

BYLAWS OF THE MIDWEST-GREAT LAKES CHAPTER OF THE SOCIETY FOR ECOLOGICAL RESTORATION

ARTICLE I. NAME, GEOGRAPHICAL LIMITS, AND AFFILIATION

Section 1 - Name: The name of this organization shall be the Midwest Great Lakes Chapter of the Society for Ecological Restoration, hereinafter referred to as 'the Chapter.'

Section 2 - Geographical Limits: The geographical limits of the Chapter are Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota.

Section 3 – Affiliation: The Chapter has been incorporated as a non-profit domestic corporation in the State of Indiana and is a federally recognized non-profit organization under Section 501(c) (3) of the United States Internal Revenue Code. The Chapter is affiliated with the Society for Ecological Restoration, referred to as 'the Society', which has been incorporated in the State of Wisconsin and is also a federally recognized nonprofit organization under Section 501(c)3. The Chapter bylaws are consistent with, but not limited by, the bylaws of the Society.

Section 4 - Chapter Office: The Chapter office is currently located in Marion County, Indiana. The Board of Directors, referred to as 'the Board', may change the location of the Chapter office if needed in the future by amending these bylaws, but the location shall remain within the geographical limits of the Chapter.

ARTICLE II. MISSION AND PURPOSE

Section 1 - Mission Statement: To promote the science and practice of ecological restoration to assist with the recovery and management of degraded ecosystems within the Midwestern and Great Lakes regions of the United States. We will connect local resources and partners by facilitating dialogue among groups and individuals interested in ecological restoration. We will also provide educational opportunities to foster an interdisciplinary understanding of and interest in concepts and methods of ecological restoration for specialists and laypersons.

Section 2 - Purpose: The purposes for which the Chapter is formed are exclusively charitable, scientific, and educational as specified in Section 501(c)(3) of the Internal Revenue Code, including for such purposes as supporting other like-minded Section 501(c)(3) exempt organizations. Specific purposes include:

- To encourage the practice and research in all aspects of ecological restoration;

- To disseminate scientific and technical information related to ecological restoration through meetings and publications to Chapter members, state/federal agencies, tribal groups, private institutions, and the general public; and
- To assist the Society in the development of technical and ethical guidelines for ecological restoration.

ARTICLE III. MEMBERSHIP

Section 1 - Eligibility: Any person, group, business, or organization is eligible for membership in the Chapter.

Section 2 - Dues: The mandatory dues for each membership category shall be as established by the Chapter Board. Membership dues shall be payable annually.

Section 3 - Continuation and/or Termination of Membership: Each member shall continue as a Chapter member so long as Chapter dues are paid. Failure to pay Chapter dues on their due date will result in termination of membership after a 60 day grace period has expired. A member that engages in conduct materially and seriously prejudicial to the Chapter and the Society may have their membership terminated by a resolution adopted by two-third majority vote of the Chapter Board. The Chapter Board will follow the procedures for expulsion and appeal as outlined in the bylaws of the Society. A member may resign by filing a written resignation with the Secretary. Resignation does not relieve a member of unpaid dues or other previously accrued charges.

ARTICLE IV. SUBCHAPTERS

Section 1 - Subchapters: The Chapter Board may determine that the development of Subchapters by geographic limits or the formation of Student Chapters would benefit the Chapter and its membership. In such an event, the Chapter bylaws will be amended by the Chapter Board and approved by the Chapter Members at the Annual Membership Meeting to define Subchapters, their regional extent, and their administrative structure.

ARTICLE V. CHAPTER BOARD OF DIRECTORS

Section 1 - Power and Authority of the Chapter Board: The Board shall control the business and affairs of the Chapter.

Section 2 - Members of the Chapter Board: The Chapter Board shall consist of:

- Chapter Officers: President, Vice President, Secretary, and Treasurer;
- State Representatives: One representative from each state;

- At-Large Representatives: Up to four At-Large Representatives; and
- Student Representatives: Up to two Student Representatives.

