

BYLAWS

VERMONT SCHOOL BOARDS INSURANCE TRUST, INC.

A NONPROFIT CORPORATION

ARTICLE I - OFFICES

The principal office of the corporation in the State of Vermont shall be located in the City of Montpelier, County of Washington. The corporation may have such other offices, either within or without the State of incorporation as the Board of Directors may designate or as the business of the corporation may from time to time require.

ARTICLE II - MEMBERS

1. MEMBERSHIP.

Membership in the corporation shall be limited solely to those school districts and supervisory unions, organized and existing under the laws of the State of Vermont which are eligible to participate in intermunicipal agreements pursuant to 24 V.S.A. § 4941(2) and which, as of the date of the Corporation's annual meeting, have in force a valid and binding agreement for the provision of services from the Corporation.

2. ANNUAL MEETING.

The Board of Directors shall determine, on an annual basis, the time and place of the annual meeting of the members for the purposes of electing directors and for the transaction of such other business as may come before the meeting.

3. SPECIAL MEETINGS.

Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Board Chair or by the Board of Directors, and shall be called by the Board Chair at the request of not less than ten percent (10%) of all the members of the corporation entitled to vote at the meeting.

4. PLACE OF MEETING.

The directors may designate any place, either within or without the State unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the state unless otherwise prescribed by statute,

as the place for holding such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.

5. NOTICE OF MEETING.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by electronic mail or U.S. mail or at the direction of the Board Chair, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the membership books of the corporation with postage thereon prepaid. If notice is delivered by electronic mail, such notice shall be deemed to be delivered if no notice of delivery failure is reported within 48 hours of the notice being sent.

6. CLOSING OF MEMBERSHIP BOOKS OR FIXING OF RECORD DATE.

For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or in order to make a determination of members for any other proper purpose, the directors of the corporation may provide that the membership books shall be closed for a stated period but not to exceed, in any case, thirty (30) days. If the membership books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the membership, the directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than thirty (30) days and, in case of a meeting of members, not less than ten (10) days prior to the date on which the particular action requiring such determination of members is to be taken. If the membership books are not closed and no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is mailed shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

7. VOTING LISTS.

The secretary of the corporation or designee having charge of the membership books of the corporation shall make, at least twenty (20) days before each meeting of members, a complete list of the members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the

inspection of any member during the whole time of the meeting. The original membership book shall be prima facie evidence as to who are the members entitled to examine such list or membership books or to vote at the meeting of members.

8. QUORUM.

At any meeting of members five (5) of the total number of members, represented in person or by proxy, shall constitute a quorum. If less than said number of the members are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment regardless of the withdrawal of enough members to leave less than a quorum.

9. PROXIES.

At all meetings of members, a member may vote by proxy executed in writing by the member or by its duly authorized attorney-in-fact. Such proxy shall be filed with the board before or at the time of the meeting, and the Board of Directors, by majority vote, shall exercise the proxy.

10. VOTING.

Each member entitled to vote in accordance with the terms and provisions of the certificate of incorporation and these Bylaws shall be entitled to one (1) vote, in person or by proxy for each membership certificate held by such member. Each member shall designate an authorized representative to appear and vote on the member's behalf, and the member's authorized representative shall present a valid and binding certificate or resolution from the member, on a written form provided by the Corporation, establishing such authority to vote on behalf of the member. As stated in the Articles of Incorporation, members of the corporation shall be entitled to vote only for the election of directors thereof and to approve certain amendments to the Bylaws and Articles of Incorporation, in accordance with Vermont statutes, and no member shall have the right to cumulate its vote. The vote for directors shall be decided by plurality vote.

11. ORDER OF BUSINESS.

The order of business at all meetings of the members shall be as follows:

1. Roll Call.
2. Proof of notice of meeting or waiver of notice.

3. Reading of minutes of preceding meeting.
4. Reports of Officers.
5. Reports of Committees.
6. Election of Directors.
7. Information Exchange

ARTICLE III - BOARD OF DIRECTORS

1. GENERAL POWERS.

The business and affairs of the corporation shall be managed by its Board of Directors. The directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and management of the corporation, as they may deem proper, not inconsistent with these by-laws and the laws of this State.

