

BYLAWS OF
ADVANCE TRANSIT, INC.

Adopted June 19, 2015

Revised June 21, 2018

Revised May 16, 2019

ARTICLE I

Name, Purpose and Offices

Section 1. **Name and Type.** The name of this corporation shall be Advance Transit, Incorporated, and may hereinafter be referred to as the Corporation, "AT" or "Advance Transit". The principal office of the Corporation shall be in Wilder, Vermont, or such other location as the Board of Directors may determine from time to time. The Corporation's business shall be conducted in New Hampshire and Vermont.

Section 2. **Form and Purpose.** The form of the corporation shall be a voluntary, not-for-profit corporation, incorporated under the laws of the State of New Hampshire (R.S.A. 292), and registered to do business in the State of Vermont. The purpose of the Corporation shall be to provide a comprehensive transportation network for the several towns of the Upper Valley of New Hampshire and Vermont.

Section 3. **Limitations.** The Corporation is organized and shall be operated exclusively for charitable, religious, educational, or scientific purposes, including for such purposes, the making of distributions to organizations under Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future Internal Revenue law). No part of the net earnings of the Corporation shall be to the benefit of or be distributed to its Directors, officers, or other private persons, except that the Corporation 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 above. No substantial part of the activities of the Corporation shall be for the carrying out of propaganda or otherwise attempting to influence legislation, and AT 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.

ARTICLE II

Members

Membership in the Corporation having been abolished effective July 1, 2015, the Corporation shall have no Members.

ARTICLE III

Board of Directors

Section 1. **General Powers**. All corporate powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Section 2. **Number, Tenure, Qualification, and Manner of Election of Directors**.

A. The number of Directors (members of the Board) shall be not more than nineteen (19) nor less than nine (9), chosen as provided in III.2.B., C., and F. The Board shall have at least five (5) voting members who are not of the same immediate family or related by blood or marriage.

B. Up to nine (9) "Municipal" Directors shall be elected by the Directors upon nomination of the Executive Committee. Municipal Directors shall be recommended for nomination by those Municipalities providing funding to, and served by, the Corporation.

C. For each Municipal Director serving at any time, the Board shall have one (1) At-Large Director, elected by the Board upon nomination by the Executive Committee with due regard for assembling on the Board a diversity of talents and backgrounds.

D. Unless otherwise determined by the Board, a Director shall serve for the longer of: a) three (3) years, or b) until the election and qualification of his or her successor.

E. A Director shall be eligible to serve no more than three (3) consecutive three-year terms (a partial term shall not be counted for purposes of this provision). A Director

who has served three consecutive 3-year terms shall be eligible for re-election after having been off the Board for at least one (1) year. The Board terms shall be staggered as much as possible so that approximately one-third (1/3) of the directors shall be elected annually. This rule shall take effect from and after the effective date of these Bylaws. No term of a Director that commenced prior to the effective date of these Bylaws shall be counted against the 3-term limit for that Director.

F. In addition to Municipal and At-Large Directors, the Executive Director of AT shall serve as a Director Ex Officio, but shall not be entitled to vote.

Section 3. **Annual Meeting.** The Annual Meeting of the Board shall be held in June or on such a date and at such a time and place as the Board of Directors shall determine. The business of the annual meeting may include, but not be limited to, the election of Directors, the election of officers, and the presentation of reports.

Section 4. **Regular Meetings.** Regular meetings of the Board shall be held at least two (2) times a year, in addition to the annual meeting, at a place and time to be decided upon by the Board during the Annual meeting. The Board may provide, by resolution, for a different time and place for regular meetings without further notice than by such resolution. Attendance at regular board meetings is imperative to conduct business related to the oversight of the Corporation. Any Director who misses two (2) regularly scheduled board meetings including annual meeting, over the course of one (1) year may be subject to removal following the process outlined in Section 11, Removal of Director. By prior arrangement with the President, a Director may participate in a regular meeting by telephone or other electronic means allowing all participants to hear each other.

Section 5. **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or any two (2) Directors, and shall be held at such place and time as the President or Directors may determine. The person or persons calling a Special Meeting may call for the meeting to be conducted by telephone. By prior arrangement with the President, a Director may participate by telephone in a special meeting that is to be conducted in person, provided the Director so arranges with the person or persons calling the meeting.

