

DIVISION CHARTER AGREEMENT

THIS DIVISION CHARTER AGREEMENT (“Agreement”) is entered into as of _____, _____ (the “Effective Date”) by and between the American Cancer Society, Inc. a New York Type B not-for-profit corporation, having its principal office at 250 Williams Street, Suite 600, Atlanta, Georgia 30303 (“ACS”) and the American Cancer Society, _____ Division, Inc. a non-profit corporation organized under the laws of the State of _____ and, having its principal office at _____ (the “Division”). Capitalized terms contained herein are defined in Section 1 and all exhibits hereto are incorporated by reference herein.

RECITALS

WHEREAS, ACS is a nationwide community-based voluntary health organization, tax exempt pursuant to determination by the Internal Revenue Service under Section 501(c)(3) of the Code whose mission is to eliminate cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service;

WHEREAS, in accordance with its Bylaws, ACS promotes and encourages the organization and operation of separately incorporated divisions to carry out the Mission in geographic territories in the United States;

WHEREAS, the Division and all of the Divisions of ACS are integral parts of and play key roles in carrying out the Mission nationwide;

WHEREAS, the Division periodically adopts multi-year strategic plans which support the charitable mission of ACS and the Division;

WHEREAS, ACS is the owner of the “American Cancer Society” name and other trademarks, service marks, logos and copyrighted materials;

WHEREAS, ACS maintains a Group Tax Exemption as provided in the Code on behalf of the Division which requires, among other things, that the Division be subject to ACS’s general supervision or control;

WHEREAS, the National Assembly of ACS has approved this form of Division Charter Agreement to be entered into between ACS and each of ACS’s separately incorporated Divisions and has instructed the ACS and the Divisions to execute this Agreement by March 31, 2009, which when executed, will supersede all prior division charter agreements;

WHEREAS, ACS and the Division have mutually negotiated the grant of a charter by ACS authorizing the Division to carry out the Mission and fundraising in the Territory; and

WHEREAS, ACS and the Division recognize that the acts and omissions of ACS, the Division and other Divisions affect the viability of ACS and its related affiliates and separately incorporated divisions and as such ACS and the Division wish to reaffirm and clarify their relationship pursuant to this Agreement to allow ACS to maintain appropriate oversight over legal compliance in order to support its tax exempt status, charitable mission as well as the common interests and purposes between ACS and the Division; and

WHEREAS, ACS and the Division agree this Agreement reflects the core principles of cooperation, collaboration, transparency, mutual accountability and fairness and provides for reasonable and appropriate oversight by ACS over the Nationwide Enterprise while respecting the critical governance, fiduciary and stewardship role of the Division Board.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Definitions.

“*ACS Board*” means the Board of Directors of ACS.

“*ACS Intellectual Property*” means the trademarks, service marks, design marks, copyrighted material, donor lists, proprietary business methods and other proprietary information owned by ACS.

“*ACS Representatives*” means the EVPFO, the Chief Operating Officer of ACS, the Chief Mission Delivery Officer of ACS and two volunteer representatives from the Stakeholder Relations Committee.

“*Annual Compliance Reports*” means the compliance reports provided by the Division to ACS in the form attached as Exhibit C on an annual basis.

“*Audit Committee*” means the Audit Committee established by the ACS Board.

“*ACS Volunteer Officers*” means the Chair of the Board of Directors, Chair-elect, Vice Chair, Immediate Past Chair, President, President-elect, First Vice President, Second Vice President, Immediate Past President, Treasurer and Secretary.

“*Bylaws*” means the bylaws of ACS.

“*Chief Counsel*” means the chief legal officer of ACS.

“*Code*” means the United States Internal Revenue Code of 1986, as amended from time to time.

“*Code of Ethics*” means the Mission Critical Policy entitled “Code of Ethics and Conflict of Interest Policy”.

“*Compensation Committee*” means the Compensation Committee established by the ACS Board.

“*Compliance Reports*” means collectively the Annual Compliance Reports, Quarterly Compliance Reports and Interim Compliance Reports.

“*Corrective Action Plan*” means a document prepared by the Division that sets forth the Material Violation of the Division and the Division’s plan to remedy such Material Violation, including specific steps and a timetable.

“*Disqualified Person*” has the meaning set forth in the Code.

“*Division Board*” means the Board of Directors of the Division.

“*Division Compensation Committee Policy*” means the Mission Critical Policy entitled “Division Compensation Committee Policy”.

“*Division Representatives*” means the Chairperson of the Division Board, President, Chief Executive Officer and other individuals (e.g., volunteers and staff personnel) whose participation is appropriate as determined by the Division.

“*Divisions*” means all of ACS’s separately incorporated divisions.

“*EVPFO*” means the Executive Vice President, Field Operations for ACS, or any other ACS executive officer assigned the responsibility for monitoring and coordinating the operations of ACS and the Divisions.

“*Financial Data*” means the financial data collected pursuant to Exhibits C, D and E.

“*Group Tax Exemption*” means the determination from the IRS that specified organizations, which among other things, are “affiliated” with ACS and “subject to its general supervision or control”, are exempt from federal income tax under Section 501(c)(3) of the Code.

“*Hotline*” means the toll-free service dedicated to addressing concerns of employees, donors volunteers and vendors related to internal controls, financial audit practices, accounting issues and the prevention of activities that are illegal or inconsistent with the Code of Ethics.

“*Insurance Procurement and Management Services*” means the general liability, commercial property, worker’s compensation, director and officer liability insurance and certain other third party liability insurance coverage which ACS purchases and manages for the Nationwide Enterprise.

“*Interim Compliance Reports*” means the compliance reports provided by the Division to ACS in the form attached as Exhibit E.

“*Internal Audit*” means the function which operates under the direction of the Audit Committee and is designed, with the input of the Chief Counsel or others as necessary, to provide independent and objective evaluation of compliance and risk exposures related to the Nationwide

Enterprise governance, operations and information systems, in relation to effectiveness and efficiency of operations, reliability and integrity of financial and operational information, safeguarding of assets and compliance with laws, regulations and contracts.

