



BYLAWS

DESTINATION IMAGINATION, INC.

Revised April 25, 2018

ARTICLE 1 **OFFICES**

SECTION 1. PRINCIPAL OFFICE

The principal office of the Destination Imagination, Inc. (the “Corporation”) is located at 1111 South Union Avenue, Cherry Hill, New Jersey.

SECTION 2. CHANGE OF ADDRESS

The designation of the Corporation's principal office may be changed by resolution of the Board of Trustees (the “Board”).

SECTION 3. OTHER OFFICES

The Corporation may also have offices at such other places, within or without its state of Incorporation as its business and activities may require, and as the Board may, from time to time, designate.

ARTICLE 2

NONPROFIT PURPOSES

SECTION 1. ORGANIZATIONAL PURPOSES

The Corporation is a non-membership organization operated exclusively for charitable and educational purposes or any other purpose within the meaning of N.J.S.A. § 15A:2-1 and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any successor federal tax laws) and shall function according to the laws of New Jersey.

ARTICLE 3

TRUSTEES

SECTION 1. GENERAL POWERS / NUMBER / TERM

A. General Powers

The Corporation shall have a Board of Trustees. The Board shall govern, direct, and oversee the Corporation's affairs. The Board may delegate certain responsibilities to an Executive Council, Committees, and Working Groups. The Board's responsibilities include:

1. Setting the mission, values, and Strategic Plan for the Corporation;
2. Providing advice, counsel, and support to the Corporation's Chief Executive Officer ("CEO");
3. Selecting, evaluating, fixing the compensation of, and when appropriate, replacing the CEO;
4. Establishing measures for organizational performance;
5. Reviewing the Corporation's program for management development and succession planning;
6. Overseeing the conduct of the Corporation's business and strategic plans to evaluate whether the business is being properly managed in accordance with the Corporation's mission and Strategic Plan;
7. Reviewing and approving the Corporation's fundraising and development plans, budgets, and actions;
8. Reviewing and approving the Corporation's annual budget, financial objectives, and other major organizational plans and actions;

9. Reviewing and approving significant changes in the Corporation's auditing and accounting principles and practices;
10. Providing oversight and ensuring the integrity of internal and external audit process, financial reporting and recordkeeping, including reviewing the Corporation's Form 990 prior to filing;
11. Providing oversight of risk assessment and protection processes ensuring appropriate management of significant risks;
12. Keeping confidential all non-public information that relates to the Corporation's business. Such information includes, but is not limited to, information regarding finances and operations, donor lists, mailing lists and any information relating to fundraising (including fundraising efforts, plans, ideas, and proposals), minutes, reports and materials of the Board and its Committees, and other documents identified as confidential;
13. Ensuring that systems and processes designed to promote legal and ethical compliance are reasonably effective and monitoring the Corporation's compliance with applicable law;
14. Monitoring the effectiveness of the Corporation's governance practices and organizational documents and making changes as needed;
15. Performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by applicable law; and
16. Annually, the Board will review and approve the Corporation's business, development, and financial plan(s), evaluate the CEO's performance and the Board's performance including the performance of Board Committees and Working Groups, and assess the Corporation's progress against the Corporation's Strategic Plan.

B. Number

The Board shall consist of up to Twenty-One (21) individuals.

1. At least a **majority** of the Board shall have a minimum of five (5) years of experience serving as a volunteer for the Corporation or organization with which the Corporation has entered into a license agreement to administer the Corporation's programs in the territory set forth in such license agreement (each, an "Affiliate") prior to becoming a Trustee.
2. The Destination Imagination Affiliate Director organization ("DIAD") President and Vice President shall be Trustees.

3. DIAD shall also have the right to designate two Trustees, one of whom must serve as representative for non-U.S. Affiliates. If there is a vacancy, such designee(s) shall be elected at the DIAD annual meeting, with the candidate in each vacant category receiving the greatest number of votes being elected as the designee for that category. Each Affiliate will have one vote which must be cast by the Licensee Appointed Authorized Representative as designated by the Affiliate in its license agreement. If DIAD does not designate a representative for which a vacancy exists at the DIAD meeting, the Board, on application from a DIAD member that represents the applicable constituency, may select such person to fill such vacancy.
4. The CEO shall be a non-voting Trustee.
5. The Board shall elect up to seventeen (17) individuals to be Trustees. The Nominating and Board Performance Committee shall nominate and recommend individuals to fill vacant Board seats.

