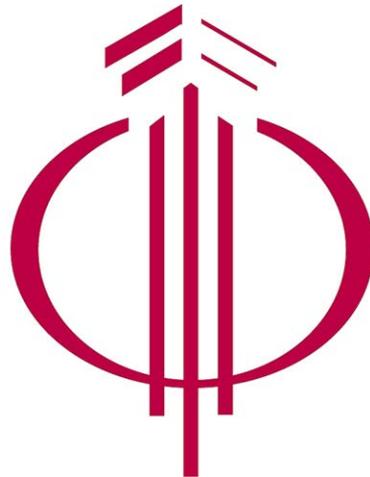


Northern Illinois University Foundation

Bylaws



March 2014

Table of Contents		
Article 1	Name and Purpose	Page 1
	Section 1: Name and Office Section 2: Purpose and Mission Section 3: Operation as a Tax Exempt Organization: Exempt Activities Section 4: Limitations on Operations	
Article 2	Dissolution and/or Reorganization	Page 2
	Section 1: Dissolution Section 2: Private Foundation Section 3: Effect	
Article 3	Members	Page 2
Article 4	Board of Directors	Pages 3-6
	Section 1: General Powers and Duties Section 2: Number; Election Section 3: Terms of Office of Directors	Page 3
	Section 4: Resignation and Removal of Directors Section 5: Vacancies Section 6: Board Leadership: Roles and Terms	Page 4
	Section 7: Executive Committee Section 8: Meetings of the Board of Directors	Page 5
	Section 9: Manner of Acting Section 10: Informal Action; Written Consent Section 11: Presumption of Assent Section 12: Director Compensation: Reimbursement	Page 6
Article 5	Officers	Pages 7-9
	Section 1: Designation; Election; Term Section 2: Vacancies	Page 7
	Section 3: Powers and Duties Section 4: Absence of Officers	Page 8
	Section 5: Resignation and Removal of Officers Section 6: Compensation	Page 9
Article 6	Committees	Page 9
	Article 1: Committees Article 2: Chair Article 3: Term	
Article 7	Finances and Investments	Page 10
	Section 1: Contracts Section 2: Checks, Drafts, Etc. Section 3: Deposits Section 4: Investments	
Article 8	Books and Records	Page 10
Article 9	Indemnification of Directors and Officers (Covered in Appendix A)	Page 10
Article 10	Non-Discrimination	Page 11

Article 11	Comprehensive Code of Conduct	Page 11
	Section 1: Code of Ethics Section 2: Confidentiality Section 3: Conflicts of Interest	
Article 12	Interested Directors and Officers	Page 12
	Section 1: Interested Directors and Officers Section 2: Burden of Proof Section 3: Void Contracts and Transactions Section 4: Prohibition on Loans to Directors and Officers	
Article 13	Fiscal Year	Page 13
Article 14	Amendments	Page 13
	Section 1: Amendments to the Bylaws Section 2: Amendments to the Articles of Incorporation	
Article 15	Miscellaneous	Pages 13-14
	Article 1: Definitions Article 2: Writings	Page 13
	Article 3: Electronic Signatures	Page 14
Appendix A	Indemnification	Pages 15-18
	Section 1: Indemnification in Actions Other than by or in the Right of The Foundation	Page 15
	Section 2: Indemnification in Actions by or in the Right of The Foundation	Page 15
	Section 3: Indemnification in Actions as a Fiduciary	Page 16
	Section 4: Right to Payment of Expenses	Page 16
	Section 5: Determination of Conduct	Page 17
	Section 6: Indemnification Not Exclusive	Page 17
	Section 7: Insurance	Page 17
	Section 8: Liability of Officers and Directors	Page 18

Bylaws revised to include items from the June 8, 2012 version, elements of the NIU Alumni Association bylaws and provisions of the Illinois General Not for Profit Corporation Act of 1986, as amended November 2, 2011. Attorney Kevin Noonan of Much Shelist provided counsel in creation and revision.

Bylaws of the Northern Illinois University Foundation

Article I. Name and Purpose

Section 1.01 Name and Office. The name of this organization shall be the "Northern Illinois University Foundation." It shall hereinafter be designated and referred to in these Bylaws as "The Foundation." The Foundation shall have and continuously maintain in the State of Illinois a registered office and registered agent whose office is identical with such registered office.

