

# THE ACTUARIAL FOUNDATION

## BYLAWS

(Board of Trustees Approved: [May 19, 2022])

### ARTICLE I. NAME

The name of this corporation is The Actuarial Foundation (hereinafter referred to as the "Foundation").

### ARTICLE II. PURPOSE

In addition to the purposes set forth in the Foundation's Articles of Incorporation, the purposes of the Foundation are to enhance math education and financial literacy through the talents and resources of actuaries.

### ARTICLE III. REGISTERED OFFICE AND AGENT

The Foundation shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office shall be identical with such registered office and may have such other offices within or without the State of Illinois and such other registered agents as the Board of Trustees may from time to time determine.

### ARTICLE IV. MEMBERS

The Foundation is not a membership organization and, as such, has no members.

### ARTICLE V. RULES

The following rules shall conclusively bind the Foundation and all persons acting for or on behalf of it:

#### **Section 1. Restrictions.**

No part of the net earnings of the Foundation shall inure to the benefit of, or be distributed to its Trustees, 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 herein. No substantial part of the activities of the Foundation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Bylaws, the Foundation shall not carry on any

other activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (ii) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

### **Section 2. Dissolution.**

Upon the dissolution of the Foundation, the Board of Trustees shall, after paying or making provision for the payment of all the liabilities of the Foundation, dispose of all the assets of the Foundation exclusively for the purposes of the Foundation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) as the Board of Trustees shall determine. Any assets not so disposed of shall be disposed of by the Circuit Court of the principal office of where the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE VI. BOARD OF TRUSTEES**

### **Section 1. Authority and Responsibility.**

The affairs of the Foundation shall be managed by the Board of Trustees (also referred to herein as the "Board"), which shall have supervision, control, and direction of the affairs of the Foundation, shall determine its policies or changes therein within the limits of these Bylaws, shall actively prosecute its purposes and have discretion in the disbursement of funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

### **Section 2. Composition.**

The Board shall be composed of not less than 25 and not more than 30 individuals as determined by the Board from time to time. The Executive Director shall be invited to attend and participate in all meetings of the Board, with the exception of those held in executive session.

### **Section 3. Elections; Term of Office.**

- (a) Trustees shall serve a three (3) year term on the Board, or until such time as their successors are duly elected, qualified, and take office. The terms of the Trustees shall be staggered such that approximately one-third of the Trustees are elected each year. No Trustee shall serve more than six (6) consecutive years on the Board, except for the Immediate Past Foundation Chair, who shall be permitted to serve a seventh year if included on the slate of candidates for election as a Trustee. Notwithstanding the foregoing, Emeritus Trustees may be elected to serve no more than one (1) additional three-year term on the Board provided at least one (1) year has elapsed since the conclusion of their last term on the Board.
- (b) The Governance and Leadership Committee shall recommend to the Board a slate of candidates for election as Trustees and such slate shall be subject to the approval of

the Board. Trustees shall be elected annually by the Board. Trustees shall take office on June 1 immediately following their election and shall continue in office until their successors are duly elected, qualified and take office.

#### **Section 4. Qualifications.**

The Board shall use its best efforts to elect Trustees representative of the key areas of practice for U.S. actuaries including members of the U.S. actuarial organizations, as appropriate, including, without limitations, individuals who are members of the following (or any successor organizations):

1. The Society of Actuaries
2. Casualty Actuarial Society
3. American Academy of Actuaries
4. Conference of Consulting Actuaries
5. American Society of Enrolled Actuaries

In addition, the Board may elect individuals who are not actuaries but who bring other skills to the Board as identified from time to time.

#### **Section 5. Resignation.**

A Trustee may resign at any time by giving written notice of such resignation to the Foundation Chair. The resignation shall become effective upon acceptance of the Board.

#### **Section 6. Removal.**

A Trustee may be removed, with or without cause, by the affirmative vote of a Super-majority of the Trustees (as defined below) at a meeting of the Board at which a quorum is present.

#### **Section 7. Vacancies.**

Upon the resignation, death, or removal of any Trustee, the Board may appoint an individual to fill the remainder of such person's unexpired term in office. The Trustee's completion of the remainder of the vacant term will be excluded from the term limits for the Trustee as described in Section 3.

