



# Bylaws

Horizon Labs Bylaws

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Artificial Intelligence was utilized in parts of these bylaws to further enhance the bylaws through the incorporation of suggestions and rewriting of certain sections to ensure compliance with local and federal regulations.

You can view the bylaws and more information concerning organizational policies at [irpo.net/policy](https://irpo.net/policy)

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# **Bylaws of Horizon Labs, Inc.**

## **Article I**

### **Identity**

The name of the nonprofit corporation formed in the State of Kentucky shall be Horizon Labs, Inc. (“*Horizon Labs*” or “*Organization*”).

## **Article II**

### **Purpose**

#### **Section 2.1 Purpose:**

The purpose of the Organization is to operate exclusively for charitable, educational, and scientific purposes within the definition of Section 501(c)(3) of the Internal Revenue Code. In furtherance of these purposes, the Organization shall:

- 1) Develop software solutions for companies, organizations, and educational institutions for educational and general purposes;
- 2) Develop, promote, and conduct educational programs and competitions that address gaps and deficiencies in existing solutions, thereby fostering practical scientific inquiry and innovation;
- 3) Support and nurture the intellectual growth of individuals by creating platforms that enable experimentation, problem-solving, and collaboration in scientific and programming endeavors;
- 4) Conduct and develop research in the Physical, Engineering, and Life Sciences;
- 5) Receive, administer, and disburse funds and property for the above purposes, and make distributions to other organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code;
- 6) Ensure that a minimum of 50% of the Organization’s funding derives from public contributions, donations, grants, and sponsorships to maintain its status as a public charity in compliance with Section 509(a)(1) of the Internal Revenue Code.

- 7) Engage in any other activities consistent with the Organization's exempt status under Section 501(c)(3) of the Internal Revenue Code, as necessary or appropriate for the furtherance of the purposes outlined in Article II.

### **Section 2.2 Limitations:**

The Organization shall not engage in any activity that isn't permitted to be carried out (a) by a corporation exempt from federal income under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and activities that would jeopardize its status as a public charity under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code, including but not limited to excessive lobbying or political campaign intervention.

### **Section 2.3 Exclusive Purpose:**

The Organization is organized and shall be operated exclusively for the purposes outlined in Article II. No part of the net earnings of the Organizations shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private purposes, except that the Organization shall be authorized and empowered to pay reasonable compensation for the services rendered and to make payments and distributions in furtherance of the purposes outlined in Article II.

## **Article III**

### **Membership**

The Organization has no members. The rights that rest in the members are instead vested in the Board of Directors, with actions that require the approval of a majority of members in the Organization would only require the approval of a majority of all voting Directors ("*Board of Directors*").

## **Article IV**

### **Board of Directors**

#### **Section 4.1: Types of Directors**

There are two different types of members in the Board of Directors, one is a voting member (herein referred to as a “*Voting Director*” to avoid confusion with the general term of Directors), and another is a non-voting member (“*Nonvoting Director*”). To avoid further confusion, Directors as it has been utilized in previous sections are Voting Directors while Directors referred to in further sections are the members of the Board of Directors. A Voting Director is a Director who possesses voting rights on all matters brought before the Board and is responsible for making decisions affecting the Organization’s governance and operations. However, a Nonvoting Director is a Director who does not possess such voting rights but may participate in discussions and provide valuable insights to the Board. Nonvoting Directors may be appointed to bring specific expertise or representation to the Board without participating in the decision-making process.

#### **Section 4.2: Powers**

The Board of Directors shall conduct or direct the affairs and exercise the powers of the Organization, subject to limitations outlined in State and Federal Law, and these Bylaws.

The Board of Directors may assign management of activities of the Organization to other parties or individuals, so long as the affairs of the Organization are managed, and the powers exercised, under the jurisdiction of the Board of Directors.

