

BY-LAWS

(based on a small New Hampshire Non-Profit Corporation)

1. ORGANIZATION

- 1.1. The name of the Corporation is XXX, herein identified as the Corporation.
- 1.2. Offices: The principal office of the Corporation shall be located at any place either within or outside the State of [State or Provincial Government] as designated in the Corporation's most current Annual Report filed with [the [State or Provincial Government] Secretary of State]. The Corporation may also have offices at such other places as the Board of Directors (the "Board") may from time to time determine or the business of the Corporation may require.
- 1.3. Fiscal Year: The fiscal year will follow the calendar year.
- 1.4. The Corporation shall be governed according to the principles of sociocratic governance as specified in Article 3, Sociocratic Governance.

2. PURPOSES

- 2.1. Purpose: The Corporation is an autonomous association of persons united voluntarily to meet their common economic, social and environmental needs and aspirations, particularly in the area of ecological sustainability and community building within the meaning of section 501(c)(3) IRS code.
- 2.2. Mission Statement: To provide education and opportunity that empowers communities to thrive in the face of economic, environmental, and social challenges.
- 2.3. The Corporation is a nonprofit organization incorporated under the laws of [State] exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, including making distributions to similar organizations for the same purposes.

3. SOCIOCRATIC GOVERNANCE

- 3.1. Definition: Sociocratic governance shall be defined as a method of governance that delegates policy making to all levels of the Corporation and establishes equivalence among its members within their domain of responsibility.
- 3.2. The governance of the Corporation strives to address the following aims:
 - 3.2.1. making decisions that are high quality in an efficient manner
 - 3.2.2. managing the Corporation's work effectively
 - 3.2.3. distributing and decentralizing decision-making authority to maximum levels appropriate
 - 3.2.4. developing the leadership and consent-building skills of our members

- 3.2.5. supporting broad participation by members in both governance and operational work
- 3.2.6. ensuring that all voices matter
- 3.2.7. fostering a positive sense of community and connections among the Corporation's members
- 3.2.8. supporting the accomplishment of the Corporation's aims in the context of its visions, mission and/or values.

4. GOVERNING PRINCIPLES

4.1. The Corporation's governance is based on the principles of sociocracy (also known as Dynamic Governance). The basic unit of governance is the circle. A circle is a group of people who work together to accomplish a specific purpose (called an aim). Circles make policy decisions within their specific areas of responsibility (called a domain). Policy decisions are made by consent. The principles are defined in the following subsections of Article 4 of these bylaws.; the practical application of these principles is outlined in the Corporation's Policies & Procedures.

4.2. **The Principle of Circles:** The Corporation's structure consists of semi-autonomous interlinking circles.

- 4.2.1. Broader circles set and/or affirm the aim and domain of their more-focused sub-circles.
- 4.2.2. Generally, linked circles have two overlapping members. The coordinator and the delegate form a "double-link" between broader circles and their more-focused sub-circles so that influence may flow in both directions (in hierarchical terms, both top-down and bottom-up).
- 4.2.3. A broader circle selects the coordinators of its sub-circles. The sub-circle confirms the selection of the coordinator. Alternatively, the sub-circle may propose its own coordinator, to be confirmed by the broader circle. The coordinator of a sub-circle serves as a full member of both the sub-circle and the broader circle.
- 4.2.4. Sub-circles select one or more delegates to serve on their broader circle. The broader circle confirms the selection of the delegate(s). The Delegate from a sub-circle serves as a full member of both the sub-circle and the broader circle.
- 4.2.5. If a sub-circle believes that it is adequately represented by its coordinator or a liaison, it may choose a delegate to be on call to participate in specific meetings/discussions of its broader circle. The "single-link" should only be used at the grassroots/lower/more focused levels of the organization. When members are primarily volunteers who fill multiple work roles in THE CORPORATION, the needs by double linking for adequate feedback and protection against power over dynamics may not be as critical.

