

## **PROPOSED BY-LAW AMENDMENTS JANUARY 29, 2020**

### **Proposed Amendment to Section 509.**

The first sentence of Section 509 is hereby amended and restated in its entirety to read as follows:

“~~Thirty (30)~~ Twenty-two (22) Directors shall constitute a quorum for the transaction of business at any meeting of the Board.”

Rationale for Amendment: When Har Zion’s By-Laws were rewritten in 1995 and the requirement of thirty (30) Directors to constitute a quorum initiated, there were at least eighty Directors eligible to vote. As the size of the Board has intentionally been reduced over the years (to the present number of only forty-nine (49) Directors), it has become more difficult to get a quorum resulting in two Board meetings in fall, 2019 where a quorum was not obtained and important business matters had to be deferred. By reducing the number required for a quorum, meetings of the Board will again be attended by a sufficient number of members to constitute a quorum and business will be able to be conducted.

### **Proposed Amendment to Section 511.**

Section 511 is hereby amended and restated to read as follows:

“Section 511. Conflict of Interest. The Board shall, from time to time, adopt a Conflict of Interest Policy which shall govern transactions or agreements involving the Congregation where an actual or potential conflict of interest may exist between the financial and/or personal interests of an Officer, Director, Trustee, certain senior employees and certain volunteers and the best interests of the Congregation. An affirmative vote of two-thirds (2/3rds) of the Directors present at the meeting shall be necessary for adoption of any proposed amendment to the most recently adopted Conflict of Interest Policy.”

Rationale for Amendment. Current Section 511, which contains provisions dealing with conflicts of interest is a very limited provision and does not deal with certain types of matters involving conflicts of interest including matters which have recently been presented to the Board. There is currently a committee which has been working for a number of months on developing a comprehensive conflicts of interest policy which is expected to be presented to the Board in the immediate future. However, to the extent that there are inconsistencies between Section 511 and any conflict of interest policy adopted by the Board, the provisions of Section 511 would control as a matter of law, thereby potentially thwarting the Board’s intent. Accordingly, by amending Section 511 to simply refer to any conflict of interest policy adopted by the Board, any potential inconsistencies would be eliminated. The conclusion was that by removing the details of any conflict of interest policy from the By-Laws, greater flexibility would be achieved if any amendments to such policy are deemed necessary in the future by the Board. To make sure that such flexibility is not abused, the requirement for a two-thirds vote was added to the provision.