Section 6. **Notice.** Notice of any meeting, regular or special, of the Board shall be given at least two (2) days previously thereto by telephone, email, or delivered personally to each director at his or her address as shown by the records of the Corporation.

Section 7. **Quorum.** A majority of the then-sitting Directors entitled to vote shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors is present at any meeting, a majority of the directors present may adjourn the meeting without further notice

Section 8. **Board Decisions.** 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, unless the act of a greater number is required by law or by these Bylaws.

Section 9. **Action Without a Meeting.** Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if the action is taken by unanimous consent of all Directors evidenced by one or more written consents describing the action taken, signed by each Director, and included with the minutes or filed with the records of the Corporation. Action taken by consents is effective when the last Director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document. Consents may be transmitted electronically by email or other means, provided they bear sufficient evidence of the Director's signature.

Section 10. **Proxies.** At any regular, annual or special meeting of the Board, a Director entitled to vote may vote by telephone, or by proxy executed in writing, including email, by that director. The proxy must be limited to a specific issue, not general, and must be signed and delivered to the Secretary one (1) day before the meeting. The proxy shall not count toward a quorum.

Section 11. **Removal of Director.** Any Director may be removed from the Board by an affirmative vote of two-thirds (2/3) of all of its members entitled to vote. Such action may be taken at any regular meeting or any special meeting at which due notice of the proposed removal shall have been given to the Board members together with or as part of the notice of the meeting.

Such removal may be accomplished with or without cause, but the Director involved shall be given an opportunity to be present and to be heard at the meeting at which his or her removal is considered.

The removal of a Director may be initiated at a regular meeting of the Board members by a motion made at the meeting, at a special meeting, or by petition signed and submitted to the Secretary by not less than twenty-five percent (25%) of the voting Directors. More than one Director may be considered for removal under a single motion or by a single petition for removal, but vote on the motion of petition for removal shall be separate as to each Director.

Section 12. **Vacancies and New Directorships.** The Board may elect Directors to fill any vacancies on the Board, by majority vote of the Directors present and voting at a duly called meeting of the Board at which a quorum is present. The Board shall set a term of office for each Director at the time of his/her election, which may in no event exceed three (3) years.

Section 13. **Compensation.** No member of the Board (with the exception of the Ex Officio member) shall receive a salary or other compensation for his/her services

except for allowable expenses incurred in connection with official duties of a Director as defined in Board policy.

Section 14. **Responsibilities.** Each Director is expected to support the Corporation as follows:

1. be fully acquainted with AT's purpose, objectives, programs, and finances;
2. comply with all AT policies including the AT conflict of interest policy;
3. serve on at least one (1) standing committee; and
4. fulfill those additional duties and requirements as set out in these Bylaws.

ARTICLE IV

Officers

Section 1. **Officers.** The Officers of the Board shall be a President, Vice President, a Secretary, a Treasurer, Assistant Secretary, and such other Officers as may be elected or appointed by the Board, all of whom shall be Directors at all times they serve as officers except for the Assistant Secretary who may be the Executive Director.

Section 2. **Election and Term of Office.** The Officers of the Board are nominated by the Executive Committee and elected by an affirmative vote of a majority of members of the Board entitled to vote, and shall hold office for the longer of two (2) years or until their successors are elected or appointed and qualified. An officer may succeed himself/herself in the same office for two (2) additional terms. After being out of that office for at least one (1) term, a person may again be elected to that office. The same person may simultaneously occupy more than one office except for the President, who shall not hold either the office of Treasurer or Secretary.

Section 3. **Removal.** Any Officer elected or appointed by the Board may be removed by the Board by affirmative vote of two-thirds (2/3) of all of Directors entitled to vote whenever in its judgment the best interests of AT would be served thereby. The Officer involved shall be given an opportunity to be present and heard at the meeting at which his or her removal is considered.

