

[Company] Corporate Bylaws

🔊 The first part of the Memorandum should be completed and distributed to the Board of Directors along with a copy of the Bylaws.

Date: [Month, Day, Year]

To: [Name of Director]

From: [Owner/Founder]

 [Company]

Subject: [Company] Corporate Bylaws

Attached to this memorandum are the [Company] Corporate Bylaws.

A Meeting of the Board of Directors is scheduled for [Day] [Date] at [9:00 AM].

We will discuss, amend if necessary, and vote to approve these Bylaws for the Corporation.

I look forward to seeing you there and to your continued participation and support.

From JIAN

NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🔴 **Do Not Use This Agreement 'As-Is.'**
- 🔴 **This Agreement Is Not Legal Advice.**
- 🔴 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🔴 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🔴 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

[Company Legal Name]

Corporate Bylaws

🔊 Special Note: Many provisions in this sample Bylaws are subject to state laws that vary from state to state. Accordingly, provisions of these Bylaws may not apply or may be incorrect for a corporation incorporated in your state. That said, it's your company – how do you want it to be?

🔊 This first section gives the principal address of the Corporation.

1. Offices

The principal executive office of the Corporation shall be located in [City], [County], [State], and may have offices at other places as the Board of Directors may from time to time designate.

🔊 The second section discusses rules related to regular and special shareholder meetings. The following paragraph sets the meeting place all shareholder meetings.

2. Shareholders' Meetings

2.1 All meetings of the shareholders shall be held at the principal executive office of the Corporation or at another place as the Board of Directors may determine.

🔊 The next section sets the date for regular shareholder meetings. You should fill in the appropriate date.

2.2. The annual meeting of the shareholders shall be held on the [Day/Month] of each year at [Time]. If this day happens to be a legal holiday, then the meeting shall be held at the same time on the following business day.

🔊 The next section describes who can call a special shareholders meeting.

2.3. Special meetings of the shareholders may be called by the Chairman of the Board of Directors, the President of the Corporation or by one or more shareholders holding not less than ten (10) percent of the shares entitled to vote.

🔊 Section 2.4 requires that notices of shareholder meetings comply with state law. You will have to insert the name of the state

2.4 Notice of annual and special meetings of the shareholders shall be given pursuant to the requirements of the Corporate Law of the State of [State], as it exists now or as it may be amended in the future.

🔊 Actions taken at any shareholder meeting that is not a proper, regular, or special shareholder meeting may be valid if a majority of the shareholders attend the meeting in person or by proxy, and the non-attending shareholders do not object to such actions.

2.5 Actions taken at any meeting of the shareholders, no matter how called, or noticed, and wherever held, are as valid as if taken at a regularly noticed and called meeting, if a quorum is present, in person or by proxy, and if each of the absent persons entitled to vote signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes. All such waivers, consents and approvals must be filed with the corporate records or made a part of the minutes. If a person attends a meeting and fails to object at the beginning to the holding of the meeting because it was not lawfully called, then such an appearance is a waiver of notice to that person. Such attendance is not a waiver of the right to object at the meeting to the consideration of matters required by the law or these Bylaws to be included in the notice but not so included.

☞ The following paragraph defines "quorum" for voting purposes.

2.6 A quorum exists when a majority of shares entitled to vote is represented in person or by proxy. The Business may be transacted after withdrawal of enough shareholders to leave less than a quorum, so long as the action taken is approved by the number of shares required to constitute a quorum. A quorum is not needed to adjourn a meeting so long as a majority of the shares present, in person or by proxy, votes in favor of adjournment.

☞ A shareholder can demand that the Directors be elected by ballot.

2.7 The Directors need not be elected by ballot unless a shareholder so demands at the meeting and before the commencement of voting.

☞ Only the shareholders of record are entitled to vote except if provided otherwise by state law or in the Articles of Incorporation.

2.8 Only holders of shares at the close of business on the record date are entitled to notice and to vote, except as provided by the Articles of Incorporation, by consent agreement, or by the General Corporation Law.

☞ The shareholders can have others vote on their behalf by proxy. The proxy can only be valid for 11 months and is subject to applicable state laws.

2.9 Every shareholder entitled to vote may authorize another to act by proxy with respect to the voting of such shares by filing a written proxy signed by such person with the Secretary of the Corporation. A proxy shall be valid for no more than eleven (11) months from the date of its execution, unless otherwise provided on the face of the proxy. All proxies shall be subject to the Corporate Laws of the State of [State].

3. Directors

☞ Section 3 covers the rules related to the meetings of the Board of Directors, and the number of Directors on the Board.

☞ The Board of Directors have the authority to manage the Corporation and exercise all corporate powers.

3.1 Subject to the provisions and limitations of the Corporate Law of the State of [State], and the Articles of Incorporation, or by any agreement of the outstanding shares pertaining to the business of this Corporation, so long as it remains a close Corporation, business and affairs of the Corporation shall be managed and all corporate powers exercised by or under the direction of the Board of Directors.