Section 1.02 Purpose and Mission. The purpose of The Foundation shall be exclusively educational and charitable. The mission of The Foundation is to energize and connect the private sector with the Northern Illinois University community to secure and steward resources that support the future and growth of Northern Illinois University, a public corporation of the State of Illinois.

Section 1.03 Operation as a Tax Exempt Organization: Exempt Activities.

- (a) The Foundation will operate as an organization within the meaning of Section 501(c)(3) of the Internal Revenue Code ("the Code").
- (b) The Foundation will neither have nor exercise any power, nor will it engage directly or indirectly in any activity, that would invalidate its status as a tax exempt organization within the meaning of Section 501(c)(3) of the Code.
- (c) Notwithstanding any other provisions of these Bylaws, no Director, Officer, employee, or agent of The Foundation is permitted to take any action or carry on any activity by or on behalf of The Foundation which is not permitted to be taken or carried on by an organization exempt under Section 501 (c)(3) of the Code.

Section 1.04 Limitations on Operations. No part of the net earnings of The Foundation shall inure to the benefit of, or be distributable to its Directors, Officers, or other private persons, except that The Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in The Foundation's Articles of Incorporation. No substantial part of the activities of The Foundation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and The Foundation 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 provision of the Articles of Incorporation or these Bylaws, The Foundation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income taxation under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible for federal income, estate, and gift tax purposes under Sections 170(c)(2), 2055(a)(2), and 2522(a)(2) of the Code.

Bylaws of the Northern Illinois University Foundation

Article II. Dissolution and/or Reorganization

Section 2.01 Dissolution. Upon dissolution of The Foundation and after paying or making provisions for the payment of all liabilities and obligations of the Foundation, the Board of Directors shall, pursuant to a plan of dissolution, distribute The Foundation's assets to Northern Illinois University for such one or more purposes, as the Board of Directors shall determine, in consultation with the Board of Trustees for Northern Illinois University. If Northern Illinois University is not then in existence, no Director, Officer, employee, or agent of The Foundation, nor any private individual, will be entitled to any distribution or division of the remaining property or proceeds of The Foundation, and the Board of Directors shall select the 501(c)(3) organization or organizations to whom such a distribution will be made.

Section 2.02 Private Foundation. If for any period The Foundation is a private foundation as defined in Section 509 of the Code, then during such period, The Foundation shall be subject to the following restrictions and prohibitions:

- (a) The Foundation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code.
- (b) The Foundation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code.
- (c) The Foundation shall not retain any excess business holdings as defined in Section 4943(c) of the Code.
- (d) The Foundation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.
- (e) The Foundation shall not make any taxable expenditure as defined in Section 4945(d) of the Code.

Section 2.03 Effect. The provisions of this Article shall be effective at all times, and notwithstanding merger, consolidation, reorganization, termination, dissolution or winding up of The Foundation, voluntarily or involuntarily, or by operation of law or any other provision hereof.

Article III. Members

The Foundation shall have no members.

Bylaws of the Northern Illinois University Foundation

Article IV. Board of Directors

Section 4.01 General Powers and Duties. The property and affairs of The Foundation shall be managed by the Board of Directors. Certain obligations and duties of the Board of Directors are outlined in The Foundation Handbook (the “Handbook”), as amended from time to time, which Handbook is incorporated as a part hereof.

Section 4.02 Number; Election.

(a) Number:

(i) Directors. The Foundation shall seek to have a Board consisting of 30 members, but in no event will the Board be smaller than 25 members or larger than 35.

(ii) Ex-Officio Directors. At any given time, the then-acting President of Northern Illinois University, the then-acting President/Chief Executive Officer of The Foundation, and the then acting Secretary shall be ex-officio Directors, without voting rights, by reason of their offices. Ex-officio Directors shall not be included in the total number of Directors authorized above in this Section 2, shall not be entitled to vote on any matter, and shall not be counted for purposes of determining whether a quorum is present.

(b) Election. Directors shall be elected by a majority vote of a quorum (as defined in Section 4.06 f) of the Board of Directors at the Annual Organizational Meeting. Each year the Board of Directors shall appoint one Student Director (the “Student Director”).

