

## Section 1: 8-K (8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 21, 2019



**SELECT BANCORP, INC.**

(Exact Name of Registrant as Specified in Charter)

**North Carolina**  
(State or Other Jurisdiction  
of Incorporation)

**000-50400**  
(Commission File Number)

**20-0218264**  
(IRS Employer  
Identification No.)

**700 W. Cumberland Street, Dunn, North Carolina**  
(Address of Principal Executive Offices)

**28334**  
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(910) 892-7080**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of class	Trading Symbol	Name of exchange on which registered
Common Stock, par value \$1.00 per share	SLCT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

As discussed under Item 5.07 of this Current Report on Form 8-K, on May 21, 2019, the Company's shareholders approved an amendment to the Company's bylaws to eliminate language previously contained in Article III, Section 2 of the Company's bylaws that required a Company director to retire on his or her 80<sup>th</sup> birthday. The amendment was effective on May 21, 2019, upon approval by shareholders. A full copy of the bylaws, as amended, is filed as Exhibit 3.1 to this Current Report.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

On May 21, 2019, the Company held its Annual Meeting. There were six proposals submitted to shareholders at the Annual Meeting. In the case of Proposal 1, all of the Board of Directors' nominees were approved and elected to serve on the Company's Board of Directors. Each of Proposals 2, 4, 5, and 6 were approved by the shareholders entitled to vote at the Annual Meeting by the requisite vote. With respect to Proposal 3, Company shareholders elected "Every Year" as the preferred frequency for future say-on-pay votes regarding the compensation paid to our named executive officers. Having received such advisory vote, the Company's board of directors determined to hold future say-on-pay advisory votes on an annual basis.

The proposals below are described in greater detail in the Company's definitive proxy statement for the Annual Meeting, as filed with the SEC on April 8, 2019.

The voting results at the Annual Meeting were as follows:

***Proposal 1: Proposal to elect six members of the Board of Directors for terms of three years.***

Directors Elected	Votes For	Votes Withheld	Broker Non-Votes
J. Gary Ciccone	14,120,113	634,301	2,285,708
Oscar N. Harris	14,413,237	341,177	2,285,708
Ronald V. Jackson	14,555,243	199,171	2,285,708
V. Parker Overton	14,272,954	481,222	2,285,708
K. Clark Stallings	14,642,256	111,920	2,285,708
W. Lyndo Tippett	14,373,110	381,066	2,285,708

***Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation.***

For	Against	Abstain	Broker Non-Votes
11,188,731	3,311,097	254,586	2,285,708

**Proposal 3:** *Advisory Vote on Frequency of Future Say-on-Pay Votes.*

Every Year	Every Two Years	Every Three Years	Abstain
13,946,169	160,548	474,274	173,423

**Proposal 4:** *Proposal to approve an amendment to the Company's bylaws to eliminate the mandatory retirement age for directors.*

For	Against	Abstain	Broker Non-Votes
12,441,093	1,590,551	722,770	2,285,708

**Proposal 5:** *Proposal to approve an amendment to the Company's articles of incorporation to increase the authorized shares of common stock.*

For	Against	Abstain	Broker Non-Votes
15,572,408	1,326,969	140,745	0

**Proposal 6:** *Proposal to ratify the appointment of Dixon Hughes Goodman LLP as the Company's independent registered public accounting firm for 2019.*

For	Against	Abstain	Broker Non-Votes
16,979,347	28,558	32,217	0

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
<a href="#">3.1</a>	<a href="#">Bylaws of Select Bancorp, Inc.</a>

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **SELECT BANCORP, INC.**

Date: May 24, 2019

By: /s/ Mark A. Jeffries  
Mark A. Jeffries  
Executive Vice President and Chief Financial Officer

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## **Section 2: EX-3.1 (EXHIBIT 3.1)**

**Exhibit 3.1**

### **BYLAWS**

**OF**

**SELECT BANCORP, INC.**

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**BYLAWS  
OF  
SELECT BANCORP, INC.**

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**BYLAWS  
OF  
SELECT BANCORP, INC.**

*ARTICLE I*

Offices

Section 1. Principal Office: The principal office of the Corporation shall be located in Dunn, North Carolina.

