

Third Restated Bylaws effective May 13, 2016, approved at the Rotary District 5960 Annual Meeting, May 13, 2016

BYLAWS

OF

ROTARY INTERNATIONAL DISTRICT 5960, INC.

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RESTATED BYLAWS
OF
ROTARY INTERNATIONAL DISTRICT 5960, INC.

PREAMBLE

The Rotary Clubs within District 5960 of Rotary International have adopted these restated bylaws, ("Bylaws") effective as of the 1st day of May, 2015. These Bylaws replace the original Bylaws in their entirety. Rotary International District 5960, Inc. was formed as a corporation in order to continue the legal existence of the unincorporated non-profit association of Rotary Clubs in east central and southeastern Minnesota and western Wisconsin that was formerly known as "District 5960, Rotary International."

ARTICLE ONE
NAME AND OBJECTIVES

1.01 Name.

The name of this corporation shall be Rotary International District 5960, Inc. It is referred to at times in these Bylaws simply as "Rotary District 5960," "District 5960," the "District," and the "Corporation."

1.02 Objectives.

- 1) To provide structure for Rotary Clubs within the District as assigned by Rotary International (herein "RI"); to provide support to these Rotary Clubs in their pursuit of programs and activities that promote the Object of Rotary; and to encourage, promote, extend, and supervise Rotary throughout the territory assigned to it by RI;
- 2) To conduct District Conferences;
- 3) To conduct projects and activities that are consistent with its non-profit purposes and the Object of Rotary, as defined by RI;
- 4) To hold, manage, sell, and lease personal and real property and to invest and re-invest corporate funds in any type of property or security which the Board of Directors may deem advisable whether or not such investments are of the type or character authorized by the Laws of the State of Minnesota for the investment of trust funds, and to enter into such contracts and execute such conveyances, instruments, and releases as may be necessary and proper to carry out the objects and purposes of the Corporation;
- 5) To engage in any other permitted activities for corporations exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code (or as may be subsequently amended); and
- 6) To continue without break the legal identity of an unincorporated non-profit association of Rotary Clubs in southeastern Minnesota and western Wisconsin that was a district of RI and was known as "District 5960, Rotary International."

1.03 Tax-Exempt Status.

Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law.)

ARTICLE TWO
MEMBERS, DUES, AND ANNUAL MEETING OF THE MEMBERSHIP

2.01 Clubs.

The members of the Corporation shall be comprised of and limited to all Rotary clubs designated to be in Rotary District 5960 pursuant to the Bylaws of RI. Whenever the capitalized term "Club" is referenced below in these Bylaws, it shall refer to a Rotary club within District 5960 in its capacity as a member of the Corporation. The addition or removal of a club or clubs from District 5960 pursuant to RI Bylaws shall

immediately and automatically result in a corresponding change in the club's status as a member of the Corporation.

2.02 Dues.

2.02.01 Current Members of a Club. Each Club shall pay annual dues to the District based on the number of its members as of July 1 at the rate established at the Annual Meeting which occurred during the prior fiscal year. Clubs are responsible for paying the dues to the District. This payment is due even if the member of the Club has not paid the Club for the dues. The dues to the District are to be paid to the District not later than August 31.

2.02.02 New Members of a Club. Each Club shall also pay full annual dues to the District for each of its new members who join the Club from July 2 through December 31 of the current fiscal year and in this case the dues payment shall be due on January 31 of the current fiscal year. A half year dues amount shall be paid by each Club based upon the number of its new members who joined the Club between January 1 and June 30 of the current fiscal year and in this case the dues payment shall be due on July 31 of the next fiscal year.

2.02.03 Refunds of Dues. No refund of paid dues will be made to a Club or to an individual member of a Club should the person cease to be a member of that Club. If a Club has paid dues based on a member who ceases to be a member of that Club and that person becomes a member of another Club in this District in the same Rotary year, no additional dues based on that member will be due to the District from the new Club.

2.03 Annual Meeting.

The Annual Meeting of the District is the formal annual business meeting of the District. It shall be held during the District Conference. The Board shall establish the time or place for the Annual Meeting. It shall send to the Clubs written or electronic notice of the time and place of the Annual Meeting at least 30 days, but not more than 60 days, before the date of the meeting. All resolutions to be submitted to the Annual Meeting shall be originated by a Club, the District Governor, the District Governor-elect, the District Governor-nominee or the Board. All resolutions shall be submitted to the District Governor no less than 30 days prior to the Annual Meeting, and such resolutions shall be reviewed by the Board for recommendation to the Annual Meeting.