Section 3 –Chapter Officers and Duties: The duties of the Chapter Officers are as follows:

- President: The President shall provide overall leadership and direction of the Chapter and preside as the chairperson at all meetings of the Board. The President shall appoint, with the advice of the Board, Chairs of all the Standing and Ad Hoc Committees.
- Vice President: The Vice President shall assume the duties of the President in the absence or upon the inability of the President to serve, and shall perform any duties assigned by the President.
- Secretary: The Secretary shall be responsible for recording the minutes of all official meetings and the issuance of meeting minutes and other duties assigned by the President. The Secretary will also work with the Communications Committee in communicating Chapter news and updates to the Chapter members and general public.
- Treasurer: The Treasurer shall be responsible for the receipt and disbursement of funds of the Chapter and shall submit semi-annual financial reports to the Board and the annual financial report at the Annual Membership Meeting. The Treasurer will work with the Membership Committee in maintaining the Chapter membership records.

Section 4 – Representatives and Duties: The duties of the representatives are:

- State Representatives: State Representatives will represent the interests of the Chapter members residing within their home states and will provide expertise based on the perspectives derived from their home states on matters of discussion that arise during Board and other Chapter meetings. State Representatives will also assist with Chapter recruiting and outreach efforts by assisting with recruiting new members from their states; assisting with identifying regional/local restoration organizations working within their states; and by providing Chapter members within their home states updates on recent Board meetings.
- At-Large Representatives: At-Large Representatives will represent the interests of all Chapter members and will provide region-wide

expertise on matters of discussion that arise during Board and other Chapter meetings.

- Student Representatives: Student Representatives will represent the interests of all student Chapter members and will provide expertise based on student perspectives and experiences on matters of discussion that arise during Board and other Chapter meetings.

Section 5 - Terms of Office: All board members shall serve two-year terms, taking office upon their election at the Annual Membership Meeting and terminating their office at the Annual Membership Meeting. Terms are staggered: the President, Secretary, State Representatives from Ohio, Illinois, Wisconsin, and two At-Large Representatives will be elected during even years, and the Vice-President, Treasurer, State Representatives from Indiana, Michigan, Minnesota, two At-Large Representatives and the Student Representative(s) will be elected during odd years. All board members are eligible for re-election to the Board, but no Chapter Officer shall serve more than two consecutive terms in a single office.

Section 6 - Vacancies: If the office of the President is vacated for any reason, the Vice President shall assume the duties of the President for the balance of the unexpired term of the President. The Board shall fill all other vacancies of any unexpired term of an elective office through appointment of Chapter Members. Additionally, an individual that is appointed to fill a vacancy will serve only until the next scheduled Annual Membership Meeting where the membership shall elect the next Chapter Officers.

Section 7 - Resignation of Chapter Officers and Representatives: Any Officer or Board member may resign at any time by giving written notice to the Board, the President, or the Vice President. Any such resignation shall be effective immediately upon receipt of such notice, unless otherwise specified in the notice.

ARTICLE VI. STANDING AND AD HOC COMMITTEES

Section 1 – General: Standing Committees may be established by resolution by the Board. The purpose and powers of any such committee shall be provided in any such resolution. The Chapter President shall appoint and may reappoint the Committee chairs for terms of two years. The Chapter Board will assist Committee Chairs in forming their committees. All committee chairs will submit a written summary of committee activities to the Secretary before the annual meeting or upon completion of any special project. There will be two kinds of committees and these are Standing Committees and Ad Hoc Committees.

Section 2 – Duties: The duties of the established Standing Committees are as follows:

