
BYLAWS
OF
TAX FOUNDATION OF HAWAII

Organized under the laws
of the State of Hawaii

As Amended Through
September 16, 2015

ARTICLE I

OFFICE AND SEAL

Section 1.1 Office. The principal office of the Corporation shall be at such place as the board of directors shall from time to time determine. The Corporation may have other offices, either within or without the State of Hawaii, as the board of directors may designate, or as the activities of the corporation may require from time to time.

Section 1.2 Seal. The corporation may have a seal. The seal shall be of such form as the board of directors may determine from time to time.

ARTICLE II

MEMBERS

Section 2.1 General. The members of the Corporation shall consist of those persons elected to membership in accordance with these bylaws. Membership in the Corporation shall be evidenced by the membership roll of the Corporation.

Section 2.2 Admission of Members. The power to admit members shall be vested solely in the Board of Directors. The Board of Directors shall from time to time prescribe the qualifications and requirements for membership and shall have the power to create classes of membership conferring such rights and privileges and imposing such obligations as may from time to time be determined by the Board of Directors.

Section 2.2-1 Suspension or Termination. The Board of Directors may suspend or terminate the membership of any member upon not less than fifteen (15) days' prior written notice including the reasons therefor. Prior to the effective date of the suspension or termination, the member may request a hearing before the Board of Directors, which request shall suspend the action until the later of the date originally set for suspension or termination or the date on which a final determination is reached under this Section. The Board of Directors shall, upon receipt of a request for a hearing, permit the member to appear before it and to present argument and evidence on the member's own behalf at least five (5) days before the effective date of the suspension or termination. The Board of Directors shall consider such information and shall notify the member of its decision in writing. The suspension or termination of a member shall not relieve the member from any obligations the member may have to the Corporation as a result of obligations incurred or commitments made prior to such suspension or termination. A suspended member shall not have the right to vote and shall be subject to such other sanctions as determined by the Board of Directors.

Section 2.3 Dues. Members of the Corporation shall be required to pay dues, assessments and any other necessary charges to be or to remain members.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.1 Annual Meetings. The annual meeting of members shall be held each year at such time and place as the board of directors shall determine. The purpose of the annual meeting shall be transacting such business as may come before the meeting. A unanimous written consent of members may be executed in lieu of the annual meeting.

Section 3.2 Special Meetings. Special meetings of members may be held for any purpose or purposes. Special meetings shall be held at any time upon the call of the chair, vice chair, president or the board of directors or upon the written request of members entitled to cast 25 percent of the votes entitled to be cast at the special meeting.

Section 3.3 Place of Meetings. The board of directors may designate any place as the place of meeting for any annual meeting or any special meeting of the members. If no designation is made, the place of the meeting shall be the principal office of the Corporation.

Section 3.4 Notice of Meetings. Notice of the annual meeting or any special meetings, stating the place, day, and time of the meeting, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall include a description of any matter or matters that must be approved by the members and, in the case of a special meeting, a description of the purpose or purposes of the meeting. The notice shall be given by or at the direction of the Chair, the Secretary or other persons calling the meeting, and shall be delivered in person, by telephone, by mail or by electronic transmission to each member, whether or not the member is entitled to vote. Oral notice is effective when communicated. If mailed, notice shall be deemed to be delivered when deposited in the U.S. mail, postage prepaid, addressed to the member at the member's address as it appears on the books of the Corporation. Notice may be given to any member by electronic transmission, provided that the member shall have consented to receive notice by electronic transmission. Notice given by electronic transmission shall be deemed given (i) when directed to an electronic mail address at which the member has consented to receive notice, if transmitted by electronic mail, and (ii) when directed to a number at which the member has consented to receive notice, if transmitted by facsimile telecommunication. If a meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if it is announced at the meeting before adjournment.

Section 3.5 Adjourned Meetings and Notice Thereof. Any meeting of the members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present, but in the absence of a quorum no other business may be transacted at any such meeting.

When any members' meeting, either annual or special, is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise, it shall not be necessary to give any notice of an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 3.6 Voting. At all meetings of members, every member entitled to vote shall have the right to vote in person or by written proxy.

Section 3.7 Quorum. A quorum for a meeting shall be fifty (50) members. A majority of the quorum shall act for the Corporation.

ARTICLE IV

MEMBERS OF THE BOARD OF DIRECTORS

Section 4.1 Number and Qualifications of Directors. The authorized number of directors of the Corporation shall be not fewer than eighteen (18) or more than sixty (60) persons. Candidates for the board of directors need not be members of the Corporation. At least one director shall be a resident of the State of Hawaii. The president of the Corporation shall be a member of the board of directors. Each director shall give to the secretary the mailing address, the telephone, telecopier numbers, email address and any changes thereof to which notices shall be sent to the director.