The responsibilities and powers vested in the Board of Directors and Voting Directors specifically are all of the powers in these Bylaws, and the following specific powers:

- 1) To elect and remove Directors;
- 2) To assign and remove individuals from the roles of Officers, directors, and employees of the Organization; to manage powers and duties for the roles; and to affix said roles’ compensation.
- 3) To enter into contracts, leases, and other agreements that are necessary or desirable in obtaining for promoting the interests of the Organization, seen as necessary by the Board of Directors;
- 4) To acquire and dispose of real and personal property, tangible or intangible, that is deemed necessary for the operations of the Organization; to accept donations, grants, and

contributions that align with the Organization's mission and goals, primarily with over 50% of funding being public-oriented;

- 5) To establish committees as necessary for the efficient operation of the Organization. Each committee shall operate under the Board of Directors and report its findings or recommendations to the Board;
- 6) To oversee the financial affairs of the Organization, including approving purchases and budgets as necessary;
- 7) To ensure that the Organization is compliant with all applicable laws, regulations, and ethical standards, and to approve any audits of the Organization's financial records conducted by committees and advisors within and external to the Organization;
- 8) To develop policies that prioritize securing and maintaining public support to ensure that the Organization's funding complies with the IRS public support test, as defined under Sections 509(a)(1) and 170(b)(1)(A)(vi);
- 9) To ensure the transparency of the Organization's fundraising activities, regularly update donors and stakeholders on how funds are allocated to meet the Organization's mission;
- 10) Dissolution of the Organization (see Section 4.2);
- 11) Amendments to the Organization Bylaws;
- 12) More responsibilities as stated within Section 501(c)(3) of the Internal Revenue Code, included but are not limited to the following:
  - a) Ensuring that the Organization operates exclusively for exempt purposes outlined in Section 501(c)(3);
  - b) Prohibiting the Organization from participating in any political campaign on behalf of or in opposition to any candidate for public office;
  - c) Ensuring that no part of the Organization's net earnings inures to the benefit of any private shareholder or individual and that the Organization does not engage in substantial lobbying activities;
- 13) Ensure that the Organization maintains a commitment to public accountability and transparency in its operations and funding sources. This includes:
  - a) Regularly reporting to stakeholders on the use of public funds.
  - b) Implementing policies to engage the public in decision-making processes, especially in funding allocation and program development.



### **Section 4.3: Number of Directors**

The minimum number of Directors of the Organization will be 3 members with a maximum of 8 members. The Board of Directors reserves the right to change the number of Directors, by an amendment of these bylaws.

### **Section 4.4: Procedure for Dissolution**

The Board of Directors has the power to dissolve the Organization based on several factors and to follow relevant state and federal guidelines apart but is limited in process. The process requires the execution of the following procedure:

- 1) The dissolution process shall commence upon the adoption of a resolution by the Board of Directors, indicating the decision to dissolve the Organization. If applicable, this resolution must also be approved by a majority vote of any existing members of the Organization;
- 2) Upon approval of the resolution by the Voting Directors, the Board shall establish a Dissolution Committee consisting of at least three (3) Directors. This committee will oversee the dissolution process and ensure compliance with all relevant legal requirements;
- 3) The Dissolution Committee must notify all known stakeholders within five (5) business days of the resolution's adoption, including:
  - a) Employees and volunteers;
  - b) Major donors and sponsors;
  - c) Relevant governmental agencies;
- 4) The Dissolution Committee shall be responsible for settling all outstanding debts and obligations of the Organization. This includes:
  - a) Contacting creditors to arrange for the payment of debts;
  - b) Ensuring that all obligations are fulfilled or adequately provided for before asset distribution;
- 5) Following the settlement of debts, the Dissolution Committee will:
  - a) Conduct a complete inventory of the Organization's assets;
  - b) Develop a distribution plan for any remaining assets, ensuring compliance with IRS regulations governing 501(c)(3) organizations. Assets shall be distributed to other organizations that qualify under Section 501(c)(3) of the Internal Revenue Code;
- 6) Once all assets have been distributed and obligations settled, the Dissolution Committee shall file Articles of Dissolution with the Kentucky Secretary of State. This document shall include:
  - a) Confirmation that the dissolution resolution was approved per state law;
  - b) A statement verifying that all debts and obligations have been addressed;
  - c) The distribution plan for remaining assets;

