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## **NET FOUNDATION FOR TELEVISION, INC.**

### **BYLAWS**

#### Article I. Board of Directors

##### Section 1. Board of Directors

The affairs and business of the NET Foundation for Television, Inc. (Television Foundation) shall be conducted by a Board of Directors comprised of persons nominated and elected as provided herein. The Board of Directors of the Television Foundation shall consist of no more than twenty-two (22) Directors. Such Directors shall be nominated and elected to establish geographical representation from the State of Nebraska consisting of five (5) Directors from the Southeast and East Districts, and three Directors from the Northeast, Central, Western and Panhandle Districts, as such Districts are defined by the Board from time to time. The map of the Districts as of the date hereof is attached hereto as Exhibit A.

Directors shall be elected at the annual meeting of the Board of Directors to fill vacancies caused by expiration of the terms of prior Directors. Directors shall be elected for up to three (3) year terms and the Directors shall be elected for one (1), two (2) and three (3) year terms to create a staggered Board so that seven (7) or eight (8) Directors are elected annually thereafter. Directors may be reelected to not more than three (3) consecutive terms, except those Directors who are initially elected for one (1) or two (2) year terms who may be reelected to four (4) consecutive terms. A Director may be elected to serve a new term only after an absence from the Board of at least twelve (12) months.

In the case of a vacancy caused by circumstances other than the expiration of a term, a new Director may be elected by the Board of Directors at any subsequent meeting to fill an unexpired term. In case of a vacancy on the Board, the remaining Directors shall continue to act.

##### Section 2. Meetings of the Board

Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board. Notice of such meetings shall be provided to the Directors not less than two weeks in advance.

Special meetings of the Board of Directors may be held at any time upon the call of the Chair or of five Directors by oral, written or electronic notice duly served on, sent or mailed to each Director not less than one day before such meeting.

At all meetings of the Board of Directors, the presence of not less than eleven (11) Directors in person or by telephonic, video or other comparable means that allow each Director to hear each other and otherwise participate in the meeting shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Directors may hold their meetings at any place within the State of Nebraska, or outside of Nebraska as they may from time to time determine. An annual meeting of the Board shall be held in June of each year. The date of the annual meeting may be changed by an affirmative vote of a majority of the Directors at any meeting of the Board at which a quorum is present.

The Television Foundation will make reasonable and best efforts to ensure that advance notice of all meetings shall conform to and be in compliance with open meeting requirements and guidelines as directed by the Corporation for Public Broadcasting. The Television Foundation shall maintain required records and documentation regarding open meeting compliance if required by state or national organizations.

### Section 3. Committees

The Board of Directors, by resolution or resolutions passed by a majority of the Board in attendance at which a quorum is present, may designate Directors of the Board and other persons to constitute one or more committees to advise the Board on various matters. Committees shall consist of not less than three (3) Directors. Committee names may be determined or changed by resolution adopted by the Board. Only Directors serving on committees shall have the right to vote and approve committee actions.

Committees shall have and may exercise such powers of the Board in the management of business and affairs of the Television Foundation (including the power to authorize the seal of the Television Foundation to be affixed to all papers which may require it) as the Board of Directors determine. Such powers are subject to any and all restrictions as may be contained in the Articles of Incorporation.

Committees may fix their rules of procedure; determine their actions; and fix meeting dates, time and place unless otherwise resolved by the Board of Directors. The Board of Directors shall have the power to change the membership of a committee at any time, to fill vacancies therein and to discharge any committee, either with or without cause, at any time. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

## Article II. Officers

### Section 1. Number

The officers of the Television Foundation shall be elected or appointed by the Board of Directors and shall consist of a Chair, a Vice-Chair, a Secretary, a Treasurer, and such other officers as the Board of Directors shall determine including, but not limited to an Executive Director, one or more Assistant Treasurers, and one or more Assistant Secretaries.

### Section 2. Election and Terms

At the annual meeting of the Board of Directors each calendar year, the Board of Directors shall elect or appoint the officers. The persons elected for the offices, other than Chair and Vice-Chair, shall include senior managers or officers of Nebraska Educational Telecommunications. If the election of the officers is for some reason not held at the annual meeting, an election shall be scheduled as soon thereafter as is convenient.

Officers shall hold office for a term of two (2) years.

Any officer elected or appointed by the Board of Directors may be removed at any time by an affirmative vote of a two-thirds (2/3) majority of the Board of Directors at a meeting of which the notice has specifically included such a proposed removal.