- Executive Committee: The Executive Committee will be comprised of Chapter Officers. The Executive Committee is empowered to function in place of the Board when the Board is not in session and when an electronic or other special meeting is not feasible. Executive Committee actions other than operational actions are subject to ratification by the Board.
- Annual Meeting Committee: The Annual Meeting Committee will collaborate with the President and Vice-President and shall arrange the programs and make the arrangements for the Annual Meeting.
- Communications Committee: The Communications Committee shall produce and distribute Chapter newsletters, coordinate and maintain the Chapter website, maintain social media accounts (e.g., Twitter, Facebook, LinkedIn), and distribute notices of Chapter events and other materials that further the Chapter objectives and activities.
- Membership Committee: The Membership Committee shall work to recruit new Chapter members, collaborate with the Treasurer with maintaining membership rosters, develop strategies for increasing membership, and develop means by which the Chapter can better serve existing members.
- Subregional Restoration Groups Committee: The Subregional Restoration Groups Committee will develop and maintain a working list of all ecological restoration groups active within Chapter boundaries. The committee will also establish and maintain communications with these groups to facilitate collaboration with the Chapter. Additionally, the Committee will identify and complete tasks that use information from the working list in support other Chapter committees.
- Board Development Committee: The Board Development Committee serves the Chapter in the oversight of Board nominations elections and Board recruitment, Board Member orientation and training, Committee and Working Group nominations, and will make recommendations to the Awards Committee for Board Member service recognition.
- Awards Committee: The Awards Committee will be responsible for the development, solicitation, and selection of all chapter awards including, but not limited to: annual meeting awards, student research

grants, and/or travel grants. The awards committee will also coordinate with the Board Development Committee to recognize any outgoing Board members.

Section 3 - Ad Hoc Committees: Other Committees may be appointed at any time by the President, the Board, or may be created by any group of Members. Such Committees shall present progress or final reports to the President and/or the Board, and, if requested by the Board, to the Membership at large.

ARTICLE VII. ELECTIONS AND VOTING

Section 1 - Elections: The Board Development Committee shall present a preliminary slate of Officer and Board Member candidates to the Membership at least two months prior to the Annual Membership Meeting. The candidates must be selected under the following criteria:

- All candidates must be members of the Chapter and the Society.
- Prior approval shall be obtained from each candidate.
- Candidates for Officer positions must have previous experience in a leadership capacity of a professional society or have served on a chapter committee for at least one term.
- Candidates for State Representatives must reside within the state they wish to represent.

Chapter Members may submit additional nominations for Board positions to the Board Development Committee prior to distribution of the final ballot. The final ballot shall be distributed to the Membership at least thirty days prior to the Annual Membership Meeting.

Section 2 - Balloting: Ballots shall be received from the Chapter Membership and shall be counted by the Board Development Committee. The Board Development Committee shall announce the results of the election and voting at the Annual Membership Meeting. The following election and voting rules apply:

- Each Chapter Member shall be entitled to one vote for each Board position and one vote on each matter submitted to a vote.
- Chapter Members in arrears shall forfeit their right to vote.
- Completed ballots must be submitted to the Board Development Committee at least ten business days prior to the scheduled Annual Membership Meeting.

- The candidate receiving the largest number of votes on the ballot shall be declared elected. In case of a tie vote, successive balloting shall be conducted among those present at the Annual Membership Meeting until one candidate receives a majority vote.

ARTICLE VIII. MEETINGS

Section 1 - Annual Membership Meeting: The Annual Membership Meeting shall be held once each year for the purpose of installing Chapter Officers and Board members, receiving reports from the Standing and Special Committees, receiving the annual financial report, and discussing other items of business that are listed on the agenda. The following items apply for the business meeting at the Annual Membership Meeting:

- A quorum shall be the Chapter Members in attendance at the Annual Membership Meeting. The affirmative vote of a majority of the quorum shall be necessary for adoption of any matter voted on, unless a greater proportion is required elsewhere in these bylaws.
- Chapter Members must be notified of the Annual Membership Meeting at least thirty days before the scheduled date of the meeting.
- Items to be considered for the agenda at the Annual Membership Meeting must be submitted to the President at least ten business days prior to the date of the meeting.
- The President, and in his or her absence, the Vice President, and in their absence, any person chosen by the Board, shall call the business meeting to order and shall act as chairperson of the meeting. The Secretary shall act as official scribe and recorder at the business meeting, but in the absence of the Secretary, the presiding officer may appoint any other person to fulfill these roles.
- A person need not be a Chapter Member in order to attend the Annual Membership Meeting.
- The order of business and parliamentary procedures at the Annual Membership Meeting shall follow Robert's Rules of Order, the latest revision.