“*IRS*” means the Internal Revenue Service.

“*Leadership Roles and Pillars*” means ACS’s chosen areas of focus, that have been approved by the ACS Board and the Division Board, in support of the 2015 goals and nationwide objectives, and strategies the Nationwide Enterprise will pursue in order to influence progress in the chosen areas.

“*License Agreement*” means that agreement executed between ACS and the Division regarding the Division’s use of ACS Intellectual Property a copy of which is attached hereto as Exhibit B to this Agreement.

“*Material Adverse Effect*” means any change, event or effect that individually or in the aggregate has had, or is reasonably likely to have, a material adverse effect on the exempt status, business, assets, condition (financial or otherwise), reputation, prospects or goodwill of ACS, the Division or the Nationwide Enterprise.

“*Material Violation*” means any of the following:

- (a) a failure to adhere in any material respect to a Mission Critical Policy;
- (b) a failure to adhere to Federal or State Law or Regulation and such failure to adhere has or is reasonably likely to have a Material Adverse Effect on the Division, ACS, or the Nationwide Enterprise;
- (c) a failure to provide reasonable access and cooperate with Internal Audit in any material respect;
- (d) a change to the Division’s Articles of Incorporation or Bylaws which would contradict the Mission or conflict with a Mission Critical Policy;
- (e) an intentional failure to report a Material Violation; or
- (f) a material breach of any representation, warranty or agreement contained in this Agreement.

“*Material Violation Findings Report*” means the report created by the EVPFO of his or her findings when the EVPFO investigates a potential Material Violation.

“*Mission*” means the elimination of cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service.

“*Mission Critical Policies*” means the policies developed by ACS, in consultation with the Divisions, and approved by the ACS Board listed on Exhibit A attached hereto and incorporated herein by this reference, as of the date hereof and as such policies may be modified, added to, or removed from time to time in accordance with Section 6(a).

“*National Assembly*” means the nationwide body of grassroots volunteers who elect the ACS Board and volunteer officers, elect the nominating committee, approve changes to ACS Bylaws and approve the division of funds between ACS and its separately incorporated divisions.

“*Nationwide Cancer Information Center*” means the facility maintained by ACS to help callers around the country 24 hours a day, seven days a week receive information on cancer, as well as local services and resources.

“*Nationwide Enterprise*” means ACS and each of the Divisions and affiliated entities.

“*Nationwide Executive Team*” means:

- i. the CEO from each Division;
- ii. the following staff officers of ACS: Chief Executive Officer, Chief Operating Officer, Chief Medical Officer, Chief Mission Delivery Officer, Chief Financial Officer, Chief Counsel, Chief Development Officer, the EVPFO, and the National Vice President for Strategy; and
- iii. the President of the American Cancer Society Foundation and the President of the American Cancer Society Cancer Action Network, Inc.

“*Nationwide Probate and Trust Management*” means the function responsible for managing gifts given to ACS or the Divisions pursuant to the terms of a will, trust, beneficiary designation, insurance policy, or other estate planning instrument.

“*Non-Compliance Sanctions*” means the measures imposed by the ACS Board on the Division as a result of a Material Violation in accordance with Section 9(b) of this Agreement.

“*Policy Database*” means the database maintained by ACS that may be accessed by both ACS and the Division through their common technology containing the Mission Critical Policies and other policies, procedures and best practices adopted by the ACS Board.

“*Quarterly Compliance Reports*” means the compliance reports provided on a quarterly basis by the Division to ACS in the form attached as Exhibit D.

“*Shared Services Function*” means those services which the ACS has undertaken to provide for the Division from time-to-time, or may in the future agree to provide, including check processing, accounts payable and materials distribution.

“*Stakeholder Relations Committee*” means the committee of the ACS Board, which contains at least one member from each Division, charged with stakeholder relations, which includes oversight over ACS’s separately incorporated divisions’ activities.

“Territory” means the following geographic area _____.

2. Charter Renewal Process

(a) Renewal Meeting. At least ninety (90) days prior to the expiration of this Agreement, ACS and the Division will meet to discuss the Mission, the efforts of both ACS and the Division to advance the Mission during the Term of this Agreement, Financial Data, the relationship between ACS and the Division, the renewal of this Agreement, and any other issues which either party wishes to discuss. Each of the parties may have the representatives of their choosing attend any such meeting; however, the parties acknowledge that the preferred attendees for any such meeting will be the ACS Representatives and the Division Representatives.

(b) Interim Meetings. In addition to the meeting described in Section (a) above, at any time during the Term of this Agreement, either ACS or the Division may request a meeting to review issues related to the Mission, the efforts of both ACS and the Division to advance the Mission, the relationship between ACS and the Division, this Agreement, or any other issue either party wishes to discuss. If the Division requests such a meeting, the Division will send notice to the EVPFO. If ACS requests such a meeting, ACS will send notice to the Chief Executive Officer of the Division. The parties agree to convene a meeting within sixty (60) days of receiving the notice. ACS and the Division may each have the representatives of its choosing attend any such meeting; however, the parties acknowledge that the preferred attendees for any such meeting will be the ACS Representatives and the Division Representatives.

