

Amended and Restated Bylaws of  
Rugby Pennsylvania, Inc.

Adopted January 21, 2018

## **I. The Corporation**

### ***I.1. Name***

The name of the Corporation shall be “Rugby Pennsylvania, Inc.” The Board of Directors may, from time to time, authorize the conduct of business by the Corporation under one or more duly registered fictitious names in accordance with applicable law.

### ***I.2. Purpose***

**General Purpose.** The Corporation is organized exclusively for educational and charitable purposes including, for such purposes the making of distributions to Corporation that qualify as exempt Corporations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax return.

**Specific Purpose.** The Corporation is organized for the purpose of administering, promoting, and fostering the growth of interscholastic and youth rugby and to educate the public and players in the sport of rugby union as played under the laws of World Rugby and of USA Rugby or other laws, if any, as may be adopted for the sport of Rugby by the Corporation or other governing body within the Commonwealth of Pennsylvania.

### ***I.3. Offices***

The registered office of the Corporation shall be located within the Commonwealth of Pennsylvania at such location(s) as the Board of Directors may designate from time to time.

## **II. Board of Directors**

### ***II.1. Authority***

The governance of the Corporation shall be at the absolute discretion of the Board of Directors who shall be empowered to cause the Corporation to do all lawful acts as may be advisable or expedient in accordance with these Bylaws and applicable law. The scope of the Board of Directors’ authority shall be plenary with respect to the business of the Corporation and shall not be delegated or otherwise alienated except in accordance with these Bylaws and applicable law. Except as otherwise provided in these Bylaws or by applicable law, a simple majority of Directors or members of any committee present for or participating in any duly-constituted meeting shall be required to approve any item of business.

### ***II.2. Election***

Each Director shall be elected by a majority vote of Directors present or participating at any duly constituted annual meeting or at a special meeting where such advertisement has been duly noticed. In the case of elections to complete an unexpired term, such election shall be effective immediately. In the case of elections for any new term of office, such term shall commence upon the adjournment of the annual meeting where the preceding term expires in accordance with these Bylaws.

### ***II.3. Eligibility***

Each Director shall be at least 18 years of age, and a member in good standing of USA Rugby. No person shall be eligible to hold the office of Director if he or she shall have been convicted of any felony involving a breach of public trust or falsehood, or any crime whatsoever involving sexual abuse or the

abuse of children, or any other criminal act which would render him or her ineligible to obtain a background clearance for contact with children in the Commonwealth of Pennsylvania or any other jurisdiction..

#### ***II.4. Number and Terms***

There shall be not less than five (5) and not more than nine (9) Directors. Each director shall serve for a period of five (5) years. The terms of each Director shall be staggered such that not more than three Directors' terms expire in any given year. The initial staggering of terms of directors shall be established, and may be re-established from time to time, by resolution of the Board of Directors, provided that no Director shall serve a term in excess of seven (7) years pursuant to such establishment or re-establishment of staggered terms. For the purposes of calculating terms, a "year" shall mean the period commencing with the adjournment of an annual meeting (or the election of the said Director if such election occurs after the most-recent annual meeting) and expiring upon the adjournment of the next annual meeting, notwithstanding the actual passage of time between such events.

#### ***II.5. Annual Meetings***

The Directors shall hold one (1) annual meeting at a date, time, and location to be determined by the Board of Directors not later than three (3) months prior to such annual meeting, but in no case later than eighteen (18) months from the date of the prior annual meeting. Notice of the date, time, and location of each annual meeting of the Board of Directors shall be provided to each Director not later than sixty (60) days prior to such date. An annual meeting may take place by teleconference and any Director participating in such teleconference who can hear and speak to all other Directors participating in such meeting shall be deemed to have attended such meeting.

#### ***II.6. Regular Meetings***

The Directors may, by motion or resolution at each annual meeting, establish a schedule of regular meetings of the Board of Directors, to be held prior to the next annual meeting, whereupon such schedule of regular meetings shall be provided, in writing, to each Director. The scope of business at such regular meetings shall be plenary and shall not require further notice or publication. A regular meeting may take place by teleconference and any Director participating in such teleconference who can hear and speak to all other Directors participating in such meeting shall be deemed to have attended such meeting.