C. Executive Council

The Board will delegate authority and activities to the Executive Council. The Executive Council shall exercise powers of the Board for matters that arise between regularly scheduled Board meetings or when it is not practical or feasible for the Board to meet.

1. The Executive Council is delegated the authority to act on behalf of the Board when exercising powers and authority, subject to the limitations in Article 4, Section 7.B.1 of these Bylaws. The Executive Council will include up to twelve (12) members.
 - a. The Executive Council shall at least include seven (7) ex officio members: the Board Chair, Vice Chair, Secretary, Treasurer, the DIAD President, the CEO, and Chair Emeritus. The CEO is a non-voting Executive Council member. Non ex officio Council members must serve as Chair of a Board Committee or Working Group.
 - b. The Executive Council shall include the Chairs of the following Board Committees: Nominating and Board Performance, Development, and Management/Program Oversight.
 - c. The Executive Council may include two (2) additional members elected by the Board and serving as Committee or Working Group Chairs.

D. Trustee Terms

1. Trustees shall be appointed to serve a term of four (4) years.
2. Trustee terms shall begin upon appointment unless otherwise designated.

3. Trustees may serve a maximum of two consecutive terms or eight consecutive years. Exception allowed for a person elected to the Vice Chair/Chair/Emeritus position to complete the cycle of the office.
4. A former Trustee may be appointed to the Board after a waiting period of one (1) year or more after completing a prior term.
5. For the purpose of the transition, the current terms of the 2014-2015 Board are extended by two years from October 1, 2015 to September 30, 2017. Once the term extension has expired, the remaining length of their elected terms will continue to completion.

SECTION 2. QUALIFICATIONS

1. Trustees shall be at least twenty-one (21) years of age.
2. Trustees must not be paid employees, advisors or consultants of the Corporation.
3. Trustees must not be related to another Trustee or Corporation employee (e.g., spouse, domestic partner, parent, sibling, in-law).

SECTION 3. COMPENSATION

Trustees shall serve without compensation. Trustees may receive reasonable advancement or reimbursement of expenses incurred in the performance of their duties, subject to policies adopted by the Board.

SECTION 4. SELECTION

Trustee seats shall be filled in accordance with the policies and procedures as defined by the Board.

SECTION 5. REMOVAL

Trustees and the CEO may be removed from office with or without cause, as permitted by and in accordance with the laws of the State of New Jersey and the terms of any agreement between the Corporation and the CEO ("CEO Agreement"). In no event shall a Trustee or the CEO be removed by less than two-thirds vote of the then sitting Board and without having had the opportunity to be heard.

SECTION 6. PLACE OF MEETINGS

Meetings shall be held at the principal office of the Corporation or at such other place as may be designated from time to time by mutual agreement of the Board.

SECTION 7. REGULAR MEETINGS

- A. The Board shall meet in person at least one (1) time annually. The Board may meet more frequently as deemed necessary by events and as directed by the Chair of the Board. During the in-person annual meeting, the Board shall:
 - 1. Assess the Corporation's progress against the Corporation's strategic plan;
 - 2. Review and approve the Corporation's business, development, and financial plan(s);
 - 3. Review and approve CEO and Board performance findings;
 - 4. Review and approve Committee and Working Group year-end reports;
 - 5. Establish any ad hoc Committees and Working Groups for the upcoming year;
 - 6. Approve the Board's meeting schedule for the upcoming year; and
 - 7. If applicable, appoint new Trustees and elect the Board Chair, Vice Chair, and other Officers.
- B. The Executive Council shall meet in person at least three (3) times each year. The Executive Council may meet more frequently and by telephone calls (by means of a conference call or similar method of communications through which all persons participating in such meetings can hear each other) as deemed necessary by the Chair of the Board.
- C. The Board will announce its meeting schedule before October 1 of each year.

