

CODE OF REGULATIONS
OF THE HUDSON ROTARY FOUNDATION, INC.
AS AMENDED – JULY 27, 2016

ARTICLE I

The Hudson Rotary Foundation, Inc. (“the Foundation”) is a 501(c) 3 non-profit corporation that is the charitable arm of the Rotary Club of Hudson, Ohio.

Section 1. General Power

The governing body of the Foundation shall be the Board of Trustees and all of the authority of the Foundation shall be exercised and all the affairs of the Foundation shall be managed by the Board of Trustees except as otherwise provided by law, the Articles of Incorporation or these Regulations.

Section 2. Number of Trustees

The Board of Trustees shall be composed of eleven (11) individual members. All of the Trustees shall be members in good standing of the Rotary Club of Hudson, Ohio. The Trustees of the Foundation shall be its only members including the past president and club representative, and for the purposes of any statute or rule of law relating to the Foundation, shall have all the rights and privileges of members.

Section 3. Manner of Selection

Five (5) members of the Board of Trustees shall be recommended for nomination by the Rotary Club of Hudson, Ohio. Seven (7) members of the Board of Trustees shall be nominated by the Foundation’s Nominating Committee. One (1) of the members that shall be nominated for the Board of Trustees by the Foundation’s Nominating Committee shall be the immediate Past President of the Rotary Club of Hudson, Ohio.

The Nominating Committee will consist of three (3) members including the Vice President of the Foundation, the Chair of the Foundation’s Investment Committee, and the President-Elect of the Rotary Club Board of Directors. The Chair of the Committee will be selected by the President of the Foundation.

The Nominating Committee shall submit its recommendation for Officers and Trustees to the President of the Foundation at least thirty (30) days before the annual meeting of the Foundation’s Board of Trustees. The President will present nominations to the Board at its annual meeting for review and vote. A majority vote of those Trustees present at any duly called meeting of the trustees is required for election.

Section 4. Term of Office

Initially, the Trustees who, with the exception of the immediate Past President of the Rotary Club of Hudson, Ohio, shall be selected at the initial meeting of the Board of Trustees and divided into three (3) classes, the first of which shall serve an initial term of one (1) year, the second of which shall serve an initial term of two (2) years, and the third of which shall serve an initial term of three (3) years. Thereafter, Trustees shall serve a term of three (3) years. The immediate Past President of the Rotary Club of Hudson, Ohio shall serve a term of one (1) year.

Any Trustee may be re-elected to serve another term but no Trustee shall serve more than two (2) consecutive terms, except by the affirmative vote of two-thirds (2/3) of the Trustees present at any duly called meeting of the Trustees.

A Trustee may be removed at any time with or without cause by a two-thirds (2/3) majority vote of those Trustees present at any duly called meeting of the Trustees.

Section 5. Vacancy

In the event of the withdrawal, resignation, removal or death of any Trustee during the term year, the Nominating Committee will submit a recommendation to the President of the Foundation who will submit the recommendation to the Board of Trustees at least thirty (30) days in advance of the next duly called meeting of the Board of Trustees. A majority vote of those Trustees present at any duly called meeting of the trustees is required for election.

ARTICLE II MEETINGS

Section 1. Annual Meeting

The annual meeting of the Board of Trustees shall be held in July each year or at such other time and at such place as may be fixed by the Board of Trustees, or, if it fails to do, by the President of the Foundation. The annual meeting shall be held for the purpose of electing Trustees and officers and transacting any other business.

Section 2. Regular Meeting

Regular meetings of the Trustees shall be held at least quarterly at such time and place as is determined by the President and set forth in the Notice of Meeting.

Section 3. Special Meetings

Special meetings of the Trustees may be held at any such time upon call by the President or by any two (2) Trustees. Notice of each such meeting shall be given to each Trustee by letter, email, text message or in person no less than forty-eight (48) hours prior to such meeting. Unless otherwise specified in the notice thereof, the business to be transacted at any special meeting shall be limited to that set forth in the Notice of Meeting.

Section 4. Notice and Waivers of Notice

Except as otherwise provided in these Regulations, notice of each annual or regular meeting of Trustees shall be given to each Trustee by letter, email, text message, or in person not less than seven (7) days nor more than thirty (30) days prior to such meeting. Unless otherwise limited in the notice thereof or in these Regulations, any business may be transacted at any annual or regular meeting.

