

**6.2 Term of Office; Resignation; Removal; Vacancies.** Unless otherwise provided in the resolution by the Board electing or authorizing the appointment of any officer, each officer shall be elected by the Board (or an officer authorized by the Board) for an initial term which shall continue until the next Organizational Meeting, and, thereafter, each officer shall be elected for one-year terms or until his or her successor is elected or appointed and qualified, or until his or her earlier resignation, death or removal. Any officer may resign at any time upon written notice to the Board or to such person or persons as the Board may designate. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. The Board may remove by majority any officer other than the Chair provided it demonstrates sufficient cause for such removal. Any officer authorized by the Board to appoint a person to hold an office of the Corporation may also remove from office any person appointed by such authorized officer with or without cause at any time, unless otherwise provided in these Bylaws or the resolution of the Board. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, but the election or appointment of an officer shall not in and of itself create contractual except an employee with whom the Corporation enters into a written employment agreement that expressly provides otherwise. Subject to any contractual limitations, the Executive Director may suspend the powers, authority, responsibilities and compensation of any officer appointed by the Chair, for a period of time sufficient to permit the Board or the appropriate committee of the Board a reasonable opportunity to consider and act upon a resolution relating to the reinstatement, further suspension or removal of such person, and may remove from office any other employee of the Corporation with or without cause at any time. Any vacancy occurring in any office of the Corporation other than the office of the Chair by death, resignation, removal or otherwise may be filled by appointment by the Chair at any regular or special meeting or by an officer authorized by the Chair to appoint a person to hold such office.

**6.3 Powers, Authority and Responsibilities.** The officers of the Corporation shall have such powers, authority and responsibilities in the management of the Corporation as shall be provided in these Bylaws or by resolution of the Board which is not inconsistent with

these Bylaws and, to the extent not so stated, as generally are incident to their respective offices, subject to the direction and oversight of the Board. Officers (other than the Executive Director) shall also have and perform such powers, authority and responsibilities as the Board may from time to time determine by resolution or as the Executive Director may from time to time specifically direct, provided that such directed powers, authority and responsibilities are not inconsistent with these Bylaws or with any outstanding Board resolutions.

**6.4 Chair.** The Chair shall be a member of the Board and, when present, shall preside at meetings of the Board, at meetings of the Executive Committee, and at annual meetings of the Corporation. The term of office of the Chair shall be coterminous with the Chair's term of office as a member of the Board. The Chair may appoint a vice chair for each annual meeting of the Corporation.

**6.5 Executive Director.** The Executive Director shall have overall responsibility and authority for the conduct of the business and affairs of the Corporation, subject to the control and oversight of the Board, and shall report directly to the Board. The Executive Director shall exercise such other powers, authority and responsibilities as the Board may from time to time determine by resolution, and shall ensure that all orders and resolutions of the Board are carried into effect. Accordingly, the Board delegates to the Executive Director all such authority as is necessary and appropriate to manage the business and affairs of the Corporation in accordance with the strategic plan and objectives adopted and approved by the Board and subject to oversight by the Board. The Board of Directors also reserves to itself full authority to revoke or modify any such delegation at any time and from time to time.

**6.6 President.** The President shall have and perform such powers, authority and responsibilities in connection with the operations of the Corporation as the Board or the Executive Director shall from time to time determine. In addition to any powers, authority and responsibilities of the President pursuant to Section 6.3, the President shall, when requested, counsel with and advise the other officers of the Corporation. The Chair shall serve as President of the organization, and may, at his or her discretion, nominate other person(s) for election by the Board to hold the office of the President.

**6.7 Treasurer.** The Treasurer shall supervise and be responsible for all the funds of the Corporation and have overall supervision of the financial operations of the Corporation; the deposit of all moneys to the Corporation's fiscal sponsorship account and corporate account; the disbursement of funds of the Corporation; and in general shall perform all of the duties incident to the office of the Treasurer. In addition to any powers, authority and responsibilities of the Treasurer pursuant to Section 6.3, the Treasurer shall, when requested, counsel with and advise the officers of the Corporation.