Section 2. Registered Office: The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Other Offices: The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors from time to time may determine, or as the affairs of the Corporation from time to time may require.

*ARTICLE II*

Meetings of Shareholders

Section 1. Place of Meetings: All meetings of shareholders shall be held at the principal office of the Corporation or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting.

Section 2. Annual Meetings: The annual meeting of shareholders of the Corporation, for the purpose of electing directors of the Corporation and for the transaction of such other business as properly may be brought before the meeting, shall be held within 180 days of the end of the fiscal year on any day, except Saturday, Sunday or a legal or banking holiday, as may be determined by the Board of Directors.

Section 3. Substitute Annual Meeting: If the annual meeting shall not be held as provided in Section 2 of this Article, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings: Special meetings of the shareholders may be called at any time by (a) the Chairman of the Board, (b) the President of the Corporation, or (c) the Secretary of the Corporation at the request of the Board of Directors of the Corporation.

Section 5. Notice of Meetings: Written or printed notice stating the time, place and date of the meeting shall be delivered not less than ten (10) nor more than sixty (60) days before the date thereof, either in person or by mail, by or at the direction of the President or other qualified person calling the meeting to each shareholder of record entitled to vote at such meeting unless applicable law or the Corporation's articles of incorporation require that such notice shall be given to all shareholders with respect to such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the shareholder at the shareholder's address as it appears on the current record of shareholders of the Corporation, with postage thereon prepaid.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such a statement expressly is required by the provisions of the North Carolina Business Corporation Act. In the case of a special meeting, the notice of meeting specifically shall state the purpose or purposes for which the meeting is called.

If any meeting of shareholders is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed pursuant to North Carolina law, notice of the adjourned meeting must be given as provided in this Section to persons who are shareholders as of the new record date.

Section 6. Voting Lists: Before each meeting of shareholders, an alphabetical list of the shareholders entitled to notice of such meeting shall be prepared by the Secretary of the Corporation. The list shall be arranged by voting group and within each voting group by class or series of shares and show the address of and the number of shares held by each shareholder. The list shall be kept on file at the principal office of the Corporation for the period beginning two (2) business days after notice of the meeting is given and continuing through the meeting, and shall be available for inspection by any shareholder or the agent or attorney of any shareholder at any time prior to the meeting during regular business hours and at any time during the meeting or any adjournment thereof. The list shall be prima facie evidence as to who are the shareholders entitled to examine the list and the shareholders of record entitled to vote at any meeting of the shareholders.

Section 7. Voting Group: All shares of one or more classes or series that under the Corporation's articles of incorporation or the North Carolina Business Corporation Act are entitled to vote and be counted together collectively on a matter at a meeting of shareholders constitute a voting group. All shares entitled by the Corporation's articles of incorporation or the North Carolina Business Corporation Act to vote generally on a matter are for that purpose a single voting group. Classes or series of shares shall not be entitled to vote separately by voting group unless expressly authorized by the Corporation's articles of incorporation or specifically required by law.

Section 8. Quorum: Shares entitled to vote as a separate voting group may take action on a matter at a meeting of shareholders only if a quorum of those shares is present at the meeting. A majority of the votes entitled to be cast on the matter by the voting group shall constitute a quorum of that voting group for action on that matter.

Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

In the absence of a quorum at the opening of any meeting of shareholders, such meeting may be adjourned from time to time by a vote of the majority of the votes cast on the motion to adjourn; and at any adjourned meeting any business may be transacted which might have been transacted at the original meeting if a quorum exists with respect to the matter proposed.

Section 9. Proxies: Shares may be voted either in person or by one or more agents authorized by a written proxy executed by the shareholder or by the shareholder's duly authorized attorney-in-fact. A proxy is not valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting.

Section 10. Voting of Shares: Subject to the provisions of the Corporation's articles of incorporation, each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

Except in the election of directors as provided in Section 4 of Article III, if a quorum exists, action on a matter by a voting group at a meeting of shareholders is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless a greater vote is required by law or by the Corporation's articles of incorporation or these Bylaws.