#### ***II.7. Special Meetings***

The Directors may, upon the request of any three (3) Directors, or upon the request of the Executive Director, may hold a Special Meeting upon written notice to each Director not later than twenty-four (24) hours prior to such Special Meeting. A special meeting may take place by teleconference and any Director participating in such teleconference who can hear and speak to all other Directors participating in such meeting shall be deemed to have attended such meeting.

#### ***II.8. Notice***

Wherever notice of any event or meeting to any Director is required pursuant to these Bylaws, the following means and methods of notice shall be sufficient: (a) written notice mailed not later than three (3) business days before such notice is required; or (b) an email message to the email address customarily used by the Director for the purposes of communication regarding the business of the Corporation, whereupon the date when such email is sent (provided that no error message suggesting non-delivery is received in reply); or (c) direct, verbal communication between the Director and another Director, the Executive Director, or the designated agent or attorney of the Board of Directors.

### ***II.9. Quorum***

The presence or participation of a majority of the number of then-incumbent Directors shall constitute a quorum necessary to conduct business at any meeting of the Board of Directors. A Director participating via telephonic or video conferencing technology shall be conclusively presumed to count toward such quorum, provided that such Director's connection to the meeting proceedings is operational when such business is conducted.

### ***II.10. Forfeiture***

A Director forfeits his or her office if he or she fails to attend or participate in (a) two (2) consecutive annual meetings; or (b) three consecutive regular meetings of the Board of Directors. Absence from special meetings shall not be grounds for forfeiture under any circumstances.

### ***II.11. Vacancies***

In the event that any vacancy of office upon the Board of Directors causes the number of Directors to be less than the minimum number required pursuant to these Bylaws, the President shall be empowered to appoint so many Directors as may be necessary to achieve such minimum number. Any Director so-appointed shall serve the remaining term of the most-recently vacated open Directorship upon the Board of Directors. Provided that there exist a minimum number of Directors, the Directors may, in their own discretion, elect any eligible individual to serve any the unexpired term of any vacated directorship or to commence a new term upon the next adjournment of an annual meeting.

### ***II.12. Compensation***

Directors shall not be entitled to any minimum compensation for their services pursuant to these Bylaws. However, the Board of Directors may, by resolution at any annual meeting, establish a fixed sum to be paid to each Director, together with expenses of attendance for such attendance at each regular or special meeting of the Board of Directors. Nothing in this section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

### ***II.13. Informal Action by Directors***

Any action required by law to be taken at a meeting of the Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed or approved by two-thirds (2/3) of all of the Directors following notice of the intended action to all members of the Board of Directors. "Notice" for the purposes of this Section shall mean written communication, email to the address normally used by any given Director for communications regarding the business of the Corporation, or via facsimile transmission. "Approval" shall mean the affirmative, written assent of a Director by any of the same means of communication.

### ***II.14. Confidentiality***

Directors shall not discuss or disclose information about the Corporation or its activities to any person or entity unless such information is already a matter of public knowledge, such person or entity has a need to know, or the disclosure of such information is in furtherance of the Corporation's purpose, or can be reasonably expected to benefit the Corporation. Directors shall use discretion and good business judgment in discussing the affairs of the Corporation with third parties. Without limiting the foregoing, Directors may discuss upcoming fundraisers and the purposes and functions of the Corporation, including but not limited to accounts on deposit in financial institutions.

### ***II.15. Advisory Council***

An Advisory Council may be created whose members shall be nominated by the President and appointed by from time to time, and serve at the ongoing pleasure of, the Board of Directors, but who shall have no duties, voting privileges, nor obligations for attendance at regular meetings of the Board. Advisory Council members may attend said meetings at the invitation of a member of the Board of Directors. Members of the Advisory Council shall possess the desire to serve the community and support the work of the Corporation by providing expertise and professional knowledge. Members of the Advisory Council shall comply with the confidentiality policy set forth herein and shall sign a confidentiality agreement consistent therewith upon being appointed to and accepting appointment to the Advisory Council.

### ***II.16. Parliamentary Procedure***

Any question concerning parliamentary procedure at meetings shall be determined by the President or presiding member by reference to Robert's Rules of Order. Such rules may be temporarily amended or suspended for the duration of a duly-constituted meeting upon the affirmative vote of a majority of Directors or members present at such meeting.