Section 4.2 Election. Approximately one-third (1/3) of the directors shall be elected for three year terms at each annual meeting of the board of directors of the Corporation or at any special meeting of the board of directors held for that purpose in order to stagger their terms of office.

Section 4.3 Term of Office. All directors shall hold office until their successors are elected.

Section 4.4 Vacancies. Permanent vacancies on the board of directors caused by death, resignation, removal or other cause may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director. Each director so elected shall hold office for the unexpired term of the director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors for a term of office continuing until the next election of directors.

Section 4.5 Removal. Any one or more or all of the directors may be removed from office with or without cause by the vote of two-thirds of the Board of Directors.

If a director, officer or employee of the Corporation becomes a candidate for election, or elected, to public office, or appointed to any salaried office or employment in any governmental organization, entity or agency whatsoever, such person shall be automatically removed from office or employment.

Section 4.6 Reduction. No reduction of the authorized number of directors shall have the shortening the term of any incumbent director.

Section 4.7 Liability. No director shall be personally liable for the debts, liabilities or obligations of the Corporation.

Section 4.8 No Compensation. Directors shall serve without remuneration. The board of directors may provide for reimbursement of all or part of directors' expenses of attending meetings of board of directors or committees.

Section 4.9 Conflicts of Interest. No director shall vote on any matter under consideration by the board of directors or committee in which the director has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the director having the conflict of interest abstained from discussion and voting. Any director may request the board of directors to determine whether a conflict of interest exists in any matter. The board of directors shall resolve the question by a majority vote. The decision of the board of directors shall be determinative for all purposes.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 5.1 Powers. The corporate powers of this Corporation shall be vested in the board of directors to the fullest extent permitted by the laws of the State of Hawaii. The board of directors shall have general charge of the affairs, funds and property of the Corporation. It shall be the duty of the board of directors to enforce the bylaws. The board of directors shall have the power to expel any member of the Corporation with or without cause.

Section 5.2 Duties. It shall be the duty of the directors to direct the affairs and activities of the Corporation. The board of directors may promulgate and enforce rules and regulations not inconsistent with law, the articles of incorporation or these bylaws.

Section 5.3 Committees of the Board. With the consent of the board of directors, the chair of the board may appoint committees of two or more directors. Anything to the contrary in Section 6.5 of these bylaws notwithstanding, committee members must be designated by a majority of the entire board of directors. If the board of directors appoints an executive committee, the executive committee may exercise all powers of the board of directors, except that the executive or other committee may not:

- (1) Authorize the payment of a dividend or the distribution of any part of the income or profit of the Corporation to the directors or officers;
- (2) Approve or recommend to the members the dissolution or merger of the Corporation or the sale, pledge, or transfer of all or substantially all of the Corporation's assets;

- (3) Elect, appoint, or remove directors or fill vacancies on the board or any of its committees; or
- (4) Adopt, amend, or repeal the Articles of Incorporation or Bylaws.

The designation of a committee and the delegation to it of authority shall not relieve the board of directors, or any member of such, of any responsibility imposed by law.

ARTICLE VI

ACTIONS OF THE BOARD OF DIRECTORS AND COMMITTEES

Section 6.1 Regular Meetings. The annual meeting of the board of directors shall be held prior to the Corporation's fiscal year end, at such time and place as the board of directors shall determine. The purpose of the annual meeting shall be electing directors and officers and transacting other business as may come before the meeting. The board of directors may provide, by resolution, the time and place for the holding of the annual meeting and additional regular meetings. No notice other than such resolution need be given.

Section 6.2 Special Meetings. Special meetings of the board of directors or of a committee may be called by or at the request of the chair, vice chair of the board or president or any three directors or committee members. The person or persons authorized to call special meetings of the board of directors or the committee may fix any place within the State of Hawaii as the place for holding any special meeting of the board of directors called by them.

Section 6.3 Telephone Meetings. Subject to the provisions below regarding notice, members of the board of directors or any committee may participate in a meeting of the board of directors or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at the meeting.

