

Bylaws

Destination ImagiNation, Inc.

Revised: November 14, 2011

DESTINATION IMAGINATION, INC. BYLAWS

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.

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 of Trustees 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 future federal tax laws) and shall function according to the laws of New Jersey.

ARTICLE 3 TRUSTEES

SECTION 1. GENERAL POWERS / NUMBER / TERM

- A. The affairs of the Corporation shall be managed by its Board of Trustees.
- B. The Corporation shall have a Board of Trustees consisting of up to seventeen (17) voting individuals who will be elected by a majority vote of the seated Trustees. A majority is defined as more than half of the voting members.
 - i. Five (5) Trustee seats shall be filled through an election conducted by the Destination ImagiNation Affiliate Directors (DIAD) group.
 - ii. In addition, the DIAD President shall be seated as a voting member of the Board.

C. Trustee Terms

- i. Trustees shall be appointed to serve a term of no longer than four (4) years.
 - ii. Trustees shall serve a maximum of eight (8) consecutive years on the Board.
 - iii. After a period of one (1) year or more absence from the Board, a Trustee may be reelected to the Board.
 - iiii. Trustee terms shall begin and end at the in-person board meeting closest to the beginning of the fiscal year but no later than the first day of the fiscal year.
- D. The Chief Executive Officer shall be an *ex-officio* member of the Board of Trustees without voting rights.

SECTION 2. QUALIFICATIONS

Trustees shall be at least twenty-one (21) years of age. The Board of Trustees shall develop and amend as needed, a Trustee Qualification and Job Description which shall be available to all potential Board candidates in an election year.

Trustees may not be directly related. (e.g. spouse, domestic partner, parent, sibling, in-law)

SECTION 3. COMPENSATION

Other than the Chief Executive Officer, in his or her capacity as such, Trustees shall serve without compensation. They shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties, subject to policies adopted by the Board from time to time. A Trustee may, in addition to his or her duties as Trustee, serve as a paid advisor/consultant to the Corporation in accordance with permission granted by the Board in accordance with its Conflict of Interest Policy, as amended from time to time.

SECTION 4. SELECTION

Board of Trustee seats shall be filled in accordance with the procedures as defined by the Board of Trustees. The Board of Trustees selects the Chief Executive Officer.

SECTION 5. REMOVAL

Trustees and the Chief Executive Officer 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, with respect to the Chief Executive Officer, the terms of any agreement between the Corporation and the Chief Executive Officer. In no event shall a Trustee or 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 of Trustees.

SECTION 7. REGULAR MEETINGS

Regular meetings of Trustees shall be held at least two (2) times a year, or at more frequent intervals as deemed necessary by the Board of Trustees.

SECTION 8. ANNUAL MEETING

The Annual meeting, open to the DII Community, will be held in conjunction with Global Finals.

SECTION 9. SPECIAL MEETINGS

Special meetings of the Board of Trustees may be called by the Chair of the Board, the Vice Chair, any two Trustees, or the Chief Executive Officer of the Corporation.

SECTION 10. NOTICE OF MEETINGS

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

A. Regular Meetings.

Notification of meetings shall be given no fewer than five (5) days prior to the meeting.

B. Annual Meeting.

Notification and agenda of meetings shall be given no fewer than five (5) days 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 notices 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 11. QUORUM FOR MEETINGS

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

SECTION 12. VOTING

Each member of the Board of Trustees shall have one vote on all matters which come before the Board. All matters requiring a vote of the Board shall be decided by a majority vote of Trustees voting thereon, unless otherwise provided under these Bylaws.

SECTION 13. 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 Trustees present at a meeting duly held at which a quorum is present is the act of the Board of Trustees unless the Articles 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 14. CONDUCT OF MEETINGS

- A. Meetings of the Board of Trustees 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 of Trustees by any electronic or telephonic means approved by the Board of Trustees by which all persons participating can hear or read 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.
- C. Electronic Voting
The Board may vote electronically on specific issues if approved at a previous meeting.

SECTION 15. VACANCIES

Vacancies on the Board of Trustees shall exist (1) on the death, resignation or removal of any Trustee, (2) whenever the number of authorized Trustees is increased, and (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 Articles of Incorporation, these Bylaws or provisions of law, vacancies on the Board may be filled by the Board of Trustees. 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 16. BOARD COMMITTEES

The Corporation shall have the following standing committees:

A. Governance Committee

- i. The Governance Committee shall consist of a minimum of three (3) Trustees appointed by the Chair. The Governance Committee shall prepare a slate of nominees for the Trustee election process. The Chair of the Governance Committee will be appointed by the Chair of the Board of the Corporation. Members of the Governance Committee may, but need not, be Trustees.
- ii. The Governance Committee is also responsible for annual reviews and updates of governance documents of the organization.