#### **Section 8. Meetings.**

- A. Regular Meetings. The Board may provide by resolution the time, date and place for the holding of a regular annual meeting and additional regular meetings of the Board without other notice than such resolution.
- B. Special Meetings. Special meetings of the Board may be called by or at the request of the Foundation Chair or any five (5) Trustees. Notice of any special meeting of the Board shall state the time, date and place of the meeting and shall be delivered at least five (5) days prior to the date of such meeting, provided that notice of any special meeting held by telephone conference call may be delivered no less than least twenty-four (24) hours prior to the call. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called and convened.
- C. Invited Participants. The Executive Director shall be invited to attend and participate, without vote, in all regular and special meetings of the Board, except those held in executive session. In addition, Foundation staff and other guests may be invited to attend and participate without vote in some or all of regular and special meetings of the Board, except

those held in executive session, at the invitation of the Foundation Chair or Executive Director.

- D. Meeting by Conference Call or Other Electronic Means. Any action to be taken at a meeting of the Board may be taken through the use of a conference telephone, video conference or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating.
- E. Action Outside a Meeting. Any action requiring a vote of the Board may be taken without a meeting if consent in writing (delivered electronically or otherwise) setting forth the action taken is provided by all of the members of the Board (e.g., unanimous approval of all members of the Board is received).

### **Section 9. Voting, Quorum & Manner of Acting.**

Voting rights of a Trustee may not be delegated to another or exercised by proxy.

- A. Quorum. At any meeting of the Trustees, a majority of the Trustees shall constitute a quorum for the transaction of any business of the Foundation, and such business thus transacted shall be valid, providing it is affirmatively passed by a majority of those present, unless a Super-majority is required by these Bylaws.
- B. Manner of Acting. The act of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board, except where otherwise provided by law or by these Bylaws.
- C. Super-majority. A super-majority, defined as two-thirds of the entire Board shall be required for the election and removal of Trustees, for amendments to the Bylaws, and for dissolution of the Foundation.

### **Section 10. Rules of Order.**

The Board may adopt rules for its meetings and proceedings not inconsistent with these Bylaws or Illinois law.

### **Section 11. Compensation.**

Trustees will not be compensated for their services as Trustees on the Board. Expense reimbursements to Trustees may be provided in extraordinary circumstances and require prior authorization from the Executive Committee.

### **Section 12. Loans and Guarantees.**

No loan, guarantee, or other form of security shall be made or provided by the Foundation to or for the benefit of its Trustees, the Executive Director or any staff of the Foundation.

## **ARTICLE VII. OFFICERS**

### **Section 1. Officers.**

The officers of the Foundation shall be a Foundation Chair, Foundation Chair- Elect, Foundation Secretary/Treasurer and such other officers as the Board from time to time may determine (collectively, the "Officers"). A Trustee may hold only one office at one time.

### **Section 2. Elections.**

The Officers of the Foundation shall be elected from among the Trustees by the Trustees at a meeting of the Board. The Officers shall serve a one (1) year term in office or until such time as

their successors are duly elected, qualified, and take office. A Trustee shall not serve as Foundation Chair more than once. The Foundation Chair-Elect shall succeed to the office of Foundation Chair on completion or other termination of the Foundation Chair's term.

### **Section 3. Duties of Officers.**

- A. Foundation Chair. It is the responsibility of the Foundation Chair to preside, as a voting member, at all meetings of the Board and Executive Committee. In addition, the Foundation Chair:
1. shall propose Chairs of committees authorized by the Board.
  2. shall decide on all questions of order.
  3. shall have the authority to sign, with the Foundation Secretary/Treasurer, Executive Director, or other proper representative of the Foundation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed.
  4. shall ensure that all provisions of these Bylaws and other Foundation governing policies are accurately and faithfully administered.
  5. shall perform other such duties as requested from time to time by the Board.
  6. shall be an ex-officio member of all committees and task-forces of the Board.
  7. in general, shall perform all duties incident to the office of Foundation Chair and such other duties as may- be prescribed by the Board from time to time.
- B. Foundation Chair-Elect. The Foundation Chair-elect shall have such duties as may be assigned by the Foundation Chair or the Board. In the absence of the Foundation Chair or in the event of the Foundation Chair's inability or refusal to act, the Foundation Chair-Elect shall perform the duties of the Foundation Chair's office and, when so acting, shall have all the powers and obligations of, and be subject to all the restrictions upon, the Foundation Chair. The Foundation Chair-Elect shall succeed to the office of Foundation Chair on completion or other termination of the Foundation Chair's term. The Foundation Chair-Elect shall perform such other duties as from time to time may be assigned by the Foundation Chair or by the Board.
- C. Foundation Secretary/Treasurer. The Foundation Secretary/Treasurer shall serve as Chair of the Finance Committee and provide oversight to financial operations, business affairs and perform all customary duties incident to the office and such other duties as may be assigned from time to time by the Foundation Chair or the Board. The Foundation Secretary/Treasurer shall have the authority to sign, with the Foundation Chair, Executive Director, or other proper representative of the Foundation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed. The Foundation Secretary/Treasurer shall cause to be maintained minutes of the meetings of the Board, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the corporate records, and ensure the minutes are posted within 14 days after each Board meeting. The duties of the Foundation Secretary/Treasurer may be assigned by the Board in whole or in part to the Executive Director (or their designee(s)).

