

R1 Foundation
CORPORATE BYLAWS

1 **ARTICLE I**

2 **NAME, OFFICES AND PURPOSE**

3 **1.1 Name.** The name of this corporation shall be *R1 Foundation*, hereafter referred to as the
4 "Corporation".

5
6 **1.2 Offices.** The Corporation's principal office shall be the same as Region 1 Joint Planning
7 Commission (D/B/A Region 1 Planning Council), hereafter referred to as the "Commission." The
8 Corporation shall have and continuously maintain in the State of Illinois a registered office, which may
9 be the same as its principal office, and a registered agent whose office is identical with such registered
10 office.

11
12 **1.3 Purpose.** The Corporation is organized exclusively for charitable and educational purposes
13 within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding sections
14 of any future federal tax code.

15
16 The specific purposes of Corporation include, without limitation, the following:

- 17 a) To promote the growth and sustainability of the Commission, a special-purpose form of
18 government established for the purpose of guiding and accomplishing coordinated,
19 adjusted and harmonious development of the region, and of public improvements and
20 utilities therein in accordance with the needs of the region to promote health, safety,
21 morals, order, convenience, prosperity, efficiency and economy in the process of
22 development and the general welfare of said region, and any further purpose as
23 permitted by law
- 24 b) Develop and provide education and financial resources to support the purpose of the
25 Commission and its stakeholders

26
27 While the purpose of the Corporation shall be to support and enhance the efforts of the
28 Commission and its member entities, R1 Foundation is a separate entity from the Commission
29 and shall be operated as such.

30
31 **1.4 Receipt of Property.** Subject to the provisions of these Bylaws, the Corporation may receive any
32 property, real, personal or mixed, by gift, devise, bequest, purchase, lease, loan or otherwise, absolutely
33 or in trust, for the foregoing purposes or any of them, including without limitation the expenditure of
34 the principal, as well as the income, of any property so received for any one or more of the foregoing
35 purposes in such manner and amounts and at such time or times as deemed proper by the Board
36 (defined below) of the Corporation.

R1 Foundation
CORPORATE BYLAWS

37
38 **1.5 *Solicitation and Receipt of Gifts.*** The Corporation may seek gifts, contributions, donations and
39 bequests (herein generally called “gifts”) for its purposes. While the Corporation specifically encourages
40 unrestricted gifts whose principal and/or income therefrom may be used for the Corporation’s purposes
41 in the discretion of the Board of the Corporation, the Board will accept gifts for a restricted or otherwise
42 designated purpose if such restriction is determined by the Board to be acceptable or otherwise
43 conforms with these Bylaws and any other statutory guidelines, statutes, or tax code established by the
44 Board for such restricted gifts. With respect to said solicitation policy, no solicitation of funds will take
45 place until such time as appropriate registration has been accomplished as to the statutory
46 requirements of said state and jurisdiction wherein funds are solicited, including any filings that may be
47 required by the Illinois Charitable Trust Act and/or the Illinois Solicitation for Charity Act.
48

49 **1.6 *Private Foundation.*** In the event the Corporation is or becomes a “private foundation”
50 under Section 509 of the Code, the following shall apply:

- 51 **1.4.1** The Corporation shall make distributions each taxable year in such amounts as
52 not to become subject to the tax for failure to distribute income imposed by
53 Section 4942 of the Code.
- 54 **1.4.2** The Corporation shall not engage in any act of self-dealing as defined in Section
55 4941(d) of the Code.
- 56 **1.4.3** The Corporation shall not retain any excess business holdings as defined in
57 Section 4943(c) of the Code.
- 58 **1.4.4** The Corporation shall not make any investment in such manner as to subject it
59 to tax under Section 4944 of the Code.
- 60 **1.4.5** The Corporation shall not make any taxable expenditure as defined in Section
61 4945(d) of the Code.
62

63 **ARTICLE II**

64 **MEMBERS**

65 The Corporation shall have **no members**. To the extent necessary or appropriate, the Board shall have
66 and exercise all powers otherwise vested in members.
67