B. Finance Committee

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. The committee will include at least three (3) Trustees. The committee's members and its chairperson will be appointed by the Board on an annual basis. The duties of the Finance Committee are to:

- i. Ensure all audits are conducted in an efficient and cost-effective manner;
- ii. Oversee the financial systems and internal controls of the Corporation;
- iii. Recommend the approval of the annual financial statements to the Board;
- iv. Recommend the appointment of the external auditor and the appropriate fee;
- v. Other duties as assigned by the Board.

C. Other Committees

The Board of Trustees may create other committees and task forces as needed.

SECTION 19. NONLIABILITY OF TRUSTEES

The Trustees shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

SECTION 20. INDEMNIFICATION BY CORPORATION OF TRUSTEES AND OFFICERS

The Trustees and officers of the Corporation shall be indemnified by the Corporation to the fullest extent permissible under the laws of the State of New Jersey. The Corporation shall not be obligated to indemnify Board members for criminal, fraudulent, morally reprehensible or other behavior which the Board finds is a breach of fiduciary duty, harms the organization, or harms the individuals in the DII community.

SECTION 21. INSURANCE FOR CORPORATE AGENTS

Except as may be otherwise provided by law, the Board of Trustees may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Trustee, officer, employee or other agent of the

Corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provisions of law.

ARTICLE 4 **OFFICERS OF THE CORPORATION**

SECTION 1. DESIGNATION OF OFFICERS

A. The officers of the Corporation shall be the Chair of the Board of Trustees, the Vice Chair of the Board of Trustees, Treasurer and Secretary. All shall be members of the Board of Trustees as provided herein.

SECTION 2. DUTIES OF CHAIR OF THE BOARD OF TRUSTEES

The Chair shall:

- A. Be elected by a majority of the Board
- B. Be the Chief Elected Officer
- C. Perform all duties incident to that office and such other duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or which may be prescribed from time to time by the Board of Trustees.
- D. Except as otherwise provided herein, be present and preside at all meetings of the Board of Trustees.
- E. Serve as a spokesperson and representative of the Corporation and the DII Board of Trustees. .
- F. Not hold any other office in the Corporation.
- G. Appoint a Parliamentarian to advise the Chair on rules of order in conformance with law and custom.

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

The Vice Chair shall:

- A. Be elected by a majority of the Board
- B. 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.
- C. Have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, by these Bylaws, or as may be prescribed by the Board of Trustees.

SECTION 4. DUTIES OF SECRETARY

The Secretary shall:

- A. Be elected by a majority of the Board.
- B. 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.
- C. 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.
- D. See that all notices are duly given in accordance with provisions of these Bylaws or as required by law.
- E. Be custodian of the records and of the seal of the Corporation and affix or cause to be affixed the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the Corporation.
- F. Exhibit at all reasonable times to any Trustee of the Corporation, or to his or her agent or attorney, on request therefore, the Bylaws, and the minutes of the proceedings of the Trustees.
- G. In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or which may be assigned from time to time by the Board of Trustees. Assistant secretaries may be appointed, as necessary, to assist the Secretary in carrying out duties of that office.

SECTION 5. DUTIES OF THE TREASURER

The Treasurer shall:

- A. Be elected by a majority of the board of trustees.
- B. Have the custody of the funds and securities of the Corporation.
- C. Keep or cause to be kept regular books of account for the Corporation
- D. Be accountable to the Board of Trustees concerning all transactions made as Treasurer and concerning the financial condition of the Corporation.
- E. Shall perform all other duties and have all other powers as are incident to the office or as are assigned by the Board of Trustees.

SECTION 6. DUTIES OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall fulfill duties as directed by the Board of Trustees from time to time and as defined in the “Roles and Responsibilities” section of the Employment Contract.

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, 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 descendent 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 of Trustees that authorizes, approves, or ratifies the conflicting interest transaction if:

- i. 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 of Trustees or the committee and the Board of Trustees 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
 - ii. 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
 - iii. The conflicting interest transaction is fair as to the corporation.
- D. Interested Trustees may be counted in determining the presence of a quorum at meeting of the Board of Trustees which authorizes, approves, or ratifies the conflicting interest transaction.
- E. 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 of Trustees, except as otherwise provided in these Bylaws, may 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 of Trustees may approve.

SECTION 3. GIFTS

The Board of Trustees 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 Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the DII Community of the corporation at all reasonable times during office hours. The Secretary shall be responsible for seeing that all corporate records are properly maintained at the principal office.

SECTION 2. CORPORATE SEAL

The Board of Trustees 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 a majority of the Board of Trustees, 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 Articles of Incorporation of the Corporation, the provisions of the Articles 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 Articles of Incorporation shall be to the Articles of Incorporation, Articles of Organization, Certificate of Incorporation, Organizational Charter, Corporate Charter, or other founding document of the Corporation filed with an office of this State and used to establish the legal existence of the Corporation. 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 future federal tax code.