Notice of special meeting shall be governed by Article II, Section 3 of these Regulations.

Any Trustee may waive notice of any meeting. By attending any meeting without protesting the lack of proper notice, the trustee shall be deemed to have waived notice thereof.

Section 5. Compensation

The Trustees shall not receive salaries, fees or compensation for their service as Trustees or their attendance at any meeting or committee meeting of Trustees.

Section 6. Duality of Interest

A Trustee having a conflict of interest or conflict of responsibility on any matter involving the Foundation and any other business entity or person shall refrain from voting on such matter. No Trustee shall use his or her position as a Trustee of the Foundation for his or her own direct or indirect financial gain.

Section 7. Quorum and Adjournments

At any meeting of Trustees of the Foundation, the presence of a majority of the Trustees shall be necessary to constitute a quorum. Further provided, that any meeting duly called may, by vote of a majority of the Trustees present, adjourn from time to time and place to place, in which case no further notice of the adjourned meeting need be given. The act of a majority of the Trustees at any meeting at which there is a quorum shall be the act of the full Board of these Bylaws.

ARTICLE III OFFICERS

Section 1. Officers Designated

The Trustees, at their annual meeting or at a special meeting held in lieu thereof, shall elect a President, a Vice-President, a Secretary, a Treasurer and, in their discretion, an Assistant Secretary or Secretaries, and Assistant Treasurer or Treasurers, and such other officers as the Trustees may see fit. The President and Vice-President shall and the other officers may, but need not, be chosen from among the Trustees. Any two (2) or more of such officers other than that of President and Vice-Presidents, or Secretary and Assistant Secretary, or Treasurer and Assistant Treasurer, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity. If a selected officer is not a Trustee, such officer shall not be entitled to vote on any issue requiring a vote by the Trustees.

Section 2. Tenure of Office

The Officers of the Foundation shall hold office for two (2) years, except in the case of resignation, death or removal. The Trustees may remove any Officer at any time with or without cause by a two-thirds (2/3) majority vote of those Trustees present at any duly called meeting.

A vacancy created in any office may be filled by a majority vote of those Trustees present at any duly called meeting of the Trustees. Such officers shall serve until the end of the term of the Officer they have replaced.

Officers may be re-elected, provided however, that no person may serve in the same office for more than four (4) consecutive years.

Section 3. President

The President shall preside at all meetings of the Trustees. The President shall be the chief executive officer of the Foundation unless otherwise determined by the Trustees. The President may execute all authorized deed, mortgages, bond, contracts

and other obligations, in the name of the Foundation, and shall have such other powers and duties as may be prescribed by the Trustees.

Section 4. Vice-President

The Vice-President shall have the powers of the President during the absence or incapacity of the President or when there is a vacancy in the office of President, and shall have such other powers and duties as may be prescribed by the Trustees.

Section 5. Secretary

The Secretary shall attend and keep the minutes of all meetings of the Trustees. The Secretary shall keep such books as may be required by the Trustees, and shall give all notices of meetings of Trustees, provided, however, that any persons calling such meetings, may, at their option, themselves give such notice. The Secretary will receive and process all Foundation mail. Grant requests will be reviewed for compliance to established procedures. If the grant request is not in compliance, the Secretary will notify the potential grantee and request compliance for further review. If the grant meets established guidelines, the Secretary will forward to the Grants Committee for review, recommendation and present to the Club Board. Upon a decision of the Club Board for denial, approval or denial from the Foundation to award, either way, the Secretary will notify the potential grantee in writing of the decision within 14 calendar days of the final decision. The Secretary shall have such other powers and duties as may be prescribed by the Trustees. The Board of Trustees shall appoint one of its members to serve in the absence of the Secretary at any given meeting.

Section 6. Treasurer

The Treasurer shall receive and have in charge all money, bills, notes, bonds, stocks in other corporations and similar property belonging to the Foundation and shall do with the same as shall be ordered by the Trustees. The Treasurer shall keep accurate financial accounts, and hold the same open for inspection and examination of the Trustees. On the expiration of the Treasurer's term of office, the Treasurer shall turn over to the successor Treasurer, or the Trustees, all property, books, papers and money of the Foundation in the Treasurer's hands. The Treasurer shall have such other powers and duties as may be prescribed by the Trustees.

