

AMENDED AND RESTATED BY-LAWS
OF
THE CANTON MUSEUM OF ART BOARD OF TRUSTEES

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**AMENDED AND RESTATED BY-LAWS
OF THE CANTON MUSEUM OF ART BOARD OF TRUSTEES**

These By-laws, adopted by the Board of Trustees for its governance, are to be read in conjunction with the provisions of the Code of Regulations of The Canton Museum of Art adopted by its members.

**Section 1
Board of Trustees**

1.1 General Powers. The Board of Trustees will establish policies and committees necessary to carry out the purposes of the Museum, and will endeavor to provide adequate funding of the programs and activities approved by the Board. It will select and appoint the Executive Director of the Museum; establish the terms of the Executive Director's compensation, tenure and responsibilities; and evaluate the work of the Executive Director at yearly intervals. It will require periodic reports on the Museum's operations from the Executive Director as well as from the Board's various committees.

1.2 Trustee By-laws. For their own government, the Trustees may adopt by-laws not inconsistent with the Museum's Articles of Incorporation, the Code of Regulations and these By-Laws.

1.3 Limitation Clause and Purpose. Subject to the provisions of the Ohio Nonprofit Corporation Law, the Articles of Incorporation, the Code of Regulations, these By-Laws, and any action of the Members taken at a meeting duly called and held, the Trustees are authorized and empowered to do and perform every act which they deem necessary, expedient or advisable to carry out the purposes of the Museum including the management and enhancement of the Museum's permanent collection; and to provide an opportunity for people of all ages and from all areas to experience the visual arts through the display of the Museum's permanent collection, exhibits, and through education and outreach to the public.

1.4 Trustees Emeriti. Individuals who have served on the Board of Trustees for nine or more years and have made a significant contribution to the Board and the Museum may be selected as Trustees Emeriti. The Nominating Committee will propose the qualified individuals worthy of this status and the Board of Trustees will then vote on the proposed candidates. All new Trustee Emeriti will be announced at the Annual Meeting. They will be extended Board privileges in all respects except that they will be non-voting members of the Board. They may serve for life. If elected by the Members to serve again as a Trustee of the Board, during that time, the Trustee Emeritus will have the right to vote while consecutively serving as standard trustees.

1.5 Annual Board Meeting. The Annual Meeting of the Board of Trustees will be held on the same day as the annual meeting of the Members and will follow the Members' election of the Trustees.

1.6 Regular Meeting. Regular Meetings of the Board of Trustees may be held on such days and at such places and times as the President of the Board specifies.

1.7 Special Meetings. Special Meetings of the Board of Trustees may be called by the President, the Vice President, or by any three (3) Trustees, and will be held at such place and time as the person or persons calling such meeting specifies in the notice of said Meeting required by Section 1.9 below.

1.8 Location of Meeting. Meetings of the Trustees will usually be held at the Museum, but may be held at any place within Stark County, State of Ohio, as specified in the notice of the Meeting.

1.9 Notice. The following provisions will govern notice:

- (a) Written notice of the time and place of each meeting of the Trustees will be given to each Trustee and each Trustee Emeriti either by personal delivery, by mail, facsimile or electronic mail at least three days before the meeting.
- (b) Except in the case of a Special Meeting, such notice need not specify the purpose of the meeting.
- (c) If the notice is mailed, it will be deemed to be delivered when deposited in the United States Mail so addressed with postage thereon prepaid.
- (d) If notice is given by facsimile or electronic mail, such notice will be deemed to be delivered when the facsimile is delivered to the receiving facility or when the electronic mail is transmitted to the addressee.
- (e) Any member of the Board of Trustees may waive notice of any meeting. The attendance of a Trustee at a meeting will constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

1.10 Voting. Each member of the Board of Trustees will be entitled to one vote.

1.11 Proxies. At any meeting of the Trustees, a Trustee entitled to vote may vote by a written, signed proxy delivered to another Trustee willing to serve as the proxy. No proxy will be valid after two weeks from the date of its execution.