2.04 Business of the Annual Meeting.

The business that may be conducted at the Annual Meeting shall include:

- 1) Election of the District's member to the Nominating Committee that selects a director-nominee of RI;
- 2) Consideration of any amendments to the Articles of Incorporation or Bylaws that are properly submitted;
- 3) Setting the per capita dues for the next fiscal year;
- 4) Consideration of all resolutions that have been properly submitted; and
- 5) Other business as shall properly come before the Annual Meeting.

Reference: Article 12 of the RI Bylaws, regarding Nominating Committee for director-nominee of RI.

2.05 Voting at Annual Meeting.

2.05.01 Electors.

Each Club shall select, certify, and send to the Annual Meeting at least one elector. Any Club with a membership of more than 25 shall be entitled to one additional elector for each additional 25, or major fraction thereof, of its members. Such membership shall be determined by the number of members in the Club as of the date of the most recent semi-annual payment which precedes the date on which the vote is to be held. However, any Club whose membership in RI has been suspended by the Board of Directors of RI shall not be entitled to any elector. Each elector must be a member of the Club. An elector must be present at the Annual Meeting to vote.

2.05.02 Voting Procedures at Annual Meeting.

- 1) **Electors Only.** The following issues shall be voted on only by electors:
 - (a) the election of a member of the Nominating Committee for RI director-nominee;
 - (b) the decision as to the amount of the District dues;
 - (c) the amendment of these Bylaws.
- 2) **Club Members in Good Standing.** Every member of a Club who is present and in good standing, whether or not an elector, shall be entitled to vote on all other matters submitted to a vote at such Annual Meeting. However, any elector shall have the right to demand a poll upon any matter presented to the Annual Meeting. In such cases, voting shall be restricted to electors.

Reference: Article 15.050.2 of the RI Bylaws

2.05.03 Quorum.

With respect to votes by electors at the Annual Meeting, a quorum shall exist if at least 20 electors representing at least 8 Clubs are present at the Annual Meeting.

2.06 Special Meetings.

The Chair of the Board or any three or more Directors serving on the Board or the Chair of the Council of Governors may call a special meeting of the Clubs. The Chair of the Board shall send written or electronic notice of the time and place of any special meeting at least 10 days, but not more than 60 days, before the date of such special meeting. A quorum shall exist if at least 20 delegates representing at least 8 Clubs are present at the special meeting. Voting shall be made by a two-thirds majority of the delegates present.

ARTICLE THREE
BOARD OF DIRECTORS

3.01 Purpose of the Board.

The Board of Directors (Board) oversees the business and finances of the District and is responsible for establishing and updating the policies (*see 3.04.04*) of the District.

3.02 Qualifications.

Only active member Rotarians, as defined by RI, who are members of Clubs in the District and who have served as President of a Club in any Rotary District are eligible to serve as Directors.

3.03 Composition and Terms of Office.

The Board shall be composed of the current members of the Council of Governors (other than the District Governor-nominee-designate), the Assistant Governor Team Leader, the District Rotary Foundation Committee Chair, the Membership Chair, the Public Image Chair, the District Treasurer, two or more Past District Governors (each for a one year term, renewable at the option of the District Governor-elect), and three or more Club Past Presidents representing one small Club (25 or less), one medium Club (26 – 75) and one large Club (76 or more)(each for a one year term, renewable at the option of the District Governor-elect). If there are co-chairpersons for a team or committee, only one shall be designated by the District Governor to serve as a member of the Board. The District Governor shall serve as the Chairperson. The most immediate and available Past District Governor of District 5960, who is an active member of a Club, shall serve as the Vice Chairperson.

3.04 Duties of the Board.

3.04.01 Strategic Plan.

The Board shall develop a Strategic Plan for the District, and shall review that plan annually and update it as needed. The Board shall report on an assessment of the Strategic Plan at the Annual Meeting of the District.

3.04.02 Fiduciary Responsibility.

At each regular meeting, the Board shall receive and monitor quarterly financial statements, to include at least a Budget Report and a Balance Sheet as submitted by the Treasurer and previously reviewed by the Finance Committee.

3.04.03 Training Fee.

The Board, upon recommendation of the Finance Committee, shall set an annual Training Fee to be paid by each Club. The amount of this fee may vary depending on Club size.

3.04.04 Manual of Policies and Procedures.

The Board shall establish and, as needed, update a manual of policies and procedures for the District, (the "Manual of Policies and Procedures"). Before any changes or additions are made to the Manual of Policies and Procedures, including the appended policies or proposed policies, the changes or additions shall be reviewed by the Rules and Legislation Committee of the District. The purpose of such review shall be to ensure compliance with Rotary International rules and procedures and to ensure consistency within the Manual of Policies and Procedures.