SECTION 8. SPECIAL MEETINGS

Special meetings of the Board or Executive Council may be called by the Chair of the Board. The CEO and Trustees may request the Chair to call a special meeting.

SECTION 9. NOTICE OF MEETINGS

Unless otherwise provided by the Certificate of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the Board:

A. Regular Meetings

Notification of meetings shall be given no fewer than ten (10) days prior to the meeting.

B. Annual Meeting

Notification and agenda of the annual meeting shall be given no less than one (1) month prior to the meeting.

C. Special Meetings

Written notice stating the date, time, place, and the purposes for which the meeting is being held shall be given at least five (5) days before the date of the special meeting. Notice can be given by mail, fax or e-mail. The date of notice shall be date of postmark or transmission. The notice requirement of a special meeting may be waived by a majority vote of the Board.

SECTION 10. QUORUM FOR MEETINGS

A. Board Meetings

A quorum shall consist of a majority of the voting members of the Board exclusive of vacant trusteeships. Except as otherwise provided under the Certificate of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the Board if a quorum is not present and the only motion which the Chair shall entertain at such a meeting is a motion to adjourn.

B. Executive Council Meetings

A quorum shall consist of a majority of the voting members of the Executive Council. Except as otherwise provided under the Certificate of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the Executive Council at any meeting at which the required quorum of the Executive Council is not present, and the only motion which the Chair shall entertain at such a meeting is a motion to adjourn.

SECTION 11. VOTING

All matters requiring a vote shall be decided by a majority vote of Trustees voting thereon, unless otherwise provided under these Bylaws. Except as otherwise provided under these Bylaws, each Trustee shall have one (1) vote.

SECTION 12. MAJORITY ACTION AS BOARD ACTION

Subject to the Conflict of Interest Policy of the Board, as amended from time to time, every act or decision of a majority of the voting members of the Trustees present at a meeting duly held at which a quorum is present is the act of the Board unless the Certificate of Incorporation, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 13. CONDUCT OF MEETINGS

- A. Meetings of the Board shall be presided over by the Chair of the Board or, if no such person has been so designated or, in the Chair's absence, the Vice Chair of the Board or, in the absence of each of these persons, by a Chair chosen by a majority of the Trustees present at the meeting. Meetings shall be governed by such informal rules of order as the Board may adopt from time to time.

- B. Electronic or Telephonic Meetings

Trustees may participate in meetings of the Board by any electronic or telephonic means approved by the Board by which all persons participating can hear the words of each other at the same time to the extent permitted by law, and participation by such means shall constitute presence in-person at such a meeting.

SECTION 14. VACANCIES

Vacancies on the Board shall exist (1) on the death, resignation or removal of any Trustee, (2) whenever the number of authorized Trustees is increased, or (3) at the end of a Board term. Any Trustee may resign effective upon giving written notice to the Chair of the Board. No Trustee may resign if the Corporation would then be left without a duly elected Trustee or Trustees in charge of its affairs except upon notice to the Office of the Attorney General or other appropriate agency of this State. Unless otherwise prohibited by the Certificate of Incorporation, these Bylaws or provisions of law, vacancies on the Board may be filled by the Board. If the number of Trustees then in office is less than a quorum, a vacancy on the Board may be filled by a majority of the Trustees then in office or by a sole remaining Trustee. A person elected to fill a vacancy on the Board shall hold office until the next election of the Board of Trustees or until his or her death, resignation or removal from office.

SECTION 15. NONLIABILITY OF TRUSTEES

The Trustees shall not be personally liable for the debts, liabilities, or other obligations of the Corporation. Any and all creditors of the Corporation shall look only to the assets of the Corporation for payment.