Section 4.03 Terms of Office of Directors. With the exception of the Student Director, the Directors have been, and shall continue to be, divided into the following three classes, as nearly equal in number as reasonably possible: Class A, Class B, and Class C. Each Class A, Class B, and Class C Director shall be elected to serve for a three-year term of office that shall expire at the third succeeding Annual Organizational Meeting (as that term is defined in Section 5.01 b) after the Annual Organizational Meeting at which such Director was elected. The terms of office of the Class A, Class B, and Class C Directors shall be staggered so that the terms of one class of the Class A, Class B, and Class C Directors shall expire at each Annual Organizational Meeting (*i.e.*, approximately one-third of the terms of all Directors shall expire annually). The Student Director shall be elected to a one-year term, such term to expire at the succeeding Annual Organizational Meeting following such election. At each Annual Organizational Meeting, Directors may be elected to succeed those Directors whose terms are expiring; provided, however, that no individual may serve as Student Director for more than two consecutive one-year terms. The Board of Directors may establish by resolution additional classes of Directors with varying terms of office, as the Board of Directors deems necessary or appropriate from time to time. A Director shall serve until his or her successor has been elected and qualified.

Bylaws of the Northern Illinois University Foundation

Section 4.04 Resignation and Removal of Directors.

- (a) **Resignation and Removal of Directors.** Any Director may resign at any time by giving written notice to the Board of Directors, the Chair, the President or the Secretary. Such resignation shall take effect when the notice is delivered unless the notice specifies a future date. Unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed (for willful infractions of the Bylaws of The Foundation or for conduct that the Board may deem disorderly, injurious or hostile to The Foundation or to the best interests or the objectives of The Foundation) by a majority vote of the Board of Directors. If the vote for the removal of one or more Directors is to take place at a special meeting, written notice of the proposed removal must be prepared and delivered to all Directors pursuant to Section 4.08c, no fewer than ten (10) days prior to the special meeting. Such notice must both include the purpose of the meeting (i.e., Removal of Director) and list the Director or Directors sought to be removed.
- (b) **Resignation and Removal of *Ex-Officio* Directors.** An individual's resignation from service as the President/Chief Executive Officer of The Foundation, the Secretary of the Foundation or the President of Northern Illinois University, as the case may be, shall be deemed also to be a resignation from service as an *ex-officio* Director of The Foundation. The removal of an individual from service as the President/Chief Executive Officer of The Foundation, the Secretary of the Foundation, or the President of Northern Illinois University, as the case may be, shall be deemed also to be a removal from service as an *ex-officio* Director of The Foundation.

Section 4.05 Vacancies. In the event of the death, disability, resignation, or removal of a Director, a successor may be elected by the majority vote of the Directors still in office. Each Director elected to fill a vacancy will hold office for the duration of the unexpired term of his/her predecessor in office.

Section 4.06 Board Leadership: Roles and Terms.

- (a) **The Chair of the Board.** The Chair of the Board (the "Chair") shall preside at all meetings of the Board of Directors; shall assure that the Board of Directors is advised on all significant matters of The Foundation's business; shall serve as the Chair of the Executive Committee; shall coordinate the activities of the other Officers and the committees; and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.
- (b) **The Vice Chair of the Board (the "Vice Chair").** The Vice Chair shall assume and perform such duties as are assigned to him or her by the Chair or the Board of Directors. In the absence or disability of the Chair, the Vice Chair shall perform the duties of the Chair.
- (c) **Past Chair of the Board.** The Past Chair of the Board shall assume and perform such duties as are assigned to him or her by the Chair or the Board of Directors.
- (d) **The Chair and Vice Chair will hold office for one year and shall not serve for more than three (3) consecutive years.** The individual who most recently served as Chair (but is no longer serving in such capacity) shall serve as Past Chair until the expiration of the then-current Chair's term, unless such Past Chair earlier resigns or is otherwise removed, with or without cause, by the Board of Directors. By vote of the Board, an exception may be made to the term limits in order to accommodate completion of an ongoing project or to accommodate the special needs of the Board of Directors.