68 **ARTICLE III**

69 **BOARD OF DIRECTORS**

70 **3.1 *General Powers.*** The affairs of the Corporation shall be managed by its Board of Directors
71 (herein referred to either as the "Board"). The Board shall have, and may exercise, all powers conferred
72 by the Illinois General Not-For-Profit Corporation Act of 1986, the Articles of Incorporation, and these

R1 Foundation CORPORATE BYLAWS

73 bylaws as necessary to fulfill the purpose of the Corporation.
74

75 **3.2 Duties.** Among such other duties as may be imposed by law, the Board shall take all such action
76 necessary for the filing of an IRS Form 1023, Application for Recognition of Exemption for the
77 Corporation under Section 501(c)(3) of the Internal Revenue Code, and any related State of Illinois filings
78 required by the Illinois Attorney General or other authority.
79

80 **3.2 Number and Qualifications.** The Board shall be commensurate with the Executive Committee
81 of Region 1 Joint Planning Commission. The executive director of the Commission shall serve as an ex-
82 officio non-voting Director. A Director may assign, in writing directed to the Executive Director, a
83 substitute Director who may serve in the place of the appointing Director until such time as the
84 appointment expires or is revoked.
85

86 The Board may appoint ex-officio Directors to serve a term of up to three (3) years, upon the
87 concurrence of at least two-thirds (2/3) of a quorum of the Board. The number of ex-officio Directors
88 shall not exceed the number of voting Directors making up a quorum of the Board.
89

90 The Board shall be composed of **not less than five (5)** Directors, except when vacancies occur on the
91 Board by reason of death, resignation, or otherwise, the number shall be reduced by such vacancies
92 until qualified replacements are elected or appointed for the unexpired term. Directors need not be
93 residents of the State of Illinois. All directors shall have equal right to vote.
94

95 **3.3 Election and Term of Office.** Officers shall include a Chairman and Vice-Chairman,
96 commensurate with that of the Executive Committee of Region 1 Joint Planning Commission. The
97 Chairman shall preside over meetings of the Board, ensure the Board fulfills its governance obligations
98 set forth in these Bylaws, and fulfills other obligations as may be delegated from time to time. The Vice-
99 Chairman shall assist and serve as alternate to the Chairman in the discharge of duties as the Chairman
100 may direct and shall perform such other duties as may be assigned by the Chairman or Board.
101

102 **3.4 Vacancies.** With the exception of Chair, should any office become vacant for any cause, the
103 Executive Committee of the Commission is empowered to designate an interim officer who shall serve in
104 that office until the next regularly scheduled Commission meeting. The Commission shall consider the
105 interim designation of an officer by the Executive Committee to constitute a nomination of a successor
106 to serve the remaining term. The Commission shall thereupon act to elect a permanent successor at the
107 earliest opportunity, who shall, upon election, serve the remainder of the vacated term. Should the
108 office of Chair become vacant, the Vice Chair shall succeed as described in Section 3.2(b).

R1 Foundation
CORPORATE BYLAWS

109
110 **3.5 *Removal.*** Any elected officer may be removed for cause. Cause may include but may not be
111 limited to reasons of incapacitation, inability to attend the meetings of the Board; or insufficiency in
112 attending to the requirements of his or her office. Removal from office shall require a two-thirds (2/3)
113 vote of the Directors present, but shall not in any event be less than a majority of the Directors.

114
115 **3.6 *Compensation.*** Directors shall receive no compensation, nor any reimbursement of expenses.

116
117 **3.7 *Resignation.*** A director desiring to resign from the Board shall submit a resignation in writing to
118 the secretary of the Corporation.

119
120 **ARTICLE IV**

121 **BOARD OF DIRECTORS MEETINGS**

122 **4.1 *Meetings.*** The Board shall meet a minimum of twice per calendar quarter and shall designate a
123 month in which it will hold its annual meeting. At its annual meeting, the Board shall set a calendar of
124 regular meetings for the next year, adopt an annual budget, and do such other things as the Board
125 deems appropriate. Special meetings of the Board may be called by the Chairman or any two Directors,
126 in consultation with the Executive Director, as deemed necessary to achieve the priorities established by
127 the Board.