1.12 Quorum. A majority of the elected and acting Trustees is necessary to constitute a quorum for a meeting of the Trustees. The act of a majority of the Trustees present at a

meeting at which a quorum is present, whether in person or by proxy, is the act of the Board. If a quorum is not present, a majority of the Trustees present may discuss issues raised; but no voting may take place other than to adjourn the meeting.

1.13 Action By Unanimous Written Consent. Any action which may be taken at a meeting of the Board of Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Trustees of the Museum entitled to vote. Any such writing will be filed with, or entered upon, the records of the Museum.

1.14 Procedure. The President of the Museum, or in the President's absence, the Vice President, will preside over the meetings of the Board of Trustees. In the absence of the President or Vice President, a Trustee chosen by a majority of the Trustees present at the meeting may serve as a chairperson for the meeting.

1.15 Compensation; Expenses. Trustees will not receive any compensation for their services. Each Trustee will be entitled to reimbursement for out-of-pocket expenses reasonably incurred in connection with his or her performance of Trustee duties, subject to the approval of the Executive Committee.

1.16 Resignation. Any Trustee of the Museum may resign at any time, either by oral tender of resignation at any meeting of the Board of Trustees or by giving written notice thereof to the Secretary of the Museum. Such resignation will take effect at the time specified therefor and, unless otherwise specified with respect thereto, the acceptance of such resignation will not be necessary to make it effective.

1.17 Minimum Requirements and Removal. Each Trustee elected by the Members must be a member of the Museum at the Gallery Circle Level of membership or above; and each year while on the Board of Trustees, must contribute to the Arts in Stark annual campaign. Each Trustee is expected to attend all Board of Trustees meetings. Any elected Trustee who fails to be at least at the Gallery Circle Level member of the Museum, or fails to contribute to the annual Arts in Stark campaign, or misses more than three (3) meetings in any one term year, without a satisfactory excuse delivered to the Executive Committee, may be asked to resign as a member of the Board of Trustees by the Executive Committee. The vacancy created by any resignation will be filled as provided in Section 1.18. Additionally, a Trustee may be removed if the majority of the officers determine there is cause for removal for other reasons, and at a meeting called expressly for that purpose, a majority of the Trustees in office vote in favor of removal.

1.18 Vacancies. Prior to filling any vacancy occurring in the Board of Trustees, the President will seek the names of potential nominees from the Nominating Committee. Those names will be submitted to the Board of Trustees and the nominee receiving the highest number of votes will be named to fill the vacancy. If there is only one nominee, the vacancy will be filled by the majority consent of the remaining Trustees. In the event all the then serving Trustees are unable to continue serving and are unable to act to fill vacancies, a Special Meeting of the Members will be called as provided under Section 4.3 of the Code of Regulations. A Trustee elected to fill a vacancy occurring in the Board of Trustees will be elected for the unexpired term of his or her predecessor in office.

Section 2 **Officers**

2.1 Officers. The officers of the Museum will consist of a President, one or more Vice-Presidents, a Treasurer and a Secretary, and such other officers and assistant officers as may be deemed necessary by the Board of Trustees. Each office may be designated by such other titles as may be provided in the Articles of Incorporation, these By-Laws, or a Resolution of the Trustees. An officer must be a Trustee. Any two or more offices (except for the offices of President and Vice-President) may be held by the same person, but no officer will execute, acknowledge or verify any instrument in more than one capacity if the instrument is required to be acknowledged or verified by two or more officers.

2.2 Election and Term of Office. The President of the Museum will be elected for a two year term and all other officers of the Museum will be elected for one year terms. The Board of Trustees at the Annual Meeting of the Board of Trustees will elect the officers. Each officer will hold office until his or her successor has been duly elected and has accepted office or until his or her death, resignation or removal (in the manner provided below).

2.3 Removal. Any officer elected by the Board of Trustees may be removed, with or without cause, by a majority vote by the Board of Trustees.

2.4 Vacancies. A vacancy in an office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Trustees for the unexpired portion of the term.