SECTION 16. INDEMNIFICATION AND INSURANCE

- A. In General, to the full extent permitted by, and in accordance with the procedures prescribed in Section 15A:3-4 of the Act, the Corporation shall indemnify each Corporate Agent (as hereinafter defined) against the Corporate Agent's reasonable costs, disbursements, and counsel fees ("Expenses") and amounts paid or incurred in satisfaction of settlements, judgments, fines, and penalties ("Liabilities") in connection with any pending, threatened, or completed civil, criminal, administrative, or arbitratative action, suit, or proceeding, and any appeal therein and any inquiry or investigation which could lead to an action, suit, or proceeding (any of the foregoing is hereinafter referred to as a "Proceeding"), involving the Corporate Agent because the Corporate Agent is or was a Corporate Agent, respectively, but other than a Proceeding by or in the right of the Corporation, if:
1. The Corporate Agent acted in good faith and in a manner which the Corporate Agent reasonably believed to be in or not opposed to the best interests of the Corporation; and
 2. With respect to any criminal proceeding, the Corporate Agent had no reasonable cause to believe the conduct was unlawful.

The termination of any Proceeding by judgment, settlement, order, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the Corporate Agent did not act in good faith and in a manner which the Corporate Agent reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had no reasonable cause to believe that the Corporate Agent's conduct was unlawful.

- B. Corporate Agent. For purposes of this Article, the term "Corporate Agent" means any person who is or was a trustee, officer, employee, or agent of the Corporation, or of any constituent corporation absorbed by the Corporation in a consolidation or merger and any person who is or was an, officer, employee, agent, or trustee of any other enterprise, serving as such at the request of the Corporation, or of the constituent corporation, or the legal representative of the, officer, employee, agent, or trustee.
- C. Certain Corporation Proceedings. The Corporation shall indemnify each Corporate Agent against the Corporate Agent's Expenses and in connection with any Proceeding by or in the right of the Corporation to procure a judgment in its favor which involves the Corporate Agent by reason of being or having been the Corporate Agent, if the Corporate Agent acted in good faith and in a manner which the Corporate Agent reasonably believed to be in or not opposed to the best interest of the Corporation. There shall be a presumption that the Corporate Agent acted in good faith and in a manner which the Corporate Agent reasonably believed to be in or not opposed to the best interests of the Corporation, unless and until a court of competent

- jurisdiction determines otherwise. However, in such Proceeding, no indemnification shall be provided in respect of any claim, issue, or matter as to which such Corporate Agent was liable to the Corporation, unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such Corporate Agent is fairly a reasonably entitled to indemnity for such expenses as the court shall deem proper.
- D. Corporate Agent Successful on the Merits. To the extent that a Corporate Agent has been successful on the merits or otherwise in defense of any Proceeding referred to in Section A or C or in defense of any claim, issue, or matter therein, he or she shall be indemnified against Expenses actually and reasonably incurred by the Corporate Agent in connection therewith.
- E. Board Authorization. Any indemnification under Paragraph A and, unless ordered by a court, Paragraph C, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Corporate Agent is proper in the circumstances because the Corporate Agent has met the applicable standards of conduct set forth in Paragraph A or C, respectively. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of Trustees who were not parties to or otherwise involved in such Proceeding or (2) if such a quorum is not obtainable, or even if obtainable, if a majority of such quorum of disinterested trustees so directs, by independent legal counsel in a written opinion. In making this determination, if appropriate, consideration shall be given to whether the payment of the indemnification would give rise to a material self-dealing risk of (i) a loss of tax-exempt status of the Corporation, or (ii) an act of self-dealing under Code Section 4941, or an excess benefit transaction under Code Section 4958, to the extent applicable to the Corporation at that time. Indemnification shall not be made because of such a risk only if the legal opinion of an appropriate counsel is provided that supports that there is at least a reasonable basis for such a risk.
- F. Advance Payments. Expenses incurred by a Corporate Agent in connection with a Proceeding shall be paid by the Corporation in advance of the final disposition of the Proceeding upon receipt of an undertaking by or on behalf of the Corporate Agent to repay the amount unless it is ultimately determined that the Corporate Agent is entitled to be indemnified.
- G. No Infringement on Other Rights. The indemnification and advancement of Expenses provided by or granted pursuant to this Article shall not exclude any other rights to which a Corporate Agent seeking indemnification may be entitled under any other statute, provision in the Corporation's Certificate of Incorporation, agreement, vote of disinterested trustees, or otherwise, and shall continue as to a person who has ceased to be a Corporate Agent and shall inure to the benefit of the heirs, executors, and administrators of such a person, provided, however, that no indemnification shall be made to or on behalf of a Corporate Agent if a judgment or other final adjudication

adverse to the Corporate Agent establishes that his or her acts or omissions were in breach of his duty of loyalty to the Corporation, were not in good faith or involved a knowing violation of law, or resulted in receipt by the Corporate Agent of an improper personal benefit.