### ***II.17. Removal***

Any member of the Board of Directors or members of the Advisory Council may be removed with or without cause, at any time, by vote of three-quarters of the members of the Board of Directors if in their judgment the best interest of the Corporation would be served thereby. Each member of the Board of Directors must receive written notice of the proposed removal at least ten (10) days in advance of the proposed action. An officer who has been removed as a member of the Board of Directors shall automatically be removed from office. Members of the Board of Directors who are removed due to ineligibility or the failure to adhere to attendance requirements as provided in these Bylaws shall not be entitled to the foregoing process for removal.

## **III. Officers**

### ***III.1. Appointment, Term***

The Officers of the Corporation shall be appointed at any duly-constituted meeting of the Board of Directors upon the majority vote of such Directors present at, or participating in, such meeting. The term of each Officer shall commence upon the adjournment of the meeting at which such Officer is appointed. The term of each Officer shall expire upon the adjournment of the next annual meeting to be held after the commencement of the Officer's term or until a successor Officer is appointed.

### ***III.2. Chairperson and President***

The President shall be the Chairperson of the Board of Directors. The President shall have the following duties:

- a. To preside at all meetings of the Board of Directors and Executive Committee.
- b. To have general and active management of the business of the Board of Directors.
- c. To see that all orders and resolutions of the Board of Directors are brought to the Board of Directors in accordance with these Bylaws.

- d. To have general superintendence and direction of all other officers of the Corporation and see that their duties are properly performed.
- e. To submit a report of the operations of the Corporation for the fiscal year to the Board of Directors and members at their annual meetings, and from time to time, shall report to the Board all matters that may affect the Corporation.
- f. To have and exercise the power and duties usually vested in the office of the President including the execution of any agreement or other document binding the Corporation.

### ***III.3. Secretary***

The Secretary shall attend all meetings of the Board of Directors and of the Executive Committee, and assisted by a staff member, will act as a clerk thereof. The Secretary's duties shall consist of:

- a. To record all votes and minutes of all proceedings in a book to be kept for that purpose. The Secretary, in concert with and subject to the direction of the President, shall make the arrangements for all meetings of the Board of Directors.
- b. Assisted by a staff member, to send notices of all meetings to the members of the Board of Directors and shall take reservations for the meetings.
- c. To perform all official correspondence from the Corporation as may be prescribed by the Board of Directors or the President.

### ***III.4. Treasurer***

The Treasures duties shall be:

- a. To submit for the Finance Committee, for approval, of all expenditures of funds raised or held by the Corporation.
- b. To present a complete and accurate report of the finances of the Corporation at each meeting of the Directors, or at any other time upon request to the President.
- c. To have the right of inspection of the funds resting with the Corporation including budgets and subsequent audit reports.
- d. To assist in direct audits of the funds of the Corporation according to funding source guidelines and generally accepted accounting principles.
- e. To report propose an annual budget for the Corporation for the upcoming fiscal year to the Board of Directors not later than thirty (30) days prior to each annual meeting and to provide therewith a report describing the actual or projected revenue and expenses of the Corporation relative to the approved budget for the prior fiscal year and the then-current fiscal year.
- e. To perform such other duties as may be prescribed by the Board of Directors or the President under whose supervision the Treasurer shall be.

### ***III.5. Vice-Presidents***

The President may, by motion duly approved by a majority vote at any meeting of the Board of Directors, nominate up to two Directors to serve in the role of Vice President. The title and scope of authority or responsibility for each such Vice President shall be expressly defined as part of such nomination. Such nominee shall assume the office of Vice President (as so-styled) upon the majority vote of the Board of Directors upon such motion of the President. The seniority of each Vice President, relative to other Vice Presidents theretofore appointed, shall be established as part of the resolution appointing such Vice President.

### ***III.6. Assistant Officers***

Upon the consent of a majority of the Executive Committee, the Secretary, the Treasurer, or both may each appoint one (1) assistant Officer (e.g. an “Assistant Secretary” and “Assistant Treasurer”) who shall assist the Secretary or Treasurer in their duties. Such Assistant Officer shall have no official authority and shall not be styled as a “Deputy” or “Vice” officer except upon the approval of a majority of the Board of Directors at a duly-constituted meeting.