### **Section 4. Resignation.**

Any Officer, with the exception of the Foundation Chair, may resign at any time by giving written notice of such resignation to the Foundation Chair. The resignation shall become effective upon

acceptance of the notice by the Board. The Foundation Chair may resign by giving written notice of such resignation to the Foundation Chair-elect. The effective date of the Foundation Chair's resignation is the date the notice is accepted by the Board.

#### **Section 5. Removal.**

Any Officer may be removed from office, with or without cause, at any time by a Super-majority vote of the Board at any meeting thereof whenever, in its judgment, the best interests of the Foundation would be served by such action.

#### **Section 6. Vacancies.**

Upon the resignation, death, incapacity, or removal of an Officer (with the exception of the office of Foundation Chair, which will be filled by the Foundation Chair-Elect), vacancies may be filled by vote of a Super-majority of the Board.

### **ARTICLE VIII.**

#### **EXECUTIVE DIRECTOR**

The administrative and day-to-day operation of the Foundation shall be vested in a salaried staff head or organization appointed by and responsible to the Board. The Executive Director shall have the authority to execute contracts on behalf of the Foundation as approved by the Board, may carry out the duties of the Foundation Secretary/Treasurer as delegated by the Executive Committee, shall employ and may terminate the employment of personnel necessary to carry out the work of the Foundation, and shall perform such other duties as may be specified by the Board. The Executive Director shall be invited to attend and participate in all meetings of the Board and Executive Committee, except those held in executive session.

### **ARTICLE IX.**

#### **COMMITTEES**

##### **Section 1. Executive Committee.**

The Board shall annually appoint from amongst the Trustees on the Board an Executive Committee. The members of the Executive Committee shall include, at a minimum, the Foundation Chair (as Chair of the Executive Committee), Foundation Chair-Elect, Foundation Secretary/Treasurer (Finance Committee Chair), Immediate Past Foundation Chair (only if such individual is a Trustee) and chairs of the following committees: Governance and Leadership, Program, Diversity, Equity & Inclusion, Risk Management and Development and Marketing. The Executive Director shall serve ex-officio and without vote. The Committee shall act as authorized by Board.

The Executive Committee shall have the authority to carry out the business and functions of the Foundation between meetings of the Board, reporting to the Board any action taken and subject at all times to these Bylaws. Notwithstanding the foregoing, the delegation of authority to the Executive Committee shall not operate to relieve the Board or any individual Officer or Trustee of any responsibility imposed by law. The Executive Director shall be invited to attend and participate in all meetings of the Executive Committee, with the exception of those held in executive session.

**Section 2. Standing Committees.**

The standing committees, in addition to the Executive Committee and Governance and Leadership Committee, shall be the Program Committee, Finance Committee, Audit Committee, Diversity, Equity & Inclusion Committee, Risk Management Committee, Development and Marketing Committee and such additional standing committees as may be established by resolution of the Board. There shall be set forth in the Board Procedure Manual, the purposes, duties, powers, composition, manner and term of appointment and method of operation of such standing committees.

**Section 3. Governance and Leadership Committee.**

The Chair and Vice-Chair of the Governance and Leadership Committee will be selected by the Foundation Chair in consultation with the Executive Director and ratified by the Executive Committee. Committee members will be appointed by the Committee Chair in consultation with the Foundation Chair and Executive Director, with ratification by the Executive Committee.

**Section 4. Program Committee.**

The Chair and Vice-Chair of the Program Committee will be selected by the Foundation Chair in consultation with the Executive Director and ratified by the Executive Committee. Committee members will be appointed by the Committee Chair in consultation with the Foundation Chair and Executive Director and ratified by the Executive Committee. Program Chairs and Vice-Chairs will be selected by the Committee Chair in consultation with the Foundation Chair and Executive Director.