- H. Insurance. Upon specific authorization by the Board, the Corporation shall have power to purchase and maintain insurance on behalf of any Corporate Agent against any Expense incurred in any Proceeding and any Liability asserted by reason of the Corporate Agent being or having been a Corporate Agent, whether or not the Corporation would have the power to indemnify the Corporate Agent against such Expenses or Liabilities under the provisions of this Section.
- I. Acting as Witness. This Section does not limit the Corporation's power to pay or reimburse expenses incurred by a Corporate Agent in connection with Corporate Agent's appearance as a witness in a proceeding at a time when the Corporate Agent has not been made a party to the Proceeding.
- J. Enforceability. The invalidity or unenforceability of any provision in this Section shall not affect the validity or enforceability of the remaining provisions of this Section. Any word or phrase not defined herein shall have the meaning ascribed to it in Section 15A:3-4 of the Act, as that section may be amended from time to time.

ARTICLE 4

OFFICERS OF THE CORPORATION

SECTION 1. DESIGNATION OF OFFICERS

The officers of the Corporation shall be the Chair of the Board, the Vice Chair of the Board, Secretary, and Treasurer.

SECTION 2. DUTIES AND ELECTION OF CHAIR OF THE BOARD OF TRUSTEES

- A. Duties: The Chair will

1. Perform all duties incident to that office and such other duties as may be required by law, by the Certificate of Incorporation, by these Bylaws, or which may be prescribed from time to time by the Board;
 2. Except as otherwise provided herein, be present and preside at all meetings of the Board and Executive Council;
 3. Provide leadership to the Board;
 4. Serve ex officio on all Board Committees;
 5. Serve as the “Chief Volunteer” for the Corporation;
 6. Work in partnership with the CEO: reviews with the CEO any issues of concern to the Board; discusses issues confronting the Corporation with the CEO;
 7. Appoint Board Committee Chairs;
 8. Serve as a spokesperson and representative of the Corporation and the Board;
 9. Not hold any other office in the Corporation.
- B. Qualifications; Election: Only a voting member of the Executive Council is eligible to be elected Chair. The Board shall elect the Chair by majority vote from the Current Executive Council. The Vice Chair will be the candidate for Chair unless the Vice Chair is unable to serve. The office of Chair will be held for two years, renewable for two additional years, after which he or she will serve as Chair Emeritus for one additional year, provided that notwithstanding anything contained to the contrary in these By-laws if the Chair’s term as Trustee has expired at the time that the Chair is to serve as Chair Emeritus, then the Chair’s term shall be automatically extended for one additional year and if such extension results in the Board having more than 21 members, then the Board may have 22 members until the end of such one-year term.

SECTION 3. DUTIES OF VICE CHAIR OF THE BOARD OF TRUSTEES

- A. Duties: The Vice Chair will:
1. Serve as successor to the Chair.
 2. In the absence of the Chair, or in the event of the Chair’s inability or refusal to act, shall perform all the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions on the Chair.

3. Have other powers and perform such other duties as may be prescribed by law, by the Certificate of Incorporation, by these Bylaws, or as may be prescribed by the Board.
 4. Except as otherwise provided herein, be present and preside at all meetings of the Board of Trustees and Executive Council.
 5. Serve ex officio on all Board Committees.
 6. Monitor and support the performance of all Board Committees.
 7. Work in partnership with the Chair.
 8. Not hold any other office in the Corporation.
- B. Election: The Board shall elect a Vice Chair from the Current Executive Council for a term of two years, to then consecutively serve as the Chair. The Vice Chair position may be renewed for a second two year term.