### ***III.7. Controller***

The Board of Directors may, from time to time, appoint a Controller who shall be the Corporation’s chief accounting officer. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as may be determined by the Executive Committee or Board of Directors.

### ***III.8. Compensation of Officers***

The Board of Directors may, from time to time, establish reasonable rates of compensation for any office of the Corporation provided that no Director may vote upon or participate in the discussion of the determination of such compensation if that Director holds any office which is then compensated or which is the subject of prospective compensation.

### ***III.9. Other Officers***

By Resolution, the Board of Directors may, from time to time, designate and appoint such other officers as the Board of Directors may deem necessary or expedient. Such Officers shall not, by virtue of such appointment, be empowered in any way except as may be directed or determined by the Board of Directors in the Resolution establishing such office.

### ***III.10. Removal of Officer***

The Board of Directors, with the concurrence of three-fourths (3/4) of the members voting at a duly constituted meeting may remove any officer and elect a successor for the unexpired term. No officer of the Board of Directors shall be expelled without an opportunity to be heard and notice of such motion of expulsion shall be given to the member in writing twenty (20) days prior to the meeting at which motion shall be presented, setting forth the alleged reason(s) for such expulsion.

### ***III.11. Vacancies***

In the event of a vacancy in the office of the President, the most-senior Vice President shall assume the office of President through the adjournment of the next annual meeting. In the event of any vacancy in the offices of Secretary or Treasurer, the President may appoint any individual to fulfill such office.

through the adjournment of the next annual meeting. Any other vacancy shall be filled solely via the appointment by the Board of Directors as described herein.

## **IV. Committees**

### ***IV.1. Executive Committee***

The Executive Committee shall be comprised of the President, any Vice President, the Secretary, and the Treasurer. The President shall be the Chairperson of the Executive Committee and shall be responsible for the conduct of its business. Except for the power to amend these Bylaws or the Articles of Incorporation of the Corporation, the Executive Committee shall be vested with all of the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors and is subject to the direction and control of the full Board of Directors.

The Executive Director shall attend all meetings of the Executive Committee unless otherwise-requested by the Executive Committee but shall not be entitled to a vote on any matter.

In the event of any tie in any vote before the Executive Committee, the vote of the President shall control.

### ***IV.2. Finance Committee***

The Finance Committee shall be comprised of the Treasurer, who shall be its chairperson, and not less than two (2) additional Directors who shall serve at the pleasure of the entire Board of Directors. The Finance Committee shall be responsible for monitoring and managing the financial viability of the Corporation and its programs. The Finance Committee shall also be responsible for monitoring and managing the Corporation's fundraising and charitable giving initiatives, donor relations, and grant writing initiatives.

The Executive Director shall attend all meetings of the Finance Committee unless otherwise-directed by the Finance Committee.

### ***IV.3. Compliance Committee***

The purpose of the Compliance Committee shall be to assure the Corporation's compliance with all legal and regulatory requirements which are applicable to the Corporation and its programs. The Compliance Committee shall be comprised of not less than three and not more than five Directors who shall serve at the pleasure of the entire Board of Directors. The Chairperson of the Compliance Committee shall be elected annually by the Compliance Committee at their first meeting following an annual meeting of the Board of Directors. Legal counsel to the Corporation, if any, shall be a non-voting, *ex officio* member of the Compliance Committee and shall attend all meetings of the Compliance Committee.

### ***IV.4. Audit Committee***

The Board of Directors may, from time to time, appoint an Audit Committee comprised of any number of Directors or no such Directors, together with any number of disinterested individuals who are not directors or no such individuals, or any combination of the foregoing, for the purposes of conducting an audit or audits of one or more matters pertaining to the business of the Corporation. Such Audit Committee shall report directly to the Board of Directors as a whole in accordance with the directive of the Board of Directors or counsel to the Corporation. Any non-Director individual engaged to serve on such Audit Committee shall be entitled to reasonable compensation for and reimbursement of expenses related to such service. The Audit Committee shall be empowered, upon its formation, to engage its own legal counsel, an independent certified public accountant, or such other consultants and professionals as



may be necessary, in the sole discretion of the Audit Committee, in order to achieve the objectives and deliverables mandated to it by the Board of Directors or as required by law.