2.5 President. The following provisions will govern the office of President:

- (a) The President will be elected from among the Trustees of the Museum and will preside at all meetings of the Board of Trustees.
- (b) The President will be the Chief Executive Officer of the Museum and have general overall supervision of all of the business and affairs of the Museum.
- (c) The President will appoint all members to committees and will appoint the chairperson of the committee.
- (d) The President will be an *ex officio* member of all committees which may be, from time to time, elected or appointed.
- (e) The President will represent the Museum's Board of Trustees at the Arts in Stark Board of Trustee meetings, or if necessary will appoint another member of the Museum's Board of Trustees to attend such meetings.
- (f) The President may sign, with the Secretary or any other officer of the Museum authorized by the Board of Trustees, any contracts or other instruments which have been authorized to be executed, except in cases where the signing and the

executions thereof would be expressly delegated by the Board of Trustees or by these By-Laws or by statute to some other officer or agent of the Museum; and in general, the President will perform all duties incident to the function of Chief Executive Officer and such other duties as may be prescribed by the Board of Trustees from time to time.

2.6 Vice-President. One or more Vice-Presidents may be elected from among the Trustees and, in the absence of the President, the Vice-Presidents (in the order of their position, such as first, second, Vice-President) will perform the duties of President when the office of President is vacant or the President is unable or unavailable to act and will have such other duties as may be designated by the Board of Trustees.

2.7 Treasurer. The following provisions will govern the office of Treasurer:

- (a) Subject to the direction of the President, the Treasurer will have charge and custody of and be responsible for all funds and securities of the Museum; receive and give receipts for moneys due and payable to the Museum from any source whatsoever; deposit all such moneys in the name of the Museum in such banks, trust companies or other depositaries as will be selected in accordance with the provisions of these By-Laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board of Trustees.
- (b) The Treasurer will keep correct records of the business transactions of the Museum; and cause to be rendered to the Board of Trustees, prior to the commencement of the fiscal year, an annual budget of the income and expenses of the Museum. An audited or reviewed statement, prepared by a certified public accountant selected in cooperation with the Executive Director and the Finance Committee, will be presented by the Treasurer at least annually to the Board of Trustees. The statement must contain a summary of assets, liabilities, capital and surpluses of the Museum and a statement of profit and loss for the 12-month period ending on the date of said balance sheet. The Treasurer will serve as Chairperson of the Finance Committee and, at the expiration of the term of office, all records of the Museum in the possession of the Treasurer will be delivered to the successor.
- (c) If required by the Board of Trustees, the Treasurer will give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety as the Board of Trustees determines.

2.8 Secretary. The following provisions will govern the office of Secretary:

- (a) Subject to the direction of the President, the Secretary will keep the minutes of the meetings of the Board of Trustees in one or more books provided for that purpose; assure that minutes of all meetings of any committees are prepared and filed with the records of the Museum; assure that all notices are given in accordance with

the provision of these By-Laws or as required by law; be custodian of the Museum's records; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board of Trustees.

- (b) In the absence of any Vice-Presidents, the Secretary will perform the duties of the President when the office of President is vacant or the President is unable or unavailable to act.
- (c) At the expiration of the term of office, all records of the Museum in the possession of the Secretary must be delivered to the successor.

2.9 Assistant Treasurers and Assistant Secretaries. Any Assistant Treasurer or Assistant Secretary will perform such duties as will be assigned to him or her by the Treasurer, the Secretary or the Board of Trustees, as the case may be.

2.10 Compensation. Officers will not receive any compensation for their services as Officers. Each Officer will be entitled to reimbursement for out-of-pocket expenses reasonably incurred in connection with his or her performance of Trustee duties.

Section 3 **Committees**

3.1 Committees. In addition to the Nominating Committee, the Board of Trustees may, from time to time, appoint temporary or special committees which, in its discretion, it deems necessary or desirable for carrying out the purpose of the Museum. Each committee will include at least one Trustee. The Board of Trustees will determine the remaining composition of any committee; provide for the appointment of the chairperson and other members thereof; set the terms for the members; and prescribe the function of the committee. No committee may be authorized to commit the Museum to any program or other obligation. The committees may be standing or ad hoc. The committees mentioned in these By-laws will be standing committees.