3.05 Appointment of Directors and Successor Directors.

Directors shall be appointed by the District Governor-elect prior to the commencement of the new Directors' terms of office. In the event of the death, removal, or resignation of any Director, or in the event any Director is no longer an active member of a Club, the District Governor may appoint a successor Director to fill the former Director's unexpired term. If the Director needing to be replaced was serving by reason of being a qualifying member of the Council of Governors, the Assistant Governor Team Leader or the District Rotary Foundation Committee Chair, such Director shall be replaced by the person who replaces that official position for the District.

3.06 Removal from the Board.

The Board may, by a majority vote of the Directors, vote to remove any Director for cause.

3.07 Board Meetings.

3.07.01 Time; Place.

Meetings of the Board may be held from time to time, but no less than three times per Rotary year as provided in this Section. The Board meetings shall be held at the locations determined from time to time by the Chair of the Board. The Board may determine under **Section 3.07.02** that a meeting of the Board shall be held solely by means of remote communication.

3.07.02 Meetings Solely by Means of Remote Communication.

Any meeting among Directors may be conducted solely by one or more means of remote communication through which all of the Directors may participate with each other during the meeting, if the same notice is given of the meeting as would be required by **Section 3.07.04**, and if the number of Directors participating in the meeting is sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence at the meeting.

3.07.03 Participation in Meetings by Means of Remote Communication.

A Director may participate in a Board meeting by means of conference telephone or, if authorized by the Board, by such other means of remote communication, in each case through which the Director, other Directors so participating, and all Directors physically present at the meeting may participate with each other during the meeting. Participation in a meeting by this means constitutes presence at the meeting.

3.07.04 Calling Meetings; Notice.

The District Governor or any two Directors may call a Board meeting by giving at least five (5) days' notice to all Directors of the date, time and place of the meeting. The notice need not state the purpose of the meeting. Any notice given to a Director by a form of electronic communication consented to by the Director to whom the notice is given, is effective when given. The notice is deemed given (i) if by facsimile communication, when directed to a telephone number at which the Director has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the Director has consented to receive notice; or (iii) if by any other form of electronic communication by which the Director has consented to receive notice, when directed to the Director. Consent by a Director to notice given by electronic communication may be given in writing or by electronic communication. Any consent so given may be relied upon until revoked by the Director, provided that no revocation affects the validity of any notice given before receipt of revocation of the consent.

3.07.05 Previously Scheduled Meetings.

If the day or date, time, and place of a Board meeting were announced at a previous meeting of the Board, no notice is required. Notice of an adjourned meeting need not be given other than by announcement at the meeting at which adjournment is taken.

3.07.06 Waiver of Notice.

A Director may waive notice of a meeting of the Board. A waiver of notice by a Director entitled to notice is effective whether given before, at, or after the meeting and whether given in writing, orally, by electronic communication, or by attendance. Attendance by a Director at a meeting is a waiver of notice of that meeting, except where the Director objects at the beginning of the meeting to the transaction of business because the meeting was not lawfully called or convened and does not participate thereafter in the meeting.

3.07.07 Absent Directors.

A Director may give advance written consent or opposition to a proposal to be acted on at a Board meeting. If the Director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the Director has consented or objected.

3.07.08 Quorum.

One-third of the Directors currently holding office present at a meeting is a quorum for the transaction of business. In the absence of a quorum, a majority of the Directors present may adjourn a meeting from time to time until a quorum is present.

3.07.09 Voting.

At all meetings of the Board, each Director shall have one (1) vote. Vote shall be by majority decision.

3.08 Actions of the Board.

The Board shall take action by the affirmative vote of a majority of the Directors present at a duly held meeting having a quorum at the time the action is taken, unless otherwise required by these Bylaws, Minnesota Statutes Chapter 302A, or by the Articles of Incorporation.

3.09 Action Without a Meeting.

Any action required or permitted to be taken by the Board may be effected by written signature or by remote communication in lieu of a physical Board meeting. Any such action taken in accordance with this provision shall be recorded as minutes of such meeting.

3.10 Compensation.

Directors shall not be compensated for their duties as Directors, nor shall the Directors be reimbursed for their reasonable and substantiated expenses incurred on behalf of the District, unless the District's Annual Budget for the current fiscal year specifically allows for reimbursement and in that case not in excess of the amount so budgeted.

ARTICLE FOUR
OFFICERS and DISTRICT LEADERSHIP

Only Active Club Rotarians who are members of Clubs in District 5960 shall be eligible to serve as officers and in positions of District leadership. The officers of the District shall consist of the District Governor and the District Treasurer.