Section 4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. **Powers and Duties.**

A. **President.** The President of the Board shall be the Corporation's principal executive officer and shall have the following specific powers and duties:

1. To preside at all meetings of the Board and the Executive committees.
2. To appoint all committee chairs, except as otherwise provided in these Bylaws.
3. To see that all orders and resolutions of the Board are carried into effect.
4. To meet regularly with the Executive Director
5. From time to time to report to the Board of Directors all matters within his or her knowledge that in the best interest of AT should be brought to their attention.
6. In addition to the foregoing, the President shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws or as may be prescribed by the Board from time to time.

B. **Vice President.** The Board Vice President shall exercise the powers and perform the functions that from time to time are assigned by the President or the Board. The Vice President shall have the powers and shall exercise the duties of the President assigned to him or her by the Board whenever the President, by reason of illness or other disability or absence, is unable to act, and at other times when specifically directed by the President or the Board.

C. **Secretary.** The Board Secretary shall be the custodian of and shall maintain the AT books and records and shall be the recorder of all AT formal actions and transactions. The Secretary shall have the following specific powers and duties:

1. To record or supervise the proper recording of the minutes and transactions of all meetings of the Directors, and to maintain separate books at the principal office of AT, or such other place as the Board may order of all such meetings in the form and manner required by law.
2. To keep at the principal office, open to inspection by Directors at all reasonable times, the original or a certified copy of the Bylaws of the Corporation as amended or otherwise altered.
4. To attend to the giving and serving of all notices of the Corporation required by law or these Bylaws.

5. To attend to such correspondence and make such reports as may be assigned to him/her.

6. In addition to the foregoing, the Secretary shall have such other powers, duties, and authority as may be set forth elsewhere in these Bylaws and as may be prescribed from time to time by the President or the Board.

D. **Assistant Secretary**. The Assistant Secretary shall assist the Secretary and other Officers as requested.

E. **Treasurer**. The Treasurer shall oversee the financial affairs of the corporation, and shall perform all other duties incidental to the office or assigned by the Chair, by these Bylaws or by Board resolution. The Treasurer will serve as the Chair of the Finance Committee, and have the following specific powers and duties:

1. To keep and maintain, open to inspection by the President and any Director, at all reasonable times, adequate and correct accounts of the properties and business transactions of AT, which shall include all matters required by law and which shall be in form as required by law.

2. To ensure that the Corporation adopts, implements, and follows appropriate financial controls.

3. To render to the President and Secretary or to the Board whenever they may require it, an account of all transactions as Treasurer and a financial statement in form satisfactory to them, showing the condition of AT.

4. Working with AT staff, to prepare and present to the Board an annual budget.

5. In addition to the foregoing, the Treasurer shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws, and as may be prescribed from time to time by the President or the Board.

ARTICLE V

Executive Director

Section 1. The Board shall appoint an Executive Director (ED) who shall be responsible for the day-to-day operation of the corporation. The ED shall be an ex-officio member without vote of the Board and all Board committees and shall act as the duly

authorized representative of the Board in all matters except those which the Board has formally designated some other person or group to act. The duties of the ED shall include, but not be limited to, those outlined in the current ED job description.

ARTICLE VI

Committees and Policies

Section 1. Committees. The Board shall have the following Standing Committees. In addition, the Board, at its discretion, may constitute and appoint additional committees for such purpose and duration as the Board shall determine. Except for the Executive Committee, Committees may have, in addition to a majority of Director members, such other members as the Board shall designate, who shall serve for such terms as the Board shall specify. All committees shall have a Board member as chair. Committee members shall be appointed by the committee chair in collaboration with the Board President.

A. **Executive Committee.** The President, Vice President, Secretary, Treasurer, the Chairs of Standing Committees, immediate past President, and Executive Director shall constitute an Executive Committee, which shall be authorized to exercise the powers of the full Board between regular meetings of the Board when it is impractical, in the view of the President (or in the absence or unavailability of the President, a Vice-President), to call a special meeting of the Board. The immediate past President and Executive Director positions on the Executive Committee shall be non-voting. Any action taken by the Executive Committee shall be presented to the Board at its next regular or special meeting and shall be included in the minutes or other records of Board actions. The Executive Committee shall also function as the Board Compensation Committee and Governance Committee, with responsibility for nominating board members and board officers, for maintaining the Corporate Bylaws and for evaluating and setting the compensation and benefits for the Executive Director.