Bylaws of the Northern Illinois University Foundation

Section 4.07 Executive Committee.

The affairs of The Foundation shall be managed by its Executive Committee. The members of the Executive Committee shall be the then acting Chair, Vice Chair, Past Chair, Treasurer and Committee Chairs and up to two At Large members (which At Large members shall be appointed at the Chair's discretion). Each Director serving on the Executive Committee shall be entitled to one (1) vote in the affairs of The Foundation which are presented to the Executive Committee. Each member of the Executive Committee shall hold office so long as such person is acting as Chair, Vice Chair, Past Chair, Treasurer and Committee Chairs of The Foundation. The President/Chief Executive Officer and Secretary will serve as ex-officio members of the Executive Committee.

Section 4.08 Meetings of the Board of Directors.

- (a) **Regular Meetings.** The Board of Directors shall hold a minimum of three (3) meetings annually at such time and place as the Board of Directors shall determine.
- (b) **Annual Meetings.** The Annual (Organizational and Public) meetings of the Board of Directors shall be held within each fiscal year at such time and place as the Board of Directors shall determine and shall be considered two (2) of the three (3) minimum yearly meetings.
- (c) **Special meetings.** Special meetings of the Board of Directors may be held at any time and place, but only if they are properly notified at least ten (10) days prior. The meetings may be called by the President, Chair or by a written request from any two (2) Directors.
- (d) **Notice of meetings:**
 - (i) *Timing.* Notice of each meeting must be delivered by or at the direction of the Secretary to each Director at least ten (10) days but not more than sixty (60) days before the day on which the meeting is to be held.
 - (ii) *Delivery.* Notice may be given electronically via facsimile, e-mail or other electronic delivery methods permitted by law.
 - (iii) *Waiver.* Notice may be waived in writing by a Director, either before or after the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
 - (iv) *Description of Meeting in the Notice.* Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice of such meeting, except as provided in Section 4.04a.
- (e) **Telephonic Meetings.** The Board of Directors or any committee thereof may participate in any meeting by means of a conference telephone or other communications equipment by which all persons participating in the meeting can communicate with each other at the same time. Participation by telephonic means shall be subject to the provisions of these Bylaws for notification of Directors and shall constitute presence in person at the meeting.
- (f) **Quorum.** At any meeting of The Foundation, a quorum shall be constituted by the voting Directors of the Board of Directors present or by audio and/or videoconferencing and no less than a majority of the Board of Directors. If fewer than the majority of the Directors are present at a meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting.

Bylaws of the Northern Illinois University Foundation

Section 4.09 Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by the Articles of Incorporation or by these Bylaws.

Section 4.10 Informal Action; Written Consent.

- (a) **Informal Action.** Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if consent in writing, including e-mail, setting forth the action so taken shall be agreed upon by the majority of all of the Directors or by the majority of all of the members of such committee as the case may be.
- (b) **Written Consent.** The written consent must be evidenced by one or more written approvals from the Directors; each approval must set forth the action to be taken and provide a written record of approval. The approvals, which can include electronic conveyances such as e-mail must be delivered to the Secretary and filed in the corporate records.

Section 4.11 Presumption of Assent. If a Director is present at a meeting of the Board of Directors, he or she will conclusively presume to have assented to any corporate action taken at the meeting unless any of the following conditions is satisfied:

- (a) His or her dissent was entered in the minutes of the meeting.
- (b) He or she filed a written dissent to the action with the person acting as the secretary of the meeting before adjournment; or
- (c) He or she forwarded such dissent by registered or certified mail to the Secretary of The Foundation within two days after the meeting adjourned (however, this right to dissent will not apply to a Director who voted in favor of an action).

Section 4.12 Director Compensation; Reimbursement.

- (a) **Compensation.** Directors shall not receive compensation for their services as Directors, provided that nothing herein contained shall be construed to preclude any Director from serving The Foundation in any other capacity and receiving reasonable compensation for personal services rendered to The Foundation that are reasonable and necessary to carry out one or more of the tax-exempt purposes of The Foundation, so long as the Directors comply with The Foundation's conflict of interest policy and any other policies adopted by the Board of Directors.
- (b) **Reimbursement for Reasonable Expenses.** Directors may receive reimbursement for reasonable expenses incurred in connection with corporate matters, and these must be reported to the Board of Directors.