4.01 District Governor.

The District Governor ("DG") shall serve as the President and Chief Executive Officer of the District. The District Governor shall perform the customary duties of a president and a chief executive officer of a corporation and those assigned by the bylaws and policies of RI, by these Bylaws, and the Manual of Policies and Procedures. The District Governor shall serve as an *ex-officio* member of all District Committees except the Nominating Committee. The District Governor shall be elected for a one-year term

in the manner set forth by the bylaws and policies of RI, by these Bylaws, and the Manual of Policies and Procedures. The District budget shall include an allowance for the out of pocket expenses of the District Governor.

The Board may, by a two-thirds vote, but only for cause, request the President of RI to remove a District Governor pursuant to the bylaws and policies of RI. In the event of an unexpected vacancy in the office of District Governor, the District shall abide by the terms of the bylaws and policies of RI.

Reference: RI Bylaws 15.110; Rotary Code of Policies - Section - 27.030.3 - Filling Vacancies in Office of Governor

4.02 District Treasurer.

The District Governor shall appoint the District Treasurer to one or more consecutive one-year terms, but it is recommended that a Rotarian not serve in this office for more than three consecutive terms. Whenever possible, the District Treasurer should be a Certified Public Accountant. The District Treasurer shall serve as custodian of all District funds *except that* a District Conference Treasurer may serve as the custodian of District Conference funds. The District Treasurer shall be bonded for purpose of serving as the District Treasurer. All funds, deposits, bonds, and accounts shall be designated as "Rotary International District 5960" or "Treasurer, Finance Committee - District 5960." The District Treasurer shall be responsible for the billing and collection of Club dues. The District Governor may assign additional duties to the District Treasurer. The removal from office of the District Treasurer may be made for cause, with a majority vote of the Directors.

4.02.01 Assistant District Treasurer.

The District Governor may appoint an Assistant District Treasurer, having the same qualifications as the District Treasurer, for a one-year term. In an emergency, in the absence of the District Treasurer from the District, or in the case of permanent vacancy of the office of District Treasurer, the Assistant Treasurer shall immediately fulfill the duties of the District Treasurer.

4.02.02 District Conference Treasurer.

The District Governor may appoint a District Conference Treasurer to receive and disburse all funds associated with the District Conference. The District Conference Treasurer shall provide the District Treasurer and Board with a complete accounting of all District Conference funds. The District Conference Treasurer shall deliver to the District Treasurer any fund balance remaining after payment of all expenses of the District Conference.

The District leadership also includes the following:

4.03 District Governor-elect.

The District Governor-elect ("DGE") shall assume this office in the manner set forth by the bylaws and policies of RI, these Bylaws, and the Manual of Policies and Procedures. Under normal procedures, the DGE shall assume the office of District Governor in the year immediately after serving as DGE. The District Governor may assign other responsibilities to the District Governor-elect, which are in addition to those prescribed by the bylaws and policies of RI, these Bylaws, and the Manual of Policies and Procedures. The District budget shall include an allowance for the out of pocket expenses of the District Governor-elect.

4.04 District Governor-nominee.

Under normal procedures, the District Governor-nominee ("DGN") shall assume the office of District Governor-elect in the year immediately after serving as DGN. The District Governor may assign other responsibilities to the DGN, which are in addition to those prescribed by the bylaws and policies of RI, these Bylaws, and the Manual of Policies and Procedures. The District budget shall include an allowance for the out of pocket expenses of the District Governor-nominee.

4.05 District Governor-nominee-designate.

The minimum qualifications for serving as a District Governor-nominee-designate ("DGND") shall be in accordance with the bylaws and policies of RI. It is also recommended, but not required, that the person shall have served as an Assistant Governor or shall have served as the chairperson of a high level District

committee. The DGND shall be elected for a six-month term in the manner set forth by the bylaws and policies of RI, these Bylaws, and the Manual of Policies and Procedures. Under normal procedures, the DGND shall assume the office of District Governor-nominee on the first day of July immediately after serving as DGND. The District Governor may assign other responsibilities to the DGND, which are in addition to those prescribed by the bylaws and policies of RI, these Bylaws, and the Manual of Policies and Procedures. The District budget shall include an allowance for the out of pocket expenses of the DGND.

4.06 Vice-Governor.

The Nominating Committee will select one available Past District Governor to be named Vice-Governor. The role of the Vice-Governor will be to replace the District Governor in case of temporary or permanent inability to continue in the performance of the District Governor's duties.

4.07 Nominating Committee.

4.07.01 Composition.

The committee shall consist of not less than seven members of which at least four of the members shall be from the three most recent and available Past District Governors (PDG), in order of succession, plus one PDG at-large. Additional members shall be from the most recent and available Past Club Presidents, one each from small (25 members or less), medium (26-75), and large (76 or more) Clubs, with representation from rural and urban Clubs. No two members can be from the same Club, and no Club may have a representative on the Committee if there is a candidate from the same Club. The Committee Chair shall be the most immediate PDG who is able to serve and shall be one of the four required PDGs. The Committee Chair shall select all the members of the committee within these committee makeup guidelines

4.07.02 Responsibilities.

The committee shall seek out and propose the best available candidate for the office of District Governor-nominee and for the Representative and Alternate to the Council on Legislation in the year when such are to be selected. The committee shall customarily meet in October or November.