3.2 Executive Committee. The Executive Committee will consist of the President as Chairperson, Vice President, Second Vice President, Secretary, Treasurer and immediate past President, with the Executive Director serving as an ex-officio member except when the Executive Committee is reviewing the performance of the Executive Director. The Committee will be authorized to conduct the business of the Board of Trustees at intervals between Board meetings and report its actions to the Board for its approval and/or ratification. The Committee may also perform special duties which may be assigned by the Board.

3.3 Finance Committee. The Finance Committee will have the Treasurer as its chairperson and the Executive Director and the Business Manager will be ex-officio members of the Committee. The Committee will recommend to the Board of Trustees an annual budget; will periodically review the financial position of the Museum and will recommend to the Board such accounting methods to be used; and will approve the selection of auditors to be employed.

3.4 Nominating Committee. The Nominating Committee is referred to in Section 5.1(a), of the Code of Regulations. The President will appoint a Nominating Committee consisting of five to seven members, two to four being existing members of the Board of Trustees, one of whom will be chairperson of the Committee, and three members of the Museum other than members of the Board.

- (a) The Chair of the Nominating Committee will annually conduct an assessment of the performance of the Board of Trustees with the objective of determining what improvements should be recommended, including the types of individuals with skill sets needed for the Board of Trustees. The review will include a look at the Museum's policies, codes of conduct and ethics, the succession planning for the Executive Director, the officers and the Board of Trustees; as well as a review with the Executive Director regarding the succession planning for the senior staff members. This review should take place several months before the slate of new nominees is created.
- (b) For the Members' Annual Meeting, the Committee will solicit suggestions for nominees from the Board of Trustees but the Committee will make the final decision on the slate of nominees to present to the members. At the meeting of the Board of Trustees prior to the annual meeting, the Committee will provide a list of the nominees to the Board of Trustees for informational purposes only. The Committee will submit at the annual meeting the names of at least one nominee for each trusteeship to be filled by the members of the Museum and additional nominations may be made from the floor.
- (c) In the event of a vacancy more than four months prior to the Members' Annual Meeting, the President will ask the Committee to provide the Board of Trustees one or more nominees for the Board to consider in filling the vacancy as provided in Section 1.18.

3.5 Membership Committee. The Museum's Marketing Director will be an ex-officio member of the Membership Committee. The Committee will be responsible for the maintenance of current membership and promotion of an increased membership of the Museum. The Committee will, with the approval of the Board of Trustees, initiate and carry out such programs, activities, and incentives as will enable the Committee to fulfill its purpose. The Committee will recommend to the Board any changes desired in membership classification or dues.

3.6 Long Range Planning Committee. The Long Range Planning Committee will consist of all members of the Executive Committee, including the ex-officio members, as well as up to three other members of the Board and up to three members of the Museum. The Committee will recommend to the Board, for its approval, a minimum five year strategic plan for operating the Museum in a manner consistent with the purposes and objectives contained in the Articles of Incorporation and the Code of Regulations. The Committee will examine the current relevancy of the Museum's program to the needs and desires of the community it serves, including changes in competitive and supplemental services offered by other institutions in the community. Each year, the Committee will review former recommendations regarding exhibitions, collections,

education, physical, financial and human resources, and propose such revisions and amendments as may be desirable.

3.7 Collections Management Committee. The Executive Director and Curator of Collections will be ex-officio members of the Collections Management Committee. The Committee will establish policies for the acquisition, conservation, preservation and physical care of the collection, and its accessibility in keeping with professionally accepted standards. The Committee will develop and keep on file a statement of policy regarding acquisition and disposition of objects relevant to the Museum's purposes and activities. The Committee will adopt reasonable policies and procedures to assure that each object is properly assessed, catalogued, recorded and filed. The Committee members must be responsible to keep themselves informed about the current art market as well as be familiar with the collection management policy, collection, conservation, needs and accession funds of the Museum. The Committee will assist the Executive Director and Curator of Collections in the accession and de-accession of the Museum's collection.