128
129 Meetings of the Board shall be held at the location designated by the Chairman or the Directors calling
130 such meeting. Meetings of the Corporation shall be run by the Chairperson. Meetings of the Board shall
131 be conducted pursuant to the most current edition of Robert’s Rules of Order.

132
133 **4.2 *Attendance.*** Attendance in person at all meetings is expected for all Directors. Directors who
134 are unable to attend in person may, by prior written notice to the Executive Director and the Chairman,
135 attend a meeting by remote communication as provided in this paragraph. To participate remotely,
136 Directors shall use of any means of remote communication (whether by conference telephone or other
137 communications equipment) by which all persons participating may simultaneously hear each other
138 during the meeting. Such remote participation shall constitute presence in person at the meeting and
139 the Director shall be allowed to vote on matters before the Board.

140
141 **4.3 *Quorum.*** majority of the Board, represented in person or by remote attendance shall constitute
142 a quorum for the transaction of business at any regular or special meeting of the Board.

143
144 **4.4 *Manner of Acting.*** The act of a majority of the Directors present, either in person or by remote

R1 Foundation
CORPORATE BYLAWS

145 attendance, at a regular or special meeting of the Directors at which a quorum is present shall be the act
146 of the Board of Directors, except as otherwise provided by statute, these bylaws, or the Articles of
147 Incorporation.

148

149 **4.5 Corporation Meetings.** Any regular or special meeting of the Board shall also constitute a
150 meeting of the Corporation and may be referred to as such.

151

152 **4.6 Action Without a Meeting.** Unless specifically prohibited by the Articles of Incorporation or
153 bylaws, any action required to be taken at a meeting of the Board, or any other action which may be
154 taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the
155 action so taken shall be signed by all the Directors entitled to vote with respect to the subject matter
156 thereof. Any such consent signed by all the Directors shall have the same effect as a unanimous vote,
157 and may be stated as such in any document filed with the Secretary of State or with anyone else.

158

159 **4.7 Presumption of Assent.** A Director of the Corporation who is present at a meeting of the Board
160 at which action on any corporate matter is taken shall be conclusively presumed to have assented to the
161 action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his
162 written dissent to such action with the person acting as the recording secretary of the meeting before
163 the adjournment thereof, or shall forward such dissent by registered mail to the recording secretary of
164 the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply
165 to a Director who voted in favor of such action.

166

167 **ARTICLE V**

168 **OFFICERS**

169 **5.1 Positions.** The officers of the Corporation shall consist of a President, Vice President, and
170 Executive Director. Officers shall be commensurate with those of the Commission.

171

172 **5.2 Chairperson.** The Chairman shall preside over meetings of the Board, ensure the Board fulfills its
173 governance obligations set forth in these Bylaws, and fulfills other obligations as may be delegated from
174 time to time.

175

176 **5.3 Vice-President.** The Vice-Chairman shall assist and serve as alternate to the Chairman in the
177 discharge of duties as the Chairman may direct and shall perform such other duties as may be assigned
178 by the Chairman or Board.

179

180 **5.4 Executive Director.** The Executive Director shall be commensurate with that of the Commission.

R1 Foundation
CORPORATE BYLAWS

181 The Executive Director shall be responsible for carrying out the day-to-day business and affairs of the
182 Corporation. The Executive Director shall direct and coordinate broad corporate activities toward
183 achieving corporate objectives in accordance with policies established by Board. The President shall be
184 responsible for the effective operation of the Corporation.

185
186 **5.5 Recording Secretary.** The role of recording secretary shall be filled by assignment by the
187 Executive Director of Region 1 Joint Planning Commission. The Recording Secretary shall give notice of
188 any meetings of the Board for which notice is required, shall keep in a permanent record complete
189 minutes of all meetings of the Board, shall have charge of the Corporate Seal of the Corporation and
190 shall affix the same to all instruments requiring attestation at the request of the Chairperson.