Bylaws of the Northern Illinois University Foundation

Article V. Officers

Section 5.01 Designation; Election; Term.

- (a) **Designation.** The Officers of The Foundation will include a President/Chief Executive Officer, Secretary and Treasurer. The President/Chief Executive Officer and Secretary will be non-voting Officers of the Board of Directors of The Foundation. The Board of Directors may elect or appoint such other Officers, including one or more vice presidents and assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the Chair who shall never hold more than one position. Also, the same person may not serve as both the President/Chief Executive Officer and the Treasurer or Secretary and Treasurer at the same time.
- (b) **Election/Appointment.** The Officers will be elected by the Board of Directors at its Annual Organizational Meeting. Election of an Officer shall not of itself create contract rights on behalf of the Officer.
- (c) **Terms of Officers:**
 - (i) *President/Chief Executive Officer and Secretary of The Foundation shall be elected annually by the Board of Directors, and there is no limit on the number of consecutive terms that an individual may serve as the President/Chief Executive Officer or Secretary.*
 - (ii) *The Treasurer shall be elected annually and shall not serve for more than three (3) consecutive years.*

Section 5.02 Vacancies. In the event of the death, disability, resignation, or removal of any Officer of The Foundation, the Board of Directors at its next regular meeting shall, by majority vote, elect a successor to serve out the unexpired term. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Bylaws of the Northern Illinois University Foundation

Section 5.03 Powers and Duties. The Officers named in Section 5.01a shall, except as otherwise provided by these Bylaws, have such powers and duties as are usually and ordinarily entrusted to such Officers.

- (a) **President/Chief Executive Officer.** The President/Chief Executive Officer shall be the principal executive Officer of The Foundation and as such shall in general supervise all the business and affairs of The Foundation, unless otherwise provided by the Board of Directors. The President/Chief Executive Officer shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another Officer or agent of The Foundation or a different mode of execution is expressly prescribed by the Board of Directors, the President/Chief Executive Officer may execute for The Foundation any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, or which are in the ordinary course of business of The Foundation, and the President/Chief Executive Officer may accomplish such execution either under or without the seal of The Foundation and either individually or with the Secretary, any assistant secretary, or any other Officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. The President/Chief Executive Officer shall also present an annual report of the activities of The Foundation to the Board of Directors and shall carry out, by direction of the Board of Directors, organized campaigns for the ongoing benefit of Northern Illinois University, including, but not limited to, inviting special gifts from individuals and from corporations, estates, and other sources.
- (b) **Treasurer.** The Treasurer shall be responsible for overseeing the maintenance of the accounting for The Foundation; oversee the management, receipt, and disbursement of all bank accounts and investments of The Foundation; and perform all the duties related to the office of Treasurer that are assigned by the Board of Directors from time to time. The Treasurer may delegate certain administrative duties to The Foundation staff when deemed necessary and appropriate by the Treasurer.
- (c) **Secretary.** The Secretary shall attend all meetings of the Board of Directors and shall be responsible for overseeing the recording of the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; be responsible for overseeing the custodianship of the corporate records and of the seal of The Foundation, if any; keep a register of the post office and electronic addresses of each Director (and any other address of each Director at which such Director desires to be contacted by The Foundation), which shall be furnished to the Secretary by such Director; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chair or by the Board of Directors. The Secretary shall publish notices or announcements as his or her judgment may dictate, or as may be reasonably required by the Board of Directors. The Secretary may delegate certain administrative duties (*i.e.*, preparation of minutes, etc.) to The Foundation staff when deemed necessary and appropriate by the Secretary.
- (d) **Other Officers and Agents.** Any Officers and agents of The Foundation whose authority and duties are not prescribed in these Bylaws shall have the authority and perform the duties prescribed from time to time by the Board of Directors.

Section 5.04 Absence of Officers. In the absence of any Officer, the Board of Directors may delegate the powers or duties of any Officer to any other Officer or to any Director.