3. Representations and Warranties.

(a) ACS Representations and Warranties. ACS hereby represents and warrants the following:

(i) ACS is a New York Type B not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York and is duly qualified and is in good standing as a foreign corporation and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization;

(ii) ACS has the right and power, and has taken all necessary action to authorize ACS to execute, deliver, and perform this Agreement, and this Agreement has been duly executed and delivered by the authorized officers of ACS and is a legal, valid and binding agreement, enforceable against ACS in accordance with its terms;

(iii) ACS reaffirms that it had the right and power, and took all necessary action to authorize ACS, to execute, deliver, and perform the License Agreement, and the License Agreement was duly executed and delivered by the authorized officers of ACS and is a legal, valid and binding agreement, enforceable against ACS in accordance with its terms;

(iv) to its knowledge, ACS is in compliance with all applicable federal, state and local laws and regulations in all material respects; and

(v) ACS is not in violation of this Agreement as of the Effective Date:

(b) Division Representations and Warranties. The Division hereby represents and warrants the following:

(i) the Division is a [insert Division's state of incorporation] not-for-profit corporation duly organized, validly existing and in good standing under the jurisdiction of its incorporation and is duly qualified and is in good standing as a foreign corporation and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization;

(ii) the Division has the right and power, and has taken all necessary action to authorize the Division, to execute, deliver, and perform this Agreement, and this Agreement has been duly executed and delivered by the authorized officers of the Division and is a legal, valid and binding agreement, enforceable against the Division in accordance with its terms;

(iii) the Division reaffirms that it had the right and power, and took all necessary action to authorize the Division, to execute, deliver, and perform the License Agreement, and the License Agreement was duly executed and delivered by the authorized officers of the Division and is a legal, valid and binding agreement, enforceable against the Division in accordance with its terms;

(iv) to its knowledge, the Division is in compliance with all applicable federal, state and local laws and regulations in all material respects; and

(v) the Division is not in Material Violation of this Agreement as of the Effective Date, or if the Division is in Material Violation of this Agreement as of the Effective Date, the Division has submitted to the Stakeholder Relations Committee a Corrective Action Plan acceptable to the Stakeholder Relations Committee.

4. Fundamental Agreements.

(a) Tax-Exempt Status and Operation.

(i) ACS will operate in such a way as to satisfy the IRS requirements for tax exemption under the Group Tax Exemption;

(ii) the Division will operate in such a way as to satisfy the IRS requirements for inclusion in the Group Tax Exemption including, but not limited to, the following:

(A) the Division will operate under ACS's general supervision or control as set forth in this Agreement;

(B) the Division will maintain affiliation with ACS through compliance with this Agreement and take reasonable and cooperative steps to preserve and protect the common interests existing between ACS and the Divisions;

(C) the Division will continue to be organized and operated as an organization described in Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code; and

(D) the Division will operate on the same fiscal year as ACS.

(iii) ACS agrees that the Division is not bound by ACS's position on legislative issues for the purposes of Treasury Regulation Sections 53.4911-7 and 53.4911-11.

(iv) ACS and the Division will each take such actions to ensure it is in good standing under the laws of its state of incorporation and that it is in compliance with all applicable registration, financial and lobbying reporting and other requirements of federal, state and local jurisdictions regarding charitable registration and solicitation, and corporate and financial affairs.

(v) The Division will cooperate with ACS in connection with the preparation and the independent audit of the combined audited financial statements of ACS, its affiliated entities and Divisions and with any and all state and federal regulatory filings. If the Division chooses, or is required by applicable law, to have a separate audit, it will utilize the independent auditors hired by the Audit Committee.

(vi) ACS and the Division each will operate in furtherance of the Mission.

(vii) Prior to adopting any revisions to the Division's articles of incorporation or bylaws, the Division will present the proposed revisions to the Chief Counsel for review. The purpose of the review is to ensure the proposed revisions, if enacted, will not adversely impact the tax exempt status of the Division or its ability to participate in the ACS Group Tax Exemption, and that such revisions are consistent with the Mission.

(viii) The Division will immediately report to the Chief Counsel of ACS any pending or threatened claim, investigation, or litigation involving the Division or ACS of which it becomes aware, except that employment discrimination claims need only be reported when such claims are filed with the appropriate state or federal agencies. ACS and the Division acknowledge and agree that the reports are made in furtherance of common interest in respect of litigation and related claims and the confidential, privileged or otherwise protected information supplied by the Division will be treated in accordance with the common interest and joint defense privileges and work product doctrine and any other protections under which such information is covered and provided.

(ix) The Division will accept, dispense, allocate and use all funds and property received, from whatever source, in accordance with the division of funds policy established by the National Assembly in the Bylaws and in the related Mission Critical Policies adopted by the Board.

(b) Use of Intellectual Property. The Division may use ACS Intellectual Property in accordance with the terms of the License Agreement previously executed by the parties attached as Exhibit B and incorporated herein by this reference.

(c) Executive Compensation. The Division will employ a Chief Executive Officer and conduct an annual performance review of this individual. The review will be conducted by the compensation committee of the Division Board and in compliance with all Internal Revenue Code and Treasury Regulations requirements necessary to establish the rebuttable presumption of reasonableness for compensation paid to individuals that are “Disqualified Persons” within the meaning of Section 4958 of the Code. The review will include, but not be limited to, consideration of the Chief Executive Officer’s commitment to the strategic plan developed by the Division. ACS and the Division acknowledge that the Division Board has the sole authority to (i) select, supervise, direct or terminate the Division’s Chief Executive Officer (ii) establish duties responsibilities, and performance goals for the Division’s Chief Executive Officer; and (iii) to review and evaluate the performance of the Division’s Chief Executive Officer. ACS and the Division also acknowledge that the nationwide perspective provided by ACS through the EVPFO at the annual CEO review meetings is an important component of the CEO’s review process. In addition:

(i) ACS and the Division will each ensure that the compensation of and transactions with all Disqualified Persons conform to the requirements of Section 4958 of the Code so as to not be classified as “Excess Benefit Transactions” or be subject to “Intermediate Sanctions” within the meaning of Section 4958 of the Code;

(ii) The Division Board will have a compensation committee, which will be charged with reviewing and approving the compensation of the Division’s Disqualified Persons on behalf of the Division Board;

(iii) The Division compensation committee will adopt and act in accordance with a compensation committee charter as provided in the Compensation Committee Policy; and

(iv) The Division compensation committee will engage the nationwide compensation consultant hired by the Compensation Committee to provide information and data necessary to support the reasonableness of the compensation paid to the Division’s Disqualified Persons.

(d) Employment Practices. The Division will comply with all applicable federal, state, and local laws and regulations related to employment including, but not limited to equal

employment opportunity, workplace harassment, and employee leave and will submit upon request to the Chief Counsel, for review, the employment policies of the Division.