SECTION 4. DUTIES OF SECRETARY

A. Duties: The Secretary will

1. Have other powers and perform such other duties as may be prescribed by law, by the Certificate of Incorporation, by these Bylaws, or as may be prescribed by the Board;
2. Except as otherwise provided herein, be present and preside at all meetings of the Board and Executive Council;
3. Certify and keep or cause to be kept at the principal office of the Corporation the original, or a copy, of these Bylaws as amended from time to time;
4. Keep or cause to be kept at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Trustees, and, if applicable, meetings of committees of Trustees, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof;
5. See that all notices are duly given in accordance with provisions of these Bylaws or as required by law;

6. Exhibit at all reasonable times to any Trustee, or to his or her agent or attorney, on request therefor, the Bylaws, and the minutes of the proceedings of the Trustees;
 7. Chair the Governance Committee whose responsibility is to maintain and update the Bylaws, Policies, and Vital Documents of the Corporation as well as conducting annual reviews and updates all governance documents of the organization;
 8. Maintain an annual Board calendar and agenda, including a list of Board responsibilities, vacancies, and reports;
 9. Provide notice of meetings of the Board and/or of a Committee when such notice is required;
 10. Serve as Chair of any Committee or Working Group whose purpose supports these responsibilities;
 11. Not hold any other office in the Corporation.
- B. Election: The Board of Trustees shall elect a Secretary for a term of two years.
- C. Recording Secretary: The Board Secretary shall be assisted with his or her responsibilities by a Recording Secretary who shall be a member of the Corporation's staff. The Recording Secretary's responsibilities include but are not limited to (1) taking meeting minutes and notes, and submitting them to the Board Secretary and Chair of the Board for approval, (2) mailing or email Board agendas and supporting materials at least 10 days prior to Board meetings, (3) posting and announcing Board communications and events publically after Board Chair and Board Secretary approval, posting current bylaws to the website, and notifying CEO of such changes
- D. Board Liaison: The Board Liaison, who shall be a member of the Corporation's staff, will oversee the Recording Secretary of the Board. The Board Liaison will serve as an organizational development consultant, including working closely with the Management Committee regarding confidential personnel matters and the CEO review, and the Nominations Committee. The Board Liaison will take on other responsibilities as determined by the Board Chair or Board Secretary in partnership with the CEO.

SECTION 5. DUTIES OF THE TREASURER

- A. Duties: The Treasurer will:
1. Have other powers and perform such other duties as may be prescribed by law, by the Certificate of Incorporation, by these Bylaws, or as may be prescribed by the Board.

2. Except as otherwise provided herein, be present and preside at all meetings of the Board and Executive Council.
 3. Serve as Chair of the Finance Committee.
 4. Keep or cause to be kept regular books of account for the Corporation.
 5. Be accountable to the Board concerning all transactions made as Treasurer and concerning the financial condition of the Corporation.
 6. Work with the CEO and the Corporation's staff to ensure financial reports are made available to the Board on a timely basis.
 7. Shall perform all other duties and have all other powers as are incident to the office or as are assigned by the Board.
 8. Recommend the approval of financial statements to the Board.
 9. Not serve as Chair of the Audit Committee.
 10. Not hold any other office in the Corporation.
 11. Other duties as assigned by the Board.
- B. Election: The Board shall elect a Treasurer for a term of two years.

SECTION 6. DUTIES OF THE CHIEF EXECUTIVE OFFICER

The CEO shall fulfill duties as directed by the Board from time to time and as defined in the "Roles and Responsibilities" section of the CEO Agreement. The CEO is an ex officio, non-voting member of the Board and Executive Council.

SECTION 7. STANDING COMMITTEES

- A. The Board shall have an Executive Council and standing Committees. The Board may also create ad hoc Committees and Working Groups as needed.
1. All Committees and Working Groups must have an established Charter, the details of which will be captured in Board Policy.
 2. The Chair shall appoint Committee and Working Group Chairs. There is no limit on the length of time a Board member may serve as a Committee or Working Group Chair, so long as the Board members' term has not expired. A Board member may not serve as Chair for more than one Committee or Working Group.

B. The Executive Council shall exercise powers of the Board in relation to matters that arise between regularly scheduled Board meetings or when it is not practical or feasible for the Board to meet.