☞ You want an ODD number of Directors to break voting ties—usually 5-7 Directors is normal.

3.2 The number of Directors cannot be reduced to less than five (5) after issuance of shares unless such a Bylaw is adopted.

☞ The Directors will be elected annually by the shareholders and serve for a one year term.

3.3 Directors shall be elected at the annual meeting of the shareholders and serve until the next annual meeting and until their successors stand qualified to assume office.

☞ If a Director dies or resigns, or otherwise vacates a Directorship, the other Directors can elect a replacement. The shareholders have to approve a Director elected by the other Directors. If the Directors do not fill a vacancy on the Board, the shareholders may act to do so.

3.4 (1) Vacancies on the Board may be filled upon a vote of the majority of the Directors then in office, whether a quorum or not, or by a sole remaining Director, except for a vacancy caused by the removal of a Director, or as otherwise provided in the Articles of Incorporation or these Bylaws. (2) Vacancies caused by the removal of the Directors may only be filled by approval of the shareholders as

defined in Section [Enter section] of the Corporate Law of the State of [State], unless the Articles of Incorporation are amended or a Bylaw adopted in the future by the shareholders to provide that vacancies occurring because of removal may be filled by the Board. Any vacancy not filled by the Board that it is authorized to fill may be filled by the shareholders. Any such election by written consent requires the consent of the majority of the shareholders entitled to vote, however no vacancy caused by removal shall be filled by written consent except by the unanimous written consent of all the shareholders entitled to vote in the Directors' election.

3.5 Any Director or the entire Board of Directors may be removed from office in the manner provided by law.

3.6 Meetings of the Board of Directors may be called by the Chairman of the Board, the President, the Vice President, the Secretary, or any two Directors. Regular annual meetings of the Board of Directors shall be held without notice and immediately following and in the same location as the annual meeting of shareholders.

3.7 Meetings of the Board of Directors shall be held at the Corporation's principal executive office, or at any place designated by the Board of Directors and contained in the notice.

3.8 Notice of any special meeting of the Board of Directors shall be given by first-class mail, postage prepaid, to all the Directors for days in advance of such meeting or by telephone or telegraph two (2) days in advance of the meeting.

☞ Actions taken at any meeting of the Board of Directors that is not a (properly noticed) special meeting, may be valid if the Directors waive the notice requirement in writing or by attending the meeting without protest.

3.9 A Director who signs a waiver of notice, or a consent to the holding of a meeting, or an approval of the minutes of that meeting, or who attends the meeting without protest, thereby waives his right to notice of the meeting. All such waivers, consents, or approvals shall be made a part of the corporate record, filed and included in the minutes of the meeting.

☞ It's important to define under what conditions may a decision be approved... 2/3, simple majority, unanimous, etc..

3.10 A quorum shall consist of a [2/3 / simple majority / unanimous vote] of the authorized number of Directors. Every act or decision done or made by a majority of the Directors present at a meeting of the Board is the act of the Board, except as provided by sections in these Bylaws, or Bylaw. Any meeting where a quorum is present may transact business after a withdrawal of the Directors if the vote for approval of an action constitutes a majority of the required quorum for that meeting.

☞ The next section allows the Directors to take action by written consent.

3.11 Action required to be taken at a meeting of the Board may be taken instead by unanimous written consent of the Directors. Such consents shall be filed with the minutes of Board proceedings.

☞ Section 4 establishes the corporate officers and the duties of each. Initially, the Corporation will have a President, Vice President, Secretary, and Treasurer who will serve on the Board.

4. Officers

4.1 The Corporation shall have officers including a President, Vice President, Secretary, Treasurer, and other officers as the Board of Directors from time to time, deems necessary. An officer may hold more than one office in the corporation, except that the President may not simultaneously serve as the Vice President or Secretary. The Board in its determination may leave any office vacant. All officers serve at the pleasure of the Board, which shall fix their compensation and term of employment.

☞ Section 4.2 defines the President's duties.

4.2 **The President** shall be the chief executive officer of the Corporation and shall act in such a manner, and be responsible for such duties, appropriate to that officer. However, the President shall always be under the supervisory power of the Board. The President shall be the presiding officer for the shareholders and Board of Directors meetings.

☞ The next section describes the Vice President's responsibilities.

4.3 **The Vice President** shall be responsible for assuming the duties of the President upon the latter's inability to serve. The Vice President shall also have such other duties as the President or Board may determine.

☞ The following section describes the duties of the Secretary.

4.4 **The Secretary** shall issue all notices demanded by the law or these Bylaws and shall keep the minutes of all the shareholders and Board of Directors proceedings. The Secretary shall also have such other duties as the President or Board may determine.