#### ***IV.5. Ad Hoc Committees***

The Board of Directors may by resolution, from time to time, form, empower, appoint, direct, and dissolve such *ad hoc* committees as it may deem necessary or expedient to conduct the business of the Board of Directors. The President shall have the authority to form and appoint such *ad hoc* committee(s) subject to ratification of such formation and appointment at the next regularly-scheduled meeting of the Board of Directors.

### **V. Corporate Staff**

#### ***V.1. Executive Director***

The Board of Directors shall hire an Executive Director who shall serve at the will of the Board. The Executive Director shall have immediate and overall supervision of the operations of the Corporation, and shall direct the day-to-day business of the Corporation, maintain the property of the Corporation, hire, discharge, and determine the salaries and other compensation of all staff members under the Executive Director's supervision, and perform such additional duties as may be directed by the Executive Committee or the Board of Directors. The Executive Director shall make such reports at the Board and Executive Committee meetings as shall be required by the President or the Board. The Executive Director shall be an ex officio member of all committees, except any Audit Committee, unless expressly designated otherwise by the Board of Directors.

The Executive Director shall be expressly authorized to levy fines or other administrative and competitive sanctions against the individual and team participants in the Corporation's programs for such participants' malfeasance or noncompliance with the Corporation's policies.

The Executive Director may not be related by blood or marriage/domestic partnership within the first or second degree of consanguinity or affinity to any member of the Board of Directors. The Executive Director may be hired at any meeting of the Board of Directors by a majority vote and shall serve until removed by the Board of Directors upon an affirmative vote of three-quarters (3/4) of the members present at any meeting of the Board Directors. Such removal may be with or without cause. Nothing herein shall confer any compensation or other rights on any Executive Director, who shall remain an employee terminable at will, as provided in this Section.

#### ***V.2. Corporate Authority***

The Executive Director shall be empowered to execute any contract, agreement, or other legal document binding upon the Corporation which has been approved by the Executive Committee or the Board of Directors or as may be directed by legal counsel to the Corporation.

#### ***V.3. Executive Director Policy Authority***

Subject to prior approval or subsequent ratification by the Compliance Committee of the Board of Directors, or upon the advice of the Corporation's legal counsel, the Executive Director shall be empowered to adopt, amend, and rescind, from time to time, operational policies, procedures, manuals, and other media relating to the day-to-day operation of the Corporation and the Corporation's relationship with its employees, program participants, vendors, sponsors, donors, and other outside entities.

#### ***V.4. Deputy Executive Director***

The Executive Director may, upon the approval of a majority of Directors at any meeting, designate a staff member who shall serve as a deputy to the Executive Director and shall act as the Executive Director on a temporary basis in the event of the death, incapacity, or unavailability of the Executive Director for a period of time greater than fourteen (14) days.

#### ***V.5. Commissioners***

With the advice and consent of the Board of Directors, the Executive Director shall appoint and authorize individuals as Commissioners of Rugby Pennsylvania. Such Commissioners shall be considered unpaid volunteer staff of the Corporation and empowered and directed by the Executive Director to oversee specific elements of the programs of the Corporation. However, Commissioners shall have no authority to bind the Corporation to any commercial transaction. With the consent of the Executive Director, each Commissioner may appoint one or more deputy Commissioners to assist in the Commissioner's assigned portfolio of responsibilities.

Commissioners and Deputy Commissioners shall serve at the pleasure of the Executive Director and the Board of Directors. The Executive Director shall appoint the following Commissioners:

- (i) One Disciplinary Commissioner who shall act as the chairman of the disciplinary committee (as described and empowered in applicable World Rugby, USA Rugby, and Rugby Pennsylvania disciplinary procedures) comprised of not less than two additional Deputy Disciplinary Commissioners;
- (ii) One Compliance Commissioner who shall be responsible for validating that the team and individual participants in all of the Corporation's programs comply with applicable World Rugby, USA Rugby, and Rugby Pennsylvania policies and procedures, and reporting any instances of non-compliance to the Corporation's Executive Director, together with a recommendation for appropriate administrative action to address such non-compliance;
- (iii) One Commissioner for Match Officials who shall be responsible for the recruitment, retention, training, and improvement of match officials for the Corporation's programs;
- (iv) Two Commissioners for High School Competitions (one for Boys' Competitions and another for Girls' Competitions) who shall each be responsible for directing, overseeing, and administering the scheduling and orderly conduct of all competitions necessary to identify the teams who will compete in any tournament for a High School State Championship, as well as determining the competitive format for each such State Championship Tournament;
- (v) One Commissioner for Youth Competitions who shall be responsible for directing, overseeing, and administering the scheduling and orderly conduct of all competitions necessary to identify the teams who will compete in any tournament for a Youth State Championship, as well as determining the competitive format for each such State Championship Tournament;
- (vi) One Commissioner for Intramural Programs who shall be responsible for developing, supporting, and administering intramural rugby programs (including Rookie Rugby or any similar or successor program(s)) for teams, clubs, or youth rugby organizations throughout the Commonwealth of Pennsylvania;