**6.8 Clerk.** The Clerk shall have and perform such powers, authority and responsibilities as are incident to the position of Clerk, which shall be to act as Clerk and record minutes of all meetings of the Board, of the committees of the Board, of annual meetings of the Corporation, of meetings of Board-appointed committees or bodies, and of meetings of

advisory councils to the Board, to record the proceedings of such meetings in a book or books to be kept for that purpose, and to have sole custody of such minutes and records. The Clerk shall see that all notices of meetings of the Board, of the committees of the Board, of annual meetings of the Corporation, of meetings of Board-appointed committees or bodies, and of meetings of advisory councils to the Board required to be given are duly given. The Clerk shall be custodian of the seal of the Corporation and shall affix the seal or cause it to be affixed and shall attest to the seal of the Corporation upon all instruments to be executed under such seal. In addition to any powers, authority and responsibilities of the Clerk pursuant to Section 6.3, the Clerk shall, when requested, counsel with and advise the other officers of the Corporation. The Clerk shall report directly to the Executive Director.

## Article VII – Annual Meetings

**7.1 Annual Meetings.** The annual meeting of the Corporation is the annual meeting of members of the Chapters and members of the Board for the transaction of such business as may properly come before the annual meeting. This meeting shall be held on such date and at such hour as shall be determined by the Board. Any previously scheduled annual meeting of the Corporation may be postponed by action of the Board taken prior to the time previously scheduled for such annual meeting of the Corporation. The Board may prescribe such rules, regulations and procedures with respect to and covering such matters affecting notice of, and the conduct and proceedings of, annual meetings of the Corporation, and to do all such acts and things as are determined by the Board to be necessary or advisable with respect thereto; provided, however, that unless otherwise determined by the Board, the Board shall be required to provide to Chapters reasonable notice of the time, place and manner of the annual meeting of the Corporation, and Chapters shall in turn provide notice to their respective members.

(a) **Place of Annual Meetings.** All annual meetings of the Corporation shall be held at such place as may be fixed from time to time by the Board. Notwithstanding the foregoing, the Board is authorized to determine that the annual meeting shall not be held at any place, but may instead be held by means of remote communication. If authorized by the Board, and subject to such guidelines as the Board may adopt, members of Chapters not physically present at an annual meeting of the Corporation may, by means of remote communication, participate in an annual meeting and be deemed present at such meeting whether such meeting is held at a designated place or solely by means of remote communication, provided that (i) the Corporation implements reasonable measures to verify that each person deemed present and permitted to vote at the annual meeting by means of remote communication is a member of a Chapter, (ii) the Corporation implements reasonable measures to provide such delegates a reasonable opportunity to participate in the annual meeting and to vote on matters submitted to the delegates of the Chapters, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if

any delegate of a Chapter votes or takes other action at the meeting by means of remote communication, a record of such vote or other action is maintained by the Corporation, subject in each case to Section 7.1(b)(i).

**(b) *Voting at Annual Meetings.***

(i) General. In matters requiring a vote at the annual meeting of the Corporation, each Chapter is entitled to at least one vote, and voting on all matters may be conducted by mail, telephone, electronic mail, or any other means of electronic or telephone transmission, provided that (A) the person voting shall state, or submit information from which it can be determined, that the method of voting chosen was authorized by such person, and (B) such means of voting shall have been determined by the Board or the chair of the annual meeting to be advisable for such annual meeting.

(ii) Voting. At each annual meeting of the Corporation and except as otherwise required by these Bylaws or by resolution of the Board, the vote of a majority of the members who are entitled to vote at an annual meeting and who are present (or deemed present) at an annual meeting at which a quorum is present at or prior to the time such annual meeting is convened shall be an act of the members of the Chapters and of the Chapters themselves.

(iii) Quorum. A quorum shall be considered present at any annual meeting of the Corporation if one-fourth of the total members registered by the Chapters for such annual meeting are present (or deemed present) at or prior to the time such annual meeting is convened in accordance with such guidelines as the Board may adopt pursuant to Section 7.1(a). In the case of an in-person annual meeting held at such place as may be fixed by the Board, a quorum shall be considered present if one-fourth of the total members registered by the Chapters for such annual meeting have evidenced their presence at or prior to the time such meeting is convened to the chair of the annual meeting or otherwise in accordance with such procedures as the Corporation may adopt. In the case of an annual meeting not held at any place, but instead held by means of remote communication such as a webinar or other form of web-conferencing using a web-based application, a quorum shall be considered present if one-fourth of the total members registered by the Chapters for such annual meeting have evidenced their presence at or prior to the time such meeting is convened by means of remote communication to the chair of the annual meeting or otherwise in accordance with such procedures as the Corporation may adopt.

(iv) Voting by Proxy. Voting by proxy is not allowed at any annual meeting of the Corporation.