Section 2 - Chapter Board of Directors Meetings: The Board meetings shall be held at least once each year at the Annual Membership Meeting. More frequent meetings are encouraged. The following items apply to any Chapter Board meeting:

- Meetings shall be held at such place as the Board shall designate within the geographical limits of the Chapter.
- Meetings of the Board may be called at any time by the President (Chairperson of the Board).
- Written notice of each meeting of the Board shall be delivered to each Board Member at the physical or email address shown on the membership role not less than seven days before the date of the meeting. Notice of a meeting need not be given to any Board Member who (1) signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or (2) who attends the meeting without protesting lack of notice prior to the business part of the meeting. Notice of meetings shall include a written agenda.
- A quorum for transacting business shall be a majority of the Board then in office, but a majority of the Board present (though less than such quorum) may reschedule the meeting without further notice.
- Order of business and parliamentary procedures at Board meetings shall follow Robert's Rules of Order, the latest version.
- Any action permitted by or required of the Board may be taken without a meeting, if more than half of the Board consent in writing to such action. Such action by written consent shall have the same force and effect as an equivalent vote of the Board and shall be filed with the minutes of the next Board meeting.
- Members of the Chapter may attend Board meetings on a space-available basis, but may not participate in any manner, except by invitation of the President.

Section 3 - Special Meetings: Special meetings of the Board may be called by or at the request of the President, Secretary, or one-third of the Board then in office. The person or persons calling such special meetings of the Board may determine the place for holding such special meetings. Special meetings may be held either at a common location or electronically, as long as all Board members in attendance are not restricted from full discourse and participation by the electronic medium.

Section 4 - Other Meetings: Other types of membership meetings may be ones organized by subchapters; they may be field trips or courses on various aspects of ecological restoration, or special symposia sponsored by the Chapter.

Section 5 - Consent without Meeting: Any action permitted or required by the Articles of Incorporation, these bylaws, or any provision of law to be taken by the Board at a meeting may be taken without a meeting if formal consent is obtained from the Board in writing, by phone, email, or FAX by the Secretary, subject to the following provisions: 1) Resolutions of an operational nature or involving the implementation of new policies require a majority vote of all Board members in office; 2) Trailing issues - that is, matters discussed at a meeting but not voted on - require a majority vote of those Board members that were present for the discussion; 3) New policy resolutions, excluding trailing issues, require a 2/3 majority vote of the Board; 4) Articles of Incorporation and bylaws cannot be amended by the Board voting in absentia; 5) Resolutions to be adopted by consent in absentia do not require seconding and may be made by any Board member, including the Chair; and 6) A vote is complete as soon as the minimum number of votes to pass or fail a resolution has been cast.

ARTICLE IX. FISCAL YEAR

The fiscal year of the Chapter shall be the calendar year.

ARTICLE X. FINANCE AND MANAGEMENT

Section 1 - Execution or Endorsement of Checks: All checks, drafts, or other orders for payment of money and notes or other evidences of indebtedness issued in the name of or payable to the Chapter shall be signed or endorsed by such person or persons, and in such a manner, as the Board shall determine by resolution.

Section 2 - Execution of Contracts: The Board may authorize one or more Chapter Officers or agents to enter into any contract or execute any instrument in the name of, and on behalf of, the Chapter, and such authority may be general or limited to specified instances. No Officer, agent or employee shall have any power or authority to bind or obligate the Chapter by any commitment contract, or engagement, or to pledge its credit or render it liable for any purpose or in any amount unless duly authorized by the Board.

Section 3 – Deposits: All funds of the Chapter shall be deposited upon receipt by the Treasurer to the credit of the Chapter in such banks or in other depositories as may be selected by the Board by resolution.

ARTICLE XI. INTERNAL REVENUE CODE 501(C)(3) TAX EXEMPTION PROVISIONS

Section 1 - Limitations on Activities: No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2 - Prohibition Against Private Inurement: No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, Board, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3 - Distribution of Assets: Upon the dissolution of the corporation, the Board shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501 (c) 3 of the United States Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Laws) as the Board shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is then located, exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

Section 4 - Private Foundation Requirements and Restrictions: In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code and shall not:

- Engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code;

- Retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code;
- Make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; or
- Make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

Section 5 - Periodic Reviews and Use of Outside Experts. 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. It is the Board's responsibility to ensure that periodic reviews are conducted and to decide how often to conduct the reviews. The Board has the option of conducting the review themselves or using outside experts to conduct the periodic reviews. The periodic reviews shall, at a minimum, include the following subjects:

- 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.
- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.

