

Bylaws of the Rotary Club of Kalamazoo

March 20, 2017

ARTICLE I: MISSION AND PURPOSE

The object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster: The development of acquaintance as an opportunity for service; High ethical standards in business and professions; the recognition of the worthiness of all useful occupations; and the dignifying of each Rotarian's occupation as an opportunity to serve society; The application of the ideal of service in each Rotarian's personal, business, and community life; The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service

ARTICLE II: MEMBERSHIP

The club [which is incorporated under the Michigan Nonprofit Corporation Act, MCL 450.2101 et seq, and also referred to herein as "the corporation"] is composed of adult persons of good character and good business and professional reputation. Membership is governed by the Constitution of the Rotary Club of Kalamazoo.

Section 1 Method of Electing Members

- (1) The name of a prospective member, proposed by an active member of the club, the membership development committee or as a transfer, shall be submitted to the board as a written application, through the club secretary. The name of the proposed member shall be kept confidential except as otherwise provided in this procedure.
- (2) The board shall request the classification committee to consider and report to the board on the eligibility of the proposed member from the standpoint of classification.

(3) Notice of the proposed member shall be published to the membership for advice. Written objection to the proposal, stating reasons must be received by the board from any member of the club within 10 days following publication of the name of the prospective member for it to be considered.

(4) At the same time, the board shall request the membership review committee to investigate and report to the board on the eligibility of the proposed member from the standpoint of character, vocation, and general eligibility.

(5) The Board shall approve or disapprove the recommendations of the classification and membership review committees and the advice of the membership and shall then notify the proposer or transferring member, through the club secretary, of its decision. If not to exceed one negative vote is cast by the members of the board in attendance at the meeting, the proposed member, upon payment of the prescribed admission fee and prorated dues, shall be considered to be elected to membership.

(6) If the decision of the board is favorable, the proposer, together with one or more members of the Rotary Information committee, shall inform the prospective member of the purposes of Rotary and of the privileges and responsibilities of membership in the club. The prospective member, upon payment of the admission fee and the prorated dues, selection of a committee for service and submission of a photo for the club roster shall be considered elected to membership.

(7) Should the proposed member be in the name of a corporation (corporate membership), the proposer shall include the names of the primary member and all associate members for consideration by the board. All other procedures outlined in paragraphs (1) through (6) shall apply.

Section 2 Honorary Members.

(1) The name of a proposed candidate for this kind of membership shall be submitted to the board of directors in writing and the election shall be in the same form and manner as prescribed for the election of an active member provided,

however, that such proposal may be considered at any regular or special meeting of

the board and that the board may at its discretion waive any of the steps as set forth in this Article and proceed to ballot on the proposed member. If not to exceed one negative vote is cast by the members of the board in attendance at the regular or special meeting, the proposed member shall be considered duly elected.

Section 3 Fees and Dues

(1) An admission fee shall be paid before an applicant can qualify as a member.

(2) The membership dues shall be determined annually by the Board of Directors and shall be payable annually before the last day of June [dues may be paid in two equal installments semi-annually], with the understanding that a portion of each payment shall be applied to each member's subscription to THE ROTARIAN magazine. The board may establish alternative payment plans whenever, at its discretion, such plans are warranted. Payment of the annual membership dues is a condition for becoming and remaining a member; therefore, any member not paying dues by June 30 shall have resigned his/her membership.

Section 4 Attendance

(1) A member shall be counted as attending a regular meeting if the member is present for at least 60 percent of the meeting as provided for in the Standard Rotary Club Constitution. For corporate members, attendance by the primary member or any of the associate members shall count as attendance. Attendance credit may also be granted for attending other Rotary functions previously approved by the board.

Section 5 Leave of Absence

(1) Upon written application to the board, setting forth good and sufficient cause, leave of absence may be granted excusing a member from attending the meetings of the club for a specified length of time.

