

**BYLAWS OF
MINNESOTA MEDICAL ASSOCIATION FOUNDATION**

PREAMBLE

The purpose of this corporation is to operate exclusively for charitable, scientific, literary and educational purposes and, to the extent consistent with those purposes, to benefit and support qualified organizations as defined by the Articles of Incorporation of this corporation.

**ARTICLE I
OFFICES**

1.1 The principal office of this corporation shall be in the City of Minneapolis, Hennepin County, State of Minnesota. The corporation may have offices at such other places as the Board of Directors may from time to time designate.

**ARTICLE II
CORPORATE SEAL**

2.1 This Corporation shall have no corporate seal.

**ARTICLE III
MEMBERS**

3.1 The sole members of this corporation shall be those persons who make up the Board of Trustees of the Minnesota Medical Association. Any person elected to the Board of Trustees of the Minnesota Medical Association shall thereupon become a member of this corporation. Any person who ceases to be a member of the Board of Trustees of the Minnesota Medical Association shall thereupon cease to be a member of this corporation.

3.2 Except as limited or eliminated by an express provision of the Articles of Incorporation or these Bylaws, the members of this corporation shall have the right to vote on or in respect to any matter which members of a corporation have the right to vote under law. Each member shall have one vote. Voting by members shall not be cumulative.

3.3 Meetings of the members of the corporation shall be held at a time and place to be specified by the President of this corporation, or the Chairperson of the Board of Trustees of the Minnesota Medical Association. Regular meetings of the members may be held less frequently than once a year. Special meetings of the members may be called, at any time and for any purpose, by the President of this corporation, the Chairperson of the Board of Trustees of the Minnesota Medical Association, the Chief Executive Officer of the Minnesota Medical Association, or any other persons authorized to do so by law. Notice of a special meeting shall be given to each member at least five (5) days before the date scheduled for the special meeting.

ARTICLE IV DIRECTORS

4.1 The general government, management, and direction of this corporation shall be vested in a Board of Directors of this corporation, which shall be authorized to exercise all corporate powers except as limited by statute, the Articles of Incorporation of this corporation, and/or these Bylaws.

4.2 The Board of Directors of this corporation shall consist of not less than five (5), but not more than twenty (20) persons. Board members shall include at least one (1) member of the Minnesota Medical Association Board of Trustees. In addition the remaining members of the Board of Directors at least one (1) must be a medical student and up to four (4) directors (exclusive of any medical students on the Board of Directors) may be non-physicians. Except as otherwise precluded by law, the Articles of Incorporation of this corporation and/or these Bylaws, all adult natural persons shall be eligible for appointment and/or confirmation as a director of the corporation. Directors need not be members of the corporation.

4.3 Directors shall be appointed and can be removed for any reason or no reason by the Minnesota Medical Association Board of Trustees.. The Chairperson of the Board of Trustees of the Minnesota Medical Association shall ensure that “disqualified persons,” as defined in Section 4946 of the Internal Revenue Code of 1986, as amended (hereinafter the “Code”), never constitute one-half or more of the directors of the corporation. A “foundation manager” (as defined in Section 4946 of the Code) of this corporation, and any publicly supported organization which is a specified organization in or pursuant to the Articles of Incorporation of this corporation, shall not be considered a “disqualified person” for these purposes.

4.4 All directors shall be appointed to three (3) year terms, and shall be eligible to be elected for a maximum of two (2) consecutive terms. Directors appointed or elected to serve a partial or unexpired term will not have that term counted in the two (2) term maximum. A Director may be reelected by the Minnesota Medical Association Board of Trustees after not serving on the Minnesota Medical Association Foundation Board of Directors for 12 months. Directors’ terms shall be staggered, as much as possible, so that one-third of the directors’ terms expire each year.

4.5 Medical Students appointed to serve on the Board of Directors can serve a full three (3) year term or until the end of the calendar year in which they are no longer a medical student whichever comes first.