4.07.03 Notice Regarding District Governor-nominee Suggestions.

A notice to Clubs requesting suggestions for District Governor-nominee shall be sent out by the District Governor at least two months prior to the due date for receiving those suggestions, as specified in RI Bylaws 13020.4. The nominee designated by the Nominating Committee is not approved or elected at the Annual Meeting, but is elected at the RI Convention held immediately preceding the year in which such nominee is to be trained at the International Assembly. In other words, the nominee is elected at the RI Convention at the end of the nominee's year as the DGN.

4.07.04 Nomination and Selection of Council on Legislation Representative and Alternate.

See 7.02 and 7.03 of these Bylaws

Reference: Articles 8 and 13 of the RI Bylaws.

4.08 Assistant Governor Team Leader.

The Assistant Governor Team Leader shall be a former Assistant Governor appointed by the District Governor-elect. The appointment is to be made by the end of September of the year he or she is serving as District Governor-elect. The Assistant Governor Team Leader is to be a resource to both the Assistant Governors and to the District Governor. The Assistant Governor Team Leader, should be available and capable of answering routine questions and inquiries from the Assistant Governors, should periodically inquire of the Assistant Governors of problems, questions, successes and activities that are occurring in each of their areas, keep the District Governor informed of the same and shall generally assist the District Governor in his/her communication and coordination with the Assistant Governors. The District Governor may assign other responsibilities to the Assistant Governor Team Leader, which are in addition to those prescribed herein.

4.09 Assistant Governors.

4.09.01 Selection.

The minimum qualifications for serving as an Assistant Governor include membership in a Club in the District for at least three years and one year of service as a Club President. By the end of November of the year he or she is serving as District Governor-elect, the District Governor-elect

shall select an Assistant Governor for each of the areas comprising the District. [Provisions regarding terms and term limits are listed in the Manual of Policies and Procedures.]

Reference: Rotary Code of Policies 19.060.1

4.09.02 Responsibilities.

The responsibilities of the Assistant Governors shall be delineated in the Manual of Policies and Procedures.

4.10 District Training Team Leader.

The District Governor-elect shall appoint a District Training Team Leader to serve for a nineteen month term. The term shall commence on the 1st day of July when the District Governor-elect begins his or her term as District Governor-elect and shall continue through Mid-term Seminar for the year when the same person is then District Governor.

4.11 Rules and Legislation Committee.

The Rules and Legislation Committee shall be responsible to:

- 1) Review and recommend changes to these Bylaws and to the Manual of Policies and Procedures. The purpose of such review shall be to ensure compliance with Rotary International rules and procedures and to ensure consistency within the Manual of Policies and Procedures. Any such recommendations shall be made to the Board of for its consideration; and
- 2) Undertake such other duties and responsibilities as may be assigned to it by the Board or by the District Governor.

4.12 Removal from Leadership Positions.

The removal of persons from leadership positions other than the District Governor shall be made by a majority vote of the Board. However, when removal from a leadership position involves the District Governor-elect, District Governor-nominee, the District Governor-nominee-designate, or the District Rotary Foundation Committee Chair, additional compliance with any Rotary International and Rotary Foundation rules and procedures is required.

ARTICLE FIVE
EXECUTIVE COMMITTEE

5.01 Composition.

The Executive Committee shall be composed of the District Governor, the District Governor-elect, the District Governor-nominee, and the most immediate and available Past District Governor, who is an active member of a Club. The District Governor shall serve as the chairperson of the committee. Actions by the Executive Committee shall be reported to the Board as soon as practical, but not later than 72 hours after such action.

5.02 Responsibilities.

The Executive Committee may exercise all powers of the Board when the Board is not in session. It shall make decisions between meetings of the Clubs and between meetings of the Board on behalf of the District on matters requiring immediate attention.

ARTICLE SIX
COUNCIL OF GOVERNORS

6.01 Purpose.

The Council of Governors (COG) assists in the preparation of incoming District Governors, serves as an advisory panel for the District Governor, and provides input to the Board concerning the District's Strategic Plan.

6.02 Composition.

The Council of Governors shall consist of the current District Governor, the three most immediate and available Past District Governors who served in the District and who remain as active members of a Club, the District Governor-elect, the District Governor-nominee and the District Governor-nominee-designate.

The most immediate Past District Governor on the COG shall serve as the Chair of the COG. The District Governor-nominee-designee shall serve as the secretary for the first year of membership on the COG.