Bylaws of the Northern Illinois University Foundation

Section 5.05 Resignation and Removal of Officers. Any Officer may resign at any time by giving written notice to the Board of Directors, the Chair, or the Secretary. The resignation of an Officer shall take effect when the notice is delivered unless the notice specifies a future date. Any Officer may be removed, with or without cause, by the affirmative vote of two-thirds of the Directors then in office at a meeting, provided that such Officer shall have been notified, in writing, by the Chair or President/Chief Executive Officer not less than ten(10)days before such meeting.

Section 5.06 Compensation. In consultation with appropriate Northern Illinois University Officers, the Board of Directors shall have the authority to establish reasonable compensation of any staff members for services to The Foundation, after reviewing compensation ordinarily being paid for like services by an organization similar to The Foundation under similar circumstances.

Article VI. Committees

Section 6.01 Committees.

- (a) The Board of Directors, by resolution adopted by a majority of the Directors in office, may create one or more committees and appoint Directors or other such persons as the Board of Directors designates to serve on the committee or committees.
- (b) To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors in the management of The Foundation; provided, however, that a committee may not:
 - (i) *Adopt a plan for the distribution of the assets of the Foundation or for dissolution;*
 - (ii) *Fill vacancies on the Board of Directors or on any committees designated by the Board of Directors;*
 - (iii) *Elect, appoint or remove any Officer or Director, or any member of any committee, or fix the compensation of any member of any committee;*
 - (iv) *Adopt, amend or repeal the Bylaws or the Articles of Incorporation of the Foundation;*
 - (v) *Adopt a plan of merger or adopt a plan of consolidation with another non-profit;*
 - (vi) *Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property or assets of the Foundation; or*
 - (vii) *Take any action inconsistent with any resolution or action of the Board of Directors.*

Section 6.02 Chair. One Director of each committee will be recommended as chair of the committee by the Chair of the Board of Directors and approved by the Board.

Section 6.03 Term. Each member of a committee will remain on that committee until the next Annual Organizational Meeting of The Foundation and until his/her successor is appointed, unless the committee is terminated or the member is removed from the Committee by Chair of the Committee.

Bylaws of the Northern Illinois University Foundation

Article VII. Finances and Investments

Section 7.01 Contracts. In keeping with The Foundation's Board-approved contract review policy, the Board of Directors may authorize any Officer or Officers or agent or agents of The Foundation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of The Foundation, and such authority may be general or confined to specific instances.

Section 7.02 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of The Foundation shall be signed by the Treasurer or Officers or agent or agents of The Foundation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.03 Deposits. All funds of The Foundation shall be deposited from time to time to the credit of The Foundation in such banks, trust companies, or other depositories that are federally insured or collateralized with securities issued by the U.S. Government or agencies of the U.S. Government, and have a capital and surplus of not less than \$500,000,000.

Section 7.04 Investments. The Board of Directors, who may delegate to Officers and staff, shall manage, invest, operate, deal in and with, and conserve the property of The Foundation (including its endowment funds), and may retain any or all of the assets transferred to The Foundation by gift or bequest; provided, however, that the exercise of any of such powers shall not in any way conflict with the purposes of The Foundation as stated in its Articles of Incorporation, and such powers shall not be exercised so as to cause The Foundation to lose its qualification as an organization or organizations described in Section 501(c)(3) of the Code.

Article VIII. Books and Records

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and each committee thereof. All books and records of The Foundation may be inspected by any Director or his or her agent or attorney for any proper purpose at any reasonable time.

Article IX. Indemnification of Directors and Officers

The indemnification of Directors and Officers is addressed in Appendix A of these Bylaws.

Bylaws of the Northern Illinois University Foundation

Article X. Non-Discrimination

The Foundation is committed to inclusion in our practices and values. We will support diversity and uphold fair practices encompassing, but not limited to gender, race, class, economic status, ethnic background, sexual orientation, age, physical ability, and cultural and religious backgrounds.

Article XI. Comprehensive Code of Conduct

Section 11.01 Code of Ethics. These Bylaws authorize the adoption and revision of a Code of Ethics by the Board of Directors. Each Director, upon election to the Board of Directors, shall (a) review The Foundation's Code of Ethics and (b) acknowledge by his or her signature that he or she is in accordance with the letter and spirit of The Foundation's adopted Code of Ethics. Each ex-officio Director shall similarly review and acknowledge the Code of Ethics upon commencement of service as an ex-officio Director.

