

BY-LAWS

OF

JOHN D. AND CATHERINE T. MacARTHUR FOUNDATION

(A Not for Profit Corporation Organized Under

the General Not for Profit Corporation Act

of the State of Illinois)

As Amended Through September 18, 2008

ARTICLE I

PURPOSES

The corporation shall operate exclusively for charitable, religious, scientific, literary, educational and other exempt purposes described in section 501(c)(3) of the Internal Revenue Code. (Amended 12/11/97).

No part of the net earnings of the corporation shall inure to the benefit of any Director or officer of the corporation or any private individual (except that reasonable compensation may be paid for personal services rendered to or for the corporation which are reasonable and necessary to carry out one or more of its exempt purposes); and no Director or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. (Amended 12/11/97).

The net earnings of the corporation shall be distributed at such time and in such manner as not to subject the corporation to tax under section 4942 of the Internal Revenue Code; and the corporation shall not engage in any act of self-dealing as defined in section 4941(d) of such Code, retain any excess business holdings as defined in section 4943(c) of such Code, make any investments in such manner as to subject the corporation to tax under section 4944 of such Code, or make any taxable expenditures as defined in section 4945(d) of such Code.

Notwithstanding any other provision of these By-Laws, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under section 501(c) (3) of the Internal Revenue Code, by an organization contributions to which are deductible under section 170(c)(2) of such Code, or by an organization bequests, legacies, devises, or transfers to which are deductible under section 2055(a) of such Code.

Upon the dissolution of the corporation or the winding up of its affairs, or upon termination of the status of the corporation as a private foundation defined in section 509 of the Internal Revenue Code as provided in section 507(a) of such Code, the net assets of the corporation shall be distributed exclusively to one or more organizations described in section 170(b)(1)(A) (other than clauses (vii) and (viii) thereof) of such Code each of which has been in existence and so described for a continuous period of at least sixty (60) calendar months immediately preceding such distribution.

The foregoing references to provisions of the Internal Revenue Code are to such provisions as they now exist or as they may hereafter be amended.

The corporation shall have such powers as are now or may hereafter be granted by the General Not for Profit Corporation Act of the State of Illinois.

ARTICLE II  
OFFICES

The principal office of the corporation in the State of Illinois shall be located in the City of Chicago, County of Cook. The corporation may have such other offices, either within or without the State of Illinois, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

The corporation shall have and continuously maintain in the State of Illinois a registered office, and a registered agent whose office is identical with such registered office, as required by the General Not for Profit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Illinois, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE III  
BOARD OF DIRECTORS

Section 1. General Powers and Number of Directors. Through the end of 2011, the property and affairs of the corporation shall be managed by a Board of Directors composed of up to 16 persons (Base Number), including the President of the corporation who shall serve during the tenure of his or her presidency ex-officio as a full member of the Board of Directors. Effective January 1, 2012, the size of the Board of Directors shall be 15 including the President serving ex-officio as provided above. (Amended 9/18/08).

Section 2. Tenure of Directors. (a) Except as set forth herein, each Director elected shall hold office for a term of four years and until his or her successor shall have been elected. A Director elected less than six months before the date of the next Annual Meeting shall serve the period of time until the next Annual Meeting plus four additional years unless a shorter term is specified in the resolution electing such Director in accordance with Subparagraph (b) hereof. A Director elected more than six months before the next Annual Meeting shall be elected for a term consisting of the period of time until the next Annual Meeting plus three additional years, unless a shorter term is specified in the resolution electing such Director in accordance with Subparagraph (b) hereof. The Directors shall be divided into classes, according to the year in which each Director's first term is deemed to commence (excluding non-consecutive terms). To minimize possible discontinuity in the governance of the corporation that could be caused by having to elect large classes of Directors from time to time, the Board may elect a Director for an initial term of less than four years so that the future elections and re-elections of Directors are spread over time as the Board may determine to be in the best interest of the corporation. (b) Each Director shall be reviewed at the end of each term by the Nominating Committee and, so long as the Board of Directors (after consideration of the recommendation of the Nominating Committee and other matters the Board of Directors deems appropriate) reelects a Director, he or she shall continue to serve as a Director for an additional four-year term. Notwithstanding the preceding sentence, no person shall hold office as a Director for more than three consecutive four-year terms, except that (i) a Director in the class of 1991 may serve for a total of fourteen (14) years to provide continuity to the Board; and (ii) a former Director will be eligible to again serve as a Director if at least one year has elapsed since the end of that person's last previous term as a Director. (c) Nothing in this Section shall be construed either to diminish the power of the Board of Directors to remove a Director from office as authorized by law or to prejudice the exercise of that power in any way. (d) Nothing in this Section shall apply to the President serving ex-officio as a member of the Board of Directors. (Amended 6/27/02).