6.03 Responsibilities.

The Council of Governors shall:

- 1) Provide counsel and advice to the current District Governor.
- 2) Provide education and training for the incoming District Governors of the District.
- 3) Foster continuity and consistency in District leadership and within the District.
- 4) Provide input on strategic planning to the Board, including any initiatives it deems appropriate.
- 5) Make recommendations of District leadership talent and expertise in order to facilitate and optimize the annual recruitment and appointment of District leaders.

ARTICLE SEVEN

REPRESENTATIVE AND ALTERNATE TO THE COUNCIL ON LEGISLATION

7.01 Qualification to be a Representative.

A Representative shall be a member of a Club and shall have served a full term as an officer of RI at the time of election, that is, as a District Governor. However, upon certification by the current District Governor, with the concurrence of the president of Rotary International that no past officer is available in the District, a Rotarian who has served less than a full term as Governor or the Governor-elect may be elected.

To qualify for service at the Council on Legislation, (the "Council"), the Representative must be informed of the qualifications and submit to the general secretary a signed statement that the Rotarian understands the qualifications, duties, and responsibilities of a Representative; is qualified, willing, and able to assume and perform faithfully such duties and responsibilities; and shall attend the meeting for its full duration.

7.02 Nominations.

Any Club by vote may nominate a qualified Past District Governor of any Club in the District for Representative where such member has indicated a willingness and ability to serve. The Club shall certify in writing such nomination and the willingness and ability of the candidate to serve. Such certification must include the signatures of the Club President and Secretary, and be submitted to the Chair of the Nominating Committee by the deadline established by that Chair.

7.03 Selection.

The Representative and the Alternate Representative shall be selected by the Nominating Committee. The nomination procedure, including any challenges and a resulting election, shall be conducted and completed in the year two years preceding the Council. The nomination procedure shall be based on the Nominating Committee procedures for District Governors set forth in section 13.020 of the Rotary International Bylaws.

A candidate for Representative shall not be eligible to serve on the Nominating Committee. If there is only one duly nominated candidate for Representative, the District Governor shall declare such nominee to be the District's Representative to the Council. The District Governor shall also appoint a qualified Rotarian who is a member of a Club in this District as the Alternate.

If there are no nominees for Representative, the Nominating Committee shall select the best qualified Rotarians who are willing and able to serve and the Representative and as the Alternate.

7.04 Duties of District Representative to the Council.

It shall be the duty of the Representative to:

- 1) assist Clubs in preparing their proposals for the Council;
- 2) discuss proposed legislation at the District Conference and/or other District meetings;
- 3) be knowledgeable of the existing attitudes of Rotarians within the District;
- 4) give critical consideration to all legislation presented to the Council and effectively communicate those views to the Council;
- 5) act as an objective legislator of RI;
- 6) attend the meeting of the Council for its full duration;
- 7) report on the deliberations of the Council to the Clubs of the District following the meeting of the Council; and

7.05 Representative and Alternate Unable to Serve.

Where neither the Representative nor the Alternate Representative is able to serve, the District Governor may designate some other duly qualified member of a Club in the District to be the Representative to the Council.

References: Articles 8 and 13 of the RI Bylaws.

ARTICLE EIGHT
ADVISORY COUNCIL OF PAST DISTRICT GOVERNORS

8.01 Advisory Council of Past Governors.

In addition to the Council of Governors as defined in Article Six, an Advisory Council of Past District Governors is a standing council in this District. It is composed of all Past District Governors who are members of Rotary clubs within the District. The District Governor should call a meeting of the Advisory Council at least once a year within the month following the end of the International Assembly to allow the Governor-elect to inform the current and Past District Governors about the issues debated and presented at the International Assembly. This may be combined with the District Team Training Seminar. Meetings of the Advisory Council may be held as in-person events or by use of electronic means.

Throughout the Rotary year, the District Governor should draw upon Past District Governors for assistance in extension efforts, in informing incoming District Governors, in promoting the Rotary International Convention, in disseminating Rotary information, and in direct assistance to weaker Clubs, serving when invited by the president of the Club and the Governor as ad hoc members of the Board of Directors of a Club.

The authority and/or the responsibility of the District Governor shall in no way be impaired or impeded by the advice or actions of the Past District Governors.

References: Rotary Code of Policies 19.080.1 and 19.080.2

ARTICLE NINE
AVENUES OF SERVICE

9.01 General.

Rotary's commitment to Service Above Self has been channeled through the Avenues of Service, which have formed the foundation of club activity and which remain central to the work of Rotary, ensuring that Rotary service efforts are balanced and working to achieve all aspects of the Object of Rotary.