- 4.2.6. To guide well-informed and responsible decision-making, each circle solicits input from community members as needed. Means for gathering information include but are not limited to surveys, one-on-one conversations, and whole community meetings.
- 4.3. **The Principle of Consent:** Policy decisions are made by consent, including selection of people for circle roles, except as required by law and/or as otherwise stated in the bylaws. Consent is defined as having no “reasoned objections”.
 - 4.3.1. Circles solicit objections because they provide valuable information. The reasoning behind the objections allows the circle to improve proposals so that all members of the circle can work toward its aims more effectively.
 - 4.3.2. A reasoned objection is made when there is a concern that the proposal would negatively affect the circle’s ability to serve its purpose. In other words, objections are based on the aims of a circle and the mission of the community and not on personal preferences.
 - 4.3.3. Reasoned objections have a clearly stated rationale, allowing circle members to understand the basis for the objection and to take collective responsibility for possible resolutions.
 - 4.3.4. Before a decision can take effect, every member of a circle must consent. Each circle shall establish its own written policy that defines a quorum for conducting business and its procedures for obtaining consent from absent members.
- 4.4. **The Principle of Continual Evolution:**
 - 4.4.1. the Corporation as a whole and each of its circles in particular is committed to ongoing feedback and continual learning about governance, communication, and the content of the circle’s work.
 - 4.4.2. All policy decisions, including selections of people for roles, are scheduled for feedback and review after a defined period of time (and may be re-evaluated at any time). The review answers the question “how effective has this policy been in contributing to the realization of the circle’s aim and the Corporation’s mission?” More specific evaluation measures, as appropriate, are included in the original policy proposal. Policy decisions and role selections remain in effect until they are terminated, revised or reaffirmed. Work processes are also periodically evaluated. Every meeting is evaluated. Role performance is regularly reviewed in a constructive manner.
 - 4.4.3. We seek to make decisions that are “good enough for now” and “safe enough to try.” The best decisions over the long

term are made by making many decisions over the short term and evaluating their impact. As we grow more confident with policies, we give them longer terms before review. On the one hand, nothing set in stone, and on the other hand, we don't needlessly review policies that have proven to be effective.

5. MEMBERS

- 5.1. Classes The board shall establish at least one class of membership.
- 5.2. Membership is a qualification for participation in the sociocratic governance structure of the Corporation
- 5.3. The basis of membership and the rights and responsibilities of membership shall be defined in the Policies and Procedures.

6. BOARD OF DIRECTORS

- 6.1. Qualifications An understanding of, and agreement with, the mission, aims and governance principles of the Corporation as stated in these bylaws and the Policies & Procedures.
- 6.2. Powers and Duties. The Board shall have general power to control and manage the affairs and property of the Corporation subject to applicable law and in accordance with the purposes and limitations set forth in the Articles of Agreement and herein. The Board may exercise all other powers necessary to manage the affairs and further the purposes of the Corporation in conformity with the Articles of Agreement and these Bylaws. Responsibilities include, but are not limited to: a. Setting and overseeing the execution of a strategic plan, b. Ensuring fiscal responsibility, c. Maintaining long-term viability, d. Generating new ideas and directions, and e. Maintaining connections with external persons, organizations, agencies, and any other bodies necessary to the development and functioning of the Organization.
- 6.3. Composition: There shall be at least 5 and no more than 9 Directors. Subject to such range, the number of Directors may be increased or decreased from time to time, by resolution of the Board, but such action by the Board shall require a vote of a majority of the entire Board and no decrease shall shorten the term of any incumbent Director. The entire Board shall consist of the number of directors that were elected or appointed at the most recently-held election of Directors, plus those Directors continuing to serve. The Board shall include the managing director (the chief executive officer) and one or more representatives of the general management circle.
- 6.4. Election and Term of Office. Election Process Board members, board officers, and circle officers shall be elected applying the principle of consent and by methods described in the Policies and Procedures. The Directors shall hold office for two-year terms;

provided, however, that any Director elected to fill an unexpired term (whether resulting from the death, resignation or removal or created by an increase in the number of Directors) shall hold office until the next annual meeting at which the election of Directors is in the regular order of business and until his or her successor is elected or appointed and qualified. Directors may be elected to three consecutive terms.