Section 7. Other Officers

The Assistant Secretaries, Assistant Treasurers, if any, and the other officers, if any shall have such powers and duties as the trustees may prescribe.

Section 8. Delegation of Duties

The Trustees are authorized to delegate the duties of any officers to any other officer and generally to control the action of the officers and to require the performance of the duties in addition to those mentioned herein.

Section 9. Bond

Any officer, if required by the Trustees, shall give bond in such sum and with such security as the Trustees may require for the faithful performance of his or her duties.

Section 10. Signing Checks and Other Instruments

The Trustees are authorized to determine or provide the method of determining how checks, notes, bills or exchange, and similar instruments shall be signed, countersigned or endorsed, provided that any check, note, bill or exchange, or similar instrument in an amount in excess of Two Thousand Five Hundred Dollars (\$2,500) must be signed, countersigned or endorsed by two individuals serving as Officers of the Foundation.

ARTICLE IV
INDEMNIFICATION OF TRUSTEES AND OFFICERS

Section 1. Indemnification

A general liability insurance is provided by the U. S. Rotary Club and District Liability Insurance Program. The Program provides directors and officers/employment practices liability insurance coverage. The Program provides general liability coverage to active U.S. Rotary clubs and districts for liability arising out of bodily injury to a third party or damage to a third party's property, subject to policy terms and conditions.

ARTICLE V
COMMITTEES

The President of the Foundation shall appoint members of the Foundation, and members and/or Directors of the Rotary Club of Hudson to serve on following standing committees:

- A. Investment Committee
- B. Grant Committee
- C. Planned Giving Committee
- D. Nominating Committee

The President of the Foundation shall have the authority to appoint such other committees as the President shall deem appropriate to fulfill the obligations of the Foundation pursuant to the Articles of Incorporation, these Regulations, and the laws of the State of Ohio.

ARTICLE VI
INVESTMENT POLICY

Section 1. Duties of Trustees

The Board of Trustees is responsible for the safekeeping, investment and management of all funds of the Foundation. The Board of Trustees has adopted a written statement of Investment Policy, Guidelines and Objectives, incorporated herein and attached hereto as Appendix A, that sets forth policy, guidelines and objectives for prudent diversification of Foundation funds with respect to asset mix, liquidity, and the types and quality of investments.

Any changes and/or exceptions to the Investment Policy, Guidelines and Objectives shall be made by the affirmative vote of two-thirds (2/3) of the Trustees present at any duly called meeting of the Board of Trustees.

Section 2. Investment Committee

The President shall appoint four (4) members of the Board of Trustees, one of whom shall serve as Chair of the Committee, and one (1) Director of the Rotary Club of Hudson, Ohio to constitute the Investment Committee.

The Investment Committee shall be charged with making recommendations to the Board of Trustees for the investment policy, strategies, and investment activities of

all Foundation assets. No transfer of funds shall be made without the approval of the Board to Trustees.

The Investment Committee shall recommend an Investment Manager to the Board of Trustees for its approval. The Fund Manager shall direct the investment activities, and make at least quarterly reports and recommendations to the Investment Committee. The Fund Manager shall not make any investment decisions or make any changes or withdrawals without the approval of the Investment Committee.

The Investment Committee shall meet independent and separate from the Board of Trustees, not less than quarterly to review the existing investment policy, strategies, investment activities, and the performance of the separate investments of the Foundation.

ARTICLE VII GRANT POLICY

Section 1. Grant Policy

The Foundation Board of Trustees has the final determination of approving, modifying, or not approving any and all grant requests. The Grant Committee and the Rotary Club's Board of Directors only make recommendations.

The Foundation Board of Trustees has adopted a written policy for Grants, incorporated herein and attached hereto as Appendix B that sets forth the process for reviewing, recommending/approving, and funding grant requests. Any changes and /or exceptions to the Grant Policy shall be made by the affirmative vote of two-thirds (2/3) of the Trustees present at any duly called meeting of the Board of Trustees.