The Conflict of Interest and Compensation Policies are provided in Articles XII and XIII, respectively.

ARTICLE XII. CONFLICT OF INTEREST POLICY

Section 1 - Purpose of Conflict of Interest Policy: The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Board of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the Internal Revenue Service (IRS) Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations.

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.

Section 2 - Definitions:

- Disqualified Person. As defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations), a disqualified person is (A) any person who was, at any time during the 5-year period ending on the date of such transaction, in a position to exercise substantial influence over the affairs of the organization, (B) a member of the family of an individual described in subparagraph (A), and (C) a 35-percent controlled entity.
- Interested Person. Any Board or committee member with Board delegated powers, or any other person who is a "disqualified person", who has a direct or indirect financial interest, as defined below, is an interested person.
- Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 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 Board or committee decides that a conflict of interest exists (see Section 3 below).

Section 3 - Conflict of Interest Avoidance and Resolution Procedures. The following conflict of interest avoidance and resolution procedures will be followed by the Chapter.

- 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 Board and committee members with Board delegated powers considering the proposed transaction or arrangement.

- 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 Board or committee 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.
- Procedures for Addressing the Conflict of Interest. 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. 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. 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. 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 members 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.
- Violations of the Conflicts of Interest Policy. 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. 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.

Section 4 - Records of Board and Committee Proceedings. The minutes of meetings of the Board and all committees with board delegated powers shall contain 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's or committee's decision as to whether a conflict of interest in fact existed. The minutes of the meetings shall also include 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.

Section 5 - Annual Statements. Each Board and committee member with Board delegated powers shall annually sign a statement which affirms such person has received, read, and understands the conflict of interest policy; agrees to comply with the policy; and understands that 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.

ARTICLE XIII. COMPENSATION APPROVAL POLICIES

Section 1 – Compensation Board or Committee. All compensation for Board, employees, contractors and any other compensation contract or arrangement, shall be determined by the Board or a compensation committee. All members of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each Board member or committee member approving a compensation arrangement:

- Is not the person who is the subject of the compensation arrangement, or a family member of such person;
- Is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
- Does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
- Has no material financial interest affected by the compensation arrangement; and
- Does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.

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.

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.

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.

Section 2 – Compensation Approval. The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

Section 3 – Supporting Data. The Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

- Compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
- The availability of similar services in the geographic area of this organization;
- Current compensation surveys compiled by independent firms; and
- Actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the Board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

Section 4: Records of Board or Committee Proceedings. The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

- The terms of the compensation arrangement and the date it was approved;
- The members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
- The comparability data obtained and relied upon and how the data was obtained;
- If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
- If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
- Any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement); and
- The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable,

accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

ARTICLE XIV. AMENDMENTS

Section 1 - By Members: These bylaws, including any appendices, may be altered, amended or repealed and new bylaws may be adopted by the Membership by affirmative vote of not less than a majority of the members present or represented by proxy at any business or special meeting of the members at which a quorum is in attendance.

Section 2 - By the Board: These bylaws may also be altered, amended or repealed and new bylaws may be adopted by the Board by affirmative vote of a majority of the number of the Board present at any meeting at which a quorum is in attendance; but no Bylaw adopted by the Membership shall be amended or repealed by the Board if the Bylaw so adopted so provides.

Section 3 - Implied Amendments: Any action taken or authorized in good faith by the membership or the Board that is inconsistent with the current bylaws but is taken or authorized by affirmative vote of the number of members or number of Board members required to amend the bylaws so the bylaws would be consistent with such action, shall be given the same effect as though the bylaws had been temporarily amended or suspended, but only as far as is necessary to permit the specific action to be authorized or completed.