- 6.5. Removal. A director or officer may be removed for cause by the Board without his or her consent provided further that the Board has been given at least one week's notice of the proposed action.
- 6.6. Resignation. Any Director may resign from the Board at any time. Such resignation shall be made in writing or electronically, directed to the President, and shall take effect at the time specified in the written resignation, and if no time is specified, at the time of its receipt by the Corporation or the President. The acceptance of a resignation by the Board shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of a Director.
- 6.7. Vacancies and Newly Created Directorships. Any newly created Directorships, and any vacancies on the Board arising at any time and from any cause, may be filled at any meeting of the Board by a majority of votes, when a quorum is present, regardless of their number. Each Director so elected shall serve until the next annual meeting at which the election of Directors is the regular order of business and his or her successor is elected or appointed or qualified. A vacancy in the Board shall be deemed to exist on the occurrence of any of the following: (a) the death, resignation or removal of any Director; (b) an increase in the authorized number of Directors by resolution of the Board; or (c) the failure of the Directors, at any annual or other meeting of Directors at which any one or more Directors are to be elected, to elect the full authorized number of Directors to be voted for at that meeting. Each Director elected to fill a vacancy arising from the death, resignation, or removal of a Director shall serve until the next annual meeting of Directors, and then at such meeting may be elected for a term coinciding with the balance of the unexpired term of the replaced director.
- 6.8. Compensation. With the exception of the managing director, the general management circle representatives if employed by the organization, and any expert directors who are otherwise providing contracted professional services to the organization, directors shall not receive compensation for their services, although they may be reimbursed for ordinary and necessary expenses incurred in fulfilling their responsibilities. Any Officer who is not a Director but is an employee or agent of the Corporation is authorized to receive a

reasonable salary or other reasonable compensation for services rendered to the Corporation as an employee or agent when authorized by a majority of the entire Board, and only when so authorized.

- 6.9. Conflict of Interest and Confidentiality Each director shall sign and the secretary shall retain or cause to be retained in the files of the organization a copy of the conflict of interest and confidentiality policy.
- 6.10. Transparency Whenever possible, the board shall ensure compliance with the practice of sociocratic organizations to make records of all transactions transparent and available to the members, staff, and other interested parties. In order to address a reasoned objection to any information being classified confidential, the board shall establish policies providing for examination that protects the information and makes it available for review.
7. Meetings. The annual meeting of the Board shall be held on the first Wednesday of April of each year or at a date, time, and place fixed by the Board. Regular meetings of the Board shall be held no less than three times at a time and place fixed by the Board. Special meetings of the Board shall be held whenever called by (a) the President of the Board; (b) the Executive Director; or (c) by any Director upon written demand of not less than three of the Directors of the Board, in each case at such time and place as shall be fixed by the person or persons calling the meeting.
 - 7.1. Notice of Meetings. Regular meetings may be held without notice of the time and place if such meetings are fixed by the Board. In the case of each annual and special meetings, such notice must be accompanied by a written agenda setting forth all matters upon which action is proposed to be taken. Notice of the time and place of the annual meeting, each regular meeting not fixed by the Board, and each special meeting of the Board shall be delivered to each Director by e-mail at least seven (7) days before the day on which the meeting is to be held; or mailed to each Director, postage prepaid, addressed to him or her at his or her residence or usual place of business (or at such other address as they may have designated in a written request filed with the Secretary at least seven (7) days before the day on which the meeting is to be held). To discuss matters requiring prompt action, notice of special meetings may be sent to each Director by e-mail or telephone, or given personally, no less than forty-eight (48) hours before the time at which such meeting is to be held, unless the meeting must be held within forty-eight (48) hours. Notice of a meeting need not be given to any Director who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting the lack of notice to him or her prior to or at the beginning of the meeting. Waivers of notice sent by email will be valid if the Director

is clearly identified in such waivers.

7.2. Quorum.

7.2.1. Members present by telephonic or other means that allow them to participate in the discussion, resolve objections, and consent or vote, as appropriate, shall be included in the quorum and in the meaning of present and participating.