4.6 Third terms may be granted by the MMA Board of Trustees as defined in the following sub-sections as follows to accommodate terms of officers:

- (a) If the Board size is 10 or less members one exception to allow a third term for an officer may be made.
- (b) If the Board size is between 11-13 members two exceptions to allow for a third term for officers may be made.
- (c) If the Board size is greater than 13 members three exceptions to allow for a third term for officers may be made.

4.7 Any vacancy occurring on the Board of Directors by reason of death, resignation, removal or otherwise, may be filled for the unexpired term by the appointment and confirmation or rejection procedure described by this Article in reference to the appointment of directors. A person so appointed and confirmed to fill a vacancy shall serve as a director for the remainder of the term whose vacancy has been filled.

4.8 Any director may resign, at any time and for any reason, by giving written notice to the President of the corporation. Such resignation shall take effect without acceptance upon receipt of the notice, unless a later date is specified in the notice. Any director may be removed, at any time and for any reason, by majority vote of the Minnesota Medical Association Board of Trustees.

4.9 The following procedures shall be applicable to meetings of the Board of Directors of this corporation:

- (a) Meetings of the Board of Directors may be called by the President or Secretary of this corporation or by a majority of members of the Board of Directors of the corporation upon five (5) days notice, or may be scheduled in advance at any meeting of the Board of Directors. The Board of Directors shall meet at least annually. Notice of each meeting of the Board of Directors shall be provided to each director in advance of the meeting, but meetings may be held on waiver of notice. The notice of a meeting of the Board of Directors shall state the date, time, and place of the meeting, but need not state the purpose of the meeting. Notice may be waived in writing or orally by any director.
- (b) Except as otherwise expressly provided for in these Bylaws, decisions of the Board of Directors shall be made by an affirmative majority vote of the directors present.
- (c) One-half (1/2) of the directors currently holding office shall constitute a quorum for the transaction of any business. If a quorum is present when a duly called or held meeting is convened, the directors present may continue to transact business until adjournment, even though the withdrawal of directors originally present leaves less than the proportion otherwise required for a quorum.
- (d) A conference among directors by means of communication through which all directors present may simultaneously hear each other is a board meeting, if the same notice is given of the conference as would be required for a meeting, and if the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting. A director may participate in a board meeting by any means of communication through which the director, other directors participating and all directors physically present at the meeting may simultaneously hear each other. Participation in a meeting by this means is personal presence at the meeting.
- (e) Any action required or permitted to be taken by a meeting of the Board of Directors may be taken without a meeting by written action signed by a majority of the members of the Board of Directors of the corporation.

4.10 Directors, who are not salaried officers of the corporation, shall not receive compensation for their service as directors. However, nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity, and receiving proper compensation therefor.

The Board of Directors shall establish the following two (2) committees”

- (a) Executive Committee This Committee reports to the Board of Directors and shall have at least the following responsibilities:
 - a. CEO Performance evaluation
 - b. Board of Director performance evaluation
 - c. Identification of a slate of board members (new and renewal) and officer candidates
 - d. Act in lieu of the Board of Directors in the interval between meetings.
- (b) Investment, Finance and Audit Committee: This committee reports to the Board of Directors and shall have at least the following responsibilities:

- a. Monitor MMAF's financial status and investment accounts
- b. Provide oversight of the MMAF's audit and financial control requirements
- (c) The Board of Directors shall determine the composition and terms of the membership of these committees

4.11 Directors shall have the power to establish other committees as the directors deem advisable, each committee shall have such powers and duties as set forth in the resolution establishing the committee. Except as provided by Minnesota Statute § 317A.521, subdivision 6, when applicable, committee members need not be members or directors of the corporation.

ARTICLE V OFFICERS

5.1 The officers of this corporation shall be a President, a Vice President, a Treasurer and a Secretary.

5.2 The office of President, Vice President and Treasurer shall be held by a member of the Board of Directors of the Minnesota Medical Association Foundation. The office of Secretary shall be held by the Chief Executive Officer of the Minnesota Medical Association or his or her designee.

5.3 Any officer may be removed, with or without cause, by a two-thirds (2/3) vote of the majority of the members of the corporation.