3.8 Education Committee. The Executive Director and the Coordinator of Education or a designee of the Executive Director will be ex-officio members of the Education Committee. The Committee will focus on the Museum's mission of education by supporting and advocating the various education programs of the Museum. These programs will include the docent program, classes and workshops, scholarships, internships and any other emergent education programs. In this capacity, the Committee will develop knowledge and appreciation of educational programs and represent the mission of education in the Board of Trustees' deliberations and, at times, to broader community constituents.

3.9 Exhibit Committee. The Executive Director, the Curator of Collections and the Marketing Director will be ex-officio members of the Exhibit Committee. The Committee will provide support by reviewing and endorsing exhibitions and assist the director in communicating to the Board of Trustees information on scheduled exhibitions. The Committee will assist in the implementation of the opening night reception and organize volunteers to help with the receptions.

3.10 Events and Fund Raising Committee. The Executive Director and the Marketing Director will be ex-officio members of the Events and Fund Raising Committee. The Committee will create, organize and operate a major fund raising event, preferably at least one per year, for the Museum. The Committee will also create, organize and operate one or more minor events focused on building community awareness and enjoyment of the Museum, these events to be at least break-even events so that the Museum does not lose money on the event.

3.11 Grant Writing Committee. The Executive Director and the Marketing Director will be ex-officio members of the Grant Writing Committee. The Committee will look for grant opportunities and help prepare the grant applications.

3.12 Ad Hoc Committees. The President will have the authority to recommend to the Board of Trustees the appointment of ad hoc committees or persons for special purposes and for specific lengths of service. Duties of each committee or person will be clearly defined in writing

before the appointment is made. For example, an ad hoc committee may include a House and Grounds Committee; and the appointment of a person may be for representation of the Museum on the Arts in Stark Board.

Section 4 **Employees and the Executive Director**

4.1 Employees. The Board of Trustees will hire the Executive Director as the chief administrative officer of the Museum, and may retain other employees, professional consultants or advisors as the Board may deem desirable or necessary, all of whom will be employed at the pleasure of the Board and will perform the duties prescribe by the Board.

4.2 Executive Director. The Executive Director will employ and discharge such assistants and employees, and except as the Board otherwise establishes, will prescribe their authority, duties and conditions of employment. The Board will establish the compensation for these positions. The Executive Director will manage, conduct and oversee the operations of the Museum in accordance with the policies and budget set by the Board of Trustees; will propose any new policies or objectives for the Museum through proper channels; and will carry out the objectives, programs and activities agreed upon by the Board. The Executive Director will serve without vote or may appoint another member of the staff to attend all Board committee meetings except the Nominating Committee. The Executive Director will give a report at each regular meeting of the Board of Trustees and at the annual meeting of the membership. At a minimum, the Executive Committee will review the Executive Director's performance once a year.

Section 5 **Agents and Representatives**

The Board of Trustees may appoint and hire such agents and representatives of the Museum with such powers and to perform such acts and duties on behalf of the Museum as the Board of Trustees may see fit, so far as may be consistent with the Museum's Articles of Organization, the Code of Regulation and these By-Laws, to the extent authorized or permitted by law.

Section 6 **Limitation of Liability in Damages and Indemnity**

6.1 Limitation of Liability in Damages of a Trustee. A Trustee of the Museum will be liable in damages for any action the Trustee takes or fails to take as a Trustee only if it is proved by clear and convincing evidence in a court of competent jurisdiction that the Trustee's action or failure to act involved an act or omission either undertaken with deliberate intent to cause injury to the Museum or undertaken with reckless disregard for the best interests of the Museum.