If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors at the succeeding meeting.

### Section 3. Chair

The Chair shall preside at all meetings of the Board of Directors, and shall perform such other duties as directed by the Board of Directors.

### Section 4. Vice-Chair

The Vice-Chair shall perform duties as assigned by the Board or the Chair. In the absence, inability or refusal of the Chair to perform the duties of the office, the Vice-Chair shall assume acting authority of the Chair.

### Section 5. Secretary and Assistant Secretaries

The Secretary shall be responsible for maintaining the records, including the minutes of all meetings of the Board of Directors. The Secretary shall see that all public or required notices are duly given in accordance with these bylaws or as required by law. The Secretary shall also be custodian of any seals of the Television Foundation and their

proper execution in being affixed to official documents. The Secretary shall have additional powers and perform other duties as assigned by the Board of Directors or the Chair.

The duties of the Secretary may also be performed by the Assistant Secretaries.

#### Section 6. Treasurer and Assistant Treasurers

The Treasurer shall have the charge and custody of and be responsible for all funds and securities of the Television Foundation. The Treasurer shall receive and give receipts for monies due and payable to the Television Foundation, shall deposit such monies in the name of the Television Foundation in such banks, trust companies and other depositories in accordance with the directives and bylaws of the Television Foundation. The Treasurer shall have additional powers and perform other duties as assigned by the Board of Directors or the Chair.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the office's duties in such sum and with such surety or sureties as the Board of Directors shall determine.

The duties of the Treasurer may also be performed by any Assistant Treasurer, as assigned by the Board of Directors or the Chair.

#### Section 7. Compensation

No salaries or other remuneration shall be paid to any officers of the Television Foundation, but the Television Foundation may reimburse reasonable expenses incurred on behalf of the Television Foundation.

### Article III. Members

#### Section 1. Members

The qualifications for the members of the Television Foundation shall be based upon contributions or donations of financial assets or services to the Television Foundation or such other criteria as shall be determined by the Board of Directors from time to time. No member or donor of a Foundation as such shall have the right to vote on any matter affecting the business of the Television Foundation, including, without limitation, the election of Directors, the merger of the Foundations, the dissolution and or sale of substantially all of the assets of the Television Foundation, or the adoption or amendment of these Bylaws.

#### Section 2. Use of Members' Names

The Television Foundation, or any person working on their behalf, shall not engage in the exchange, lease, loan, trade, rental, donation, sale or transfer of member or donor names for any purpose whatsoever. Charitable work on behalf of the Television Foundation shall be the sole exception to this policy.

The Television Foundation shall maintain active control of all membership and donor lists, and shall take all appropriate measures to ensure against unauthorized use of such lists.

The Television Foundation shall maintain complete and accurate records of all uses of membership and donor lists, including those for fundraising purposes, and shall furnish such records to members and donors for proper purposes on request.

The Television Foundation shall also maintain complete and accurate records by which they may be assured that they are in compliance with all applicable State and Federal laws and regulations, and with the eligibility requirements for public telecommunications entities as established by the Corporation for Public Broadcasting (CPB) and other national agencies. The Television Foundation shall annually certify their continued compliance with CPB requirements as specified by CPB station grant procedures.

#### Article IV. Contracts, Loans, Checks, Deposits and Investments

##### Section 1. Contracts

The Board of 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 Television Foundation. Such authority may be general or confined to specific instances.

##### Section 2. Loans

No loans shall be contracted on behalf of the Television Foundation and no evidences or indebtedness shall be issued in its name unless authorized by general or specific resolution of the Board of Directors.

##### Section 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 Television Foundation shall be signed by such officer or officers, agent or agents and in such manner as determined by resolution of the Board of Directors.

#### Section 4. Deposits and Investments

All funds of the Television Foundation not otherwise employed shall be deposited in banks, trust companies or other depositories or shall be invested in such manner as determined by resolution of the Board of Directors.

### Article V. General Provisions

#### Section 1. Fiscal Year

The fiscal year of the Television Foundation shall be July 1 to June 30.

#### Section 2. Seal

The corporate seal shall be in such form as adopted and approved by the Board of Directors, and may be used by causing it or a facsimile to be impressed, affixed or otherwise reproduced on or to appropriate documents.