B. **Finance Committee.** The Finance Committee, working with AT's staff, is responsible for development of AT's budget, and monitoring and adjustment of the budget during each year and from year to year. The Finance Committee interviews prospective audit firms and makes recommendations to the Board.

C. **Personnel Committee.** The Personnel Committee is responsible for policies and procedures related to employees, employee benefits and staff levels. The Committee makes recommendations to the Board.

D. **Program Planning and Evaluation Committee.** The Program Planning and Evaluation Committee establishes the strategic direction of the organization including the drafting and adoption of Advance Transit's Five-Year Transit Development Plan and its associated service designs. The Committee makes recommendations to the Board.

E. **Public Relations and Marketing Committee.** The Public Relations and Marketing Committee assists AT in meeting its goals and priorities through effective strategic communication, marketing and philanthropic initiatives. The Committee makes recommendations to the Board.

Section 2. **Policies.** The Board, in its discretion, may implement and adopt policies to further define the goals and operations of the Corporation including policies related to charitable giving, financial management, conflicts of interest, employee conduct and other policies related to matters pertinent to AT. Policies may be implemented, revoked or amended by the Board at any time in its sole discretion.

ARTICLE VII

Certificates of Shares

The Corporation has no shares and shall not issue share certificates.

ARTICLE VIII

Contracts, Checks, Deposits, Gifts and Expenditures

Section 1. **Contracts.** The Board may authorize any officer or officers, agent or agents of the Corporation, 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 AT, and such authority may be general or may be confined to specific instances.

Section 2. **Checks, Drafts or Orders.** All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of AT shall be signed by such officer or officers, agent or agents of AT and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such

determination by the Board, such instruments shall be signed by the Executive Director and countersigned by the President of the Board or Treasurer.

Section 3. **Deposits**. All AT funds shall be deposited from time to time to the credit of AT, in such banks, trust companies, or other depositories as the Board may select.

Section 4. **Gifts**. The Board may accept on behalf of AT any contribution, gift, bequest, or devise.

Section 5. **Approval of Expenditures**. Any proposed expenditure of \$100,000 or more, not included in the approved capital and/or operating budget, requires an affirmative vote of two-thirds (2/3) of the members of the Board entitled to vote, the notice of which has specified the details regarding the proposed expenditure.

ARTICLE IX

Books and Records

AT shall keep: (i) correct and complete books and records of accounts; (ii) minutes of the proceedings of its Board and committees; and (iii) at its principal office, a record giving the names and addresses of the Directors entitled to vote. All books and records of AT are open to inspection by a Director or his/her agent or attorney upon reasonable written request to the Executive Director or Board President.

ARTICLE X

Fiscal Year

The fiscal year of AT shall be from July 1 through June 30.

ARTICLE XI

Amendment of Bylaws

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by: (1) a majority of the directors of the Board present at any regular meeting or at a special meeting, if at least seven (7) days' written notice is given to all directors of intention to alter, repeal, or adopt new Bylaws at such meeting, or (2) an affirmative vote at any regular meeting of two-thirds (2/3) of all of the directors of all of the Board entitled to vote.

ARTICLE XII

Conflicts of Interest and Pecuniary Benefit Transactions

The Directors, officers, members of standing and ad hoc committees and employees of AT have a responsibility to avoid conflicts of interest and the appearance of such conflicts, and to transact the affairs of AT honestly and economically in accordance with applicable laws and regulations and in a manner which promotes the best interests of AT. The Board has adopted a written conflicts of interest policy, which is appended to these Bylaws as Attachment A.

ARTICLE XIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of Chapter 292 of the New Hampshire Revised Statutes Annotated or these Bylaws, 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 XIV

Dissolution

Upon the dissolution of the Corporation, the Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of AT, in such manner or to such organization or organizations organized and operated exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of AT 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 XV

Indemnification of Officers and Directors

Each officer, Director of the Corporation and member of a Board standing or ad hoc committee now or hereafter serving as such shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become, by reason of serving or having served as such officer, Director or committee member, or by reason of any action alleged to have been taken, omitted, or neglected by him or her as such officer, Director or committee member; and the Corporation shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence. The amount paid or reimbursed to any officer, Director or committee member by way of indemnification shall not exceed his or her actual, reasonable, and necessary expenses incurred in connection with the matter involved. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any officer, Director of the Corporation or committee member may otherwise be entitled by law.