Section 3. Annual Meeting. Beginning in 2001, an Annual Meeting of the Board of Directors shall be held in the month of June (at such dates and times as provided in notices of such meetings) for the purpose of electing Directors, if any are to be elected, officers or both, and for the transaction of such other business as may come before the meeting. If the day fixed for the Annual Meeting shall be a legal holiday in the State of Illinois, such meeting shall be held on the next succeeding business day. If the election of Directors, if any are to be elected, officers or both shall not be held on the date designated herein for any Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a Special Meeting of the Board of Directors as soon thereafter as conveniently may be. (Amended 5/11/00).

Section 4. Regular Meetings. During each calendar year, in addition to the Annual Meeting, the Board of Directors shall hold not less than three Regular Meetings, which shall be held on such dates and at such times as set by resolution of the Board of Directors, for the transaction of such business as may come before those meetings. (Amended 5/11/00).

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chair of the Board of Directors, by the President, by the Board of Directors, or by not less than two Directors. (Amended 1/3/79). (Renumbered 12/11/97).

Section 6. Place of Meeting. The Annual Meeting and Regular Meetings of the Board of Directors shall be held at the principal office of the corporation or at such other place, either within or without the State of Illinois, as may be designated by the Board of Directors. The person or persons authorized to call any Special Meeting of the Board of Directors may fix the time and place, either within or without the State of Illinois, for holding any Special Meeting of the Board called by him or them. If no designation is made, the place of meeting shall be the registered office of the corporation in the State of Illinois. (Renumbered 12/11/97). (Amended 12/11/97).

Section 7. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Board of Directors shall be delivered to each Director not less than five nor more than forty days before the date of such meeting, by or at the direction of the President, or the Secretary, or the persons calling the meeting. The purpose or purposes for which any meeting is called shall be stated in the notice. Notice shall be deemed to have been properly given if (i) served in person, (ii) mailed by United States mail, full postage prepaid thereon, (iii) sent by special courier service (e.g., Federal Express), or (iv) sent by telecopy. Notice shall be deemed to have been delivered (i) in the case of personal or special courier delivery, on the date of actual receipt of such notice by the Director, (ii) in the case of mail delivery, when deposited in the United States mail, postage prepaid thereon, addressed to the Director at his or her address as it appears on the records of the corporation, or (iii) in the case of facsimile delivery, when transmitted to the Director at his or her fax number as it appears on the records of the corporation. (Renumbered 12/11/97). (Amended 6/16/05).

Section 8. Quorum. One-third of the Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a quorum is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. (Renumbered 12/11/97).

Section 9. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these By-Laws. (Renumbered 12/11/97).

Section 10. Vacancies. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors shall be filled by the Board of

Directors at any meeting thereof (Annual, Regular or Special). A Director elected to fill a vacancy arising from the resignation, death, removal or disability of a Director shall be elected for the unexpired term of his or her predecessor. The unexpired term for which such Director is elected pursuant to this Section 10 shall be considered the first four-year term of said Director. (Renumbered 12/11/97). (Amended 12/14/00).

Section 11. Compensation. Directors, by resolution of the Board of Directors, may receive an annual retainer plus a fixed sum and expenses of attendance, if any, for each day (including necessary travel time) for meetings of the Board or committees thereof, or on any activity approved by the Chair of the Board for added work for the Foundation, together with all out-of-pocket expenses, all to be paid by the Chief Financial Officer not less often than quarterly; *provided* that nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving reasonable compensation for personal services rendered the corporation which are reasonable and necessary to carry out one or more of the exempt purposes of the corporation. (Renumbered 12/11/97). (Amended 6/16/05).

Section 12. Attendance. Unless previously granted leave for reasonable cause by action of the Board of Directors, a Director of the Foundation shall not be eligible for reelection upon determination by vote of the majority of the remaining Directors that such Director, after the last election of such Director, has either:

- (a) failed to attend, except when due to illness, three consecutive regular meetings of the Board of Directors or
- (b) has failed to attend, except when due to illness, any five of ten consecutive regular meetings of the Board of Directors.

(Renumbered 12/11/97). (Amended 6/27/02).