Section 6.4 Notice. Regular meetings of the board of directors may be held without notice of the date, time, place, or purpose of the meeting. Special meetings shall be preceded by at least two (2) days' written notice of the date, time and place of meeting. Such notice shall be given by or at the direction of the Chair or other persons calling the meeting. Such notice shall be delivered in person, by telephone, by mail or by electronic transmission to each director. Oral notice is effective when communicated. If mailed, notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the director at the director's address as it appears on the records of the Corporation. Notice may be given to any director by electronic transmission, provided that the director shall have consented to receive notice by electronic transmission. Notice given by electronic transmission shall be deemed given (i) when directed to an electronic mail address at which the director has consented to receive notice, if transmitted by electronic mail, and (ii) when directed to a number at which the director has consented to receive notice, if transmitted by facsimile telecommunication. Any director may waive notice of any meeting provided such waiver is made in writing and signed by the director

entitled to the notice or is transmitted by electronic transmission, and delivered to the Corporation for inclusion in the minutes or corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director at the beginning of the meeting or prior to the vote on any matter not noticed in conformity with law, these Bylaws, or the Articles of Incorporation, objects to lack of notice and does not thereafter vote or assent to the objected to action.

Section 6.5 Quorum and Adjournment. No director may be present at a meeting by proxy or cast an absentee ballot. One-third (1/3) of the board or committee members, but not less than two directors in any event, shall constitute a quorum for the transaction of business. In the absence of a quorum, the presiding officer or a majority of the directors present may adjourn the meeting from time to time without further notice until a quorum is present.

Section 6.6 Presumption of Assent. A director who is present at a meeting of the board of directors or any committee at which action on any matter is taken shall be presumed to have assented to the action. To dissent, the director's dissent or the director's withholding of the director's vote shall be entered in the minutes of the meeting. Alternatively, the director shall file a written dissent to the action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward the dissent by registered or certified mail to the secretary within two days after the date of the action. The right to dissent shall not apply to a director who voted in favor of the action.

Section 6.7 Action Without Meeting. Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if all directors (i) execute a consent in writing setting forth the action to be taken, or (ii) transmit an electronic transmission consenting to the action to be taken. The consent shall be included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent or gives consent by electronic transmission, unless the consent specifies a different effective date.

ARTICLE VII

OFFICERS

Section 7.1 Titles and Number. The officers of the Corporation shall consist of those whose titles are named in the articles of incorporation. Any person may hold two or more offices of the Corporation, provided the Corporation shall have at least two persons as officers.

Section 7.2 Election and Term of Office. All officers shall be elected by the board of directors and shall serve at the pleasure of the board of directors. All officers shall be subject to removal at any time without cause by the board of directors. The board of directors may, in its discretion, elect acting or temporary officers and may elect officers to fill vacancies occurring for any reason whatsoever, and may limit or enlarge the duties and powers of any officer elected by it. Officers need not be directors or members of the Corporation.

Section 7.3 Chair of the Board. The chair of the board, if the office is filled, may preside at all meetings of the board of directors and the members and shall perform such other duties as may be required by these bylaws or the board of directors.

Section 7.4 One or More Vice Chair of the Board. The vice chair of the board may preside at all meetings of the members and the board of directors, if the chair of the board is absent, and shall perform such other duties as may be required by the board of directors. If more than one vice chair is elected, the order of succession will be designated and the most senior will preside at meetings if the chair is absent. If desired, the most senior vice chair may be designated chair-elect.

Section 7.5 President. If there is no chair or vice chair of the board, the president shall preside at all meetings of the members and the board of directors. The president shall be the chief executive officer of the Corporation and shall have general charge and supervision of the Corporation. The president shall perform such other duties as are incident to the office or are required by the board of directors.

Section 7.6 Vice Presidents. In the absence or disability or refusal to act by the president, the vice presidents shall, in the order designated by the president or the board of directors, perform all of the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice presidents shall have such powers and perform such other duties as from time to time may be prescribed by the president, the board of directors or the bylaws.

Section 7.7 Secretary and Assistant Secretaries. The secretary shall keep the minutes of all meetings of the members and board of directors. The secretary shall keep or cause to be kept a register showing the names of the members, directors and officers with their addresses. The secretary shall give notice in conformity with the bylaws of all meetings of the members and the board of directors. The secretary shall also perform all other duties assigned by the president or the board of directors. The assistant secretary or assistant secretaries, if elected, shall, in the order designated by the president or board of directors, perform all the duties and exercise all the powers of the secretary during the absence or disability of the secretary or whenever the office is vacant, and shall perform all the duties assigned by the president or the board of directors.

Section 7.8 Treasurer and Assistant Treasurers. The treasurer shall be the chief financial officer of the Corporation and exercise general supervision over the receipt, custody and disbursement of corporate funds. The treasurer shall perform all other duties assigned by the president or the board of directors. The assistant treasurer or assistant treasurers, if elected, shall, in the order designated by the president or the board of directors, perform all the duties and exercise all the powers of the treasurer during the absence or disability of the treasurer or whenever the office is vacant and shall perform all the duties assigned by the president or the board of directors.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 No Liability. To the fullest extent permitted by Hawaii law, the Corporation shall indemnify each director and officer of the Corporation who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, because such person is or was a director or officer of the Corporation, against all expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding. The Corporation may indemnify current and former employees and agents of the Corporation to the extent permitted by Hawaii law.