(e) Services Provided by ACS. ACS will provide, but not be limited to providing, the following services for the Division:

- (i) through its Audit Committee, hire the independent outside auditor;
- (ii) through its Compensation Committee, hire the independent outside compensation consultant;
- (iii) operate the Shared Services Function;
- (iv) operate the Nationwide Cancer Information Center;
- (v) provide Internal Audit (supported by legal or other assistance as appropriate);
- (vi) fund and conduct intramural and peer reviewed extramural research in furtherance of the Mission;
- (vii) provide the Nationwide Probate and Trust Management function upon the mutual agreement of ACS and the Division;
- (viii) provide Insurance Procurement and Management Services; and
- (ix) develop and operate www.cancer.org.

If the Division has concerns about any of the services provided by ACS it may address those concerns to the EVPFO and, if of general applicability to the Nationwide Enterprise, raise those concerns with the Nationwide Executive Team.

5. Mission Alignment and Strategic Plan. The Division will adopt a multi-year strategic plan which supports the charitable objectives approved by the ACS Board and the Division Board, now commonly known as the “Leadership Roles and Pillars”, in furtherance of the charitable goals and Mission of the Nationwide Enterprise. The Division will adopt the Leadership Roles and Pillars. Prior to amending, deleting, or adding to the Leadership Roles and Pillars, ACS will consult with the Divisions and seek their input and assistance with respect to the development and implementation of any revision, deletion, or addition to the Leadership Roles and Pillars. Without limiting the foregoing, prior to ACS Board action, ACS will notify the Division’s Chief Executive Officer of any contemplated or proposed revision, deletion, or addition to the Leadership Roles and Pillars, and the Division will be given at least forty-five (45) days to provide comments to ACS with respect to the contemplated Leadership Roles and Pillars change. In addition, prior to ACS Board action any proposed revision, deletion, or addition to the Leadership Roles and Pillars will be discussed by the Nationwide Executive Team.

6. ACS Policies.

(a) Mission Critical Policies. The Division will adopt and comply with all Mission Critical Policies. Prior to amending, deleting, or adding to the Mission Critical Policies, ACS will consult with the Divisions and seek their input and assistance with respect to the development and implementation of any revision, deletion, or addition to the Mission Critical Policies. Without limiting the foregoing, prior to ACS Board action, ACS will notify the Division's Chief Executive Officer of any contemplated or proposed revision, deletion, or addition to the Mission Critical Policies, and the Division will be given at least forty-five (45) days to provide comments to ACS with respect to the contemplated Mission Critical Policy change. In addition, prior to ACS Board action any proposed revision, deletion, or addition to the Mission Critical Policies will be discussed by the Nationwide Executive Team.

A Mission Critical Policy may only be revised, deleted, or added by a two-thirds majority vote of the full ACS Board. Each resolution adopted by the ACS Board revising, deleting, or adopting a Mission Critical Policy will include an implementation provision setting forth the period of time the Division will have to implement the approved Mission Critical Policy revision, deletion, or addition. Following the revision, deletion, or adoption of a Mission Critical Policy by the ACS Board, ACS shall send a copy of the ACS Board Resolution approving such revision, deletion, or adoption of the Mission Critical Policy along with the Mission Critical Policy to the Division's Chief Executive Officer and Chief Financial Officer. The period of time the Division will have to implement a Mission Critical Policy revision, deletion, or addition will be based on the complexity involved in implementing the Mission Critical Policy change. However, the implementation date will not be less than (i) ninety (90) days from the date the Division is notified by ACS of the Mission Critical Policy change, or (ii) the date of the next Division Board meeting, whichever is longer, unless a shorter implementation period is required by applicable local, state, or federal law or regulation.

(b) Policy Information. All Mission Critical Policies will be located on the Policy Database as well as other policies and procedures adopted by the ACS Board. Mission Critical Policies will be designated as such on the Policy Database and will have accompanying documents explaining the policy. The Policy Database will be maintained by ACS and updated on a regular basis.

7. Monitoring for Compliance.

(a) Policies. The ACS Board through the Stakeholder Relations Committee will monitor compliance with the terms of this Agreement and the Mission Critical Policies. All final decisions regarding Non-Compliance Sanctions and revocation of the Division's charter, as appropriate, will be made by the ACS Board.

(b) Compliance Reports. In order to monitor and assess the Division's compliance with the terms of this Agreement, the Division will, except as otherwise provided herein, submit Compliance Reports to ACS in accordance with the terms of this Section. The Division will submit to ACS Annual Compliance Reports in the form attached hereto as Exhibit C. The Division will submit to ACS Quarterly Compliance Reports in the form attached hereto as

Exhibit D. If the Division becomes aware of a Material Violation or a potential Material Violation, the Division will immediately submit to ACS an Interim Compliance Report in the form attached hereto as Exhibit E. The Division will also submit a copy of any Compliance Report to the Division Board

(c) Timing. The Division will submit Quarterly Compliance Reports for the first three fiscal quarters of each fiscal year within forty-five (45) days of the end of each fiscal quarter. A Quarterly Compliance Report is not required for the fourth fiscal quarter. The Division will submit Annual Compliance Reports within sixty (60) days of the end of each fiscal year.

(d) Delegation of Authority. Except as otherwise provided herein, all Compliance Reports will be sent to the EVPFO and ACS's Chief Financial Officer. The EVPFO and ACS's Chief Financial Officer will review the Compliance Reports and provide copies of the Compliance Reports to the Stakeholder Relations Committee and any other appropriate ACS committee and to the CEO of the Division; provided however that if any Compliance Report contains information that involves regulatory or investigative action, threatened or actual litigation or other matters of a sensitive legal nature, such reports will be sent to the Chief Counsel who will determine after consultation with the Division, whether, and in what form, such information can be transmitted to the appropriate ACS staff and ACS Board committees. The Division may provide to the EVPFO for transmittal to the Stakeholder Relations Committee any additional information that the Division deems pertinent to the review of the Compliance Reports. Any Material Violations disclosed in the Compliance Reports will be handled in accordance with Section 8 below.