ATTACHMENT A

Policy on Conflict of Interest and Pecuniary Benefit Transactions

Conflict of Interest and Pecuniary Benefit Transactions.

A. **General.** It shall be against the policy of the Corporation to have conflicts of interest with its directors, officers, members of standing or ad hoc committees, staff or members of their immediate families. A conflict of interest exists when there is a potential that an individual may obtain a direct or indirect pecuniary benefit, or any other improper gain or advantage, as a result of activities conducted on behalf of AT, or when actions advance a person's interests or those of another rather than the interests of AT, or when actions are adverse to the best interest of AT.

There exists between Advance Transit and its Board, officers, members of standing and ad hoc committees, and management employees a fiduciary duty. The Board, officers, committee members, and management employees have the responsibility of administering the affairs of Advance Transit honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Advance Transit. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Advance Transit or knowledge gained from their position for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

B. **Annual Questionnaire.** Each Director, Board committee member, the Executive Director, and all employees of AT designated by the President, shall annually complete a questionnaire to provide information on their related entities and persons and business activities and those of their immediate families as defined by statute, and such questionnaire shall be reviewed by the President and Secretary and kept on file at the office of the Corporation.

C. **Pecuniary Benefit Transactions.** In the event of a pecuniary benefit transaction as defined by New Hampshire law in RSA 7:19-a, it shall be the policy of the corporation to follow the statute. In the event the corporation or any director becomes aware of any potential pecuniary benefit transaction as defined by law, the corporation shall follow the procedures prescribed by law and give notice of the transaction to the full board with notice of its next meeting. At the meeting, the board shall vote on whether the pecuniary benefit transaction is in the best interest of the corporation, after full explanation thereof and without the director being present and without any director who has had a pecuniary benefit transaction within the fiscal year being present. If two-thirds of the entire board shall vote that the pecuniary benefit transaction is in the best interest of the corporation, the transaction shall be allowed. Notice of any such pecuniary benefit transaction the value of which is \$5000 or more shall be published according to statute. Notice of all pecuniary benefit transactions shall be given to the Director of

Charitable Trusts of the State of New Hampshire annually, and individually for those transactions exceeding \$5000.

D. Disclosure of Conflicts of Interest.

1. Individuals covered by this policy have a duty to voluntarily disclose any potential conflict of interest prior to assuming their responsibilities or at the time the potential conflict arises. Further, those individuals have a duty to annually disclose potential or actual conflicts to the Board. Immediate family members are also included for disclosure purposes. Immediate family members are defined as: spouse, child, parent, sibling, and any person living in the same household as persons with responsibilities to transact the affairs of AT. Any possible conflict of interest on the part of any director, officer, Board committee member, employee or selected volunteer of AT shall be disclosed in writing to the Board and made a matter of record through the annual procedure set out in the conflicts of interest policy and also when the interest involves a specific issue or transaction before the Board.

2. The Board will comply with all the requirements of New Hampshire law with respect to conflicts of interest, including but not limited to:

(i) the requirement of a two-thirds (2/3) vote of disinterested directors when the financial benefit to the director or officer is \$500 or more in a fiscal year,

(ii) the advance notice requirements when the benefit exceeds \$5,000 in a fiscal year,

(iii) the limitations on participation by the affected director, officer, Board committee member, employee or selected volunteer of AT in the decision of the Board,

and

(iv) the requirement to create a record of the action in the minutes.

D. Role of the Executive Committee. The Executive Committee shall review the conflicts of interest policy at least annually and oversee the Conflict of Interest disclosure process assuring that individuals covered by this policy are informed of its disclosure requirements consistent with applicable laws. The Executive Committee shall annually conduct a comprehensive survey of the individuals covered by this policy and analyze other relevant information which may provide information that a potential or actual conflict of interest exists. The Executive Committee will then report the results of this process to the Board.