

Bylaws of the National Propane Gas Foundation

ARTICLE I

Name, Principal Office, Purposes, and Restrictions

- 1.01 **Name.** The name of this Foundation is the National Propane Gas Foundation. The Foundation is a trust formed under the laws of the State of Illinois.
- 1.02 **Principal Office.** The location of the principal office shall be Suite 350, 1899 L Street, N.W., Washington, D.C. 20036 or such subsequent locations as shall be the headquarters of the National Propane Gas Association. The Board of Trustees may change the principal office from one location to another.
- 1.03 **Purpose.** The Foundation is established exclusively for educational, research, and charitable purposes, within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Foundation shall have the power to perform every act necessary to or in connection with the furtherance of its exempt purpose, subject to such restrictions in Federal law governing entities exempt under Section 501(c) (3) of the Code, including fostering educational opportunities for the children of the employees of National Propane gas Association member companies.
- 1.04 **Restrictions.** All policies and activities of the Foundation shall be consistent with applicable federal, state, and local antitrust, trade regulation and other legal requirements, including the laws of the State of Illinois and the District of Columbia and applicable federal and state tax-exemption requirements.

ARTICLE II

Board of Trustees

- 2.01 **Authority.** The activities and affairs of this Foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the Foundation’s Board.
- 2.02 **Trustees.** The Trustees of the Foundation shall consist of the members of the Executive Committee of the National Propane Gas Association.
- 2.03 **Election.** Trustees shall be elected to the Board of Trustees of the Foundation by the same procedures employed to select the members of the Executive Committee of the National Propane Gas Association.
- 2.04 **Terms.** Each Trustee shall serve for a term coinciding with the term on the National Propane Gas Association Executive Committee.

- 2.05 **Duties.** It shall be the duty of a Trustee to attend meetings of the Board, to participate in those meetings, and to vote on matters brought before the Board in good faith, in a manner such Trustee believes to be in the best interest of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- 2.06 **Compensation.** Trustees shall serve without compensation, provided they may be reimbursed for actual and necessary expenses incurred in the performance of their duties in accordance with written procedures adopted by the Board.
- 2.07 **General Powers.** The Board of Trustees shall constitute the governing body of the Foundation. The Board shall manage the business and affairs of the Foundation. It shall have all powers necessary to carry out the objectives of the Foundation.
- 2.08 **Regular and Annual Board of Trustees Meetings.** The Board shall determine the date and place of all regular meetings. Meetings of the Board shall be held at a reasonable time and place designated by the Chairman. The Chairman may designate additional meeting dates.
- 2.09 **Annual Meeting.** A meeting during the summer of each year shall be designated as the "Annual Meeting," at which formal annual business is conducted.
- 2.10 **Special Meetings.** Special meetings of the Board may be called by the Chairman or by any three Trustees at a date and place specified.
- 2.11 **Notice of Meetings.** Regular or special meetings of the Board may be held upon ten (10) days' notice by first-class mail or upon forty-eight (48) hour notice delivered personally, by telephone, facsimile, or electronic mail.
- 2.12 **Attendance by Telephone.** If a Trustee is not reasonably able to attend a meeting, the Chairman may authorize participation by telephone, so long as the absent member can hear, or be advised of the discussion of business, and other members can hear, or be advised of the absent member's votes or comments. A member participating by telephone shall count toward a quorum.
- 2.13 **Waiver of Notice of Meeting.** A Trustee may, in writing, waive notice of any meeting of the Board of Trustees either before or after the meeting, and such waiver shall be deemed the equivalent of giving notice. Attendance of a Trustee at a meeting shall constitute waiver of notice of that meeting, unless attendance is for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.
- 2.14 **Quorum and Majority Action.**
- (a) A majority of the Trustees in office shall constitute a quorum, the minimum number of Trustees that must be present in order to transact business.

- (b) The Trustees at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Trustees from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, the Declaration of Trust, or the bylaws of this Foundation.
- (c) Every act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present is the act of the Board.

2.15 **Conduct of Meetings.** Meetings shall be governed by *Robert's Rules of Order*.

2.16 **Informal Action.** If all the Trustees severally or collectively unanimously consent in writing to any action taken or to be taken by the Foundation, the action shall be as valid as though it had been authorized at a meeting of the board.

2.17 **Vacancies.** Any vacancies on the Board of Trustees of the Foundation will be filled by selections made by the Executive Committee of the National Propane Gas Association.

2.18 **Resignations.** Any Trustee may resign at any time by giving notice of resignation to any officer of the Board.

2.19 **Reimbursement for Expenses.** The Board of Trustees may authorize reimbursement of expenses of Trustees who attend special meetings, appearances, or presentations on behalf of the Foundation.

ARTICLE III

Officers

3.01 **Officers.** The Board of Trustees shall specify positions which the officers shall hold together with their duties. At a minimum, the Foundation shall have a Chairman, Vice Chairman, Secretary, Treasurer and Past Chairman to perform the usual duties of those offices together with such other duties as are determined by the Board.