- 7) The Dissolution Committee shall prepare a final report documenting all actions taken during the dissolution process, including:
  - a) A summary of debt settlements;
  - b) Asset distribution details;
  - c) Communications with stakeholders and any challenges encountered;
- 8) The organization must notify the IRS of its dissolution by filing the appropriate final tax returns (Form 990 or Form 990-EZ) and completing Schedule N, indicating the termination of the organization's tax-exempt status;
- 9) The organization shall retain all records concerning the dissolution process for a minimum of five (5) years, including meeting minutes, financial records, and correspondence with stakeholders;

## **Section 4.5: Selection of Board Directors**

### **1) Selection**

The selection of a Director is through an election and a vote of a majority of Directors then in office, with a minimum of 3 Directors being necessary for the selection of the Director in an election as for constituting the quorum. The same procedure is available for a Nonvoting Director, who can become a Director and become a Nonvoting Director as they wish (Refer to Section 4.1 for more information).

### **2) Eligibility**

The Board of Directors may select any person in belief of them effectively serving the interests of the Organizations. Directors must possess the requisite skills, experience, and commitment to fulfill the mission of the Organization. The Board may consider various factors in determining eligibility, including:

- Commitments to the mission and Organizational values;
- Potential conflicts of interest and not having interest that affects their ability to serve in the Organization (refer to Conflict of Interest guidelines);
- Compliance with state and federal laws governing not-for-profit organizations and must not be convicted of any felony or found liable for an act of fraud, dishonesty, or found being negligent in any civil or criminal proceeding.

### **3) Nondiscrimination Statement**

Horizon Labs does not discriminate in the selection of the Board of Directors based on race, gender, sexual orientation, religion, or other protected characteristics. If there are any potential violations of this occurring by a Director or a Nonvoting Director, please raise an anonymous complaint to the Board of Directors.

#### **4) Term Limits**

The Board may establish term limits for Directors to encourage new perspectives and to prevent stagnation. These limits will be determined by the Board and documented in a future revision of the Bylaws. However, as for the current revision, there are no term limits.

#### **5) Removal**

A Director or Nonvoting Director may be removed from the Board of Directors by a two-thirds majority vote by the remaining Directors if they fail to meet eligibility practices (Section 4.4.2) or engage in practices destructive to the Organization.

### **Section 4.6: Youth Involvement**

Youth involvement is essential in topics, especially STEM as they provide valuable insights from their unique perspective. To promote such involvement, Directors are allowed to be under the age of 18, which includes both Voting and Nonvoting Directors. However, specific procedures need to be followed for minors, which involve them needing to sign and have their parent provide assent for them to be a Voting Board Member (*Minor Board Member Assent Form*). As a result, they are also free to become a Nonvoting Board Member if they would not like to stay as a Voting Board Member and vice versa, with the assent form needing to be signed.

### **Section 4.7: Conflict of Interest Agreement**

Every year, the members of the Board of Directors shall be required to sign a Conflict of Interest Agreement. This Agreement is intended to ensure that all Directors understand their responsibilities to avoid conflicts between their interests and those of the Organization. The Conflict of Interest Policy and Assent form will need to be completed every year to ensure compliance and a director may be removed if they do not assent to the Conflict of Interest Policy. However, exceptions are made to the policy based on the preferences of the Director. They will require the approval of a majority of the Voting Directors for the exception to be approved.

## **Article V**

### **Meetings**

#### **Section 5.1: Regular Meetings**

The Board of Directors shall hold regular meetings every 2 fiscal months. The schedule for these meetings shall be established at the beginning of each fiscal year (in October) and communicated to all Directors in advance.

**Section 5.2: Special Meetings**

Special meetings of the Board of Directors may be called by the Chair of the Board or by any two (2) Voting Directors. Notice of special meetings shall be provided to all Directors at least 72 hours in advance and shall specify the meeting's purpose.