ARTICLE TEN
DISTRICT LEADERSHIP PLAN

10.01 General.

The District Leadership Plan shall be contained in the Manual of Policies and Procedures.

ARTICLE ELEVEN

CONFLICTS OF INTEREST; INDEMNIFICATION

11.01 Director and Officer Conflicts of Interest.

The Corporation shall not enter into any contract or transaction with (a) one or more of its Directors, Officers, or a member of the immediate family of any of its Directors or Officers, (b) a director or officer of a related organization, or a member of the immediate family of a director or officer of a related organization, or (c) an organization in or of which the Corporation's Director or Officer, or member of the immediate family of any of its Directors or Officers, is a director, officer, legal representative or has a material financial interest; unless the material facts as to the contract or transaction and as to the interest of the Director(s) or Officer(s) are fully disclosed or known to the Board, and the Board authorizes, approves, or ratifies the contract or transaction in good faith by the affirmative vote of a majority of the Directors (not counting any vote that the interested Director or Officer might otherwise have, and not counting the interested Director or Officer in determining the presence of a quorum. In light of the preceding sentence's mandate, the Board shall adopt a policy specifying procedures to be followed by the Corporation to approve any transactions where a conflict exists. Failure to comply with this Section shall not, however, invalidate any contract or transaction to which the Corporation is a party.

11.02 Definitions Applicable to Conflicts of Interest.

For purposes of the prior section, "immediate family" encompasses the following individuals: spouses, domestic-partners-in-fact, parents, children, children's spouses or children's domestic-partners-in-fact, siblings, or spouses or domestic-partners-in-fact of siblings. "Domestic-partner-in-fact" is used with respect to those designated as the intended life partner of an individual or otherwise identified as being related to that individual through intended long term ties of love, affection, responsibility, and commitment common to those undertaken in marriages recognized by the state having jurisdiction over the matter, regardless of whether such relationship is defined by or otherwise recognized by any governmental authority. "Material financial interest" encompasses, but is not limited to, an individual's relationship to an organization with respect to which rights of the individual exist, whether or not yet vested, for payment of dividends, profit-sharing, compensation, reimbursement of expenses, repayment of obligations or other liabilities, from the organization, but for purposes of the prior section "material financial interest" does not include fixing the compensation of the Director or fixing the compensation of another Director as a Director, Officer, employee, or agent of the Corporation, even though the first Director is also receiving compensation from the Corporation.

11.03 Insurance.

The Corporation may, to the full extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or member of a committee of the Corporation against any liability asserted against such person and incurred by such person in any such capacity.

11.04 Indemnification; Coverage.

To the full extent permitted by any applicable law, and subject to the procedural limitations noted in **Section 11.06** following, the Corporation shall indemnify each person made or threatened to be made a party to any threatened, pending or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the Corporation, by reason of the former or present capacity of the person as:

- 1) a Director, Officer, employee, or member of a committee of this Corporation, or
- 2) a governor, director, officer, partner, trustee, employee or agent of another organization (including employee benefit plans), who while a Director, Officer, employee, or member of a committee of this Corporation, is or was serving another organization at the request of this Corporation, or whose duties as a Director, Officer, employee, or member of a committee of this Corporation involve or involved such service to another organization.

11.05 Mandatory Indemnification.

Indemnification is mandatory, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:

- 1) has not been indemnified by another organization or employee benefit plan for the same liability described in the preceding paragraph with respect to the same acts or omissions;
- 2) acted in good faith;
- 3) received no improper personal benefit and Section 317A.255 of Minnesota Statutes, as now enacted or hereinafter amended, regarding conflicts of interest, has been satisfied;
- 4) in the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; and
- 5) in the case of acts or omissions occurring by a Director, Officer, employee, or member of a committee of this Corporation acting in such official capacity, reasonably believed that the conduct was in the best interests of this Corporation, or in the case of acts or omissions occurring by a Director, Officer, employee, or member of a committee of this Corporation who is or was serving another organization at the request of this Corporation, or whose duties as a Director, Officer, employee, or member of a committee of this Corporation involve or involved such service to another organization, reasonably believed that the conduct was not opposed to the best interests of this Corporation.

11.06 Indemnification: Eligibility, Advances, and Ancillary Recovery.

Any indemnification realized other than under this Article shall apply as a credit against the indemnification provided herein.