Section 11.02 Confidentiality. Other than information about donors that is made publicly available with the donors' permission, all information concerning donors or prospective donors, including, but not limited to, names, names of beneficiaries, gift/pledge amounts, financial position, and size of estate, shall be kept confidential to the fullest extent permissible by law by the Board of Directors and The Foundation personnel.

Section 11.03 Conflicts of Interest. Annually, each Director and ex-officio Director shall (a) review The Foundation's policy on conflicts of interest; (b) disclose any possible, personal, familial, or business relationships that reasonably could give rise to a conflict involving The Foundation or Northern Illinois University; and (c) acknowledge by his or her signature that he or she is in accordance with the letter and spirit of The Foundation's policy on conflicts of interest.

Bylaws of the Northern Illinois University Foundation

Article XII. Interested Directors and Officers

Section 12.01 Interested Directors or Officers. Except as provided in Sections 12.03 and 12.04, no contract or transaction between The Foundation and one or more of its Directors or Officers, or between The Foundation and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are directors or Officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the interested Director or Officer is present at or participates in the meeting of the Board of Directors or a committee thereof if:

- (a) The material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors and the Board of Directors in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or
- (b) The contract or transaction is fair as to The Foundation as of the time it is authorized, approved or ratified, by the Board of Directors.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee thereof which authorizes the contract or transaction, but may not be counted when the Board of Directors takes action on the contract or transaction.

Section 12.02 Burden of Proof. In a proceeding contesting the validity of a contract or transaction described in Section 12.01, the person asserting validity has the burden of proving fairness unless the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum.

Section 12.03 Void Contracts and Transactions. Notwithstanding any provision herein to the contrary, any contract or transaction between or among The Foundation and one or more of its Directors or Officers, or between The Foundation and any other corporation, partnership, association, or other organization in which one or more of its Directors or Officers are directors or Officers, or have a financial interest, which is an act of self-dealing between a disqualified person and a private foundation under Section 4941 of the Code shall be void and beyond the authority of The Foundation, the Board of Directors, and its Officers to agree or consent to.

Section 12.04 Prohibition on Loans to Directors and Officers. No loans shall be made by The Foundation to its Directors or Officers. Any Director who assents to or participate in the making of any such loan shall be liable to The Foundation for the amount of such loan until the repayment thereof.

Bylaws of the Northern Illinois University Foundation

Article XIII. Fiscal Year

The fiscal year of The Foundation shall begin on the first day of July in each year and end on the last day of June in the next succeeding year.

Article XIV. Amendments

Section 14.01 Amendments to the Bylaws. These Bylaws may be altered, amended, or repealed and new Bylaws adopted by the affirmative vote of at least a majority of the Board of Directors. All proposed amendments must be presented to the Board of Directors in writing at least thirty (30) days prior to the vote on the proposed amendments. Such action may be taken at any Annual Meeting, regular meeting of the Board of Directors, or special meeting, provided that notice of the proposed alteration, amendment, repeal or adoption be contained in the notice of any special meeting at which such action is taken, and provided further that no such alteration, amendment, repeal, or adoption shall in any way conflict with the purposes of The Foundation as stated in its Articles of Incorporation or otherwise cause The Foundation to lose its qualification as an exempt organization under Section 501(c)(3) of the Code. Any action taken or authorized by the Board of Directors that would be inconsistent with the Bylaws then in effect but is taken or authorized by the affirmative vote of at least a majority of the Board of Directors shall be given the same effect as though the Bylaws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

Section 14.02 Amendments to the Articles of Incorporation. The Articles of Incorporation of The Foundation may be amended by the affirmative vote of at least the majority of the Board of Directors. A written notice of the proposed amendments must be sent to all Directors at least thirty (30) days prior to the final vote on the proposed amendments.