7.2.2. One-third of all board members must be present in order for business to be conducted or actions taken. In no case, however, shall business be conducted or actions taken with less than three directors participating.

7.3. Voting. Decisions of the Board are made following the principle of consent and the methods described in the Policies & Procedures. If at any meeting of the Board less than a quorum is present, the Directors present may adjourn the meeting until a quorum is obtained. **[need to include a fail-safe here in case the Board is unable to consent to a decision]**

7.4. Adjournment of Meeting. A majority of the Directors present, whether or not a quorum is present, may adjourn the meeting to another time and place. Notice of the time and place of such adjourned meeting shall be given to Directors who were not present at the time of such adjournment and, if such time and place was not announced at such meeting, to all other Directors. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

7.5. Action Without a Meeting. Any action required or permitted to be taken by the Board or committee may be taken without a meeting if the entire Board or all members of the committee unanimously consents in writing to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If the consent is written, it must be signed by the Director. If consent is electronic, such consent will be valid if the Director is clearly identified in such consent. Any resolution and the written consents shall be filed with the minutes of the proceedings of the Board or committee.

8. OFFICERS, EMPLOYEES AND AGENTS

8.1. Number and Qualifications. The Board shall select all officers, if any, for the Corporation (each officer an "Officer" and collectively, "Officers"). The Officers shall be a President, a Secretary, a Treasurer and any other Officers that the Board may from time to time appoint. One person may hold more than one office in the Corporation, except that no one person may hold the offices of President and Secretary at the same time. The appointment of an employee of the Corporation as President shall require a resolution of the Board documenting the affirmative vote of at least two-thirds (2/3) of the entire Board and the basis for the appointment. The

other Officers may, but need not, be Directors. No instrument required to be signed by more than one Officer may be signed by one person in more than one capacity.

- 8.2. Election and Term of Office. The Officers shall be elected for a two or three-year term at the annual meeting of the Board, and each shall continue in office until his or her successor has been elected or appointed and qualified, or until his or her death, resignation, or removal.
- 8.3. Employees and Other Agents. The Board may from time to time appoint such employees and other agents as it shall deem necessary, each of whom shall hold office at the pleasure of the Board, and shall have such authority and perform such duties and shall receive such reasonable compensation, if any, as the Board may from time to time determine. To the fullest extent allowed by law, the Board may delegate to any employee or agent any powers possessed by the Board and may prescribe their respective title, terms of office, authorities, and duties.
- 8.4. Removal. Any Officer, employee or agent of the Corporation may be removed with or without cause by a vote of the majority of the Board. Termination of employment of any employee also serving as an Officer shall result in removal effective as of the date of termination.
- 8.5. Resignation. Any Officer may resign at any time by giving notice (either written or electronic) to the Executive Director, provided that any Officer who is an employee of the Corporation must abide by the terms of his or her employment, including service as an Officer. The resignation shall take effect at the time specified therein, and if no time is specified, at the time of its receipt by the Executive Director, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 8.6. Vacancies. In case of any vacancy in any office, a successor to fill the unexpired portion of the term may be appointed by the Board.
- 8.7. President: Powers and Duties. The president shall oversee board compliance with the law, the Articles of Agreement, these bylaws, the Policies & Procedures, the principles and methods of sociocratic governance, and the board's own decisions. The president shall have the power to sign and execute alone, in the name of the Corporation, all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature. The President shall perform such other duties as from time to time may be assigned by the Board.
- 8.8. Secretary: Powers and Duties. The Secretary shall perform all the functions specified for secretaries of all circles as stated in the Policies & Procedures and assume responsibility for corporate and board records. The secretary shall perform the duties of the

president if he or she is unable or unwilling to complete them as stated in these bylaws or at the direction of the board. They shall be responsible for giving and serving all notices of the Corporation, receiving the annual disclosure statements required by the Corporation's Conflicts of Interest Policy and shall perform such other duties as shall from time to time be assigned by the Board.

