

Northern Neurosciences, Inc.

1002 N. Broom St.
Wilmington, DE 19806

www.northern-neurosciences.com



Articles of Incorporation

- Article 1) The name of the corporation, hereafter referred to as "Corporation", is Northern Neurosciences. (New Article, accepted 5/1/2006)
- Article 2) The purposes for which the Corporation is organized are:
- 1) support and perform scientific research related to the clinical neurosciences;
 - 2) develop a telemedicine network to provide stroke healthcare services to underserved hospitals. (New Article, accepted 5/1/2006)
- Article 3) The Corporation is organized on a non-stock basis. (New Article, accepted 5/1/2006)
- Article 4) The address of the registered office is 1002 N. Broom St., Wilmington, DE 19806, USA. The name of the resident agent at the registered office is Mark Borsody. (New Article, accepted 5/4/2007)
- Article 5) The name and address of the incorporator is Mark Borsody, 1002 N. Broom St., Wilmington, DE 19806, USA. (New Article, accepted 5/4/2007)
- Article 6) The period of duration of the Corporation is perpetual. (New Article, accepted 5/1/2006)
- Article 7) The Corporation is organized exclusively for charitable and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. The Corporation may receive and administer funds for scientific, educational, and charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to that end, the Corporation is empowered to hold any property, or any undivided interest therein, without limitation as to amount or value; to dispose of any such property and to invest, reinvest, or deal with the principal or the income in such manner as, in the judgment of the directors, will best promote

the purposes of the Corporation, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, these Articles of Incorporation, the By-Laws of the Corporation, or any applicable laws, to do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its directors or officers except as permitted under the Not-for-Profit Corporation Law. (New Article, accepted 5/1/2006)

Article 8) No part of the net earnings of the Corporation shall inure to the benefit of any member, trustee, officer of the Corporation, or any private individual, except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes, and no member, trustee, officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the Corporation shall not participate in or intervene in, including the publication or distribution of statements, any political campaign on behalf of any candidate for public office. (New Article, accepted 5/1/2006)

Article 9) The territory in which the operations of the Corporation are principally to be conducted is the United States of America and its territories and possessions, but the operations of the Corporation shall not be limited to such territory. (New Article, accepted 5/1/2006)

Article 10) The initial board of directors for the Corporation shall consist of three (3) members who need not be residents of the state of Delaware. The names and addresses of the persons who shall serve as directors until the first annual meeting of members, or until their successors shall have been elected and qualified, are as follows:

Mark K. Borsody, M.D., Ph.D.
1002 N. Broom St.
Wilmington, DE 19806

Tamara Heaton, B.S.
22982 Marter Rd.
St. Claire Shores, MI 48080

Michael Coco, Ph.D.
1468 Willow Lake Dr.
Atlanta, GA 30329

Removal or replacement of a member of the board of directors shall occur only by uniform agreement of the remaining board members. (New Article, accepted 5/1/2006)

- Article 11) Annual board of directors meetings shall be held during the month of May, or as near to it as possible. Board of directors meetings may be held via teleconferencing. (New Article, accepted 5/4/2007)
- Article 12) Upon the dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed exclusively to one or more charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may be hereafter amended, or to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes. (New Article, accepted 5/1/2006)
- Article 13) The Corporation or its subsidiaries may contract with various equipment manufacturers and vendors that will assist with the achievement of the goals of the Corporation. Any contract, purchase, or other disbursement must be approved by majority vote of the board of directors if its value exceeds \$500 within a single financial year. (New Article, accepted 5/1/2006)
- Article 14) Volunteer directors and officers of the Corporation shall have no liability in the actions of the Corporation or its supported research or clinical activities. (New Article, accepted 5/4/2007)
- Article 15) The Corporation shall maintain appropriate Officers and Directors Liability insurance at all times during which it is engaged in clinical healthcare programs that involve medical liability insurance. (New Article, accepted 5/1/2006)
- Article 16) The purpose of the conflict of interest policy is to protect the interests of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might resulting a possible excess of benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing

conflict of interest applicable to nonprofit and charitable organizations. (New Article, approved 6/19/06)

Article 17) Definitions

Sub-Article 17-1: Interested Person – Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an Interested Person.

Sub-Article 17-2: Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or;
- c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article 18, Sub-Article 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists. (New Article, approved 6/19/06)

Article 18) Procedures for Conflicts of Interest

Sub-Article 18-1: Duty to Disclose – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board-delegated powers considering the proposed transaction or arrangement.

Sub-Article 18-2: Determining Whether a Conflict of Interest Exists – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he / she shall leave the governing board or committee meeting while the

determination of a conflict of interest is discussed and voted upon. The remaining board of committee members shall decide if a conflict of interest exists.

Sub-Article 18-3: Procedures for Addressing the Conflict of Interest

- a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he / she shall leave the meeting during the discussing of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority or else unanimous vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Sub-Article 18-4: Violations of the Conflicts of Interest Policy

- a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
(New Article, approved 6/19/06)

Article 19) The minutes of the governing board and all committees with board delegated powers shall contain:

- a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings. (New Article, approved 6/19/06)

Article 20) Compensation

Sub-Article 20-1: A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

Sub-Article 20-2: A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

Sub-Article 20-3: No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation. (New Article, approved 6/19/06)

Article 21) Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

- a) has received a copy of the conflicts of interest policy;
- b) has read and understand the policy;
- c) has agreed to comply with the policy, and;
- d) understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. (New Article, approved 6/19/06)

Article 22) To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt

status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b) whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction. (New Article, approved 6/19/06)

Article 23) When conducting the periodic reviews as provided for in Article 22, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted. (New Article, approved 6/19/06)