ARTICLE III: MEETINGS OF THE MEMBERSHIP

Section 1 Annual Meeting

(1) An annual meeting of this club shall be held during December in each year at which time the election of officers and directors to serve for the ensuing year shall take place.

Section 2 Regular weekly meetings

(1) Regular meetings of this club shall be held at a time and place determined by the Board of Directors. Due notice of any changes in or canceling of the regular meeting shall be given to all members of the club.

Section 3 Quorum

(1) One-third of the membership shall constitute a quorum at the annual and regular meetings of the club.

Section 4 Voting

(1) The business of this club shall be transacted by voice vote unless otherwise required by statute or the constitution.

ARTICLE IV: BOARD OF DIRECTORS

Section 1 Governance

(1) The governing board of the Rotary Club of Kalamazoo shall be the Board of Directors. The Board shall consist of eleven directors who shall be members of this club. There shall be six directors, elected in accordance with Article V, Sections 1 and 2 of these bylaws, and the five officers of this club. The officers are the president, president-elect serving also as vice-president, secretary, treasurer, and the immediate past president.

(2) Regular meetings of the board shall be held each month. Special meetings of the board shall be called by the president, whenever deemed necessary, or upon the request of two (2) members of the board, due notice having been given.

(3) A majority of the board members then in office shall constitute a quorum of the board. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board unless a greater vote is required by law, by the Articles of Incorporation or by these bylaws.

(4) Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing setting forth the actions so taken shall be signed by all the directors. Such consent may be given in such manners authorized under the provisions of the Michigan Nonprofit Corporation Act.

(5) A member of the Board of Directors or of a committee designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment or by such methods authorized by the Michigan Nonprofit Corporation Act when such means enable all persons participating in the meeting to hear each other; provided the equipment is readily available without additional cost or charge to the Club, other than long distance telephone charges. Participation in a meeting pursuant to this provision constitutes presence in person at the meeting.

(6) A director shall discharge the duties of that position in good faith and with that degree of diligence, care and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties, a director when acting in good faith, may rely upon the opinion of counsel for the Club, upon the report of an independent appraiser selected with reasonable care by the Board, or upon financial statements of the Club represented to the director as correct by the President or the officer of the Club having charge of its books or account, or as stated in a written report by an independent public or certified public accountant or firm of accountants fairly to reflect the financial condition of the Club.

(7) A contract or other transaction between the Club and one or more of its directors/officers or between the Club and an entity in which a director or officer has an interest is not void or voidable solely because of such common interest if the following conditions are satisfied:

- a. The contract or other transaction is fair and reasonable to the Club when it is authorized, approved or ratified;
- b. The material facts as to the directors'/officers' relationship or interest and as to the contract or transaction are disclosed or known to the Board or committee and

the Board or committee authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the vote of any common or interested director/officer.

ARTICLE V: ELECTION OF DIRECTORS AND OFFICERS

Section 1 Elections

(1) At a regular meeting at least one month prior to the meeting for election of officers, the presiding officer shall inform the members of the date of the upcoming election and ask that members contact him/her or (if there is a nominating committee) any member of the nominating committee with suggested candidates for president-elect/vice president, president-nominee, secretary, treasurer and three members of the board of directors.

(2) If it is determined to have a nominating committee, such committee shall be appointed as the club may determine. Should there be multiple candidates for any position, the nominations duly made shall be placed on a ballot in alphabetical order under each office and shall be voted for at the annual meeting. In the event there are no contested positions a voice vote shall be acceptable.

(3) At a regular meeting one week prior to the elections the presiding officer shall inform the membership of the slate of officers to be presented for election.

(4) The candidates for president-elect/vice president, president-nominee, secretary and treasurer receiving a majority of votes shall be declared elected to their respective offices. The three candidates for director receiving the highest number of votes shall be declared elected as directors. All positions shall be effective on the first day of July immediately following the election. The president-elect/vice president shall assume the office of president on the first day of July following his/her year of service as president-elect/vice president. The president-nominee shall assume the office of president-elect/vice president on the first day of July following his/her year of service as president nominee.