(v) Other. If, at any annual meeting, there shall be less than a quorum present, the chair of the annual meeting may adjourn the meeting without further notice, from time to time until a quorum shall be present. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

(c) ***Conduct of Annual Meetings.***

(i) General. At each annual meeting of the Corporation, the Chair or, in the absence of or at the request of the Chair, such other member of the Board as shall be selected by the Chair, shall act as chair of the annual meeting. The chair of the annual meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or advisable for the proper conduct of the meeting. At any annual meeting of the Corporation, only such business shall be conducted as shall have been properly brought before the annual meeting, in each case subject 7.1(c)(ii)(B). The Chair may also appoint a vice chair of the annual meeting of the Corporation. The Clerk of the Corporation, or his or her designee, shall serve as the Clerk and Parliamentarian of the Annual Meeting and be responsible for maintaining appropriate records of the proceedings of the Annual Meeting.

(ii) Matters to be Considered.

(A) Upon Direction by the Board. For any matter to be properly brought before any annual meeting of the Corporation, the matter must be (1) specified in the notice of annual meeting given by or at the direction of the Board or (2) otherwise brought before the annual meeting by or at the direction by the Board or the chair of the annual meeting, or (3) otherwise brought before the annual meeting in accordance with such rules and procedures as are adopted by the Board or as are set forth in these Bylaws, including in Section 7.1(c)(ii)(B).

(B) By Petition for Resolution. Chapters may properly bring matters before any annual meeting of the Corporation pursuant to policies and regulations prescribed by the Board from time to time.

## Article VIII – Membership

**8.1 *Membership in the Corporation.*** The Corporation is a membership organization. The purpose of membership in the Corporation is to promote community understanding, commitment, and support for the mission, strategic plan, and services of the Corporation and its Chapters. Membership is open to all people of the United States and its territories and its possessions. Any individual shall be a member of the Corporation if he or she (a) supports the mission and purposes of the organization (b) pays the annual dues as set by the Board of Directors, including paid directly to a Chapter, and (c) signs the Laughing Matter Membership Form, which may be in electronic form.

**8.2 *Membership Defined.*** For all purposes, including, without limitation, for purposes of these Bylaws, membership in the Corporation shall mean that a person has been conferred pursuant to Section 8.1 of these Bylaws the right to receive notices of meetings of

members of the Chapter providing services in the territorial jurisdiction in which such person resides and the right to vote at (a) those meetings of members of the Chapters for members of the governing boards of such Chapters and (b) at those annual meetings of the Corporation on such business as may properly come before the annual meeting. Members of the Corporation and membership in the Corporation shall not confer upon or otherwise entitle any person to any rights or privileges other than those that are described in the preceding sentence, including the right to vote on any other matter involving or concerning the Corporation.

**8.3 Termination of Membership.** Termination of membership by the Corporation or by any of its Chapters shall automatically terminate the rights of such person as a member in the Corporation described in this Section 8, subject to such individual's right of appeal to the Corporation through any procedures established by the Corporation or as described in Section 8.2 of these Bylaws.

## Article IX – Chapters

**9.1 Nature of Chapters.** Chapters are local units of the Corporation and shall not be constituted as legal entities separate from the Corporation. Each member of the governing board of a Chapter shall serve without compensation for services as such and meet such other standards as may be specified by the Corporation in such Chapter's governing instruments (including the Chapters' charter and bylaws), and no employee of the Corporation or any Chapter may serve on the governing board of a Chapter.

**9.2 Chapter Governance.** The charter of a Chapter is the certificate that recognizes a group of organized persons as a local unit of the Corporation. Charters shall be issued by the Corporation pursuant to these Bylaws and pursuant to policies and regulations prescribed by the Executive Director, and shall include a statement of the purpose or purposes of such Chapter. Policies and regulations with regard to Chapters may include such requirements and other provisions as may be prescribed in the sole discretion of the Executive Director, including the following:

- (a) the standard form of bylaws that each Chapter, as the case may be, shall be required to adopt and comply with;
- (b) term limits for members of the governing board of a Chapter and the circumstances under which the Executive Director may grant extensions thereof;
- (c) the manner in which the governing board of a Chapter may remove officers or terminate the rights of a person as a member of the Corporation; and
- (d) procedures for members to submit to the Executive Director his or her grievances concerning membership and governance-related matters involving the Chapters.