**Section 5.3: Meeting Notice**

Written notice stating the date, time, location of the meetings, and method of the meeting shall be delivered to each Director via email and online communications at least 10 days before the meeting.

**Section 5.4: Quorum**

A Quorum for any essential organizational purpose as seen in Section 4.2 at any meeting of the Board of Directors shall consist of the majority of Voting Directors in office. If a quorum is not present, the meeting may be adjourned to a later date.

**Section 5.5: Voting**

All matters requiring voting shall be decided by the majority of Voting Directors present unless otherwise specified in these articles or by law. Voting may be conducted by voice, a show of hands, or via electronic communication for confirmation, up to the judgment of the Chair of the meeting.

**Section 5.6: Remote Participation**

Since the Organization comprises many Voting Directors from different regions of the United States, Directors will be able to participate in meetings via electronic means, such as video conferencing or teleconferencing, provided that all participants can listen and be listened to. This option is one of the methods of meetings and shall constitute a presence at the meeting for quorum and voting.

**Article VI****Titles****Section 6.1 Officers:**

The Officers of the Board of Directors shall consist of a Chief Executive Officer ("CEO"), a Chief Financial Officer ("CFO"), and a Chief Operating Officer ("COO"). The Board of Directors may also include other officers as deemed necessary to ensure the proper management and operation of the organization. These officers can be appointed without requiring an

amendment to the Organization's Bylaws, provided that their roles and duties align with the organization's mission and comply with both federal and state nonprofit regulations.

### **1) Chief Executive Officer.**

Subject to the control of the Board of Directors, the CEO is responsible for guiding the organization's strategic vision and day-to-day management. The CEO shall:

- Oversee the implementation of Board decisions, ensuring that the organization's goals are met in a manner consistent with its mission;
- Represent the organization in all external affairs, including public relations, partnerships, and communications with stakeholders and the public;
- Have the authority to execute contracts, legal documents, and other obligations as authorized by the Board, provided these actions are aligned with the organization's purposes under Section 501(c)(3);
- Ensure compliance with both IRS requirements and Kentucky state laws, including the submission of annual IRS Form 990 and state filings necessary to maintain the organization's good standing and tax-exempt status;

### **2) Chief Financial Officer.**

The CFO is charged with managing the financial operations of the organization. The CFO's responsibilities include:

- Developing, implementing, and overseeing the financial strategy of the organization to ensure sustainability and compliance with 501(c)(3) requirements;
- Preparing and presenting financial statements, budgets, and financial forecasts for review by the Board of Directors;
- Ensuring that all financial records and practices are per Generally Accepted Accounting Principles (GAAP) and that the organization remains transparent and accountable in its financial dealings;
- Filing all state-required financial reports, such as the annual financial statement with the Kentucky Office of the Attorney General, and ensuring proper documentation for tax exemption applications;

### **3) Chief Operating Officer.**

The COO's role is to ensure that the organization operates efficiently and effectively to fulfill its mission. Specific duties include:

- Coordinating and managing the daily operations of the nonprofit, including resource allocation, staffing, and program development;
- Working in close partnership with the CEO to align operational activities with the strategic goals set by the Board of Directors;
- Developing internal processes and controls to meet the compliance standards required under both federal and state laws;
- Implementing risk management strategies to safeguard the nonprofit's assets and ensure operational continuity;

### **Section 6.2 Additional Officers:**

The Board of Directors may appoint other officers as needed, such as a Chief Compliance Officer or Treasurer, to meet specific operational needs or legal requirements. These officers shall:

- Perform duties as assigned by the Board and in alignment with the organization's bylaws and mission;
- Ensure that their activities comply with Section 501(c)(3) regulations and Kentucky state requirements for nonprofit governance, including maintaining records and ensuring transparency;

## **Article VII**

### **Committees**

#### **Section 7.1 Standing Committees:**

The Organization shall have standing committees to assist in achieving its goals and fulfilling its mission. These committees shall be established by the Board of Directors and operate under the authority and direction of the Board. The following are the primary standing committees that the Organization will maintain:

##### **1) Executive Committee:**

Primarily composed of the officers of the Board of Directors and will act on behalf of the Board during intervals between Board meetings, within the limitations prescribed by the Board and these bylaws. Its responsibilities include providing sufficient oversight for the strategic initiatives of the organization, addressing urgent matters that arise internally and externally, and making recommendations for the Board.