8. Material Violation Investigation and Fair Hearing Process.

(a) Fact Finding. If ACS becomes aware of a potential Material Violation through a Compliance Report or otherwise, ACS will conduct fact finding with the Division to learn more information about such potential Material Violation. Such fact finding will be conducted by ACS's EVPFO and such other ACS staff as the EVPFO deems necessary to complete the inquiry unless the potential Material Violation involves issues or inquiries with legal implications. Under such circumstances, prior to the commencement of any ACS investigation or any other action by ACS with respect to the potential Material Violation, the matter shall be referred to the Chief Counsel to determine if, when, and how, ACS should proceed with the investigation. Prior to making this determination the Chief Counsel will consult with the Division, unless such consultation would compromise the fact finding. If a potential Material Violation raises issues with legal implications, the fact finding will be conducted by the Chief Counsel in a manner designed, as possible and appropriate, to maintain all properly claimed and available privileges. The Division agrees that its officers, directors, employees and agents will fully cooperate with ACS to provide any information or materials requested by the EVPFO, the Chief Counsel or their designee. ACS agrees that the EVPFO and Chief Counsel will conduct such inquiry in a manner designed to cause limited interruption to the Division's business and burden on the Division's staff. ACS agrees to complete all such fact finding within forty-five (45) days unless unusual circumstances or legal concerns dictate otherwise. As noted in Section 4(a)(viii) above, ACS and the Division acknowledge that the provision of confidential, privileged, or otherwise

protected information will further ACS's and the Division's common interests, as well as the joint defense privilege and work product doctrine as may be applicable, and that steps will be taken as appropriate to protect the protected nature of the materials provided to ACS. The provision of information in a common interest, joint defense or other protected manner shall not preclude action on the part of ACS to address and remedy a Material Violation and related issues relative to a Division.

(b) Recommendation for Action. Upon completion of any fact finding in accordance with Section 8(a) above, the EVPFO (references herein to EVPFO also include reference to the Chief Counsel as may be applicable) will review all information and materials gathered and will send to the Division the Material Violation Findings Report. If a Material Violation is found, within fifteen (15) business days of receiving the Material Violation Findings Report, the Division will either: (i) submit to the EVPFO a Corrective Action Plan; or (ii) notify the EVPFO that it disagrees with the EVPFO's assessment. If the Division provides a Corrective Action Plan and the EVPFO, in consultation with the Chairperson of the Stakeholder Relations Committee, accepts such Corrective Action Plan, no further action will be taken except that the EVPFO will report to the Stakeholder Relations Committee on his or her findings and provide updates on the Division's compliance with the Corrective Action Plan with copies of such written updates to the Division.

(c) Action by the Stakeholder Relations Committee. If the Division: (i) does not submit a Corrective Action Plan within the time period specified in Section 8(b) above, (ii) notifies the EVPFO that it does not agree with the EVPFO's findings and that it will not submit a Corrective Action Plan or (iii) does not comply with a previously approved Corrective Action Plan, then the EVPFO will submit the Material Violation Findings Report to the Chairperson of the Stakeholder Relations Committee. Within thirty (30) days of receiving the Material Violation Findings Report from the EVPFO, the Chairperson of the Stakeholder Relations Committee will convene a meeting of the Stakeholder Relations Committee and distribute to the members of the Stakeholder Relations Committee a copy of the Material Violations Finding Report as well as any other information provided by the Division to the Chairperson of the Stakeholder Relations Committee and the EVPFO. The Stakeholder Relations Committee may solicit any additional information from the EVPFO or the Division it deems necessary prior to such meeting. The Division may submit to the Stakeholder Relations Committee a proposed Corrective Action Plan and any other additional information it believes appropriate to the Stakeholder Relations Committee. The Chairperson of the Stakeholder Relations Committee will provide at least ten (10) business days notice to the Division of the date of the meeting. At the Division's option, representatives of the Division may attend the meeting and make a presentation to the Stakeholder Relations Committee. At the meeting the Stakeholder Relations Committee will either affirm or reject: (i) the EVPFO's determination of a Material Violation, (ii) the Division's Corrective Action Plan if one has been submitted or (iii) the EVPFO's conclusion that the Division has not complied with any previously agreed to Corrective Action Plan. If the Stakeholder Relations Committee finds a Material Violation, the Division will have five (5) business days to submit to the Stakeholder Relations Committee a proposed Corrective Action Plan or notify the Chairperson of the Stakeholder Relations Committee that the Division does not believe a Material Violation has occurred and accordingly will not be submitting a Corrective Action Plan. If the Stakeholder Relations Committee accepts such Corrective Action

Plan, no further action will be taken except that the EVPFO will provide periodic written updates to the Stakeholder Relations Committee on the Division's compliance with the Corrective Action Plan with copies of such written updates to the Division. If the Stakeholder Relations Committee does not accept the Corrective Action Plan, the Division does not provide a Corrective Action Plan or if the Stakeholder Relations Committee finds that the Division has not complied with a previously agreed to Corrective Action Plan, the Stakeholder Relations Committee will send the Material Violation Findings Report, its own report, and its recommendations for Non-Compliance Sanctions to the Chairperson of the ACS Board. Notwithstanding the foregoing, the failure of the Stakeholder Relations Committee to act within the prescribed time frame will not void or impair the efficacy of any action taken by the Stakeholder Relations Committee.