5.4 The duties of the President of this corporation shall be to preside over all meetings of the Board of Directors of the corporation, and to perform such other duties prescribed from time to time by the Board of Directors. The President of the corporation shall not receive compensation for services rendered as an officer of the corporation.

5.5 The duties of the Vice President of this corporation shall be to perform all the duties of the President in the President's absence, and to perform such other duties prescribed from time to time by the Board of Directors of this corporation. The Vice President of the corporation shall not receive compensation for services rendered as an officer of the corporation.

5.6 The Secretary of this corporation shall be charged with the active day to day management, administration and supervision of the corporation. The Secretary shall attend and record the minutes of all meetings of the Board of Directors, maintain all records of the corporation, and perform such other duties as may be prescribed from time to time by the Board of Directors. The Secretary of the corporation shall not receive compensation for services rendered as an officer of the corporation.

5.7 The Treasurer of this corporation shall assure that all financial records and treasury functions for the corporation are kept in order, following generally accepted accounting procedures and reported to the Board of Directors as requested. accurate. The Treasurer of the corporation shall not receive compensation for services rendered as an officer of the corporation.

ARTICLE VI CONFLICT OF INTEREST POLICY

6.1 The purpose of this Article is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the corporation. This Article is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

6.2 Any director, principal officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (a) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement; or
- (b) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

6.3 In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with Board delegated powers considering the proposed transaction or arrangement. After disclosure of the financial interest, the interested person shall leave the Board or committee meeting while the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

6.4 The procedures for addressing a conflict of interest are as follows:

- (a) The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (b) After exercising due diligence, the Board or committee shall determine whether the corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (c) If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest and for its own benefit, and whether the transaction is fair and reasonable to the corporation, and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

6.5 A violation of this Article exists:

- (a) If the Board or committee has reasonable cause to believe that a member has failed to disclose an actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of the member and making such further investigations as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

6.6 The minutes of the Board and all committees with board-delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

6.7 Each director, principal officer and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person:

- (a) Has received a copy of the Articles of Incorporation and the Bylaws of the corporation;
- (b) Has read and understands the Articles of Incorporation and these Bylaws including Article VI of these Bylaws;
- (c) Has agreed to comply with the Articles of Incorporation and these Bylaws including Article VI of these Bylaws; and
- (d) Understands that the corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

6.8 To ensure that the corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. In conducting the periodic reviews, the corporation may, but need not, use outside advisors. The use of outside advisors shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE VII INDEMNIFICATION

7.1 Each officer, director and member of any committee of the corporation, whether or not then in office, shall be indemnified by the corporation against all costs and expenses reasonably incurred by or imposed upon him/her in connection with, or arising out of any action, suit, or proceeding in which he/she may be involved by reason of his/her being or having been a director, officer or a member of any committee of the corporation. Such expenses include the cost of reasonable settlements, provided he/she:

- (a) Has not been indemnified by another organization for the same costs and expenses with respect to the same acts or omissions;
- (b) Has acted in good faith;
- (c) Has received no improper personal benefit, has disclosed any potential conflict of interest in the matter in question and has refrained from voting on the matter;
- (d) In the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; and
- (e) In the case of acts or omissions occurring in an official capacity, reasonably believed that the conduct was in the best interests of the corporation.

7.2 The foregoing right to indemnification shall not be exclusive of other rights to which any director, officer, or member of a committee of the corporation may be entitled to as a matter of law. The

determination of whether an officer, director or member of a committee of this corporation is entitled to indemnification shall be in the manner provided by law.