**Section 5. Finance Committee.**

The Chair of the Finance Committee will be the Foundation Secretary/Treasurer. The Vice-Chair of the Finance Committee will be selected by the Foundation Chair in consultation with the Committee Chair and Executive Director and ratified by the Executive Committee. Committee members will be appointed by the Committee Chair in consultation with the Foundation Chair and Executive Director and ratified by the Executive Committee.

**Section 6. Audit Committee.**

The Chair and Vice-Chair of the Audit Committee will be selected by the Foundation Chair in consultation with the Executive Director and ratified by the Executive Committee. The Audit Committee Chair does not serve on the Executive Committee. Committee members will be selected by the Committee Chair in consultation with Foundation Chair and Executive Director and ratified by the Executive Committee.

**Section 7. Development and Marketing Committee.**

The Chair and Vice-Chair of the Development and Marketing Committee will be selected by the Foundation Chair in consultation with the Executive Director and ratified by the Executive Committee. Committee members will be selected by the Committee Chair in consultation with the Foundation Chair and Executive Director and ratified by the Executive Committee.

**Section 8. Diversity, Equity & Inclusion Committee.**

The Chair and Vice-Chair of the Diversity & Inclusion Committee will be selected by the

Foundation Chair in consultation with the Executive Director and ratified by the Executive Committee. Committee members will be selected by the Committee Chair in consultation with the Foundation Chair and Executive Director and ratified by the Executive Committee.

**Section 9. Risk Management Committee.**

The Chair and Vice-Chair of the Risk Management Committee will be selected by the Foundation Chair in consultation with the Executive Director and ratified by the Executive Committee. Committee members will be selected by the Committee Chair in consultation with the Foundation Chair and Executive Director and ratified by the Executive Committee.

**Section 10. Other Committees.**

The Board may establish special committees, subcommittees, and task forces as necessary that are not in conflict with other provisions of these Bylaws. Such committees are required to act within the limits of the charge given that committee and approved by the Board.

**Section 11. Scope of Committee Actions.**

No committee, or committee member, may undertake to commit Foundation resources, including but not limited to sponsorship, staff effort, or disbursement of funds, without authority from the Board. All committees report to, and are subject to the authority of, the Board.

**Section 12. Term of Office.**

The term for a committee member is three (3) years and may be renewed for a second three-year term by the Committee Chair. A committee member may serve no more than two (2) three-year terms. Members of committees may be Trustees, or other individuals.

**Section 13. Resignation.**

A committee member may resign at any time by giving written notice of such resignation to the current Chair of the specified Committee. The resignation shall become effective upon receipt of the notice by such Committee Chair.

**Section 14. Removal.**

Any Committee Chair, or committee member, may be discharged or removed by action of a majority of the Trustees present at a Board meeting at which a quorum is present.

**Section 15. Voting.**

Voting rights of a committee member may not be delegated to another or exercised by proxy.

**Section 16. Quorum and Manner of Acting.**

At any meeting of a committee of the Foundation, a majority of that committee shall constitute a quorum for the transaction of any business of that committee and the act of a majority of the members of the committee present at a meeting at which a quorum is present shall be the act of the committee so long as such act is within the limits of the charge given that committee

**Section 17. Meetings by Conference Call or Other Electronic Means.**

The meetings and proceedings of the committees may be conducted or held using a conference telephone, video conference, virtually, or other communications equipment or means that allows persons participating in the meeting to communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting or the person(s) so participating.



## **ARTICLE X. FINANCES AND CONTRACTS**

### **Section 1. Fiscal Year.**

The fiscal year shall be prescribed by the Board from time to time.

### **Section 2. Not for Profit.**

The Foundation is organized under Illinois law, shall operate as an Illinois Not For Profit Corporation, and shall have such powers as are now or may be granted by the General Not For Profit Corporation Act of the State of Illinois, as amended, (or any corresponding future Act) (the "Act"), including the power to purchase, take, receive, lease as lessee, take by gift, or legacy, or otherwise acquire, and to own, hold, use, and otherwise deal in and with any real or personal property, or any interest therein, situated in or out of the State of Illinois, and to sell, convey mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets.

### **Section 3. Budget.**

The Executive Director shall submit to the Board, for approval, an annual operating budget covering all revenues and expenses of the Foundation including planned allocations for programs and initiatives in the forthcoming year.