- (vii) One Commissioner for High Performance Programs who shall be responsible for developing, administering, overseeing, and executing any and all representative side or other high performance programs of Rugby Pennsylvania;
- (viii) Subject to the ongoing consent of the Board of Directors, such additional Commissioners and Deputy Commissioners as may be appropriate or required to accomplish the objectives of the Corporation.

No Commissioner or Deputy Commissioner shall receive any compensation for his or her role as Commissioner or Deputy Commissioner, however, nothing herein shall prohibit the reimbursement of any Commissioner or Deputy Commissioner for reasonable expenses duly incurred on behalf of the Corporation in the completion of the Commissioner's or Deputy Commissioner's role.

Commissioners may be empowered via delegation by the Executive Director to resolve conflicts or disputes, including the imposition of competitive sanctions (such as player or coach suspensions) if warranted. The imposition of any express monetary sanction shall require the approval of the Executive Director. Any Commissioner or Deputy Commissioner shall avoid the appearance of impropriety and recuse himself or herself from any adjudicative capacity in any dispute or controversy where such Commissioner's or Deputy Commissioner's current or previous relationship with any person, team, or organization would tend to yield the appearance of undue bias or prejudice.

#### ***V.6. Disciplinary and Administrative Dispute Resolution***

Any decision by any Deputy Commissioner regarding any disciplinary or administrative matter may be appealed by an aggrieved party to the Commissioner for whom such Deputy Commissioner has been appointed. . Any decision of the Disciplinary Commissioner or Disciplinary Committee regarding any disciplinary matter may be appealed directly to the Board of Directors or their designated committee. The Board of Directors (or their designated committee) shall have the absolute discretion to decline to hear any appeal, in which case, the decision of the Executive Director, Disciplinary Commissioner, or Disciplinary Committee shall stand as issued.

A decision on the first appeal taken from any decision by any Deputy Commissioner, Commissioner, or by the Executive Director, shall be rendered within three (3) business days from the date when all information relevant to such appeal is delivered to the person responsible for deciding such appeal. If no such decision is rendered within the time specified, the decision under appeal shall stand as previously decided and shall be subject to further appeal if such appeal is taken. No subsequent appeal shall be subject to any time limit or deadline, however, the reviewing official or body shall use reasonable diligence to avoid undue delay in rendering a decision on such appeal.

Except as may be expressly otherwise-promulgated by policies from time to time by the Board of Directors, the standard of review for any appeal under these Bylaws shall be such that no decision shall be overturned unless the decision (i) represents a manifest factual error supported by compelling evidence to the contrary; or (ii) represents an clear and obvious abuse of discretion on the part of the person rendering the original decision.

For the purposes of determining eligibility to appeal, "aggrieved party" shall mean either (a) the individual participant whose participation in the Corporation's programs will be limited as a result of any sanction imposed by the decision; or (b) the individual or team participant against whom any fine is levied; or (c) in the case of the alleged abuse of any match official, the match official who is alleged to have been abused; or (d) any team, union, or other representative organization which brings such appeal with the written consent of any of the foregoing persons or organizations.

Any official empowered by these Bylaws to conduct any inquiry or render any decision regarding any disciplinary or administrative matter related to the Corporation's programs shall be similarly empowered to ask that any person providing information or evidence provide any certification or otherwise affirm that the information or statements provided are true and accurate; and, to the extent that such persons are subsequently shown to have intentionally provided false information or statements, to impose sanctions necessary to deter such malfeasance in the future.

The Executive Director, in consultation with the Disciplinary Commissioner, shall be authorized to publish disciplinary policies and procedures which are consistent with these Bylaws.