6.2 Indemnification.

- (a) To the extent of any insurance coverage available to cover the following indemnity obligations of the Museum, and to the extent of the Museum’s liquid assets that are not otherwise dedicated to specific uses, and excluding any assets in use by the Museum, and subject to the provisions of Section 6.2(b), the Museum will defend, indemnify and save harmless each person, and the heirs, legal representatives, executors and administrators of such person, who is, or was, a Trustee, Member, Officer or Agent of this Museum who is, or was, serving at the request of this Museum and for the benefit of this Museum (a “Covered Person”), who was acting in any capacity authorized under the By-Laws, (“Covered Positions”), against all costs and expenses (including, but not limited to, attorneys’ fees and disbursements, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by the Covered Person or imposed upon the Covered Person:
- (1) In connection with or arising out of any claim, action, suit, proceeding or investigation (or any issue or matter therein), whether civil, criminal, administrative or whatever nature, to which the Covered Person is made or threatened to be made a party or in which the Covered Person is necessarily involved by reason of the fact that the Covered Person is, or was, serving in any one or more of the Covered Positions; and
 - (2) In connection with any negotiations or settlement thereof, or appeal therein.
- (b) The provisions of Section 6.2(a) will not be effective unless the Covered Person:
- (1) Is determined to have acted in good faith;
 - (2) Is determined to have acted in a manner the Covered Person reasonably believed to be in or not opposed to the best interests of any such Museum or enterprise; and
 - (3) Is determined in any matter the subject of a criminal action, suit or proceeding, to have had no reasonable cause to believe that the Covered Person’s conduct was unlawful.
- (c) The termination of any action, suit or proceeding or any issue or matter therein, by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, will not, of itself, create a presumption that the Covered Person did not act in good faith and in a manner which the Covered Person reasonably believed to be in or not opposed to the best interests of any such Museum or enterprise, and with respect to any criminal action or proceeding, that the Covered Person had reasonable cause to believe that the Covered Person’s conduct was unlawful.

- (d) Notwithstanding anything contained in this Section 6.2, no indemnification will be made by the Museum in respect of any claim, suit, issue or matter, by or in the right of this Museum, as to which a person is, or was, serving in a Covered Position, and it is proved by clear and convincing evidence in a court of competent jurisdiction that the Covered Person's action or failure to act was undertaken with deliberate intent to cause injury to the Museum or undertaken with reckless disregard for the best interests of the Museum and that, with respect to any criminal action or proceeding, the Covered Person had reasonable cause to believe the Covered Person's conduct was unlawful unless and only to the extent that the Court of Common Pleas, or the court in which such action or suit was brought, determines, upon application by the Museum, and despite the proof and in view of all the circumstances of the case, that such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Common Pleas or such other court deems proper.
- (e) Any indemnification provided for under this Section 6.2, unless ordered by a court as provided in Section 6.2(d), will be made by this Museum only after a determination that such indemnification of a person who is, or was, serving in a Covered Position is proper because the person has met the standards of conduct stated in Section 6.2(b) above as follows:
- (1) By a majority vote of a quorum consisting of Trustees of this Museum who were not and are not parties to or threatened with any such action, suit or proceeding; or
 - (2) If such a quorum of Trustees is not obtainable, or if a majority vote of a quorum of disinterested Trustees so directs, then in a written opinion by independent legal counsel other than an attorney or a firm having associated with it an attorney who has been retained by or who has performed services for this Museum, or who has been indemnified by the Museum within the past five years; or
 - (3) By the Court of Common Pleas or the court in which such action, suit or proceeding was brought.
- (f) Any determination made according to methods (1) or (2) of Section 6.2(e) above will be promptly communicated to any person who threatened or brought an action or suit by or in the right of this Museum.
- (g) Expenses, including attorneys' fees, incurred with respect to any claim, action, suit, proceeding or investigation (or any issue or matter therein) of the character described in this Section 6.2 may be advanced by this Museum prior to the final disposition thereof as authorized by the Trustees in a specific case upon receipt of an undertaking by or on behalf of a Covered Person: (1) to repay such amount, if it is proved by clear and convincing evidence in a court of competent jurisdiction

that the Covered Person's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Museum or undertaken with reckless disregard for the best interests of the Museum; (2) to cooperate with the Museum concerning the action, suit or proceeding; and (3) where indemnification is granted, to repay any amount to the extent the expenses so advanced exceed the indemnification to which the Covered Person is entitled.