- 8.9. Treasurer: Powers and Duties. The treasurer shall: a. Oversee financial affairs, b. Have custody of all funds and securities until otherwise assigned, c. Establish or cause to be established appropriate financial records, accounts, and practices to ensure judicious use and care, d. Prepare or cause to be prepared budgets, fundraising plans, and financial reports, e. Make the financial records available in accessible format in accordance with the practice of sociocratic organizations for transparency, f. Perform the duties of the executive secretary if he or she is unable or unwilling to perform them g. Perform other duties as required by the board.
 - 8.10. Sociocratic Expert Director One or more of the directors shall have expertise related to the application and teaching of the principles and methods of sociocracy and shall ensure that the Corporation abides by those principles and practices.
9. COMMITTEES
- 9.1. Committee of the Board: A committee of the Board is one that shall have authority to bind the Corporation and shall be comprised solely of Directors. Committees of the Board may be appointed by resolution of the Board at a meeting at which a quorum is present. The members of such committees shall be appointed by the President of the Board, subject to the approval of the Board. Each committee must consist of at least three (3) Directors with such powers and duties as the Board may prescribe, except that no committee shall have authority as to the following matters:
 - 9.1.1. the filling of vacancies on the Board or on any committee;
 - 9.1.2. the amendment or repeal of the Bylaws or the adoption of new Bylaws;
 - 9.1.3. the amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable;
 - 9.1.4. the fixing of compensation of the Directors for serving on the Board or any committee;
 - 9.1.5. the election or removal of officers and directors;
 - 9.1.6. the approval of a merger or plan of dissolution;
 - 9.1.7. the authorization of a transaction involving the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation; and
 - 9.1.8. the approval of amendments to the Articles of Agreement.

9.2. ADVISORY COUNCILS The Board may establish one or more advisory councils in order to achieve the purposes of the Organization.

10. CONTRACTS, CHECKS, AND BANK ACCOUNTS

10.1. The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation and shall determine who shall be authorized on the Corporation's behalf to sign checks, drafts, or other orders for the payment of money, acceptances, notes, or other evidences of indebtedness, to enter into contracts or to execute and deliver other documents and instruments

11. BOOKS AND RECORDS

11.1. Correct books or account of the activities and transactions of the Corporation, including the minute book (containing a copy of the Articles of Agreement, a copy of these bylaws and all minutes of meetings of the Board and the Executive Committee) shall be kept at the office of the Corporation.

12. **LIABILITY OF BOARD MEMBERS:** (from original bylaws) No person of this corporation shall be personally liable to its creditors for any indebtedness or liability, and any and all creditors of this corporation shall look only to the assets of this corporation for payment. The Corporation further agrees to indemnify and hold harmless any members for acts done in his or her capacity as a member of the Board.

13. INDEMNIFICATION AND INSURANCE

13.1. General. To the fullest extent permitted by law, the Corporation may indemnify any person (and his or her heirs, executors, guardians, administrators, assigns, and any other legal representative of that person) who was or is a party or is threatened to be made a party to or is involved in (including being a witness) any threatened, pending, or completed action, suit, proceeding or inquiry (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative, or investigative, and whether formal or informal, including appeals, by reason of the fact that he or she is or was a Director or Officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for and against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by that person or that person's heirs, executors, guardians, administrators, assigns, or legal representatives in connection with that action, suit,

proceeding, or inquiry, including appeals. Notwithstanding the foregoing, the Corporation shall indemnify any person seeking indemnification in connection with an action, suit, proceeding, inquiry (or part thereof) initiated by that person only if that action, suit, proceeding or inquiry (or part thereof) was authorized by the Board.