191
192 **5.9 Removal.** Any officer elected or appointed by the Board may be removed by the Board
193 whenever in its judgment the best interests of the Corporation would be served thereby but such
194 removal shall be without prejudice to the contract rights, if any, of the person so removed.

195
196 **5.10 Annual Report.** All officers must submit a written annual report at the annual meeting.
197 Submission of a copy of Statement of Economic Interest filed with a State of Illinois County Clerk will be
198 accepted in lieu of form report.

199
200 **ARTICLE VI**
201 **COMMITTEES**

202 **6.1 Purpose of Committees.** The purpose of committees that may be assigned from time to time by
203 the Board is to make recommendations to the Board and, to the extent the Board by resolution
204 authorizes such action, to exercise the authority of the Board on certain matters.

205
206 **6.2 Quorum.** The presence of a majority of the members of a committee shall constitute a quorum
207 for the transaction of business.

208
209 **6.3 Manner of Acting.** At all committee meetings, committee approval requires a vote of a majority
210 of the members entitled to vote thereon who shall be present at the meeting where a quorum is
211 present.

212
213 **6.4 Appointment of Committees.** The Board shall determine the need for committees necessary to
214 conduct the business of the Corporation.

215
216 **6.5 Minutes of Meetings.** All committees of the Board shall keep regular minutes of their

R1 Foundation
CORPORATE BYLAWS

217 proceedings and report the same to the Board when asked to do so by the Board.

218

219 **ARTICLE VII**

220 **CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

221 **7.1 Contracts.** The Board may by resolution authorize any officer or officers, or agent or agents, to
222 enter into any contract or execute and deliver any instrument in the name of and on behalf of the
223 Corporation, and such authority may be general or confined to specific instances.

224

225 **7.2 Loans.** No loans shall be contracted on behalf of the Corporation.

226

227 **7.3 Checks.** All checks, drafts or other orders for the payment of money issued in the name of the
228 Corporation shall be signed by the Executive Director or his appointee except as otherwise outlined by
229 the Board.

230

231 **7.4 Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to
232 time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board
233 may select.

234

235 **7.5 Gifts and Grants.** The Board may accept on behalf of the Corporation any contribution, gift,
236 grant, bequest or devise for the general purpose or any special purposes of the Corporation.

237

238 **ARTICLE VIII**

239 **FISCAL POLICY**

240 The Commission shall serve as the Corporation fiscal and administrative agent. Accordingly, the fiscal
241 year of the Corporation shall be a commensurate with that of the Commission.

242

243 The Executive Director shall keep full and accurate records and accounts in books belonging to the
244 Corporation showing the transactions of the Corporation, its accounts and liabilities and financial
245 condition, and shall see to it that all expenditures are evidenced by proper receipts and vouchers. The
246 Executive Director shall make full report of the financial condition of the Corporation at the request of
247 the Board, and shall perform such other duties as may be required by the Board from time to time.

248

249 **ARTICLE IX**

250 **AMENDMENTS**

251 These bylaws may be altered, amended or repealed, and new bylaws adopted, at any annual, regular or
252 special meeting of the Board at which a quorum is present by a majority vote of the Directors of the

R1 Foundation
CORPORATE BYLAWS

253 Corporation, provided that ten days advance written notice is given to each director of the intention to
254 alter, amend, or repeal the bylaws.

255

256 **ARTICLE X**

257 **WAIVER OF NOTICE**

258 Whenever notice is required to be given under the provisions of the General Not-For-Profit Corporation
259 Act of Illinois or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a
260 waiver thereof in writing signed by the person or persons entitled to such notice, whether before or
261 after the time stated therein, shall be deemed equivalent to the giving of such notice.

262

263 **ARTICLE XI**

264 **RESTRICTION OF ACTIVITIES**

265 The activities of the Corporation shall be restricted by the Articles of Incorporation and by these Bylaws,
266 as follows:

267

268 **11.1 *No Private Inurement.*** No part of the net earnings of the Corporation shall inure to the benefit
269 of, or be distributable to its Directors, trustees, officers, or other private persons, except that the
270 Corporation shall be authorized and empowered to pay reasonable compensation for services rendered
271 and to make reasonable payments and distributions in furtherance of the purposes set forth in the
272 Articles of Incorporation and these Bylaws.