3.02 **Election of Officers.** The officers of the Foundation shall be elected by the same procedures by which officers are elected for the National Propane Gas Association. Each officer of the Foundation shall serve for a term coincident with the term of the comparable office of the National Propane Gas Association.

3.03 **Chairman.** The Chairman shall preside at all meetings of the Board. The Chairman shall appoint members to standing and *ad hoc* committees. The Chairman shall perform whatever duties the Board of Trustees may from time to time assign.

- 3.04 **Vice Chairman.** The Vice Chairman shall carry out the duties of the Chairman when the Chairman is absent or incapacitated; shall have the same power and duties as the Chairman when acting in that capacity; and shall perform whatever duties the Board may from time to time assign.
- 3.05 **Secretary.** The Secretary shall have charge of such books, documents, and papers as the Board of Trustees may determine; shall keep, or cause to be kept, a true and complete record of the meetings of the Board of Trustees; and shall give, or cause to be given, notice of all meetings of the Trustees. Such books shall be open for inspection as provided by law. The Secretary shall, in general, perform all the duties incident to the office of secretary subject to the control of the Board of Trustees and shall perform other duties as may be prescribed by the Board of Trustees.
- 3.06 **Treasurer.** The Treasurer shall have custody of all Foundation funds, property, and securities subject to such regulations as may be imposed by the Board of Trustees. The Treasurer shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements and shall deposit, or cause to be deposited all Foundation funds and other valuable effects in the name of and to the credit of the trust in a depository or depositories designated by the board of trustees. The Treasurer shall give to the Chairman and the Board at the Annual Meeting and whenever else they require it an account of transactions as Treasurer and of the financial condition of the Foundation and shall, in general, perform all duties incident to the office of treasurer, subject to the control of the Board of Trustees.

ARTICLE IV

Non-Liability, Indemnification, and Insurance

- 4.01 **Non-Liability of Trustees.** The Trustees shall not be personally liable for the debts, liabilities, or the obligations of the Foundation.
- 4.02 **Indemnification.** To the fullest extent permitted by law, the Foundation shall indemnify and hold harmless any and all agents against all claims to which they may be subjected by reason of any alleged or actual action or inaction in the performance of their duties performed in good faith on behalf of the Foundation. “Agent” for this purpose shall include Trustees, officers and employees.
- 4.03 **Insurance.** The Foundation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents against any liability asserted against or incurred by the agent in such capacity arising out of the agent’s status as such.

ARTICLE V

Finances

5.01 **Property.** The Board of Trustees shall be trustees to take and hold any and all property, real and personal, of this Foundation.

5.02 **Accounts Receivable.** All monies due the Foundation shall be paid to the Foundation and deposited in a bank or investment account as designated by the Board of Trustees.

5.03 **Financial Reports.** The financial report, and all accounts, shall be audited immediately prior to the annual business meeting or at any other time as directed by the Board of Trustees. Such audits shall be conducted by an independent audit firm selected by the NPGA Audit Committee.

5.04 **Fiscal Year.** The Board of Trustees shall establish the Foundation's fiscal year.

5.06 **Budget.** The Board of Trustees shall prepare and adopt a budget at its first meeting each year.

5.07 **Annual Financial Statement.** The Treasurer shall prepare an annual financial statement for distribution to the Board of Trustees.

5.08 **Fiscal Policy.** The Board shall adopt and from time to time review a fiscal policy setting out a formal procedure that shall govern internal controls; the signing of checks; the obligation of funds; approval of contracts, leases, deeds and mortgages; and other significant aspects of the organization's fiscal operation. The fiscal policy shall assure that the Foundation shall have sound financial controls that are appropriate, under generally accepted accounting principles, to its size and purpose.

5.09 **Dissolution.** In the event that the Foundation shall be dissolved, the assets of the Foundation shall be distributed to organizations determined by the Board of Trustees to have similar purposes as the Foundation, including state propane education and research foundations.

ARTICLE VI

General Provision

7.01 These bylaws may be amended, supplemented, or repealed by a two-thirds vote of the Trustees present at any meeting at which a quorum is present. Before Trustees may vote on an amendment to the bylaws, notice must be given to Trustees of the proposed amendment at a prior meeting of the board, and in no case less than 30 days before the amendment is to be considered. These bylaws shall become effective upon approval by the Board of Trustees.

ARTICLE VII

Conflict of Interest and Compensation

8.01 **Purpose.** The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

8.02 **Definitions.**

a. Interested Person

Any Trustee, officer, or member of a committee, who has a direct or indirect financial interest, as defined below, is an interested person.

b. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement;
2. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Trustees decides that a conflict of interest exists.

8.03 **Procedures.**

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Trustees considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Trustees meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
- c. **Violations of the Conflicts of Interest Policy**

1. If the Board of Trustees has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Trustees determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.