Section 2 Terms and Procedures

(1) There shall be six directors, three of whom are elected one year for two-year terms and three of whom are elected the following year for two-year terms, and so continuing to the end that no more than three directors are replaced in any one election.

(2) The officers (excluding the President-nominee) and directors so elected, together with the immediate past president shall constitute the board of directors.

(3) A vacancy in the board of directors or any office shall be filled by action of the remaining members of the board.

(4) A vacancy in the position of any officer-elect or director-elect shall be filled by action of the remaining members of the board of directors-elect.

(5) A director may be removed at any time by the board, with or without cause, by the affirmative vote of sixty percent (60%) of the directors then in office, excluding the director who is proposed for removal.

(6) A director who fails to attend three regular monthly meetings of the Board during a given Rotary year shall be deemed to have resigned and shall be replaced as specified in Article V, Section 2, paragraph (3) unless the remaining members of the Board grant an exception for good cause.

(7) A director shall not serve more than one consecutive two-year term. A director appointed to fill a vacancy can serve an additional two-year term.

ARTICLE VI: DUTIES OF OFFICERS

Section 1 President

(1) The duties of the president shall be to preside at meetings of the club and board and to perform such other duties as ordinarily pertain to the office.

Section 2 President-elect/Vice President

(1) The duties of the president-elect/vice president shall be to preside at meetings of the club and board in the absence of the president and to perform other duties as ordinarily pertain to the office.

Section 3 Secretary

(1) The duties of the secretary, by and through the Club's Administrative Secretary, shall be to keep the records of membership, record the attendance at meetings, send out notices of meetings of the club, board and committees, record and preserve the minutes of such meetings, make the required reports to Rotary International, and perform such other duties as usually pertain to the office.

Section 4 Treasurer

(1) The duties of the treasurer shall be to have custody of all funds, accounting for same to the club annually and at any other time upon demand by the board and to perform such other duties as pertain to the office. Upon retirement from office, the Treasurer shall turn over to the successor or to the president all funds, books of accounts or any other club property in his or her possession.

Section 5 President-Nominee

(1) The duties of the president-nominee shall be to serve ex-officio, without vote, on the board of directors and to attend educational sessions for the purpose of learning more about Rotary.

ARTICLE VII: DIVISIONS AND COMMITTEES

Section 1 Divisions

(1) The club shall be organized into eight divisions each chaired by a member of the Board of Directors. The divisions shall be: Finance; Program and Information; Membership; Public Relations; Foundation; Club Administration; Service Projects; and Youth Service.

(2) Each Division shall submit goals and plans to the President-Elect for Board approval at the first meeting of the Rotary year.

(3) The President-Elect shall appoint the Chairs of each division from amongst the members of the Board of Directors who will be serving in the following year.

(4) The Chairs-designate of each division will appoint, with approval of the President-Elect, members to Chair such committees as the Board of Directors may establish.

(5) Committee Chairs shall appoint members to serve on each committee and report the committee membership to their Division Chair prior to July 1 each year.

(6) Where feasible and practicable in the appointment of club committees, there should be provision for broad based participation of all members in committee work and for continuity of membership on committees. Each committee is expected to report regularly to the board of directors about the progress of committee activities.

(7) The president shall be ex officio a member of all committees and, as such, shall have all the privileges of membership thereon.

(8) Each committee shall transact such business as is delegated to it in the bylaws and such additional business as may be referred to it by the president or the board. Except where special authority is given by the board, such committees shall not take action until a report has been made to the board and approved by the board.

Section 2 Duties of Divisions

(1) Finance: Manage the finances of the club in accordance with Article VIII of these bylaws.

(2) Program and Information: Produce a weekly bulletin, arrange programs for weekly meetings and maintain the club history.