(d) Action by ACS Board. Upon receipt of the Material Violations Findings Report, any information submitted by the Division to the Stakeholder Committee, and the report from the Stakeholder Relations Committee, the Chairperson of the ACS Board will determine whether a special meeting of the ACS Board is required or whether the matter can be addressed at the next regularly scheduled meeting of the ACS Board and will report that decision to the Chairperson of the Division. The ACS Board may solicit any additional information from the Division it deems necessary prior to such meeting. The Chairperson of the ACS Board will provide at least ten (10) business days notice to the Division of the date of the meeting. If the Division agrees a Material Violation has occurred, the Division will submit to the ACS Board a proposed Corrective Action Plan. At the Division's option, representatives of the Division may provide the ACS Board with any information they believe appropriate, attend the ACS Board meeting and make a presentation to the ACS Board. If the ACS Board accepts the Division's Corrective Action Plan, no further action will be taken except that the EVPFO will provide periodic updates on the Division's compliance with the Corrective Action Plan to the Stakeholder Relations Committee. If there is a dispute as to whether a Material Violation exists and the ACS Board determines that there is a Material Violation, the Division must submit a Corrective Action Plan within ten (10) business days of the Board's identification of a Material Violation to the ACS Volunteer Officers, who will have the authority to accept or reject the Corrective Action Plan. If the ACS Board or the ACS Volunteer Officers, as the case may be, reject such Corrective Action Plan or if the ACS Board finds that the Division has failed to comply with a previously agreed to Corrective Action Plan, the ACS Board may take action in accordance with Section 9 below. The determination of the ACS Board or the ACS Volunteer Officers, as the case may be, will be final with respect to all decisions, including whether there was a Material Violation and whether sanctions are appropriate, with the exception of the revocation of the Division's charter. The Division may only seek to challenge revocation of its charter in accordance with the dispute resolution procedures set forth in Section 13(b). Any challenge of a revocation of its charter must be submitted by the Division to the designated arbitration agency in accordance with Section 13 within five (5) business days of the Division's receipt of the ACS Board decision.

(e) ACS Board Veto. The Stakeholder Relations Committee will report to the ACS Board on any Corrective Action Plans approved by the EVPFO or the Stakeholder Relations Committee in accordance with Sections 8(b) or (c) above and the ACS Volunteer Officers will report to the ACS Board on any Corrective Action Plans approved by the ACS Volunteer Officers in accordance with Section 8(d) above within five (5) business days of any such approval. If the ACS Board does not agree with such resolution of a Material Violation, the

ACS Board may override by majority vote of a quorum any such action, and require that the Division submit a new Corrective Action Plan. Upon receipt of notice of the ACS Board decision, the Division will have ten (10) days to submit a new Corrective Action Plan. If the Division fails to submit a Corrective Action Plan within the required time frame or if the ACS Board rejects such Corrective Action Plan, the ACS Board may take action in accordance with Section 9 below.

(f) Hotline Calls. The parties acknowledge that certain financial, accounting, compliance and other risk exposure relating to the Division and other matters may be brought to the attention of ACS through the Hotline. If this is the case, Internal Audit (together with other ACS personnel, as appropriate) will conduct its inquiry in accordance with its procedures and report its findings to the Audit Committee of ACS; provided that if the inquiry in the opinion of the Chief Counsel has the potential for significant external legal exposure to ACS or the Division, any investigation will be conducted under the direct supervision of the Chief Counsel in a manner intended to maintain as possible and appropriate all properly claimed and available privileges and the confidentiality of the investigation. If the Audit Committee determines that the inquiry has found a Material Violation, the Audit Committee will refer the matter to the Audit Committee of the Division and to the Stakeholder Relations Committee for action in accordance with this Section.

9. Enforcement and Revocation.

(a) Conditions for Action by ACS Board. ACS must comply with the Division input process described in Section 8 prior to taking any action pursuant to this Section 9 unless the ACS Board determines by a two-thirds vote of the entire ACS Board that the ACS and the Division will be irreparably harmed if such decision is not made immediately. All other actions by the ACS Board in accordance with this Section 9 will require a majority vote of a quorum of the ACS Board.

(b) Non-Compliance Sanctions. If the ACS Board determines there is a Material Violation, the ACS Board may elect any proportional remedies it deems appropriate in light of the Material Violation, in the ACS Board's sole discretion.

(c) Revocation. If the ACS Board determines there is a Material Violation and that it is in the best interest of the Nationwide Enterprise and the Mission, it may revoke the Division's charter. If the ACS Board elects to revoke the Division's charter, this Agreement will be terminated as of the date selected by the ACS Board, and the Division must comply with the terms set forth in Section 10(c) below as of such termination date.

10. Term and Termination.

(a) Term. The term of this Agreement (the "Term") will begin on the Effective Date and end on December 31, 2011.

(b) Termination. ACS may only terminate this Agreement in accordance with the procedures set forth in Sections 8 and 9 above. The Division may terminate this Agreement upon one hundred eighty (180) days notice to ACS.

(c) Effect of Termination or Expiration. Upon termination or expiration of this Agreement:

- (i) the Division will immediately cease use of ACS Intellectual Property;
- (ii) the Division will no longer be entitled to use the Group Exemption; and

(iii) the Division will, in accordance with applicable state law, dissolve or merge into ACS or another separately incorporated division of ACS, at the discretion of the ACS Board as provided in the Bylaws. If the Division is dissolved, all of its assets will be distributed to ACS. Assets to be distributed upon dissolution of the Division will include all endowed funds, except to the extent donor-imposed restrictions direct otherwise. ACS will continue to administer restricted endowed funds received upon dissolution of the Division in accordance with the terms of such restrictions.

11. Severability. The covenants set forth in this Agreement will be considered and construed as separate and independent covenants. Should any part or provision of any covenant be held invalid, void or unenforceable in any court of competent jurisdiction, such invalidity, voidness or unenforceability will not render invalid, void or unenforceable any other part or provision of this Agreement.

12. Obligations Upon Breach. Any breach of Section 3(a), 4(a), or 4(e) of this Agreement by ACS or a Material Violation by the Division will not relieve any of the parties to this Agreement to the obligations hereunder; nor does any breach by ACS give any special right to the Division, including a right to any damages.

13. Applicable Law and Jurisdiction.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of Georgia, without regard to the conflict of laws provisions thereof, and the laws of that state will govern all of the rights, remedies, liabilities, powers and duties of the parties under this Agreement and of any arbitrator or mediator to whom any matter hereunder may be submitted for resolution by the parties hereto.