273

274 **11.2 *Non-Political.*** No substantial part of the activities of the Corporation shall be the carrying on of
275 propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate
276 in, or intervene in (including the publishing or distribution of statements) any political campaign on
277 behalf of or in opposition to any candidate for public office.

278

279 **11.3 *Non-Permitted Code Requirements.*** Notwithstanding any other provision of these Articles, the
280 Corporation shall not carry on any other activities not permitted to be carried on (i) by a Corporation
281 exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the
282 corresponding section of any future federal tax code, or (ii) by a Corporation, contributions to which are
283 deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any
284 future federal tax code.

285

286 **11.4 *Dissolution.*** The Corporation may be dissolved in accordance with the laws of the State of
287 Illinois upon the affirmative vote of at least two-thirds of the Board, and in accordance with the
288 provisions of the Articles of Incorporation of the Corporation relating to dissolution. The Corporation

R1 Foundation
CORPORATE BYLAWS

289 may be dissolved in accordance with the laws of the State of Illinois upon the affirmative vote of at least
290 two-thirds of the Board, and in accordance with the provisions of the Articles of Incorporation of the
291 Corporation relating to dissolution. In the event of dissolution or liquidation of the Corporation, and
292 after payment of its just debts and liabilities, all remaining assets shall be distributed to the Commission.
293

294 **11.5 No Self-Dealing.** The Corporation shall not engage in any act of self-dealing as defined in Section
295 4941(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code.
296

297 **11.6 Income Distribution.** The Corporation shall distribute its income for each tax year at such time
298 and in such manner as not to become subject to the tax on undistributed income imposed by Section
299 4942 of the Internal Revenue Code, or the corresponding section of any future federal tax code.
300

301 **11.7 No Excess Business Holdings.** The Corporation shall not retain any excess business holdings as
302 defined in Section 4943(c) of the Internal Revenue Code, or the corresponding section of any future
303 federal tax code.
304

305 **11.8 Investment Restrictions.** The Corporation shall have the right to retain all or any part of any
306 securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it,
307 according to the judgment of the Board, without being restricted to the class of investments which a
308 Director is or may be permitted by law to make or any similar restriction, provided, however, that no
309 action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or
310 would result in the denial of the tax exemption under Section 503 or Section 507 of the Internal
311 Revenue Code and its Regulations as they now exist or as they may be amended.
312

313 **11.9 No Taxable Expenditures.** The Corporation shall not make any taxable expenditures a defined in
314 Section 4945(d) of the Internal Revenue Code, or the corresponding section of any future federal tax
315 code.
316

317 **11.10 Exempt Activities.** Notwithstanding any other provision of these Bylaws, no Director, officer,
318 employee, or representative of this Corporation shall take any action or carry on any activity by or on
319 behalf of the Corporation not permitted to be taken or carried on by an organization exempt under
320 Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may be
321 amended, or by an organization contributions to which are deductible under Section 170(c)(2) of such
322 Code and Regulations as they now exist or as they may be amended.
323
324

R1 Foundation
CORPORATE BYLAWS

325 **ARTICLE XII**

326 **INDEMNIFICATION**

327 **12.1 *Civil, Criminal, or Administrative Action.*** In accordance with §108.75(a) of the Illinois General-
328 Not-For Profit Corporation Act of 1986, any person who was or is a party or is threatened to be made a
329 party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal,
330 administrative or investigative (other than an action by or in the right of the Corporation) by reason of
331 the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at
332 the request of the Corporation as a director, officer, employee, agent or trustee of another Corporation,
333 partnership, joint venture, trust or other enterprise, or as a member of any administrative committee or
334 other committee of any plan created under a trust, shall be indemnified against expenses (including
335 attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by
336 him in connection with such action suit or proceeding if he acted in good faith and in a manner he
337 reasonably believed to be in, or not opposed to the best interest of the Corporation, and with respect to
338 any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The
339 termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea
340 of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act
341 in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest
342 of the Corporation, and with respect to any criminal action or proceeding had reasonable cause to
343 believe that his conduct was unlawful.