2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors of the Corporation shall be five (5), consisting of one (1) school board member, one (1) superintendent, one (1) business manager, and two (2) at-large members. Such at-large members may be, but are not required to be, school board members, superintendents or school district business managers. The school board member, superintendent and business manager directorships shall each hold a term of office for three (3) years, and the at-large directorships shall each hold a term of office for two (2) years. Commencing with the annual meeting in November, 1996, no director shall serve for a period in excess of six (6) consecutive years. The six (6) year term restriction herein may be waived for individual directors upon the unanimous vote and determination by each of the remaining unaffected directors that application of such term restriction may adversely affect the Corporation. Directors shall be elected or appointed as provided for in the Corporation's Articles of Incorporation and these Bylaws.

3. MEETINGS.

Meetings of the directors shall take place on a quarterly basis, and at other such times as may be determined by the Board Chair or by 20 percent of the directors then in office. At least 48 hours advance notice of the date, time and place of such meetings shall be forwarded to each

director and posted on the corporation's website, except that the notice of quarterly meetings shall be posted on the corporation's website at least thirty days prior to the date of such meeting.

4. ATTENDANCE AT MEETINGS.

The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

5. ACTIONS WITHOUT MEETINGS.

Any action permitted or required by these By-Laws or the laws of the State of Vermont to be taken at a meeting of directors of the corporation, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors. Such consent shall have the same force and effect as a unanimous vote of all directors.

6. QUORUM.

At any meeting of the directors a majority thereof shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

7. MANNER OF ACTING.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors.

8. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by a vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the members. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his or her predecessor.

9. REMOVAL OF DIRECTORS.

Any or all of the directors may be removed for cause by vote of the members or by action of the board. Directors may be removed without cause only by vote of the members.

10. RESIGNATION.

A director may resign at any time by giving written notice to the board or the Board Chair. Unless otherwise specified, in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

11. COMPENSATION.

No compensation shall be paid to directors, as such, for their services, but directors shall be reimbursed for all actual and reasonable expenses incurred while attending authorized meetings or conferences of the corporation or on behalf of the corporation. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

12. ANNUAL AUDIT.

Annually at the conclusion of the corporation's fiscal year, the Board of Directors shall cause to be prepared, for each of the corporation's accounts and programs, audited financial statements certified by an independent certified public accountant. Such financial statements shall be completed and available for distribution to members, upon members' request, at or before the annual meeting next following the conclusion of such fiscal year.

13. PRESUMPTION OF ASSENT.

A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

14. COMMITTEES.

The board, by resolution, may designate from among its members committees, each consisting of not more than two directors. A committee may also include members of staff appointed by the board. Each such committee shall serve at the pleasure of the board.

15. CONFLICT OF INTEREST.

“**Conflict of interest**” shall mean direct or indirect financial or personal interest of a board member or corporate officer or such an interest, known to the board member or corporate officer, of a member of his or her immediate family or household or of a business associate, in the outcome of any particular business or matter pending before the VSBIT Board of Directors or VSBIT Corporate Officers.

The Board shall adopt a Conflict of Interest Policy to ensure that no VSBIT board member or corporate officer will gain a personal or financial advantage from their work for the organization and to ensure that VSBIT members’ trust in the organization will be preserved.

ARTICLE IV - BOARD OFFICERS

1. NUMBER.

The officers of the Board shall be a Chair and a Vice-Chair, each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the board to be elected by the directors shall be elected annually at the first meeting of the directors held after each annual meeting of the members. Each officer shall hold office until a successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

4. VACANCIES.

A vacancy in a newly created office, and vacancies in any office because of death,

resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. BOARD CHAIR.