(b) Any dispute regarding ACS's revocation of the Division's charter will be settled by arbitration to be held in the Atlanta, Georgia metropolitan area in accordance with the Commercial Arbitration Rules of the American Arbitration Association. All disputes other than charter revocation are subject to final resolution in accordance with the ACS determination and process as provided for in Section 8 above. The parties will continue to operate under this Agreement until final resolution of any arbitration proceedings. Any decision or award will be in writing, will provide an explanation for all conclusions of law and fact, and will include the assessment and award of costs, expenses and reasonable attorney fees to the prevailing party. The award of the arbitrator will be final and binding and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties may agree to submit matters to nonbinding mediation, prior to arbitration.

(c) The Division hereby waives all objections to venue and personal jurisdiction in these forums, and agrees that service of process may be made by certified mail addressed to the address given in the first paragraph of this Agreement, to the attention of the person signing below. These contact persons or addresses may be amended pursuant to the notice procedure of Section 14 below.

14. Notices. Unless otherwise specified herein, all notices and other communications required or permitted to be given or made hereunder will be in writing and delivered personally or sent by pre-paid, first class certified or registered mail, return receipt requested, sent via a recognized overnight express courier service, or by facsimile transmission, to the intended recipient at the address shown in the first paragraph or any facsimile number set out below. Any such notice or communication will be deemed to have been duly given (i) immediately (if given or made in person or by facsimile confirmed by the recipient), (ii) on the second business day after delivery to a recognized overnight express courier service, or (iii) five days after mailing (if given or made by mail).

If to Division:

With a duplicate copy to:

Attn: _____

Attn: Chief Financial Officer or In-House Counsel

FAX: _____

FAX: _____

If to the ACS:

American Cancer Society, Inc.
Attn: Chief Executive Officer
250 Williams Street
Atlanta, GA 30303-1002
FAX:

With a duplicate copy to:

Chief Counsel
American Cancer Society, Inc.
250 Williams Street
Atlanta, GA 30303-1002
FAX: 404-417-5808

15. Assignment. Neither ACS nor the Division may assign or delegate this Agreement without the express written consent of the other.

16. Successors and Assigns. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns.

17. Captions and Headings. The captions and section headings used in this Agreement are for convenience of reference only and will not affect the construction or interpretation of this Agreement or any of the provisions thereof.

18. Survival. Sections 3, 4 and 10 and all representations and warranties contained in this Agreement will survive the termination or the expiration of this Agreement.

19. Conflicts. In the event of a conflict between the terms of this Agreement, the ACS Bylaws, and the Mission Critical Policies, such conflict shall be resolved in the following priority: ACS Bylaws, this Agreement, Mission Critical Policies.

20. Entire Agreement; Amendment. This Agreement represents the entire agreement between the parties on this matter, and supersedes any and all prior understandings, agreements, representations or undertakings. This Agreement is not subject to amendment, change or modification except by written agreement signed by duly authorized officers of both parties. Any amendments to this Agreement will specifically refer to this Agreement. Notwithstanding the foregoing, the parties acknowledge that the Mission Critical Policies may be modified, added to or removed in accordance with Section 6 of this Agreement.

21. Third Party Beneficiaries. None of the provisions of this Agreement will be for the benefit of or enforceable by any third party.

22. Counterparts and Signatures. This Agreement may be executed in counterparts and forwarded by facsimile transmission by the parties. Each of the representatives signing this Agreement on behalf of the respective parties hereto represents and warrants that he or she has been duly authorized to execute and deliver this Agreement and that upon execution and delivery hereof, this Agreement will be binding and enforceable in accordance with its terms against such party for whom such representative has signed.

WHEREFORE, the undersigned parties through their authorized representatives have executed this Agreement effective as of the date first above written.

AMERICAN CANCER SOCIETY, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

AMERICAN CANCER SOCIETY, _____ DIVISION, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A – MISSION CRITICAL POLICIES

The content of the following policies are located under the corresponding heading on the Policy Database maintained by ACS. These policies are subject to revision as provided in Section 6(a) of this Agreement.

1. The Following Financial Policies:¹
 - Financial Policy 1 – formula for division of unrestricted contributions
 - Financial Policy 5 – investment of funds
 - Financial Policy 6 – legacies and bequests
 - Financial Policy 16 – special purpose and restricted gifts
 - Financial Policy 21 – spending and net asset policy
2. Nationwide Gift Acceptance Policy¹
3. Conflict of Interest/Code of Ethics Policy, Nationwide Hotline and Whistleblower Policy¹
4. Risk Management Policy¹
5. Privacy Policy¹
6. Division Compensation Committee Policy

The Mission Critical Polices as of the date of this Agreement are attached hereto.

¹ Existing Charter Specific Policy contained in existing Charter Agreement

EXHIBIT B – EXECUTED LICENSE AGREEMENT¹

¹ This form of License Agreement was executed by all Divisions last year and is available upon request.

EXHIBIT C – FORM OF ANNUAL COMPLIANCE REPORT

I hereby certify that the Division is in compliance with all Mission Critical Policies in all material respects for the period ended ____ __, ____ except for:

[Attached is the annual monitoring report for Financial Policy 21 containing the report and calculations that demonstrate compliance.]

If the Division is not in compliance in all material respects with a Mission Critical Policy select the appropriate box below:

- The Division has attached a proposed Corrective Action Plan
- The Division will provide a Corrective Action Plan by _____.

American Cancer Society, _____ Division, Inc.

By: _____
Name: _____
Title: _____

EXHIBIT D – FORM OF QUARTERLY COMPLIANCE REPORT

Attached hereto is the following financial data*:

- (i) the interim balance sheet as of the end of the most recent fiscal quarter,
- (ii) a year to date statement of activities for the period ending as of the last fiscal quarter,
- (iii) a calculation showing the number of months of unencumbered cash available to fund operations based upon the Division’s latest spending projections and
- (iv) an annual projection as of the end of the fiscal quarter of the Division’s results of operations versus its board approved budget.