#### Section 3. Indemnification

Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (an "Action"), by reason of the fact that he or she is or was a Director, officer, employee, or agent of the Television Foundation, or is or was serving at the Television Foundation's request as Director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall be and hereby is indemnified by the Television Foundation which is the subject of the Action, without need of affirmative act on his or her part or on the part of the Television Foundation's Board of Directors, against all expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if:

- (1) He or she acted in good faith.
- (2) He or she reasonably believed: (a) in the case of conduct in his or her official capacity with the Television Foundation, that his or her conduct was in the affected Foundation's best interests; and (b) in all other cases, that his or her conduct was at least not opposed to the Television Foundation's best interests.
- (3) In the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not meet the standard of conduct described herein.

However, no indemnification shall be made in respect to any claim, issue, or matter by or in the right of the Television Foundation in which such person is adjudged liable to the Television Foundation or in connection with any other proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which such person is adjudged liable on the basis that personal benefit was improperly received by such person.

To the extent that a Director, officer, employee or agent of a Television Foundation has (have) been successful on the merits, or otherwise, in defense of any action, suit, or proceeding referred to herein, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against all expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection therewith.

The indemnifications provided in these Bylaws for Directors, officers, employees, and agents are directly created and accorded without the need of any affirmative act on the part of the Directors, officers, employees, or agents, and, subject to the conditions and limitations of this section, such indemnification rights may be asserted and proceeded upon by any Director, officer, employee, or agent whenever the need arises.

The Television Foundation which is subject of the Action shall pay expenses incurred in defending a civil or criminal action, suit, or proceeding in advance of the final disposition of such action, suit, or proceeding upon (1) receipt of a written affirmation of the Director, officer, employee, or agent of his or her good faith belief that he or she has met the standard of conduct described in this Article; and (2) a determination that the facts then known to those making the determination would not preclude indemnification under the Nebraska Nonprofit Corporation Act.

Indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such person.

## Article VI. Conflict of Interest Policy

### Section 1. Purpose

The purpose of this conflict of interest policy is to protect the Television Foundation's interests when they are contemplating entering into a transaction or agreement that might benefit the private interest of an officer or Director of the Television Foundation. This policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations.

## Section 2. Definitions

### 1. Interested Person

Any Director, principal officer, or member of a committee with delegated powers from the Board of Directors who has a direct or indirect financial interest, as defined below, is an interested person.

### 2. Financial Interest

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 Television Foundation has a transaction or arrangement, or
- b. a compensation agreement with the Television Foundation or with any entity or individual with which the Television Foundation 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 Television Foundation is negotiating a transaction or arrangement.

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

## Section 3. Procedures

### 1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of any financial interest and all material facts to the Board of Directors or members of committees with delegated powers considering the proposed transaction or arrangement.

### 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the Board of Directors or committee shall dismiss the interested person from the meeting and shall discuss and decide by majority vote whether a conflict of interest exists.

### 3. Procedures for Addressing a Conflict of Interest

- a. An interested person may make a presentation at the Board of Directors or committee meeting, but after such presentation, shall leave the meeting during



any discussion of or vote on the transaction or arrangement that results in the conflict of interest.

- b. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors or committee shall determine whether the Television Foundation 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.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is fair and reasonable to the Television Foundation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

#### 4. Violations of this Conflict of Interest Policy

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

#### Section 4. Records of Proceedings

The minutes of the Board of Directors and all committees with 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 of Directors' or committee's decision as to whether a conflict of interest in fact existed.
- 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.

## Section 5. Annual Statements

Each Director, officer and member of a committee with delegated powers from the Board of Directors shall annually sign a statement that affirms that such person –

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands the policy,
- c. has agreed to comply with the policy, and
- d. understands that the Television Foundation are charitable organizations and that in order to maintain their federal tax exemption they must engage primarily in activities which accomplish one or more of their tax-exempt purposes.

## Section 6. Periodic Reviews

To ensure that the Television Foundation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as organization exempt from federal income tax, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- a. whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining; and
- b. whether partnership and joint venture arrangements and arrangements with management service organizations conform to written policy, are properly recorded, reflect reasonable payments for goods and services, further the Television Foundation's charitable purpose and do not result in inurement or impermissible private benefit.

## Section 7. Use of Outside Experts

In conducting the periodic reviews provided for in Section 6, the Television Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

## Article VII. Amendments

These bylaws may be altered, amended, repealed or replaced by new bylaws by an affirmative vote of a majority of a Board of Directors at any meeting at which a quorum is present, provided Directors are notified in advance of the meeting of the proposed action.