7.3 An officer, director, member of any committee of the corporation, or other individual who may claim indemnification and/or advances of expenses under these Bylaws or under applicable law, is hereinafter termed a "Claimant." Indemnification and advances of expenses to which a Claimant otherwise may be entitled from the corporation are prohibited, and shall not be paid by the corporation, unless the following conditions are satisfied:

- (a) The Claimant is represented in the action, suit or proceeding by legal counsel approved by the corporation. The corporation's approval of legal counsel may turn on, among other things, acceptance of: (a) legal counsel's proposed fees, (b) a "litigation budget," and (c) other financial terms and conditions of the representation. Moreover, as a condition to approving legal counsel, the corporation may require two or more Claimants, or the corporation and one or more Claimants, to be represented by the same legal counsel, so long as this is consistent with Rules of Professional Conduct applicable to legal counsel;
- (b) The Claimant does not incur expenses in connection with the defense or settlement of the action, suit or proceeding, other than fees of legal counsel who has been approved by the corporation, beyond that which is approved by the corporation, and which approval shall not be unreasonably withheld;
- (c) The Claimant must notify the Treasurer, or if none, the President, or if none, a non-party director or officer, as promptly as practical under the circumstances after the Claimant becomes aware of the action, suit or proceeding. If notification is verbal or in another unwritten form, the Claimant must confirm it in writing as promptly as practical after the unwritten notification; and
- (d) If, as and when during the action, suit or proceeding, the corporation so requests, the Claimant must fully cooperate with the corporation, and/or other parties to the action, suit or proceeding who are in the same or similar position as the Claimant, except only if to do so would cause the Claimant to waive an evidentiary privilege or materially jeopardize his or her position in the action, suit or proceeding (such waiver or jeopardy being "Material Jeopardy").

7.4 As to matters which are conditioned upon approval by the corporation, the determination as to whether approval shall be given, or withheld, shall be made:

- (a) By the Board by a majority of a quorum (directors who are at the time parties to the action, suit or proceeding are not counted for determining a majority or the presence of a quorum); or
- (b) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the Board, consisting of two (2) or more directors not at the time parties to the action, suit or proceeding, duly designated to act in the matter by a majority of the full Board including directors who are parties; or
- (c) If a determination is not made under clause (1) or (2), by a special legal counsel, selected either by a majority of the Board or committee by vote under clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full Board including directors who are parties; or
- (d) If a determination is not made under clauses (1) to (3), by the members with voting rights, other than members who are parties to the action, suit or proceeding.

7.5 Provided, however, with respect to a person who is not, and was not at the time of the acts or omissions complained of in the action, suit or proceeding, a director, officer, or person having directly or indirectly the power to direct or cause the direction of the management or policies of the corporation, the determination as to whether approval shall be given or withheld may be made by an annually appointed

committee of the Board, having at least one member who is a director. The committee shall report at least annually to the Board concerning its actions.

7.6 If a Claimant refuses to cooperate on grounds of Material Jeopardy, the existence of Material Jeopardy shall be determined by the same group or person who determines whether the corporation shall give or withhold approval hereunder, but a determination of no Material Jeopardy shall be subject to court review (prior to the occurrence of the Material Jeopardy) upon application by the Claimant.

ARTICLE VIII NONDISCRIMINATION POLICY

8.1 This corporation shall conduct all of its activities without regard to race, color, creed, religion, disability, national origin, gender, sexual orientation or marital status of any persons with whom it conducts its activities.

ARTICLE IX FISCAL YEAR

9.1 The fiscal year of this corporation shall be determined by the Board of Directors.

ARTICLE X AMENDMENT OF ARTICLES AND BYLAWS

10.1 The Articles of Incorporation and the Bylaws of this corporation may be adopted, amended, restated or repealed upon the approval of a majority of the Members of this Corporation. The Board of Directors shall promptly adopt any such action after approval or prescription by the Members of the Corporation.

Provenance

1. Recommended by the Board of Directors of the Minnesota Physicians Foundation May 15, 2007
2. Adopted by the MMA Board of Trustees acting as the Members of the Corporation July 21, 2007
3. Revision recommended by the Board of Directors of the MMA Foundation October 1, 2009
4. Adopted by MMA Board of Trustees acting as the Members of the Corporation March 6, 2010
5. Revision recommended by the Board of Directors of the MMA Foundation November 9, 2010
6. Adopted by MMA Board of Trustees acting as the Members of the Corporation November 20, 2010
7. Recommended by the Board of Directors of the Minnesota Physicians Foundation December 2016 (by email vote)
8. Adopted by the MMA Board of Trustees acting as the Members of the Corporation January 9, 2017