344

345 **12.2 *By or In Right of Corporation.*** In accordance with §108.75(b) of the Illinois General-Not-For
346 Profit Corporation Act of 1986, any person who was or is a party or is threatened to be made a party to
347 any threatened, pending or completed action or suit by or in the right of the Corporation to procure a
348 judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the
349 Corporation, or is or was serving at the request of the Corporation as a director, officer, employee,
350 agent or trustee of another Corporation, partnership, joint venture, trust or other enterprise, or any
351 member of any administrative or other committee of any plan created under a trust shall be indemnified
352 against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with
353 the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably
354 believed to be not opposed to the best interest of the Corporation except that no indemnification shall
355 be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be
356 liable for gross negligence or material misconduct in the performance of his duty to the Corporation,
357 unless, and only to the extent that the court in which such action or suit was brought shall determine
358 upon application that, despite the adjudication of liability, but in view of all the circumstances of the
359 case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall
360 deem proper.

R1 Foundation
CORPORATE BYLAWS

361
362 **12.3 Reimbursement Authorized.** To the extent that a director, officer, employee or agent of the
363 Corporation has been successful, on the merits or otherwise in defense of any action, suit or proceeding
364 referred to in Sections 12.1 or 12.2 of this Article, or in defense of any claim, issue or matter therein, he
365 shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by
366 him in connection therewith.

367
368 **12.4 Determination if Reimbursement if Proper.** Any indemnification under Sections 12.1 or 12.2 of
369 this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the
370 specific case, upon a determination that indemnification of the director, officer, employee, agent,
371 trustee or plan member is proper in the circumstances because he had met the applicable standard of
372 conduct set forth in Sections 12.1 or 12.2 of this Article. Such determination shall be made: (1) by the
373 Board by a majority vote of a quorum consisting of disinterested Directors, or (2) if such quorum is not
374 obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal
375 counsel in a written opinion.

376
377 **12.5 Advance of Expenses.** Expenses incurred in defending a civil or criminal action, suit or
378 proceedings may be paid by the Corporation in advance of the final disposition of such action, suit or
379 proceeding as authorized by the Board in the specific case, upon receipt of an undertaking by or on
380 behalf of the director, officer, employee, agent, trustee or plan member to repay such amount, unless it
381 shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in
382 this Article.

383
384 **12.6 Non-Exclusivity.** The indemnification provided by this Article shall not be deemed exclusive of
385 any other rights to which those seeking indemnification may be entitled under any agreement, vote of
386 disinterested Directors, or otherwise, both as to action in his official capacity, and as to action in another
387 capacity while holding such office, and shall continue as to a person who has ceased to be such a
388 director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and
389 administrators of such a person.

390
391 **12.7 Right to Acquire Insurance.** The Corporation may purchase and maintain insurance on behalf of
392 any person who is or was a director, officer, employee, agent or trustee of the Corporation or who is or
393 was serving at the request of the Corporation as a director, officer, employee or agent of another
394 corporation, partnership, joint venture, trust or other enterprise against any liability asserted against
395 him and incurred by him in any such capacity, or arising out of his status as such, whether or not the
396 Corporation would have the power to indemnify him against such liability under the provisions of this

R1 Foundation
CORPORATE BYLAWS

397 Article.

398

399 **12.8 Volunteer Liability Limitation.** Each individual who provides services to or on behalf of the
400 Corporation without compensation (“Volunteer”) shall be immune from liability to any person for
401 damages, settlements, fees, fines, penalties or other monetary liabilities arising from any act or omission
402 as a Volunteer, to the fullest extent provided by state or federal law. For purposes of this section, it
403 shall be conclusively presumed that any Volunteer who is licensed, certified, permitted or registered
404 under state law and who is performing services to or on behalf of the Corporation without
405 compensation is not acting within the scope of his or her professional practice under such license,
406 certificate, permit or registration, unless otherwise expressly indicated to the Corporation in writing.