The Board Chair shall be a director and shall preside at all meetings of the Board of Directors. The Board Chair shall have all powers and duties as are set forth in the By-Laws, and shall perform all duties incident to the office and such other duties as may be prescribed by the directors from time to time.

6. VICE CHAIR.

In the absence of the Board Chair, or in the event of the Board Chair's inability or refusal to act, the Vice-Chair shall perform the duties of the Board Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Board Chair. The Vice-Chair shall perform such other duties as from time to time may be prescribed by the Board Chair or by the directors.

7. SALARIES.

The salaries, if any, of the Board Officers may be fixed from time to time by the directors and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation.

ARTICLE V - CORPORATE OFFICERS

1. NUMBER.

The officers of the corporation shall be a president, a vice-president, and a secretary each of whom shall be appointed by the directors except as otherwise provided by the By-Laws. Such other officers and assistant officers as may be deemed necessary may be appointed by the directors. With the exception of the vice-president, corporate officers need not be directors of the corporation.

2. APPOINTMENT AND TERM OF OFFICE.

The officers of the corporation shall be appointed by the directors. Each officer shall hold office until a successor shall have been duly appointed and shall have qualified or until death, resignation or removal in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create contract rights.

4. VACANCIES.

A vacancy in a newly created office, and vacancies in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors.

5. PRESIDENT.

The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. Upon authorization of the directors, the president may sign membership certificates of the corporation any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time.

6. VICE PRESIDENT.

The Board Chair shall serve as the vice president of the corporation. In the absence of the president or in the event of the president's inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such other duties as from time to time may be assigned by the president or by the directors.

7. SECRETARY.

The secretary of the corporation shall keep the minutes of the members' and of the directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these By-Laws or as required, be custodian of the corporate records and of the seal of the corporation and keep a register of the post office address of each member which shall be furnished to the secretary by each member, have general charge of the membership books of the corporation and in general perform all duties incident to the

office of secretary and such other duties as from time to time may be assigned by the directors.

9. SALARIES.

The salaries of the officers may be fixed from time to time by the directors. The directors may establish and provide for salaries of the vice-president and secretary of the corporation. No officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the corporation.

ARTICLE VI - INDEMNIFICATION

1. INDEMNITY.

The Corporation shall indemnify any director, officer or employee of the Corporation to the full extent permitted by law.

2. INSURANCE.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the Corporation against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this bylaw or applicable provisions of the Vermont Non-Profit Corporation Act.

ARTICLE VII - CONTRACTS, LOANS, CHECKS AND DEPOSITS

1. CONTRACTS.

The directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. LOANS.

No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans shall be made by the corporation to its officers, directors, employees or members.

3. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the directors.

4. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the directors may select.

ARTICLE VIII - FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of July in each year.

ARTICLE IX - SEAL

The directors may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation, year of incorporation and the words, "Corporate Seal."

ARTICLE X - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any members or directors of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation, 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 XI - AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a vote of the directors at any regular directors meeting or at any special directors' meeting when the proposed amendment has been set out in the notice of such meeting, and, for any such amendments requiring member approval, by a majority vote of the members at an annual or special meeting of the members called for such purpose.

ADOPTED, as amended, by unanimous vote of the Board of Directors of the Corporation on August 18, 2005.

Proposed amendments approved by Board of Directors on September 20, 2012.

The proposed amendment to Article II, Section 10 of the VSBIT Bylaws affects the manner in which members of the corporation exercise their voting rights; accordingly, the amendment requires approval by the members. The amendment was approved by the membership at the Annual Meeting of the Members held at Lake Morey Inn on October 25, 2012.

Amendments to the Bylaws approved by the Department of Financial Regulation on November 16, 2012.

ADOPTED, as amended, by unanimous vote of the Board of Directors of the Corporation on November 29, 2012.

Adopted, as amended, by unanimous vote of the Board of Directors of the Corporation on October 4, 2016 and approved by DRF on October 20, 2016.

Adopted, as amended, by unanimous vote of the Board of Directors of the Corporation on April 30, 2020 (with review by DFR).