1. The Executive Council is delegated the authority to act as the full Board when exercising its powers and authority, however, the Executive Council shall not have the power or authority to act on behalf of the Board with respect to the following matters:

- i. Adopting, amending or repealing any provision of the Certificate of Incorporation or bylaws;
- ii. Amending the Corporation's mission;
- iii. Electing or appointing any officer or trustee or removing any officer or trustee;
- iv. Changing the membership of, or filling vacancies in, the Executive Council;
- v. Appointing or terminating the appointment of the CEO;
- vi. The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repeal able; or
- vii. Take any other action expressly reserved for the Board under the laws of the State of New Jersey.

C. The Corporation shall have the following Standing Committees:

1. The Nominating and Board Performance Committee shall assist the Board in:

- i. Developing and overseeing implementation of policies and procedures regarding Board size, leadership and composition, recommendations of candidates for nomination to the Board, Board guidelines and conflicts of interest;
- ii. Determining qualifications and characteristics needed for Trustees;
- iii. Identifying, screening and reviewing individuals who are qualified to serve as Trustees;
- iv. Recommending to the Board candidates for nomination and appointment to the Board, and its committees;
- v. Assisting in orientation programs for newly appointed Trustees;

- vi. Evaluating the effectiveness of Trustees;
 - vii. Reviewing on a regular basis the overall performance of the Board and recommending improvements.
2. The Finance Committee shall assist the Board in fulfilling its oversight responsibilities relating to fiscal management by
- i. Overseeing the management of organization-wide financial assets;
 - ii. Reviewing investment policies and strategies;
 - iii. Reviewing financial results;
 - iv. Ensuring the maintenance of an appropriate capital structure; and
 - v. Reviewing and recommending approval an annual operating budget.
 - vi. In addition, in order to assist the Corporation in the proper and prudent management of its financial resources, the Committee will ensure that DII employs personnel, systems and investment managers, capable of providing timely and accurate financial information to key decision-makers.
3. The Audit Committee shall assist the Board in fulfilling its responsibility to provide oversight of management regarding: (1) the Corporation's systems of internal controls and risk management; (2) the integrity of the Corporation's financial statements; (3) the Corporation's compliance with legal and regulatory requirements and ethical standards; and (4) the engagement, independence and performance of the Corporation's independent auditors.
- i. The Corporation will undergo an independent audit of its financial transactions, processes and controls on an annual basis. Additional independent audits may be conducted at the discretion of the Board.
 - ii. The Committee will include at least three (3) Trustees. The Committee's members will be appointed by the Chair of the Board of the Corporation on an annual basis.
 - iii. The Committee will (1) oversee the financial systems and internal controls of the Corporation and (2) recommend the appointment of the external auditor and the appropriate fee.

4. The Development Committee shall assist the Board to raise financial and other resources for the Corporation by:
 - i. Assisting Board members in their own fundraising efforts;
 - ii. Recruiting potential donors;
 - iii. Assisting staff in planning fundraising events; and
 - iv. Increasing the profile of and awareness about the activities of the Corporation, towards target audiences such as potential donors and volunteers, and in the community generally.

5. The Management/Program Oversight Committee shall assist the Board in overseeing the Corporation’s significant programmatic and volunteer management activities by:
 - i. Chairing CEO performance review and compensation committee in concert with the Chair of the Board;
 - ii. Overseeing the conduct of the “DII Team Challenge Program”;
 - iii. Reviewing DII and Affiliate performance under executed License Agreement(s);
 - iv. Assisting and overseeing DII’s Global Finals tournament, including post-event review, evaluation, and recommendations; and
 - v. Overseeing and directing the management of volunteers, including assisting staff when appropriate with volunteer events and developing volunteer recognition programs.

ARTICLE 5

STANDARDS OF CONDUCT FOR OFFICERS AND TRUSTEES

Each Trustee shall discharge the Trustee’s duties as a Trustee, including the Trustee’s duties as a member of a committee of the Board (including the Executive Council, as applicable), and each officer shall discharge the officer’s duties under that authority: (1) in good faith; (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner the Trustee or officer reasonably believes to be in the best interests of the Corporation. A Trustee or officer may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (1) one or more officers or employees of the Corporation whom the Trustee or officer reasonably believes to be reliable and competent in the matters presented; (2) legal counsel, a public accountant, or other person as to matters the Trustee or officer reasonably believes are within such person’s professional or expert competence; or (3) in the case of a Trustee, a committee of the Board of Trustees of which the Trustee is not a member if the

Trustee reasonably believes the committee merits confidence. A Trustee or officer is not acting in good faith if the Trustee or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by the above unwarranted. A Trustee or officer is not liable as such to the Corporation for any action taken or omitted as a Trustee or officer, if, in connection with such action or omission, the Trustee or officer performed the duties of the position in compliance with this Article.