### **Section 4. Books and Records.**

- A. General Requirements. The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board, Executive Committee and other committees having any of the authority of the Board.
- B. Annual Audit. The Foundation shall provide for an annual audit of financial records of the Foundation by an independent certified public accountant. The Chair of the Audit Committee shall make an annual report to the Board on the results of the audit and provide a written copy of such results to each Trustee.

### **Section 5. Contracts, Loans, Deposits, Checks and Gifts.**

- A. Contracts. The Board may authorize any Officer or agent of the Foundation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or to execute or deliver any instruments in name of and on behalf of the Foundation. This authority may be general or confined to specific instances.
- B. Loans. No loans shall be contracted on behalf of the Foundation and no evidence of indebtedness shall be issued in its name, unless and except as authorized by a majority of the Board. Any officer or agent of the Foundation specifically authorized may affect loans or advances for the Foundation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidence of indebtedness of the Foundation. Any officer or agent who is specifically authorized may mortgage, pledge, hypothecate, or transfer as security for the payment of any and all loans, advances, indebtedness, and liabilities of the Foundation any real property and all stocks, bonds, or other securities and other personal property at any time held by the Foundation, and to that end may endorse, assign, and deliver the same, and do every act and thing necessary or proper. This authority may be general or confined to specific instances.

- C. Checks and Drafts, etc. Except as otherwise established by resolution of the Board or as provided in the Board's Procedure Manual, all notes, drafts, acceptances, checks, and endorsements or other evidence of indebtedness shall be signed by the Foundation Chair, Foundation Chair-elect, Foundation Secretary/Treasurer or Executive Director, or in such other manner as the Board may determine.
- D. Deposits. All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trusts companies, or other depositories or investments as the Board may direct.
- E. Gifts. The Board may accept on behalf of the Foundation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Foundation.

#### **Section 6. Bonding.**

Trust or surety bonds shall be furnished for the Foundation Chair, Foundation Chair-elect, Foundation Secretary/Treasurer, Executive Director and such other Trustees, committee members, volunteers, or staff of the Foundation, as the Board shall direct. The Board shall determine the amount (if any) of such bonds.

#### **ARTICLE XI. WAIVER OF NOTICE**

Whenever any notice whatsoever is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation or the Bylaws of the Foundation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### **ARTICLE XII. AMENDMENTS**

These Bylaws may be amended or repealed and new Bylaws may be adopted by a quorum vote of the Board. Notice of any Bylaws amendment must be provided to all members of the Board at least 10 days prior to the scheduled vote. Amendments must not be inconsistent with either the Articles of Incorporation or the Act.

#### **ARTICLE XIII. INDEMNIFICATION**

##### **Section 1. Mandatory Indemnification.**

Each person who is a Trustee, Officer, Executive Director, staff, or agent of the Foundation, or who volunteers services to the Foundation, or is or was serving at the request of the Foundation in that capacity (and such person's heirs, executors, administrators, and personal representatives), shall be indemnified by the Foundation against all costs and expenses (including but not limited to legal fees, amounts of judgments paid, and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative, or other, in which such person may be involved by virtue of being or having been affiliated with the Foundation, or in connection with any appeal therein to the full extent permitted by the Act; provided, however, that in the event of a settlement, the indemnification herein provided shall apply only when the Board approves such settlement; and provided further that such indemnity shall not be operative with respect to any matter as to which such person shall have been finally adjudged liable in such claim, action, suit, or

proceeding on account of his or her own willful or wanton misconduct. The Foundation shall be entitled to purchase insurance for such indemnification to the full extent as determined from time to time by the Board.

The rights accruing to any person under this Article shall be without prejudice to any rights or benefits given by the Board inconsistent therewith in special cases and shall not exclude any other rights or benefits to which such person may be lawfully entitled.

**Section 2. Supplementary Benefits.**

The Foundation may supplement the right of indemnification under Section 1 by one or more of the purchases of insurance, the entering into of indemnification agreements, and the paying of advances for related expenses of any person indemnified.

**ARTICLE XIV.**

**USE OF ELECTRONIC COMMUNICATION**

Unless otherwise prohibited by law, (i) any action to be taken or notice delivered under these Bylaws may be taken or transmitted by electronic mail or other electronic means; and (ii) any action or approval required to be written or in writing may be transmitted or received by electronic mail or other electronic means.