### **9.3 Power and Authority with Respect to Chapters.**

- (a) Executive Director. The Executive Director shall have overall responsibility and authority to oversee and direct the conduct of the business and affairs of the Chapters, and shall report directly to the Board of Directors of the Corporation. Accordingly, the Board delegates to the Executive Director all such power and authority as is necessary and appropriate to oversee and direct the conduct of the business and affairs of the Chapters, including the power and authority to:
- (i) remove the chair and/or members of the governing board of a Chapter;
  - (ii) charter, revoke the charter of, or otherwise de-charter or re-charter a Chapter;
  - (iii) modify the power and authority or permanently suspend all or any part of the operations of a Chapter;
  - (iv) oversee and intervene in the affairs of a Chapter; and
  - (iv) take such other or further action as the Executive Director may determine to be appropriate under the circumstances.
- (b) Board of Directors. The Board of Directors of the Corporation grants the delegation regarding the Chapters to the Executive Director, subject to the control and oversight of the Board, and also reserves to itself full authority to revoke or modify any such delegation of authority at any time and from time to time. The Board specifically reserves to itself the power and authority regarding the manner in which the governing board of a Chapter are elected by members of the Corporation, which in any event shall adhere to democratic principles of election and shall entitle each member to cast one vote without regard to the basis of financial or other type of contributions made by any such member.

**9.4 Funds.** A set percentage of all funds, as determined by the Board, and property received by or coming into the custody or possession of any Chapter of the Corporation shall be set aside for use by the Corporation. The remaining percentage shall be set aside by the Chapter for all purposes which concern its needs as a local unit of the Corporation, to be expended or applied only for purposes authorized by its Chapter bylaws and consistent with these Bylaws, by resolution of the Chapter board, or by needs as determined by the Chapter's Managing Director.

**9.5 Accounts of Chapters.** The accounts of each Chapter shall be maintained and audited in accordance with such requirements as may be issued from time to time by the Board, the Audit Committee and the Executive Director. The Board delegates to the Executive Director the power and authority to set forth the requirements and the manner in which Chapter financial information is provided and audited.

## Article X – Funds of the Corporation

- 10.1 Authority to Receive.** The Corporation may receive donations and funds for such purposes as are within the general scope of its corporate purposes and powers.
- 10.2 General Fund.** Except as provided in Section 10.2, there shall be received and held in the general fund of the Corporation all sums received from any source, including
- (a) monetary contributions and donations (except the portion thereof authorized by resolution of the Board or by policies and regulations prescribed by the Executive Director to be retained by the Chapters);
  - (b) all other income, receipts, and revenues of the Corporation.
- 10.3 Deposit.** Except as otherwise provided in these Bylaws or by resolution of the Board, the funds of the Corporation shall be deposited in such banks or other financial institutions as may be designated by the Board or any committee thereof or any officer of the Corporation to whom power in respect of financial operations shall have been designated by the Board or any such committee or in these Bylaws shall select. The Board may prescribe suitable policies and regulations for the safekeeping of such funds.

## Article XI – Miscellaneous

- 11.1 Amendments.** These Bylaws may be amended, repealed, or changed at any regular or special meeting of the Board by the affirmative vote of a majority of the members of the Board present at any such meeting, provided that notice containing the general effect and intent of the proposed amendments has been given to all members of the Board at least one week prior to such meeting, unless all members of the Board agree to shorter notice.
- 11.2 Subject to Law.** All powers, authority and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by the provisions of applicable laws.
- 11.3 Board Resolutions and Policies.** The Board may from time to time adopt policies of the Corporation not inconsistent with these Bylaws. These policies shall be part of the overall Corporate Policies and Regulations. The policies shall be set forth in Board resolutions or such other policy document and the official version shall be kept in the custody of the Clerk. The Executive Director shall communicate all statements of purpose adopted by the Board, including the Mission and Strategic Plan of Laughing Matter, throughout the Corporation.
- 11.4 Management Policies and Regulations.** The Board delegates to the Executive Director the authority to promulgate subordinate written directives, policies and regulations of the Corporation not inconsistent with these Bylaws, or any other action, resolution, or policy of the Board. These Management Policies and Regulations shall be part of the overall Corporate Policies and Regulations.

The Board delegates to the Executive Director the authority to develop processes and procedures to enforce Management Policies and Regulations and secure compliance with said policies and to take any remedial or corrective action deemed appropriate and not inconsistent with these Bylaws, or any other action, resolution, or policy of the Board.

**11.5 Fiscal Year.** The fiscal year of the Corporation and any chapter shall be the calendar year.

**11.5.1 Corporate Policies and Regulations.** The Corporation including each corporate department, unit and Chapter and the officers, directors, employees, volunteers, agents, and representatives thereof shall comply fully with all applicable provisions of Corporate Policies and Regulations.

## Certification

These bylaws were approved at a meeting of the Board of Directors by a majority vote on **July 25, 2011.**

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Date