- (h) Such indemnification as provided by this Section 6 will not be deemed exclusive of any other rights to which a person who is, or was, serving in a Covered Position may be entitled under the Museum's By-Laws, or any agreement, vote of disinterested Trustees, or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, and will continue as to a person who has ceased serving in a Covered Position and will inure to the benefit of the heirs, legal representatives, executors and administrators of such person.

6.3 Insurance. This Museum may purchase and maintain insurance on behalf of any Covered Person against any liability asserted against the person or incurred by the Covered Person in any such capacity, or arising out of the Covered Person's status as such, whether or not this Museum would have the power to indemnify the Covered Person against such liability under Section 6.2 or the Ohio Nonprofit Corporation Law.

6.4 No Mandatory Indemnification of Volunteers. Section 1702.12(E)(5) of the Ohio Nonprofit Corporation Law will not apply to the Museum to the extent that it requires the indemnification of volunteers (as that term is defined in §1702.01(N) of the Ohio Nonprofit Corporation Law) other than as provided under Section 6.

Section 7 **Contracts and Banking**

7.1 Contracts. The Board of Trustees may authorize any one or more officers or agents to enter into any contract or execute or deliver any instrument in the name of or on behalf of the Museum, and such authority may be general or confined to special instances. However, the Board of Trustees will not sell, lease, mortgage or dispose of any real property the Museum owns, nor the entire assets the Museum owns, except in the manner provided under the Ohio Nonprofit Corporation Law.

7.2 Deposits and Endowments. All funds of the Museum not otherwise employed will be deposited, from time to time, to the credit of the Museum in such banks or other depositories as the Board of Trustees may select. The Board of Trustees may provide for endowment funds and may enter into agreements with financial institutions or other charitable foundations for the investment and management of the endowment funds.

7.3 Petty Cash Fund. The Board of Trustees may establish a petty cash fund which may contain no more than \$500.00 at any time, and which cannot be replenished more than once per month. All expenditure from a petty cash fund must be accounted for.

7.4 Checks. Any one of the following persons may sign checks and withdraw funds from the Museum accounts: the President, Treasurer, Executive Director, or Business Manager. The Collections Committee account requires any two signatures of the following to withdraw funds: the President, Treasurer, Chairperson of the Collections Committee, Executive Director, or Business Manager.

7.5 Loans. No loan will be made to the Museum and no evidences of indebtedness will be issued in its name unless authorized by a resolution of the Board of Trustees.

Section 8 **Gifts and Distributions**

8.1 Acceptance of Gifts. The Board of Trustees, or a committee appointed for that purpose, may apply for and accept on behalf of the Museum any gift, grant, bequest, contribution or devise for the general purposes or any special purpose of the Museum. Further, the Board of Trustees, or a committee appointed for that purpose, may agree to administer the same in accordance with any conditions that the testator or donor may impose, provided only the purpose of such devise, bequest or gift is within the powers and purposes of the Museum.

8.2 Distributions. The Board of Trustees may make outright contributions, grants and gifts of personal property to any program fulfilling any of the purposes of the Museum as set forth in the Museum's Articles of Incorporation, subject to any and all restrictions imposed, from time to time, upon the grant-making activities of private foundations by the Internal Revenue Code as amended from time to time.

8.3 Employee Gifts. No employee may accept a total of gifts in excess of Fifty Dollars (\$50.00) in value per year from any one individual or company doing business or soliciting business with the Museum unless approved in writing by the Executive Director and the President. Normal business entertainment is permissible for the Executive Director and administrative staff.

Section 9 **Conflict of Interest**

9.1 Disclosure. Any duality of interest or possible conflict of interest on the part of any member of the Board of Trustees should be disclosed to the other members of the Board and made a matter of record, either through an annual procedure or when the interest becomes a matter of Board action.