- 13.2. Exclusions. No indemnification shall be made to or on behalf of a director or officer if a judgment or other financial adjudication adverse to the director or officer establishes that his or her acts were committed in bad faith or were the result of active or deliberate dishonesty and were material to the cause of action so adjudicated, or that they personally gained in fact a financial profit or other advantage to which they were not legally entitled.
- 13.3. Expenses. To the fullest extent permitted by law, the Corporation shall pay expenses as incurred by any person described in this Article in connection with any action, suit, proceeding or inquiry described in this Article; provided that if these expenses are to be paid in advance of the final disposition (including appeals) of an action, suit, proceeding or inquiry, then the payment of expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the person, to repay all amounts so advanced if it is ultimately determined that the person is not entitled to be indemnified under this Article or otherwise.
- 13.4. Insurance. The Corporation may purchase and maintain insurance on behalf of any person described in this Article against any liability asserted against him or her, whether or not the Corporation would have the power to indemnify him or her against that liability under the provisions of this Article or otherwise.
- 13.5. Application. The provisions of this Article shall be applicable to all actions, suits, proceedings or inquiries made or commenced after the adoption of this Article, whether arising from acts or omissions occurring before or after its adoption. The provisions of this Article shall be deemed a contract between the Corporation and each director or officer who serves in such capacity at any time while this Article and the relevant provisions of the laws of the State of New York and other applicable law, if any, are in effect, and any repeal or modification of this Article shall not adversely affect any right or protection of any person described in this Article in respect of any act or omission occurring prior to the time of the repeal or modification.

- 13.6. Validity and Limitations. If any provision of this Article shall be found to be invalid or limited in application by reason of any law or regulation, that finding shall not affect the validity of the remaining provisions of this Article. The rights of indemnification provided in this Article shall neither be exclusive of, nor be deemed in limitation of, any rights to which any person described in this Article may otherwise be entitled or permitted by contract, vote of the Board of Directors, or otherwise, as a matter of law, both as to actions in his or her official capacity and actions in any other capacity while holding such office, it being the policy of the Corporation that indemnification of any person described in this Article shall be made to the fullest extent permitted by law.
- 13.7. Definitions. For purposes of this Article: references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and reference to serving at the request of the Corporation” shall include any service as a director or officer of the Corporation which imposes duties on, or involves services by, that director or officer with respect to an employee benefit plan, its participants, or beneficiaries.

14. AMENDMENTS AND REFERENCES

- 14.1. Amendments. **These Bylaws may be altered or repealed and new bylaws adopted by the board with a minimum of thirty (30) days notice to all circle members of intent to amend, including the wording of such amendment. The purpose of such notice shall be to allow circles to call special meetings, if they consider it necessary, to deliberate on such amendment and to select a representative(s) to participate in the deliberations in the next higher circle. No amendment shall be made that would adversely affect the Organization’s qualification under Section 501(c)(3) of the Internal Revenue Code of 1986, (or any successor provision).** These Bylaws may be amended or repealed at any meeting of the Board by the majority vote of the Directors present, so long as a quorum is present, except that an amendment of these Bylaws that would increase the quorum requirement to greater than a majority of the entire Board, or would increase the vote requirement to greater than a majority of the Board present at the time of the vote, shall require a two-thirds vote of the entire Board. Any amendment or repeal of these Bylaws is authorized only at a duly called and held meeting of the Board. To be duly called, written notice of such meeting, including the proposed amendment or repeal, must be given in accordance with the notice provisions for special meetings set forth in these Bylaws or at a

meeting of the Board prior to the meeting to amend or repeal the Bylaws at which the amendment or repeal is on the agenda, if notice of such meeting is given and the written proposed amendment or repeal of the Bylaws given.

- 14.2. Policies and Procedures. At each annual meeting, the Board shall review and adopt a set of policies and procedures (the “Policies and Procedures”) which shall provide the framework and additional policies and procedures under which the Corporation shall conduct its business to support its purposes.
- 14.3. Reference to Articles of Agreement. References in these Bylaws to the Articles of Agreement shall include all amendments thereto, unless specifically excepted by these Bylaws. In the event of a conflict between the Articles of Agreement and these Bylaws, the Articles of Agreement shall govern.
- 14.4. Reference to Policies and Procedures. References in these Bylaws to the Policies and Procedures shall include all amendments thereto, unless specifically excepted by these Bylaws. In the event of a conflict between the Articles of Agreement or these Bylaws and the Policies and Procedures, the Articles of Agreement or these Bylaws shall govern.