#### ARTICLE IV COMMITTEES

Section 1. Committee of Directors. The Board of Directors, by resolution adopted by a majority of the Directors, may designate and appoint one or more Committees of Directors consisting of three or more Directors and such other persons as the Board of Directors may designate, *provided, however,* the majority of each Committee's membership shall consist of Directors. Each such Committee of Directors, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; *provided, however,* each such Committee shall not have the authority of the Board of Directors in reference to (1) amending, altering or repealing the By-Laws; (2) electing, appointing or removing any member of any such committee or any Director or officer of the corporation; (3) amending the articles of incorporation; (4) adopting a plan or merger or adopting a plan of consolidation with another corporation; (5) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; (6) authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; (7) adopting a plan for the distribution of the assets of the corporation; (8) amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee; or (9) authorizing or approving any grants. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon the Board or any individual Director by law. (Amended 6/27/02).

Section 2. Standing Committees. The Board of Directors shall have the following Standing Committees: Audit, Budget/Compensation, Institutional Policy, Investment and Nominating. Such Standing Committees shall not have nor exercise the authority of the Board of Directors in the management of the corporation, except as may be authorized by resolution of the Board of

Directors. By resolution, the Board of Directors shall appoint the Chair and the members of the Standing Committees. Members of the Standing Committees may, but need not, be members of the Board of Directors; *provided, however*, that at least the majority of each Standing Committee's membership shall consist of Directors. The President and the Chair shall be *ex officio* members of each Committee and, as such, shall be included in determining the number of Directors on such Committee for purposes of voting and for purposes of determining that a majority of each Committee shall consist of Directors as required hereby and by Section 3 of this Article IV. (Amended 6/27/02).

Section 3. Other Committees. By resolution, the Board of Directors may designate other committees not having nor exercising the authority of the Board of Directors in the management of the corporation. Members of each such committee may, but need not, be members of the Board of Directors; *provided, however*, that at least a majority of each such committee shall consist of Directors. The President shall appoint the members of such other committees, including the Chair of such committee, after consulting with the Chair of the Board. (Renumbered 12/11/97). (Amended 12/11/97).

Section 4. Term of Office. Each member of a committee shall continue as such until the next Annual Meeting of the Board of Directors and until his or her successor is appointed, unless the committee shall be sooner terminated by resolution of the Board of Directors, or unless such member resigns or is removed from such committee or unless such member shall cease to qualify as a member thereof. Any member of a committee may be removed by the person or persons authorized to appoint such member whenever in such person's or persons' judgment the best interests of the corporation shall be served by such removal. (Renumbered 12/11/97).

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments. (Renumbered 6/27/02).

Section 6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. (Renumbered 6/27/02).

Section 7. Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with the rules adopted by the Board of Directors. (Renumbered 6/27/02).

## ARTICLE V OFFICERS

Section 1. Officers. The officers of the corporation shall be a Chair of the Board, a President, a Vice President/General Counsel, a Vice President, a Vice President/Chief Investment Officer, a Secretary, a Chief Financial Officer, and such other Officers as may be elected by the Board. Any two or more offices (except President and Secretary) may be held by the same person if so elected by the Board of Directors. (Amended 6/16/05).

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the Annual Meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by a vote of the Board of Directors at any meeting of the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors at any meeting thereof for the unexpired portion of the term.

Section 5. Chair of the Board. The Chair of the Board shall: (a) preside at all meetings of the Board of Directors; (b) coordinate (i) relations of the corporation with corporations controlled by the corporation, and (ii) relations of the Board of Directors with the President; (c) sign and issue, jointly with the President, all annual or other major reports of the corporation; and (d) perform such other duties as the Board of Directors may from time to time determine. (Adopted 1/3/79). (Amended 6/27/02).

Section 6. President. The President shall be the chief executive officer of the corporation and as such shall exercise general supervision of all operations and personnel of the corporation, subject to the general control of the Board. The President shall have the authority to appoint such senior staff members (who shall not be corporate officers) as s/he may deem desirable and to assign duties and responsibilities to such persons. The President shall report to the Board of Directors through the Chair. The President may sign, with any other proper officer or assistant officer of the corporation authorized by the Board of Directors, if co-signatures or attestation is required, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, by these By-Laws or by statute to some other officer or agent of the corporation; and in general the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. If the President is unable to act or is absent and cannot be reached, the corporate Vice President designated by the Board of Directors (or by the President if the Board of Directors has not made such a designation) shall perform 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. If neither the Board of Directors nor the President has designated a corporate Vice President to act in such instances, the corporate Vice Presidents, in the order of their seniority of tenure, shall so act until such time as the Board of Directors can meet and determine appropriate action. (Renumbered 6/27/02). (Amended 6/16/05).