☞ This next section states the duties of the Treasurer.

4.5 **The Treasurer** shall be responsible for all funds received by the Corporation and shall be the custodian of the corporate securities. The Treasurer shall also maintain accurate books and records of account of the assets and liabilities of the Corporation. The Treasurer shall also have such other duties as the President or the Board may determine.

5. Corporate Records & Reports

☞ The corporation is required to keep accurate and complete corporate and financial records.

5.1 The Corporation shall maintain accurate books and records of assets and liabilities, and shall keep minutes of all proceedings involving shareholders, Board of Directors and Board committees, and shall keep at its principal executive office a record of the shareholders and the number and class of shares held by each. All books, records, and minutes must be kept in written form, with the exception of those books and records that are capable of being kept in a form convertible into written form.

☞ The shareholders and Directors can inspect the corporate records.

5.2 The record of shareholders, the books and records of assets and liabilities, and the minutes of meetings and proceedings, shall be open for inspection by any shareholder upon written request. Each and every Director shall have the unqualified right to, at reasonable times, inspect and copy all Corporate documents of any kind, and to inspect all Corporate properties and holdings.

☞ The corporation may have to provide an annual report to the shareholders if required to do so by state law. The following provision waives such a requirement.

5.3 The annual report to shareholders provided for in Section [x] (Enter section) of Corporate Law of the State of [x] (State), is hereby waived.

6. Indemnification of Corporate Agents

☞ Officers, Directors, and other agents of the corporation will be indemnified by the corporation for legal expenses arising out of their efforts on behalf of the corporation.

Each and every agent of the Corporation shall be indemnified against legal expenses, judgments, fines, settlements and other amounts, reasonably incurred by such person after having been made or threatened to be made a party to a legal action. Payment of such amounts may also be made in advance if expenses are reasonably likely to be incurred by a Corporate agent in defense of any such action.

7. Execution of Instruments

- ☞ The Board of Directors may authorize other individuals to sign documents on behalf of the corporation. Some state laws acquire certain signatures for special documents, so this article does not give the authorization to sign every document on behalf of the corporation.

The Board of Directors may by resolution determine the officers and agents to execute any corporate instrument or document, or to sign the Corporate name, within the law, and such execution and signing shall be binding on the Corporation.

- ☞ The next article covers issues related to the issuance and transfer of corporate shares.

8. Issuance & Transfer of Shares

- ☞ Every shareholder will get a certificate, signed by a corporate officer, evidencing his / her ownership of corporate shares.

8.1 Every Corporate shareholder shall be issued a certificate certifying the number and class of shares owned and contain any statement required by the provisions of the Corporate Law of the State of [State]. Every certificate shall be signed by the Chairman of the Board, or the President or Vice President and by the Treasurer or Secretary of the Corporation, and the corporate seal shall be affixed thereto.

- ☞ The transfer of shares can be accomplished by endorsing the certificate and recording the transfer with the corporation. You should note that state law may affect the ability to transfer shares at a corporation.

8.2 A transfer of shares may be made upon the signature of the owner and the delivery of the certificate, but to be effective, such transfer must be entered in the corporate records, complete with the names of the parties, the certificate registration, the number of shares involved and the date of transfer, and the old certificate must be surrendered and canceled.

- ☞ The corporation will keep track of who owns how many shares.

8.3 The Corporation has the duty to record the transfer of shares, to cancel surrendered certificates, and to issue new certificates to new owners.

- ☞ Section 9 discusses the rules relating to amending these Bylaws.

9. Amendment of Bylaws

- ☞ Subject to state law, the shareholders can amend the Bylaws by vote. Also, the Directors can amend the Bylaws if not restricted from doing so.

9.1 These Bylaws may be amended or repealed, and new Bylaws adopted, upon approval by the shareholders entitled to vote, subject to the provisions of the Corporate Law of the State of [State]. Except for limitations imposed by the Articles of Incorporation on the Board of Directors' power to amend, repeal or adopt Bylaws, such actions may be taken by approval of the Board. However, such Bylaws may not contain any language in conflict with the law, or the Articles of Incorporation.

- ☞ Only the shareholders can amend these Bylaws to change the number of Directors. A small minority (16 2/3%) can block such an amendment.

9.2 A Bylaw changing the number of Directors can be adopted only by approval of the outstanding shares, and any such change that reduces the number of Directors below five (5) cannot be adopted if the votes cast against its adoption are equal to more than sixteen and two-thirds (16 2/3) percent of the outstanding shares entitled to vote.

- ☞ The following certificate should be completed and signed by the Corporate Secretary once the Board acts to approve the Corporate Bylaws.

Certificate of Secretary

I certify that I am the Secretary of [Company] and the attached Bylaws were duly adopted by the Board of Directors of the Corporation on [Month, Day, Year] at a meeting duly held.

Date

Secretary

[Company]