I hereby certify that the Division is in compliance with all Mission Critical Policies in all material respects for the period ending _____, _____, except for:

If the Division is not in compliance with a Mission Critical Policy in all material respects select the appropriate box below.

- The Division has attached a proposed Corrective Action Plan
- The Division will provide a Corrective Action Plan by _____.

American Cancer Society, _____ Division, Inc.

By: _____
Name: _____
Title: _____

* The requirements for the completeness of the financial data reporting requirements set forth above by the Divisions in the will be determined by the ACS CFO consultation with the nationwide CFO group.

EXHIBIT E - FORM OF INTERIM COMPLIANCE REPORT

The following potential Material Violation or Material Violation has occurred:

- The Division has attached a proposed Corrective Action Plan.
- The Division will provide a proposed Corrective Action Plan by _____.

American Cancer Society, _____ Division, Inc.

By: _____
Name: _____
Title: _____

DIVISION COMPENSATION COMMITTEE POLICY

Each Division will adopt the Compensation Committee Charter set forth below.

I. Purpose of Committee

The Compensation Committee (the "Committee") discharges the duty of the Board of Directors ("the Board") in fulfilling the Board's oversight responsibilities for determining the adequacy and reasonableness of the total compensation paid to the Chief Executive Officer ("CEO") and other "Disqualified Persons," which will, in this context, have the same meaning as under section 4958 of the Internal Revenue Code. Disqualified Persons under Section 4958 includes:

1. any individual who is, or within the prior five years has been, a Director or officer of the Division or otherwise in a position to exercise "substantial influence" over the affairs of the Division;
2. any individual who is the spouse, parent, child, or grandchild, or the spouse of a parent, child, or grandchild, of an individual referenced in (1); and
3. any organization in which the foregoing individuals have a 35% ownership or control interest.

II. Committee Membership

The Committee is composed of independent members of the Board. Members of the Committee may personally receive no compensation, fees or other benefits from Division, and must not be partners in, or a controlling shareholder or executive officer of, any entity to which the Division made payments that exceeded 2% of the Division's or the entity's annual revenues, or \$200,000, whichever is lesser, in any of the past three years preceding appointment and must not have any other position or relationship with any person or entity that may cause the appearance of a conflict of interest, including, but not limited to, a conflict of interest within the meaning of Section 4958 and the regulations promulgated thereunder.

III. Committee Authority and Responsibility

The Committee shall:

1. (a) Conduct an annual review of the CEO's performance and of his or her total compensation in relation to the marketplace; (b) decide on any changes in the CEO's total compensation or in his or her employment agreement; (c) review and comment on the CEO's annual performance goals; (d) establish the CEO's annual Incentive Plan goals, determine the measures and levels of performance for each goal and determine what Incentive Plan bonus, if any, is payable each year; and (e) annually report to the Board with respect to the foregoing.
2. Identify the Division's other Disqualified Persons and annually report the identity of those persons to the Board.
3. Review and approve recommendations of the CEO for the terms of employment and total compensation, including base salary ranges, incentives, benefits, perquisites, and any written

employment agreement, of all Disqualified Persons (in addition to the CEO) after determining that such terms are reasonable. The CEO is empowered to set the total compensation, within the range determined by the Committee. The Committee shall approve the severance and/or retention arrangements for any Disqualified Person.

4. Consider all benefits—including but not limited to salary, bonus, retirement, health, severance, and/or other fringe benefits and benefit plans—provided by the Division to the CEO and other Disqualified Persons when determining the reasonableness of total compensation.

5. Assemble and review appropriate market data on the amount and form of compensation paid for comparable executive positions by other comparable employers with which the Division is competing for executive talent.

5. Document in a written report within 30 days of making its determination of reasonableness with respect to the total compensation of Disqualified Persons: (a) the terms that were approved and the date approved; (b) the members of the Committee present during the discussion and those who voted; (c) the comparability data obtained and relied upon by the Committee and how the data was obtained; and (d) any actions taken with respect to the determination by anyone who is otherwise a member of the Committee but who had a conflict of interest. The report must be approved by the Committee as reasonably accurate and complete within a reasonable time thereafter and reported to the Board for its information.

6. Monitor the Division's engagement of outside contractors who are or may be Disqualified Persons and report any material irregularities to the Board.

7. At least annually report its activities and decisions to the Board.

IV. Committee Meetings

The Committee will meet as often as it deems necessary or appropriate, either in person or telephonically or electronically, and at such times, places and manner as its Chair may determine. The Chair shall prepare or approve an agenda in advance of each meeting. The Committee should meet in separate executive session at least annually with management and any attorney, accountants or compensation consultants it employs and, as a committee, discuss any matters that the Committee or any of those persons believes should be discussed.

V. Committee Evaluation

The Committee will conduct an annual performance evaluation, which evaluates the performance of the Committee in relation to the requirements of this Charter and such other matters as the Committee may deem appropriate. The performance evaluation should recommend to the Board any changes to this Charter deemed necessary or advisable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

VI. Resources and Authority of the Committee

The Committee shall have the resources and authority it deems appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, or other experts or consultants relating to compensation, benefits or other matters, without seeking approval of the Board or management. In carrying out its responsibilities, the Committee may rely upon reasoned written opinions of legal counsel

and of qualified legal, accounting, compensation, and valuation experts. Legal counsel may be in-house or independent. Notwithstanding the foregoing, because the Division and the American Cancer Society, Inc. (“NHO”) believe best practices dictate that consistency in the appropriateness and reasonableness of compensation across the Divisions is critical to maintaining the mutually dependent tax exempt status of the Divisions and NHO, the Division and NHO believe it is in their best interest that both entities use the compensation consultants chosen by the Compensation Committee of the Board of Directors of the NHO. In addition, a representative of the NHO shall be invited to attend the meetings of the Compensation Committee which discuss the annual review of the CEO and review of the total compensation of Disqualified Persons to supply organization wide perspective to the Committee in its deliberations.

Dated: _____, 2008