Absent special circumstances, shares of the Corporation are not entitled to vote if they are owned, directly or indirectly, by another corporation in which the Corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation; provided that this provision does not limit the power of the Corporation to vote its own shares held by it in a fiduciary capacity.

Section 11. Fixing Record Date: The Board of Directors of the Corporation may fix a future date as the record date for one or more voting groups in order to determine (a) the shareholders entitled to notice of a meeting of shareholders, (b) the shareholders entitled to demand a special meeting, (c) the shareholders entitled to vote, or (d) the shareholders entitled to take any other action. A record date fixed under this Section may not be more than seventy (70) days before the meeting or action requiring a determination of shareholders.

A determination of shareholders entitled to notice of or to vote at a meeting of shareholders is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

If no record date is fixed by the Board of Directors for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, the close of business on the day before the first notice of the meeting is delivered to shareholders shall be the record date for such determination of shareholders.

*ARTICLE III*

Directors

Section 1. General Powers: The business and affairs of the Corporation shall be directed by the Board of Directors or by such Executive Committee or other committees as the Board may establish pursuant to these Bylaws.

Section 2. Number, Term and Qualifications: The number of directors constituting the Board of Directors of the Corporation shall be not less than six (6) nor more than nineteen (19) as from time to time may be fixed or changed within said minimum and maximum by the shareholders or by a majority of the full Board of Directors. If there are nine (9) or more directors, the directors shall be divided into three classes, as nearly equal in number as possible, with the term of office of the first class to expire at the first annual meeting of shareholders after their election, the term of office of the second class to expire at the second annual meeting of shareholders after their election, and the term of office of the third class to expire at the third annual meeting of shareholders after their election. At each annual meeting of shareholders following such initial classification and election, directors elected to succeed those directors whose terms expire shall be elected for a term of three years or until their successors are elected and shall qualify. In the event of any increase or decrease in the number of directors, the additional or eliminated directorships shall be so classified or chosen so that all classes of directors shall remain and become equal in number, as nearly as possible. In the event of the death, resignation, retirement, removal or disqualification of a director, a successor shall be elected to serve only until the next meeting of shareholders at which directors are elected.

Section 3. Nominations: Nominations for election to the Board of Directors shall be made by the Nominating Committee of the Board of Directors, and, subject to the conditions described below, any shareholder of common stock entitled to vote at that meeting for the election of directors. To be eligible for consideration at the meeting of shareholders, all nominations for election to the Board of Directors, other than those made by the Nominating Committee, shall be in writing, shall be delivered to the Secretary of the Corporation not later than September 30<sup>th</sup> of the year preceding the meeting of shareholders at which the nominee would stand for election, shall be accompanied by each nominee's written consent to serve as a member of the Board of Directors if elected and must certify that each nominee: (i) has owned at least 1,000 shares of the corporation's common stock for the twelve (12) months preceding the nomination; and (ii) has business, economic and residential ties to the corporation's market area.

Section 4. Election of Directors: Except as provided in Section 5 of this Article, the directors shall be elected at the annual meeting of the shareholders; and those persons who receive the highest number of votes at a meeting at which a quorum is present shall be deemed to have been elected.

Section 5. Removal: Any director may be removed from office only for “cause” (as “cause” is defined in the Articles of Incorporation) by a vote of shareholders whenever the number of votes cast in favor of removal of the director exceeds the number of votes cast against such removal. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove such director. A director may not be removed by the shareholders at a meeting unless the notice of the meeting states that the purpose, or one of the purposes, of the meeting is removal of the director. If any directors are so removed, new directors may be elected at the same meeting.

Section 6. Vacancies: If a vacancy occurs in the Board of Directors, including without limitation a vacancy resulting from an increase in the number of directors or from the failure by the shareholders to elect the full authorized number of directors, the shareholders may fill the vacancy or the Board of Directors may fill the vacancy. If the directors remaining in office do not constitute a quorum of the Board, the directors may fill the vacancy by the affirmative vote of a majority of the remaining directors, or by the sole remaining director, as the case may be. If the vacant directorship was held by a director elected by a voting group, only the remaining directors or director elected by that voting group or the holders of shares of that voting group are entitled to fill the vacancy. The term of a director elected to fill a vacancy expires at the next meeting of shareholders at which directors are elected.