Section 8.2 Advances for Expenses. The Corporation shall advance funds to pay for or reimburse the reasonable expenses and attorneys' fees incurred by a director or officer before final disposition of an action, suit or proceeding, provided that such person delivers a written affirmation of such person's good faith belief that such person has met the requisite standard of conduct for indemnification and delivers a written undertaking to repay such amount if it is ultimately determined that such person did not meet the standard of conduct. The Board of Directors may authorize payment in advance of final disposition of an action, suit or proceeding for the reasonable expenses and attorneys' fees incurred by an employee or agent seeking indemnification under this Article, provided that such employee or agent delivers the affirmation and undertaking described in the previous sentence.

Section 8.3 Continuing Indemnification. The indemnification provided for of this Article shall be cumulative and not exclusive, and shall be in addition to any other indemnification provided by law or by any other agreement. Any repeal, amendment or modification of this Article shall not affect the indemnification provided in this Article for any acts or omissions occurring prior to such repeal, amendment or modification. The indemnification provided for in this Article shall continue as to any person who has ceased to be a director, officer, employee or agent of the Corporation and shall inure to the benefit of such person's heirs, personal representatives, executors and administrators.

Section 8.4 Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or other agent of the Corporation or of any division of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability under the provisions of this article. Insurance may be procured from any insurance company designated by the board of directors, including any insurance company in which the Corporation shall have any equity or other interest, through stock ownership or otherwise.

Section 8.5 Fiduciaries of Employee Benefit Plans. Indemnification, expense advancement or the purchase of insurance for the benefit of any fiduciary of any employee benefit plan or trust for the benefit of employees of the Corporation or other corporation in which the Corporation owns shares shall be made upon the authorization of the Board of Directors.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Inspection of Corporate Records. The Articles of Incorporation, these Bylaws, the books and records of account and the minutes of proceedings of the members and the board of directors and each committee shall be open to inspection upon the written demand of any member or the demand of any director, at any reasonable time, and for any proper purpose, and shall be exhibited at any time when required by the demand of a majority of the members. Such inspection may be made in person or by an agent or attorney, and shall include the right to make copies. Demand for inspection may be made upon the president or secretary of the Corporation.

Section 9.2 Handling Funds. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board of directors.

Section 9.3 Execution of Contracts. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the board of directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 9.4 Voting Shares Held by the Corporation. In all cases where the Corporation owns, holds, or represents under power of attorney, proxy or in any representative capacity, shares of any corporation, or shares or interests in business trusts, partnerships or other associations, the shares or interests shall be represented and voted by the president, or in the absence of the president, by a vice president or as otherwise prescribed by the board of directors. In the absence of either officer, any person specifically appointed by the board of directors for the purpose shall have the right to represent and vote the shares or interests.

ARTICLE X

AMENDMENT

Section 10.1 By Directors. These Bylaws may be amended or repealed by a majority of the total number of directors.

ARTICLE XI

ARBITRATION

Section 11.1 Involving the Corporation. All disputes or claims for damages or other relief among or between the Corporation and any member, director, officer, employee or agent of the Corporation shall be submitted to arbitration or another form of nonjudicial dispute resolution.

Section 11.2 Among Other Persons. All disputes or claims for damages or other relief among or between any member, director, officer, employee or agent of the Corporation which relates to any matter involving the Corporation or the outcome of which could affect the Corporation shall be submitted to arbitration or another form of nonjudicial dispute resolution.

Section 11.3 Arbitration Rules. Unless the board of directors shall decide to the contrary, all disputes or claims for damages or other relief governed by Sections 11.1 or 11.2 of these Bylaws shall be arbitrated in accordance with the rules of the American Arbitration Association.

Section 11.4 Invalidity. In the event that any provision of Section 11.1 or 11.2 is declared invalid by a competent court, every dispute or claim for damages or other relief among or between the persons described in Section 11.1 and 11.2 shall be tried solely by a judge without a jury.

CERTIFICATE

The undersigned Secretary of the TAX FOUNDATION OF HAWAII hereby certifies that the foregoing Bylaws are true and correct, reflecting all amendments up to and including those duly adopted by the Board of Directors of the TAX FOUNDATION OF HAWAII at its regularly scheduled meeting on September 16, 2015, and that the same remain in full force and effect.

DATED: September 23, 2015.


Secretary