Section 2. Grant Committee

The Grant Committee is composed of one member from the Rotary Club's Board of Directors, three members from the Rotary Foundation's Board of Trustees, and the President of the Rotary Foundation. The President of the Rotary Foundation will only vote to resolve a tie vote.

The Grant Committee shall first review all grant requests; vote on recommending approving, modifying, or not approving all grant requests; present such grant requests and the Committee's recommendations to the Rotary Club Board of Directors for its recommendation on approving, modifying, or not approving all grant requests; and lastly, present only, the Club Board approved grant requests to the Foundation Board of Trustees for its vote on approving, modifying, or not approving all grant requests. Grants not approved by the Club Board of Directors will be returned to the Foundation Secretary for proper handling.

ARTICLE VIII PLANNED GIVING

Section 1. Planned Giving Committee

The Planned Giving Committee is responsible for creating, managing and administering the Foundation's planned giving initiatives that will support the Foundation's budgeted goals.

The Committee will work in collaboration with the Rotary Club Board of Directors for revenue development and fundraising activities.

ARTICLE IX
FISCAL YEAR

The fiscal year of the Foundation shall commence on the 1st day of July of each year and shall end on the 30th day of June of the following year.

These Regulations are at all times subject to the provisions of the Articles of Incorporation of the Foundation (including in such term whenever used in these Regulations, amendments thereto).

ARTICLE X
BUDGET

Section 1. General

The President, Vice-President and Treasurer of the Foundation shall prepare an annual Budget setting forth anticipated annual income, estimated operating expenses and expenditures, and regular annual gifts for specific purposes for the next ensuing year, for approval by the Board of Trustees.

The Board of Trustees shall approve the annual Budget for the next ensuing fiscal year not less than thirty (30) days prior to the next ensuing fiscal year. Upon approval of such budget, the disbursements set forth therein will be authorized and shall be made as required.

The Budget shall serve as the goal for income and the limit of expenditures of the Foundation, unless otherwise modified by the Board of Trustees.

All requests for funding and expenditures which the Foundation has received from outside organizations which the Foundation has previously granted, and requests anticipated to be granted during the next ensuing fiscal year, shall be considered in preparing the Budget. In addition, the Budget should include an amount (“miscellaneous”) for new or unanticipated requests made after the preparation and approval of the Budget.

ARTICLE XI
AMENDMENTS

An affirmative vote of 2/3 of the Trustees shall be required to amend these Regulations or to adopt new Regulations. Amendments of these Regulations or adoption of new Regulations may take place at any duly called regular, special or annual meeting.

ARTICLE XII
EXEMPT ACTIVITIES

Notwithstanding any other provision of these Regulations, no member, Trustee, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried by an organization exempt under section 501(c)3 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under Section 170 (c) of such Code and Regulations as they now exist or as they may hereafter be amended.

REVISED AND ADOPTED ON: _____

Trustee

Trustee

Trustee

Trustee

Trustee

Trustee

Appendix A

HUDSON ROTARY FOUNDATION

Investment Policy and Guidelines

The Hudson Rotary Foundation (“HRF”), a 501C (3) nonprofit corporation, maintains two funds to further the community outreach programs of The Rotary Club of Hudson (Ohio): (1) an Operating Fund, and (2) an Endowment Fund.

Operating Fund

The Operating Fund shall cover the budgeted annual operating expenses of HRF, consisting primarily of grants to deserving institutions, college scholarships, audit fees and miscellaneous expenses. The Operating Fund is funded through a combination of Rotary Club fund-raising activities and transfers when required from return on investments (but not invasion of principal) from the Endowment Fund. The Operating Fund shall consist of cash and cash equivalents, which can be liquidated quickly and with little or no financial penalty. Any excess in the Operating Fund at the end of the fiscal year shall be added to the principal of the Endowment Fund, as will contributions from The Rotary Club of Hudson to HRF.

Endowment Fund

The Endowment Fund shall be used to grow the long-term assets of HRF, providing an increasing return on investments over time that can be used to supplement grants and scholarships. The Endowment Fund is intended to be a “permanent” fund that exists in perpetuity, or until the liquidation of HRF. Accordingly, principal shall NOT be invaded without approval of the full HRF Board for extraordinary and/or emergency circumstances only. At no time may principal be reduced by more than 10 (ten) percent and only with full intention of its repayment within one year or less.