Section 7. Chairman of the Board: There shall be a Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 8. Vice Chairman of the Board: There shall be a Vice Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The Vice Chairman shall perform the duties of Chairman of the Board in the event that the Chairman is absent or unable to carry out the functions of that position.

Section 9. Compensation: The Board of Directors may compensate directors for their services as such and may provide for the payment or reimbursement of all expenses incurred by directors in attending regular and special meetings of the Board.

Section 10. Appointment of Committees: The Board of Directors, by resolution of a majority of the number of directors in office, shall designate three or more directors to constitute an Executive Committee and may designate such other committees as the Board shall deem advisable, each of which, to the extent authorized by law and provided in such resolution, shall have and may exercise such authority of the Board of Directors in the management of the Corporation as the Board shall determine. The Executive Committee shall have and may exercise all of the authority of the Board of Directors at such time as the Board of Directors is not convened and in session. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon the Board of Directors, or any member thereof, by law.

*ARTICLE IV*

Meetings of Directors

Section 1. Regular Meetings: A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of shareholders. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings, provided that at least one meeting shall be held each quarter.

Section 2. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or a majority of the directors. Such meetings may be held either within or without the State of North Carolina.

Section 3. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors, at least twenty-four (24) hours before the meeting, shall give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the directors to a later time without further notice.

Section 4. Waiver of Notice: Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. The attendance by a director at, or the participation of a director in, a meeting shall constitute a waiver of any required notice of such meeting, unless the director, at the beginning of the meeting (or promptly upon the director's arrival thereat), objects to holding the meeting or to transacting any business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 5. Quorum: Unless the Corporation's articles of incorporation provide otherwise, a majority of the number of directors fixed by or pursuant to these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting: Except as otherwise provided in the Corporation's articles of incorporation or these Bylaws or by applicable law, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A director may not vote at a directors' meeting by proxy or otherwise act by proxy at a meeting of the Board of Directors.

Section 7. Presumption of Assent: A director of the Corporation who is present at a meeting of the Board of Directors or at a meeting of any committee of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (a) such director objects at the beginning of the meeting (or promptly upon the director's arrival thereat) to holding the meeting or to transacting any business at the meeting, or (b) such director's contrary vote is recorded or such director's dissent or abstention from the action taken otherwise is entered in the minutes of the meeting, or (c) such director files written notice of dissent or abstention to such action with the person presiding at the meeting before the adjournment thereof or forwards such notice by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a director who voted in favor of the action taken.

Section 8. Informal Action by Directors: Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board and evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and delivered to the Secretary of the Corporation for inclusion in the minutes or filing with the corporate records.

*ARTICLE V*

Officers

Section 1. Number: The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such Assistant Vice Presidents, Secretaries, Treasurers and other officers. The Board of Directors shall elect the President and the President may appoint, or the Board of Directors may elect, from time to time, such other officers as he or it shall deem appropriate. Any two (2) or more offices may be held by the same person, except that no officer may act in more than one capacity where action of two (2) or more officers is required.

Section 2. Election and Term: The President of the Corporation shall be elected by the Board of Directors. The remaining officers of the Corporation shall be appointed or elected as set forth in Section 1 of this Article V. Any elections by the Board of Directors may be held at any regular or special meeting of the Board. Each officer shall hold office until such officer's death, resignation, retirement, removal or disqualification, or until the election and qualification of such officer's successor. Each officer and employee of the Corporation shall give bond of suitable amount with security to be approved by the Board of Directors. Each bond shall be issued upon such form as may be approved by the Commissioner of Banks of North Carolina by a bonding company authorized to do business in North Carolina with the premium to be paid by the Corporation.