ARTICLE 6

CONFLICTING INTEREST TRANSACTIONS

- A. As used in this Article, “conflicting interest transaction” means: a contract, transaction, or other financial relationship between the Corporation and a Trustee of the Corporation, or between the Corporation and a party related to a Trustee, or between the Corporation and an entity in which a Trustee of the Corporation is Trustee or officer or has a financial interest.
- B. For purposes of this Article, a “party related to a Trustee” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Trustee or a party related to a Trustee has a beneficial interest, or an entity in which a party related to a Trustee is a Trustee, officer, or has a financial interest.
- C. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an individual, or by or in the right of the Corporation, solely because the conflicting interest transaction involves a Trustee of the Corporation or a party related to a Trustee or an entity in which a Trustee of the Corporation is a Trustee, officer or has a financial interest, or solely because the Trustee is present at or participates in the meeting of the Corporation’s Board that authorizes, approves, or ratifies the conflicting interest transaction if:
 - 1. The material facts as to the Trustee’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the committee and the Board or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Trustees, even though the disinterested Trustees are less than a quorum; or
 - 2. The material facts as to the Trustee’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Trustees entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the Trustees entitled to vote thereon; or

3. The conflicting interest transaction is fair as to the Corporation.
 - D. Interested Trustees may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies the conflicting interest transaction.
 - E. Interested Trustees shall not be present at any meeting in which the Board authorizes, approves, or ratifies the conflicting interest transaction.
 - F. The Corporation shall be prohibited from making loans to, or guaranteeing the obligations of, any Trustee, officer, agent or employee of the Corporation.

ARTICLE 7

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board, except as otherwise provided in these Bylaws, may in the CEO Agreement or by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument, including checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness, in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. DEPOSITS

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may approve.

SECTION 3. GIFTS

The Board may accept on behalf of the Corporation any contribution, gift, sponsorship or bequest for the nonprofit purposes of the Corporation.

ARTICLE 8

CORPORATE RECORDS, REPORTS AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The Corporation shall keep at its principal office:

- A. Minutes of all meetings of Trustees, committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- B. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- C. A copy of the Corporation's Certificate of Incorporation and Bylaws as amended to date, SHALL BE MAINTAINED IN THE CORPORATION'S PRINCIPAL OFFICE. The Secretary shall be responsible for seeing that all corporate records are properly maintained at the principal office.

SECTION 2. CORPORATE SEAL

The Board may adopt and use a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. PERIODIC REPORT

The Board shall cause any annual or periodic report, if required under law to be prepared and delivered to an office of this state of the Corporation, to be so prepared and delivered within the time limits set by law.

ARTICLE 9

IRS 501(c)(3) TAX EXEMPTION PROVISIONS

SECTION 1. LIMITATIONS ON ACTIVITIES

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

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

SECTION 2. PROHIBITION AGAINST PRIVATE INUREMENT

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to Trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payments, reimbursements and distributions in furtherance of the purposes of the Corporation.

SECTION 3. DISTRIBUTION OF ASSETS

Upon the dissolution of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to an educational institution that fosters creative problem solving or to the State or Federal government, for a public purpose.

ARTICLE 10
AMENDMENT OF BYLAWS

These Bylaws may be altered, amended, or repealed and new Bylaws adopted by approval of 3/4 of the Board , given thirty (30) days prior notice in which the proposed change(s) are made known.

ARTICLE 11
CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the Certificate of Incorporation of the Corporation, the provisions of the Certificate of Incorporation shall govern. Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding. All references in these Bylaws to the Certificate of Incorporation shall be to the Certificate of Incorporation, as amended from time to time. All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any successor law.