(3) Membership: Maintain a strong membership which is broadly representative of the community and provide information about Rotary to prospective and existing members.

(4) Public Relations: Ensure that information regarding club activities is shared with the general public and coordinate activities that may enhance the reputation of the club in the community.

(5) Foundation: Promote members participation in the charitable work of the club, District 6360 and Rotary International.

(6) Club Administration: Ensure that all arrangements for club meeting are attended to.

(7) Service Projects: Oversee all Board approved local and international community projects not specifically assigned to another division.

(8) Youth Service: Oversee and ensure the effectiveness of all club activities related to youth and young professionals.

ARTICLE VIII: FINANCES, INTERNAL CONTROLS AND INDEMNIFICATION

Section 1 Finance and Internal Controls

(1) The Administrative Secretary shall deposit all funds of the club in a bank identified by resolution of the board.

(2) All bills shall be paid by checks or electronic transactions executed by the Treasurer or an officer authorized to sign by resolution of the board.

(3) The Administrative Secretary will open and review the bank statements before passing them to the Treasurer. The Treasurer will have access to online banking statements. The Treasurer will present a monthly report to the Board consisting of a list of bills paid the prior month and a complete comparison of income and expenses to budget and comment of significant variances.

(4) The President shall appoint a Financial Review Committee, independent of the Board, after the end of each fiscal year to inspect the books of the Club. A sample set of receipts and disbursements will be examined as well as significant variances from budget and any other procedures the Committee deems appropriate. This committee shall report their findings to the Board of Directors and the general membership no later than October 31 each year.

(5) Errors and omissions insurance and coverage for employee dishonesty will be maintained. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the corporation as directors or officers.

The board, in the same manner, may authorize the reimbursement of directors for expenses incurred on behalf of the Club. Officers having charge or control of club funds shall give bond as may be required by the Board for the safe custody of the funds of the club, cost of bond to be borne by the club.

(6) Prior to the beginning of each fiscal year, which shall commence on July 1 and extend to June 30, the board shall prepare or cause to be prepared a budget of estimated income and estimated expenditures for the year, which having been agreed to by the board, shall stand as the limit of expenditures for the respective purposes unless otherwise ordered by action of the Board.

(7) The Board reiterates its commitment that the Rotary Club of Kalamazoo shall be organized and operated exclusively for the purposes for which it was organized and the principal of and the income from all contributions, gifts, bequests or devises shall be used exclusively for such purposes and no part of the net earnings of the corporation shall inure to the benefit of any member or individual.

(8) The Board will maintain the following document destruction and retention policy: There shall be a systematic review, retention and destruction of documents received or created by Rotary Club of Kalamazoo in connection with the transaction of organization business. The policy covers all records and documents, regardless of physical form. A guideline for how long certain documents should be kept is maintained in the administrative office of Rotary Club of Kalamazoo for documents listed in the guideline and for those that are substantially similar to those listed and both will be retained for the appropriate length of time as noted in the guidelines. The policy is to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate Rotary Club of Kalamazoo operations by promoting efficiency and conserving storage space. Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donation made online, that fall into one of the document types in the guidelines will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should

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be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis. Records will be stored in a safe, secure and accessible manner. Rotary Club of Kalamazoo Secretary is responsible for the ongoing process of identifying its records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel related documents will be accomplished by shredding. Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

(9) A Director of the Club is not liable to the Club or its members for monetary damages for an act or omission in the Director’s capacity as a Director, except that this Article does not eliminate or limit the liability of a Director for:

(A) breach of a Director’s duty of loyalty to the Club or its members;

(B) an act or omission not in good faith or that involves intentional misconduct or a known violation of the law;

(C) a transaction from which a Director receives an improper benefit, whether or not that benefit resulted from an action taken within the scope of the Director’s office;

or,

(D) an act or omission for which the liability of a Director is expressly provided for by statute.