Section 3. Removal and Resignation: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

An officer may resign at any time by notifying the Corporation, orally or in writing, of such resignation. A resignation shall be effective upon receipt by the Corporation unless it specifies in writing a later effective date. In the event a resignation so specifies a later effective date, the Board of Directors may fill the pending vacancy prior to such date; however, the successor to the resigning officer may not take office until the effective date. An officer's resignation does not affect the Corporation's contract rights, if any, with such officer.

Section 4. Compensation: The compensation of the President of the Corporation shall be fixed by the Board of Directors. The President shall have the authority to fix the compensation of all other officers and shall report such compensation of any officer to the Board of Directors on a timely basis at its next regular or special meeting. The election of an officer does not of itself create any contract rights.

Section 5. President: The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these Bylaws.

The President, when present, shall preside at all meetings of shareholders. The President, with any other proper officer, may sign certificates for shares of the Corporation and any deeds, leases, mortgages, bonds, contracts or other instruments which lawfully may be executed on behalf of the Corporation, except where required or permitted by law otherwise to be signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent. In general, the President shall perform all duties incident to the office of President and such other duties as from time to time may be assigned by the Board of Directors.

Section 6. Vice Presidents: In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President designated by the President and the Chairman of the Board, unless otherwise determined by the Board of Directors, 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. Any Vice President, with any other proper officer, may sign certificates for shares of the Corporation and shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. Assistant Vice Presidents: The Assistant Vice Presidents shall, in the absence or disability of their superior officers, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the President or their superior officers.

Section 8. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of shareholders and directors. The Secretary shall give all notices required by law and by these Bylaws. The Secretary shall have general charge of the corporate books and records and of the corporate seal, and shall affix the corporate seal to any lawfully executed instrument requiring it. The Secretary shall keep all records required by law at the principal office of the Corporation. The Secretary shall have general charge of the stock transfer books of the Corporation and shall keep, at the registered or principal office of the Corporation, a record of shareholders showing the name and address of each shareholder and the number and class of the shares held by each. The Secretary, with any other proper officer, may sign certificates for shares of the Corporation and shall sign such instruments as may require the Secretary's signature. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.



Section 9. Assistant Secretaries: In the absence of the Secretary or in the event of the Secretary's death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretaries, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as from time to time may be assigned by the Secretary, by the President, or by the Board of Directors. Any Assistant Secretary, with any other proper officer, may sign certificates for shares of the Corporation.

Section 10. Treasurer: The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. The Treasurer shall maintain appropriate accounting records as required by law and shall prepare, or cause to be prepared, annual financial statements of the Corporation that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each shareholder within one hundred twenty (120) days after the end of such fiscal year. The Treasurer, with any other proper officer, may sign certificates for shares of the Corporation. In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 11. Assistant Treasurers: In the absence of the Treasurer or in the event of the Treasurer's death, inability or refusal to act, the Assistant Treasurers in the order of their length of service as Assistant Treasurers, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. Any Assistant Treasurer, with any other proper officer, may sign certificates for shares of the Corporation. They shall perform such other duties as from time to time may be assigned by the Treasurer, by the President, or by the Board of Directors.

*ARTICLE VI*

Contracts, Loans, Checks and Deposits

Section 1. Contracts: The Board of Directors may authorize any officer or officers or any agent or agents, to enter into any contract or to 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. The Board of Directors may enter into employment contracts for any length of time it deems wise.

Section 2. Loans: No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution adopted by the Board of Directors. Such authority may be general or specific in nature and scope.

Section 3. Checks and Drafts: All checks, drafts or other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers or such agent or agents of the Corporation and in such manner as from time to time shall be determined by resolution of the Board of Directors.

Section 4. Deposits: All funds of the Corporation not otherwise employed from time to time shall be deposited to the credit of the Corporation in such depositories as the Board of Directors shall direct.

*ARTICLE VII*

Certificates for Shares and Their Transfer

Section 1. Certificates for Shares: Certificates representing shares of the Corporation may be issued in such form as the Board of Directors shall determine to every shareholder for the fully paid shares owned thereby and shall indicate thereon or reference any and all restrictive conditions of said shares. The certificates shall be in such form as required by law and as determined by the Board of Directors and shall be signed by the President or any Vice President and either the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. All certificates for shares shall be numbered consecutively or otherwise identified; and the name and address of the persons to whom they are issued, with the number of shares and the date of issue, shall be entered on the stock transfer books of the Corporation.