## **VI. Financial Matters**

### ***VI.1. Fiscal Year***

The fiscal year of the Corporation shall be from the 1<sup>st</sup> day of September through the 31<sup>st</sup> day of August each year.

### ***VI.2. Annual Budget***

The Board of Directors, at its annual meeting, shall adopt a budget for each fiscal year which shall be prepared, proposed, and circulated by the Executive Director not later than a date which is sixty (60) days prior to such annual meeting. Where practicable, such Budget shall be adopted prior to the commencement of the fiscal year, however, in no case shall the budget be adopted later than a date which is three (3) months after the commencement of such fiscal year. In the event that no such budget is adopted by the foregoing deadline, the Executive Committee shall be required to establish and adopt a budget of the Corporation for such fiscal year at its next meeting.

### ***VI.3. Checks & Disbursements***

To the extent that any payment or disbursement has been authorized by the approved budget, the Executive Committee, or the Finance Committee, or upon the advice of legal counsel to the Corporation, the Executive Director shall have a duty and the requisite authority to cause such payment or disbursement to be paid by the Corporation to the approved payee in the approved amount, including the execution of any check or other negotiable instrument.

### ***VI.4. Restricted Funds and Assets***

The Executive Director shall have primary responsibility, in consultation with the Finance Committee, for assuring that the covenants or restrictions governing the use of any funds or other assets of the Corporation shall be adhered to at all times with respect to the disbursement and disposal of such funds or other assets.

## **VII. Conflict of Interest and Compensation**

### ***VII.1. Purpose***

The purpose of the conflict of interest policy is to protect the tax-exempt Corporation's interest 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 result in a possible excess 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 Corporations.

## ***VII.2. Definitions***

### **a. Interested Person**

Any director, officer, or member of a committee with powers delegated by the Board of Directors, who has a direct or indirect financial interest, as defined below, is an interested person.

### **b. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
3. 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. 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.

## ***VII.3. Procedures***

- a. **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 powers delegated by the Board of Directors considering the proposed transaction or arrangement.
- b. **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 meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest**
  1. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  2. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority 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.

**d. Violations of the Conflicts of Interest Policy**

1. If the 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.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the 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.

***VII.4. Records of Proceedings***

The minutes of the Board of Directors and all committees holding powers delegated by the Board of Directors 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 Board 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.

***VII.5. Compensation***

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. 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.
- c. No voting member of the 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.

#### ***VII.6. Annual Statements***

Each director, principal officer and member of a committee with powers delegated by the Board of Directors shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands 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.

#### ***VII.7. Periodic Reviews***

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 Corporations 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.

#### ***VII.8. Use of Outside Experts***

When conducting the periodic reviews as provided for in this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

### **VIII. Indemnification**

#### ***VIII.1. General***

To the full extent authorized under applicable law, the Corporation shall indemnify any director, officer, employee, or agent, or former member of any committee, director, officer, employee, or agent of the Corporation, or any person who may have served at the Corporation's request as a director or officer of another corporation or entity (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in this Article individually as an "indemnitee"), against expenses actually and necessarily incurred by such indemnitee in connection with the defense of any action, suit, or proceeding in which that indemnitee is made a party by reason of being or having been such member, director, officer, employee, or agent, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for gross negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to

which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

### ***VIII.2. Expenses***

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

### ***VIII.3. Insurance***

If commercially reasonable and available, the corporation shall purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

## **IX. Books and Records**

The corporation shall keep complete books and records of account and minutes of the proceedings of the Board of Directors.

## **X. Amendments**

### ***X.1. Articles of Incorporation***

The Articles of Incorporation of the Corporation may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each director at least three days in advance of such a meeting if delivered personally, by facsimile, or by e-mail or at least five days if delivered by mail. Except as may be required by the Articles themselves or pursuant to applicable law, any amendment to the Articles shall require the affirmative vote of three-fourths (3/4) of the Directors then in office.

### ***X.2. Bylaws***

These Bylaws may be amended by the affirmative vote of three-fourths (3/4) of the Directors present at any duly constituted regular or special meeting of the Board of Directors. Written notice setting forth the proposed amendment or summary of the changes to be effected thereby shall be given to each director within the time and the manner provided for the giving of notice of meetings of directors.