Section 7. Vice President/General Counsel. The Vice President/General Counsel shall be the chief legal officer of the corporation and shall in general perform all duties and have such powers as are normally incident to such office with respect to the corporation's legal affairs, including but not limited to signing court papers, settlements, releases, contracts, and deeds. The Vice President/General Counsel shall also perform such other duties as from time to time may be assigned to such officer by the President or the Board of Directors. (Adopted 12/11/97). (Amended 6/16/05). (Renumbered 6/16/05).

Section 8. Vice President. The Vice President shall perform such duties as shall be assigned by the President or the Board of Directors and shall in general perform all duties and have such powers as are normally incident to such office consistent with the duties so assigned. (Adopted 6/16/05). (Renumbered 6/16/05).

Section 9. Vice President/Chief Investment Officer. The Vice President/Chief Investment Officer shall perform such duties as shall be assigned by the President or the Board of Directors and shall in general perform all duties and have such powers as are normally incident to such office with respect to the corporation's investment matters, including but not limited to signing subscription documents, agreements, contracts and deeds. (Adopted 12/11/97). (Amended 6/26/03). (Renumbered 6/16/05).

Section 10. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; be custodian of the corporate records and of the seal of

the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these By-Laws; keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors. (Amended 6/16/05). (Renumbered 6/16/05).

Section 11. Chief Financial Officer. The Chief Financial Officer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these By-Laws; and in general perform all the duties incident to the office of Chief Financial Officer (except for investment matters) and such other duties as from time to time may be assigned to the Chief Financial Officer by the President or by the Board of Directors. If required by the Board of Directors, the Chief Financial Officer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. (Amended 6/16/05). (Renumbered 6/16/05).

Section 12. Other Corporate Officers. Any other corporate officers elected by the Board pursuant to Article V Section 1 hereof shall perform such duties as shall be assigned to such officer by the President or the Board of Directors. (Adopted 12/11/97). (Renumbered 6/16/05).

#### ARTICLE VI

##### CONTRACTS, CHECKS, DEPOSITS, FUNDS AND INVESTMENTS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes or other evidence of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Chief Financial Officer and countersigned by the President or a Vice President of the corporation. (Amended 6/16/05).

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept, or by resolution may authorize any officer or officers, agent or agents of the corporation to accept, on behalf of the corporation, any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

Section 5. Investments. The Board of Directors shall manage, invest, operate, deal in and with, and conserve the property of the corporation, and it may retain any or all of the stock or other assets transferred to the corporation by gift or bequest; *provided, however*, that the exercise of any of such powers shall not in any way conflict with the purposes of the corporation as stated in its certificate of incorporation, and such powers shall not be exercised so as to cause the corporation to lose its qualification as an exempt organization

under section 501(c)(3) of the Internal Revenue Code as such provision now exists or as it may hereafter be amended. The powers of the Board hereunder may be delegated to a committee of the Board. (Amended 6/27/02).

#### ARTICLE VII BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

The corporation considers the privacy of Confidential Information (as hereinafter described) to be essential to its operations and the achievement of its charitable purposes and programs and claims a valuable proprietary interest in such Confidential Information. For purposes of these By-Laws, "Confidential Information" shall mean any and all information and documentation prepared, generated or developed in the course of the corporation's activities that is identified as "confidential", discussed as "confidential" or, in context, can reasonably be expected to be treated as confidential, and which is not generally known or made available outside the corporation. Confidential Information may include files, documents, research materials, background materials, memoranda, reports, financial information, tax materials and any documentation (including letters of recommendation and evaluations) relating to any actual or potential grantee, any actual or recommended MacArthur Fellow, or other actual or potential participant in any corporation program, project or other undertaking. No staff member, officer or director of the corporation shall permit the use of, disclose or permit the disclosure to any third party of any Confidential Information, either during such person's tenure with the corporation or at any time thereafter, pursuant to any deed of gift or otherwise, without the prior written consent of the corporation. (Amended 10/10/96).

#### ARTICLE VIII FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

#### ARTICLE IX CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal. Illinois."

#### ARTICLE X WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the General Not for Profit Corporation Act or under the provisions of these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### ARTICLE XI AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws adopted by a majority of the Directors present at any meeting of the Board of Directors, *provided* notice of the proposed alteration, amendment, repeal or adoption be contained in the notice of any Regular Meeting or Special Meeting at which such action is taken, and *provided further* that no such alteration, amendment, repeal or adoption shall in any way conflict with the purposes of the corporation as stated in its certificate of incorporation or otherwise cause the corporation to lose its qualification as an exempt organization under section 501(c)(3) of the Internal Revenue Code as such provision now exists or as it may hereafter be amended. (amended 12/11/97).