407

408 **12.8 Severability.** The invalidity or the enforceability of any provision in these bylaws shall not affect
409 the validity or enforceability of the remaining provisions set forth.

410

411 **ARTICLE XIII**

412 **CONFLICT OF INTEREST**

413 **13.1 Purpose.** The purpose of the conflict of interest policy is to protect the Corporation’s interest
414 when it is contemplating entering into a transaction or arrangement that might benefit the private
415 interest of an officer or director of the Corporation or might result in a possible excess benefit
416 transaction. This policy is intended to supplement but not replace any applicable state and federal laws
417 governing conflict of interest applicable to nonprofit and charitable corporations.

418

419 **13.2 Definitions.** The following definitions shall apply to this Article.

420 **13.2.1 Interested Person.** Any director, principal officer, or member of a committee with
421 governing board delegated powers, who has a direct or indirect financial interest, as defined
422 below, is an interested person.

423 **13.2.2 Financial Interest.** A person has a financial interest if the person has, directly or
424 indirectly, through business, investment, or family:

425 **(1) Ownership.** An ownership or investment interest in any entity
426 with which the Corporation has a transaction or arrangement,

427 **(2) Compensation.** A compensation arrangement with the
428 Corporation or with any entity or individual with which the Corporation
429 has a transaction or arrangement, or

430 **(3) Negotiating Entity.** A potential ownership or investment
431 interest in, or compensation arrangement with, any entity or individual
432 with which the Corporation is negotiating a transaction or arrangement.

R1 Foundation CORPORATE BYLAWS

433 A financial interest is not necessarily a conflict of interest. Under Section 13.3.2, a person who
434 has a financial interest may have a conflict of interest only if the appropriate governing Board or
435 Committee decides that a conflict of interest exists.

436

437 **13.2.3 Compensation.** Compensation includes direct and indirect remuneration as well as gifts
438 or favors that are not insubstantial.

439

440 **13.3 Procedures.** The following procedures shall be followed in order to determine whether or not a
441 conflict of interest exists.

442 **13.3.1 Duty to Disclose.** In connection with any actual or possible conflict of interest,
443 an interested person must disclose the existence of the financial interest and be given
444 the opportunity to disclose all material facts to the Directors and members of
445 committees with governing board delegated powers considering the proposed
446 transaction or arrangement.

447 **13.3.2 Determining Whether a Conflict of Interest Exists.** After disclosure of the
448 financial interest and all material facts, and after any discussion with the interested
449 person, he/she shall leave the Board or Committee meeting while the determination of
450 a conflict of interest is discussed and voted upon. The remaining Board or Committee
451 members shall decide if a conflict of interest exists.

452 **13.3.3 Procedures for Addressing the Conflict of Interest.** The following procedures
453 shall apply for addressing a conflict of interest:

454 **(1) Presentation.** An interested person may make a presentation at
455 the Board or Committee meeting, but after the presentation, he/she
456 shall leave the meeting during the discussion of, and the vote on, the
457 transaction or arrangement involving the possible conflict of interest.

458 **(2) Investigation.** The chairperson of the Board or Committee shall,
459 if appropriate, appoint a disinterested person or committee to
460 investigate alternatives to the proposed transaction or arrangement.

461 **(3) More Advantageous Result.** After exercising due diligence, the
462 Board or Committee shall determine whether the Corporation can
463 obtain with reasonable efforts a more advantageous transaction or
464 arrangement from a person or entity that would not give rise to a
465 conflict of interest.

466 **(4) Best Interest.** If a more advantageous transaction or
467 arrangement is not reasonably possible under circumstances not
468 producing a conflict of interest, the Board or Committee shall determine

R1 Foundation CORPORATE BYLAWS

469 by a majority vote of the disinterested Directors whether the
470 transaction or arrangement is in the Corporation's best interest, for its
471 own benefit, and whether it is fair and reasonable. In conformity with
472 the above determination it shall make its decision as to whether to
473 enter into the transaction or arrangement.