9.2 Voting Prohibited. Any member of the Board of Trustees having a duality of interest or possible conflict of interest on any matter should not vote or use his personal influence on the matter, and he should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

9.3 Sharing Information. The foregoing requirements should not be construed as preventing the interested member of the Board of Trustees from briefly stating his position in the matter, nor from answering pertinent questions of other Board members, since the interested Board member's knowledge may be of great assistance to other members.

9.4 Review of Policy. This policy should be reviewed annually for the information and guidance of members of the Board of Trustees, and any new member to the Board should be advised of this policy upon carrying out the duties of his office.

Section 10 **Nepotism Policy**

It is the intent of The Canton Museum of Art that members of the Board of Trustees and employees not be involved in decisions affecting employment of individual members of their immediate and extended families or household. Therefore, a person will not be considered for employment at The Canton Museum of Art who is an immediate or extended family member or member of the same household as a member of the Board of Trustees or an employee. In rare exceptional cases where the relative or member of the same household is clearly demonstrated to have unique and unusual skills and experience necessary for the position and where these skills and experience are not readily available in the labor market, a waiver may be sought. When such conditions exist, a written request for waiver must be submitted to the Board of Trustees for approval prior to making an employment offer.

- (a) In cases where a waiver has been approved, an individual may not be in a position to effect personnel actions (such as retention, promotion, salary and leaves of absence) affecting members of the employee's immediate and additional family or household. Prior authorization for these personnel actions must come from the Executive Director or the next higher level of supervision, whichever is higher.
- (b) Employees of the Museum who marry may continue employment as long as it does not result in a conflict as listed above. If one of these events should occur, attempts will be made to find a suitable position within the Museum to which one of the employees will transfer. If accommodations of this nature are not feasible, the employees will be permitted to determine which one of them will resign.

Section 11 **Accounting Year and Audit/Review**

11.1 Accounting Year. The fiscal year of the Museum will begin on the first day of July and end on the last day of June of each year.

11.2 Audit/Review. At the end of the accounting year, the books of the Museum will be closed and a financial statement prepared for such year under the direction of the Treasurer. The books will be kept on an accrual basis. If directed by the Board of Trustees, such financial statement may be reviewed or certified; and the books of account may be audited or reviewed (as determined by the Board of Trustees) by an independent firm, the partners of which are certified

public accountants. Any financial statement prepared at the direction of the Board of Trustees will be promptly mailed to each Trustee and will be submitted to the Board of Trustees at the Annual or a Special Meeting of the Trustees. Complete and accurate records will be prepared and maintained under the direction of the Treasurer.

Section 12 **Miscellaneous**

12.1 Books and Records. The Museum will keep correct and complete books and records and minutes of the proceedings of the Board of Trustees and any committees which have had activities in connection with the Museum's business.

12.2 Seal. The Board of Trustees may provide a Corporate Seal, which will be in the form of a circle and will have inscribed thereon the name of the Museum and the words "Corporate Seal, State of Ohio."

12.3 Loans to Members, Officers and Trustees Prohibited. No loans will be made by the Museum to its Members, Officers or Trustees.

12.4 Rules. The Board of Trustees may adopt, amend or repeal Rules (not inconsistent with these By-Laws) for the management of the internal affairs of the Museum and the governance of its officers, agents and committees. The rules contained in ROBERT'S RULES OF ORDER REVISED will govern the organization in all cases to which they are applicable, and in which they are consistent with the Museum's Code of Regulations and By-laws.

Section 13 **Amendments**

The By-Laws of the Museum may be altered, amended or repealed at any time and new By-Laws adopted at a meeting held for that purpose by a majority vote of the Board of Trustees.

Section 14 **Dissolution**

If the majority of the Members determine it is advisable to dissolve the Museum, the Board of Trustees will follow the applicable provisions of the Ohio Nonprofit Corporation Law to dissolve the Museum. Once the Board of Trustees have paid or made provisions for the payment of all the Museum's liabilities, it can dispose of all the Museum's assets by distributing the assets to one or more organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code and were created for purposes similar to the purposes of the Museum.