Article XV. Miscellaneous

Section 15.01 Definitions. In addition to the terms defined elsewhere in these Bylaws, the following terms shall have the following meanings when used herein:

- a) “Articles of Incorporation” means the Articles of Incorporation of The Foundation filed with the Secretary of State of the State of Illinois on March 31, 1949, and any amendments thereto.
- b) “Not for Profit Corporation Act” means the Illinois General Not for Profit Corporation Act of 1986, as amended.
- c) A “Section” of “the Code” means a section of the Internal Revenue Code of 1986, as amended, and shall include future amendments to such section and corresponding provisions of future federal tax laws, all as from time to time in effect.

Section 15.02 Writings. Any action required in these Bylaws to be “written,” to be “in writing,” to have “written consent,” to have “written approval,” and the like by or of Directors or committee members shall include any communication transmitted or received by facsimile, electronic mail, or other means of electronic transmission.

Bylaws of the Northern Illinois University Foundation

Section 15.03 Electronic Signatures. Any action required in these Bylaws to be “signed” or to have a “signature” by or of a Director, or a committee member shall include an action signed with an electronic signature that is any symbol executed or adopted, or any security procedure employed or adopted, by or on behalf of a person with intent to authenticate a record and which is attached to or logically associated with the action in electronic form.

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Bylaws of the Northern Illinois University Foundation

Appendix A : Indemnification

Section 1.01 Indemnification in Actions Other than by or in the Right of The Foundation.

The Foundation shall indemnify each Director and each Officer and may indemnify any other person who was or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of The Foundation) by reason of the fact that he or she is or was a Director, Officer, employee or agent of The Foundation, or is or was serving at the request of The Foundation as a director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of The Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of The Foundation, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 1.02 Indemnification in Actions by or in the Right of The Foundation.

The Foundation shall indemnify each Director and each Officer and may indemnify any other person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of The Foundation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, Officer, employee or agent of The Foundation, or is or was serving at the request of The Foundation as a director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of The Foundation and, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Director, Officer or other person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to The Foundation, unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of

Bylaws of the Northern Illinois University Foundation

the case, such Director, Officer or other person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 1.03 Indemnification in Actions as a Fiduciary.

The Foundation shall indemnify each Director and Officer and may indemnify any other person who is held to be a fiduciary under any employee pension or welfare plan or trust of The Foundation or any of its divisions and who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was such a fiduciary and was serving as such at the request of The Foundation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding for any breach of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 and any amendments thereto, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the participants and beneficiaries of such plan or trust, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the participants and beneficiaries of such plan or trust, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful. The provisions of all the following paragraphs of this Article relating to Directors, Officers and other persons shall apply also to Directors, Officers and other persons held to be fiduciaries under this section, specifically including the power of The Foundation (under Appendix A Section 1.07) to purchase and maintain insurance on behalf of such fiduciaries.

Section 1.04 Right to Payment of Expenses.

To the extent that a person who is or was a Director, Officer, employee or agent of The Foundation, or of any other corporation, partnership, joint venture, trust or other enterprise with which such person is or was serving in such capacity at the request of The Foundation, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Appendix A Sections 1.01, 1.02 and 1.03, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Bylaws of the Northern Illinois University Foundation

Section 1.05 Determination of Conduct.

Any indemnification under Appendix A Sections 1.01, 1.02, and 1.03 (unless ordered by a court) shall be made by The Foundation only as authorized in the specific case upon a determination that indemnification of the Director, Officer or other person is proper in the circumstances because such person has met the applicable standard of conduct set forth in Appendix A Sections 1.01, 1.02 and 1.03, as applicable. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 1.06 Indemnification Not Exclusive.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a Director or Officer seeking indemnification may be entitled under any statute, provision in The Foundation's Articles of Incorporation, Bylaws, agreement, vote of disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or Officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 1.07 Insurance.

The Foundation shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of The Foundation, or is or was serving at the request of The Foundation as a director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not The Foundation would have the power to indemnify such person against such liability under the provisions of this Article.

Section 1.08 Liabilities of Officers and Directors.

No person who, without compensation other than reimbursement for actual expenses, renders service to The Foundation (e.g., a Director or Officer) shall be liable to The Foundation for damages resulting from (a) the exercise of judgment or discretion in connection with the duties of responsibilities of such individual, or (b) an act or omission in rendering such services, unless the act or omission involved willful or wanton conduct. #####

Amended: June 8, 2012

Amended: February 3, 2014