474 **13.3.4** Violations of the Conflicts of Interest Policy. If the board determines that a
475 possible violation of the Conflicts of Interest Policy has occurred, the following shall
476 apply.

477 (1) Notice to Member. If the Board or Committee has reasonable
478 cause to believe a member has failed to disclose actual or possible
479 conflicts of interest, it shall inform the member of the basis for such
480 belief and afford the member an opportunity to explain the alleged
481 failure to disclose.

482 (2) Action. If, after hearing the member's response and after
483 making further investigation as warranted by the circumstances, the
484 Board or Committee determines the member has failed to disclose an
485 actual or possible conflict of interest, it shall take appropriate
486 disciplinary and corrective action.

487
488 **13.4** *Records of Proceedings*. The minutes of the Board and all committees with board delegated
489 powers shall contain:

490 **13.4.1** Financial Interest. The names of the persons who disclosed or otherwise were
491 found to have a financial interest in connection with an actual or possible conflict of
492 interest, the nature of the financial interest, any action taken to determine whether a
493 conflict of interest was present, and the board of director's or committee's decision as
494 to whether a conflict of interest in fact existed.

495 **13.4.2** Members Present. The names of the persons who were present for discussions
496 and votes relating to the transaction or arrangement, the content of the discussion,
497 including any alternatives to the proposed transaction or arrangement, and a record of
498 any votes taken in connection with the proceedings.

499
500 **13.5** *Compensation*. The following provisions shall apply to any individual board member or board
501 committee member who receives compensation from the Corporation.

502 **13.5.1** Board Member. A voting member of the Board who receives compensation,
503 directly or indirectly, from the Corporation for services is precluded from voting on
504 matters pertaining to that member's compensation.

R1 Foundation
CORPORATE BYLAWS

505 **13.5.2 Committee Member.** A voting member of any committee whose jurisdiction
506 includes compensation matters and who receives compensation, directly or indirectly,
507 from the Corporation for services is precluded from voting on matters pertaining to that
508 member’s compensation.

509 **13.5.3 Information.** No voting member of the Board or any committee whose
510 jurisdiction includes compensation matters and who receives compensation, directly or
511 indirectly, from the Corporation, either individually or collectively, is prohibited from
512 providing information to any committee regarding compensation.
513

514 **13.6 *Acknowledgment Statement.*** Each director, principal officer and member of a committee with
515 board delegated powers shall sign a statement which affirms such person:

516 **13.6.1 Copy of Policy.** Has received a copy of the conflicts of interest policy,

517 **13.6.2 Policy Understanding.** Has read and understands the policy,

518 **13.6.3 Agreement.** Has agreed to comply with the policy, and

519 **13.6.4 Tax Exempt Status.** Understands the Corporation is a charitable entity and in
520 order to maintain its federal tax exemption it must engage primarily in activities which
521 accomplish one or more of its tax-exempt purposes.
522

523 **13.7 *Periodic Reviews.*** To ensure the Corporation operates in a manner consistent with charitable
524 purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews
525 shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

526 **13.7.1 Reasonable Compensation.** Whether compensation arrangements and benefits
527 are reasonable, based on competent survey information, and the result of arm’s length
528 bargaining.

529 **13.7.2 Partnerships.** Whether partnerships, joint ventures, and arrangements with
530 management Corporations conform to the Corporation’s written policies, are properly
531 recorded, reflect reasonable investment or payments for goods and services, further
532 charitable purposes and do not result in inurement, impermissible private benefit or in
533 an excess benefit transaction.
534

535 **13.8 *Use of Outside Experts.*** When conducting the periodic reviews as provided for in Section 13.7
536 above, the Corporation may, but need not, use outside advisors. If outside experts are used, their use
537 shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.
538

539

**R1 Foundation
CORPORATE BYLAWS**

540 These Bylaws were adopted by action of the R1 Foundation Board of Directors on the 25th day of June,
541 2021.

542

543

544 _____

545 Chairman

546

547 _____

548

Attest