The Endowment Fund will be governed by the Investment Committee of HRF and managed by an Investment Manager, who shall be a member of the Committee but not its chairperson. The Investment Manager shall be a qualified financial advisor or similar investment professional and can be reimbursed for his/her reasonable investment fees. The chair of the Investment Committee and the president of HRF shall have full access to all investment reports and shall be authorized to approve the transfer of funds within the Fund’s accounts.

Because the Endowment Fund has a long-term investment horizon, investments need not be highly liquid but, rather, are intended to provide growth and income potential with moderate short-term risk and low long-term risk. The target mix of investments shall be approximately 60 (sixty) percent in equities and 40 (forty) percent in bonds and other fixed-income investments. The Investment Manager shall recommend an appropriate combination of large, mid- and small-capitalization stocks (or of mutual funds holding these) and of domestic and foreign equities. Individual bond holdings shall always be of investment grade. In normal circumstances, the Fund shall be fully or nearly fully invested, although the Investment Manager may choose to reduce investments during turbulent, unstable periods or in anticipation of significant, extended market losses.

No portion of the Endowment Fund shall be invested in derivatives trading, credit swaps, options trading, futures, hedge funds or other speculative activities that are “bets” on the performance of the market or specific underlying assets.

The Investment Committee shall review investment performance at least quarterly and may choose to replace the Investment Manager at any time.

Review of Investment Policy and Guidelines

HRF’s Investment Policy and Guidelines shall be reviewed by its full Board at least annually and modified as necessary by the full Board.

APPENDIX B

HUDSON ROTARY FOUNDATION GRANT GUIDELINES

The Chairperson of the Grant Committee of the Rotary Club of Hudson/Hudson Rotary Foundation, Inc. shall be responsible for maintaining and completing a tracking form on each application for a grant request. The Chairperson shall also be given a copy of the Foundation budget, and dates of the Rotary Club Board of Directors' meetings and the Hudson Rotary Foundation Board of Trustees meeting.

The Rotary Foundation's Secretary is responsible for checking the Rotary Club of Hudson's mailbox at the Hudson Post Office for any grant requests. The Secretary also receives any other grant requests submitted on the website or in person. If the grant request has not been correctly submitted on the official Hudson Rotary Foundation, Inc. Grant Application Form, the Secretary notifies the prospective recipient in writing to resubmit the grant application on the official form. If the grant application has been submitted on the correct form, the Secretary transmits the application by email or by hard copy to the Chairperson of the Grant Committee, who then transmits the grant application to the members of the Grant Committee.

Within two weeks of receiving the application for a grant, the Grant Committee shall meet in person or by teleconferencing to discuss the grant application, and vote on recommending or not recommending the grant request. Whether the grant request is recommended or not recommended by the Grant Committee, the Chairperson of the Grant Committee notifies the President of the Rotary Club to place the grant request on the agenda of the next Board of Directors meeting. The President of the Foundation or the Chairperson or another member of the Grant Committee presents the grant application to the Board of Directors with its recommendation to approve or not approve the grant application. If approved by the Club Board of Directors, the Chairperson of the Grants Committee notifies the President of the Hudson Rotary Foundation to place the grant request on the agenda of the next Rotary Foundation Board of Trustees meeting. If it is not approved by the Club Board of Directors, the grant request is returned to the Secretary for proper handling.

The Rotary Foundation Board of Trustees shall vote to approve or not approve the grant request. After the decision by the board of Trustees, the Foundation's Secretary sends a letter to the applicant advising whether the grant was approved or not approved.

If the grant request is approved by the Foundation's Board of Trustees, the Grant Committee Chairperson notifies the Foundation Treasurer to prepare check. The Foundation Treasurer prepares the check and gives to the Foundation Secretary. The Secretary prepares and mails a letter with the check to the successful applicant. The Secretary also arranges a date with the President of the Rotary Club for the "big check" to be presented to the successful applicant.

Within six months of awarding a grant, the Foundation Secretary shall send a Follow-up Form to the recipient of a grant award to be completed and returned to the Grant Committee Chairperson.

If appropriate and agreed upon, a successful grant recipient may be asked to talk to Rotary Club members at a Rotary meeting about the use of the grant funds and the impact on the organization/people.