Section 2. Transfer of Shares: Transfer of shares shall be made on the stock transfer books of the Corporation only upon surrender of the certificates for the shares sought to be transferred by the record holder thereof or by such shareholder's duly authorized agent, transferee or legal representative. All certificates surrendered for transfer shall be canceled before new certificates for the transferred shares shall be issued. Transfer of shares may be restricted by an agreement of the shareholder(s).

Section 3. Lost Certificates: The Board of Directors may authorize the issuance of a new share certificate in place of a certificate theretofore issued by the Corporation claimed to have been lost or destroyed, upon receipt of an affidavit to such fact from the person claiming the loss or destruction. When authorizing such issuance of a new certificate, the Board shall require the claimant to give the Corporation a bond in such sum as the Board may direct to indemnify the Corporation against loss from any claim with respect to the certificate claimed to have been lost or destroyed; provided, however, that the Board, by resolution reciting the circumstances justifying such action, may authorize the issuance of the new certificate without requiring such a bond.

Section 4. Holder of Record: Except as otherwise required by law, the Corporation may treat as absolute owner of shares and as the person exclusively entitled to receive notification and distributions, to vote and otherwise to exercise the rights, powers and privileges of ownership of such shares, the person in whose name the shares stand of record on its books.

Section 5. Reacquired Shares: Shares of the Corporation that have been issued and thereafter reacquired by the Corporation shall constitute authorized but unissued shares.

## *ARTICLE VIII*

### General Provisions

Section 1. Distributions: The Board of Directors from time to time may authorize, and the Corporation may pay, distributions and share dividends on the Corporation's outstanding shares in the manner and upon the terms and conditions provided by law and by the Corporation's articles of incorporation.

Section 2. Seal: The corporate seal of the Corporation shall consist of two concentric circles between which is the name of the Corporation and in the center of which is inscribed SEAL; and such seal, in the form approved and adopted by the Board of Directors, shall be the corporate seal of the Corporation.

Section 3. Amendments: Except to the extent otherwise provided in the Corporation's articles of incorporation or by law, these Bylaws may be amended or repealed and new bylaws may be adopted by a vote of the Board of Directors. No bylaw adopted, amended or repealed by the shareholders shall be readopted, amended or repealed by the Board of Directors unless the Corporation's articles of incorporation or a bylaw adopted by the shareholders authorizes the Board of Directors to adopt, amend or repeal that particular bylaw or the Bylaws generally.

The shareholders may amend or repeal these Bylaws even though these Bylaws also may be amended or repealed by the Board of Directors.

Section 4. Fiscal Year: The fiscal year of the Corporation shall be the calendar year ending December 31 of each year.

Section 5. Indemnification: The Corporation shall indemnify any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitrative or investigative and whether or not brought by or on behalf of the Corporation, by reason of the fact that such party is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorneys' fees; PROVIDED, however, that the Corporation shall not indemnify any such person against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the Corporation. The Corporation likewise shall indemnify any such person for all reasonable costs and expenses (including attorneys' fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein. The Corporation shall pay all expenses incurred by any director, officer, employee or agent in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director, officer, employee or agent to repay such amount unless it ultimately shall be determined that such party is entitled to be indemnified by the Corporation against such expenses.

The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this bylaw, including without limitation a determination by a majority vote of disinterested directors that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Corporation.

Any person who at any time after the adoption of this bylaw serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of, but shall be in addition to, any rights to which such person may be entitled apart from the provision of this bylaw.

Section 6. Exclusive Forum: Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the Corporation to the Corporation or the Corporation's shareholders, (iii) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the North Carolina Business Corporation Act or the Corporation's Articles of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine must be a state court located within the City of Raleigh in Wake County, North Carolina or the United States District Court for the Eastern District of North Carolina. Actions filed in any North Carolina state court shall be subject to designation or assignment to the North Carolina Business Court.