(10) The Board shall maintain an employee/volunteer protection policy providing that if any employee or volunteer reasonably believes that some policy, practice or activity of Rotary Club of Kalamazoo is in violation of law, a written complaint must be filed by the person with the Board President.

It is the intent of Rotary Club of Kalamazoo to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the goal of legal compliance. The support of all employees and volunteers is necessary to achieving compliance with various laws and regulations. An employee or volunteer is protected from retaliation only if the person brings the alleged unlawful

activity, policy or practice to the attention of the corporation and provides the corporation with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described is only available to employees or volunteers who comply with the policy requirements. Rotary Club of Kalamazoo will not retaliate against employees or volunteers who disclose or threaten to disclose to a supervisor or public body any activity, policy or practice of the corporation that the employee reasonably believes is in violation of a law or a rule or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare or protection of the environment.

Section 2 Indemnification

(1) The corporation shall indemnify to the full extent permitted by law any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation by reason of the fact that the person is or was a director, officer, employee, non-director volunteer, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, non-director volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders or members, and with respect to any criminal action or proceeding, if the person had not reasonable cause to believe that conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a

manner which the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders or members and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

(2) The corporation shall indemnify to the full extent permitted by law a person who was or is a party or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, non-director volunteer or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, non-director volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise whether for profit or not against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders or members. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for expenses which the court considers proper.

(3) To the extent that a director, officer, employee, non-director volunteer or agent of a corporation has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to above, or in defense of a claim, issue, or matter in the action, suit, or proceeding, the successful party shall be indemnified against expenses, including actual and reasonable attorneys' fees, incurred in

connection with the action, suit, or proceeding and in any action, suit, or proceeding brought to enforce the mandatory indemnification provided in this section.

(4) Expenses incurred in defending a civil or criminal action, suit, or proceeding described above may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, non-director volunteer or agent to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

(5) The indemnification provided by this Bylaw shall not be deemed exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, Bylaws, or a contractual agreement. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided by this Bylaw continues as to a person who ceases to be a director, officer, employee, non-director volunteer or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

(6) An indemnification under this Bylaw unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, non-director volunteer or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections A and B above. This determination shall be made in any of the following ways:

(A) By a majority vote of a quorum of the Board consisting of directors who are not parties to the action, suit, or proceeding.

(B) If the quorum described in (1) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.

(C) By independent legal counsel in a written opinion.

(D) By the shareholders or members.

If a person is entitled to indemnification for a portion of expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement but not for the total amount thereof, the corporation will indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

(7) The Club assumes the liability for all acts or omissions of a non-director volunteer occurring on or after the effective date of this provision if all of the following are met:

(A) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;

(B) The volunteer was acting in good faith;

(C) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;

(D) The volunteer's conduct was not an intentional tort;

(E) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being Section 500.3135 of the Michigan Compiled Laws.

ARTICLE IX: RESOLUTIONS

Section 1 Procedure

(1) No resolution or motion to commit this club on any matter shall be considered by the club until it has been considered by the board. Such resolutions or motions, if offered at a club meeting, shall be referred to the board without discussion.

ARTICLE X: ORDER OF BUSINESS

Section 1 Agenda

(1) Meeting called to order.

Introduction of visiting Rotarians.

Introduction of guests

Correspondence and announcements.

Committee reports, if any.

Any unfinished business.

Any new business.

Address or other program feature.

Adjournment.

ARTICLE XI: AMENDMENTS

Section 1 Procedure

(1) These bylaws may be amended at any regular meeting, a quorum being present, by a two-thirds vote of all members present, provided that notice of such proposed amendment shall have been mailed and/or emailed to each member at least six days before such meeting. No amendment or addition to these bylaws can be made which is not in harmony with the club constitution and with the constitution and bylaws of Rotary International.

June 10, 2008

Adopted July 14, 2008

Amended June 27, 2011

Amended November 21, 2016

Amended March 20, 2017