##### **2) Program Development Committee:**

Led by the Chief Operating Officer, the committee shall focus on the planning, implementation, and evaluation of the Organization's programs and initiatives. It will ensure that all programs conducted under the Organization are aligned with the Organization's charitable and educational goals and that they remain in compliance with Section 501(c)(3) of the Internal Revenue Code.

#### **Section 7.2 Ad Hoc Committees:**

The Board of Directors may establish ad hoc committees for specific purposes or projects that arise. These committees will be temporary and will be dissolved upon completion of their

objectives or at the discretion of the Board. The committees must report their findings and recommendations to the Board for consideration and approval.

### **Section 7.3 Committee Membership:**

The Chair of each permanent or ad hoc committee shall be appointed by the Board of Directors. Committee members may include Directors, officers, and other individuals with expertise relevant to the committee's purpose. All committee members must adhere to the Organization's conflict of interest policy and maintain confidentiality concerning the Organization's affairs.

### **Section 7.4 C&PS Committee:**

As the Organization is a public charity, a compliance and public support (C&PS) committee will be necessary. The committee shall be responsible for overseeing the Organization's adherence to public charity requirements, including monitoring the percentage of revenue obtained from public support, ensuring compliance with IRS regulations, and developing strategies to maintain this status.

## **Article VIII**

### **Indemnification**

The Organization shall indemnify any Director, Officer, employee, or volunteer against all expenses and liabilities incurred in connection with their duties, excluding matters of willful misconduct or gross negligence, and may advance expenses upon an undertaking to repay if indemnification is not warranted. The Organization may maintain insurance for such individuals against liabilities incurred in their capacities. This article is designed to comply with the Internal Revenue Code and the Kentucky Nonprofit Corporation Act, specifically KRS 273.215, and shall continue to benefit individuals after they cease to serve in their capacities, remaining effective for existing indemnification rights even if amended or repealed.

## **Article IX**

### **Amendment**

These Bylaws of Horizon Labs, Inc. may be adopted, amended, or repealed by a majority vote of the Voting Directors at any regular or special meeting, provided that the proposed changes have been communicated to all Directors in advance. Such amendments shall be consistent with the mission and purpose of the Organization and compliant with applicable state and federal laws governing nonprofit corporations. All amendments shall be documented in writing and maintained in the official records of the Organization.

## **Article X**

### **Other Provisions**

#### **1) Fiscal Year**

The fiscal year of the Organization begins on October 10 of each year and ends on October 9 of the following year.

#### **2) Execution of Instruments**

The Organization shall execute all contracts, deeds, and other instruments in a manner to ensure their validity and conformity with relevant laws. Instruments shall be signed by the Chief Executive Officer and Chief Financial Officer or such officer as authorized by the Board of Directors, attested where appropriate, and records maintained accordingly. The Board may grant such agents authority to sign on behalf of the Organization in any actions that the Board deems proper, which aligns with and advances the mission of the Organization, adhering to the regulatory requirements, and preserving the integrity of the Organization.

#### **3) Checks and Notes**

The Organization shall exercise restrictive control over its financial transactions with a view to accountability and regulatory requirements. All checks and notes payable shall be signed by an authorized individual such as the Chief Executive Officer, the Chief Financial Officer, or other officers deemed fit by the Board of Directors. Proper accounts shall be kept in respect to financial transactions and include further details including the purpose for which every payment is made, along with the name and address of the person to whom the payment has been made. All financial actions made will follow the internal controls of the Organization and the regular reconciliation of bank statements, ensuring transparency and safeguarding its financial resources.