- 1) Determination of eligibility for indemnification payments or advances shall be made in accord with Section 317A.521, subd. 6 of Minnesota Statutes, as now enacted or hereinafter amended. In essence, same provides that whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of the relevant proceedings shall be made:
 - (a) by the Board by a majority of a quorum; Directors who are at the time parties to the proceeding are not counted for determining a majority or the presence of a quorum;
 - (b) if a quorum under (a) cannot be obtained, by a majority of a committee of the Board, consisting solely of two or more Directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full Board including Directors who are parties;
 - (c) if a determination is not made under (a) or (b), by special legal counsel, selected either by a majority of the Board or a committee by vote constituted under (a) or (b), respectively, or, if the requisite quorum of the full Board cannot be obtained and the committee cannot be established, by a majority of the full Board including Directors who are parties; or
 - (d) if an adverse determination is made under (a) – (b) preceding, or **subsection (2)** following, or if no determination is made within 60 days after the termination of a proceeding or after a request for an advance of expenses, by a court in this state, which may be the court in which the proceeding involving the person's liability took place, upon application of the person and notice the court requires.
- 2) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a Director, Officer, or person having, directly or indirectly, the power to direct or cause the direction of the management or policies of the Corporation, the determination whether indemnification of this person is required because the criteria in **Section 11.05** of this Article has been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding under Section 317A.521, subd. 3 of Minnesota Statutes, as now enacted or hereinafter amended, may be made by an appointed committee of the Board, having at least one member who is a Director.
- 3) Unless otherwise determined by the Board by a majority of a quorum, advances of expenses incurred which are payable under **Section 11.05** shall not be made prior to a final disposition of a proceeding unless same are paid from insurance policies held by the Corporation. For purposes of this **subsection (3)**, Directors who are at the time parties to the proceeding shall not be counted for determining a majority or the presence of a quorum.

ARTICLE TWELVE **MISCELLANEOUS**

12.01 Conformity with RI Articles of Incorporation and Bylaws.

These Bylaws are intended to supplement the Articles of Incorporation and Bylaws of RI. If any provision in these Bylaws conflicts with the Constitution, Bylaws, or policies of RI, as amended, then the terms of the Constitution, Bylaws, or Policies of RI shall prevail *unless* a different result is required by Minnesota or federal law, in which case the provision required by law shall prevail.

12.02 The Articles and Bylaws Supersede Previous Legislation.

The Articles of Incorporation, filed on August 16, 2007 and these Bylaws, together with such amendments as may be subsequently adopted, shall constitute the entire legislation governing the administration of District 5960 and shall therefore, replace any and all legislation previously enacted by the Clubs.

12.03 Robert's Rules of Order.

The edition of *Robert's Rules of Order, Newly Revised, and all subsequent editions thereof*, that is then currently sanctioned by the Robert's Rules Association governs this organization in all parliamentary situations that are not provided for in the laws of the State of Minnesota, these Bylaws, or adopted rules.

12.04 Fiscal Year.

The fiscal year of the District shall be from July 1 through June 30 of the following year.

12.05 Principal Office.

The principal office of the District shall be the business office address of the District.

ARTICLE THIRTEEN **AMENDMENTS**

13.01 Amendment Process.

These Bylaws may be amended as follows:

13.01.01 Annual Meeting.

These Bylaws may be amended at the Annual Meeting by a majority vote of electors as provided in **Section 2.05** of these Bylaws. Before being considered by the electors at the Annual Meeting, an amendment must have been reviewed by the Rules and Legislation Committee and the Board, either or both of which may make a recommendation regarding that amendment. For an amendment to be considered at the Annual Meeting, the District Governor shall have given notice of such proposed amendment to all of the Clubs at least 30 days before the Annual Meeting.

13.01.02 Ballot-by-Mail.

These Bylaws may be amended by Ballot-by-Mail of the Clubs if a majority of the votes are cast in favor of the proposed amendment. Each Club shall have that number of votes as otherwise set forth in **Section 2.05.01** of these Bylaws as if the electors were voting at the Annual Meeting. Each Club must cast all of its votes as a block. For the Ballot-by-Mail to be valid, at least 8 Clubs shall have timely cast their ballots and the ballots shall constitute a minimum of at least 20 votes.

Before being considered by the Clubs in a Ballot-by-Mail, a proposed amendment must have been reviewed by the Rules and Legislation Committee and the Board, either or both of which may make recommendations regarding that amendment. For a proposed amendment to be considered in a Ballot-by-Mail, the District Governor shall have given notice of such proposed amendment to all of the Clubs at least 30 days before the Ballot-by-Mail voting deadline.

13.01.03 Who May Propose an Amendment to the Bylaws.

Only the District Governor, the District Governor-elect, the Board, or a Club may propose an amendment to these Bylaws.

13.02 Effective Date.

Any amendments to the Bylaws shall be effective upon adoption, unless otherwise specifically stated in such amendment.

13.03 Amendment Limitation.

Unless Minnesota or federal law requires it to do so, the District may not adopt any amendment to these Bylaws that conflicts with the Constitution, Bylaws, or policies of RI.