

RUSSELL SAGE FOUNDATION

CONSTITUTION *

Article I

Purpose

The purpose of the Russell Sage Foundation (the “Foundation”) shall be to receive and manage a fund or funds to apply the income thereof, and at the discretion of its Trustees any portion of the principal thereof, the expenditure of which is not restricted by the terms of gift, for the improvement of social and living conditions in the United States of America. It shall be within the purposes of the Foundation to use any means to that end which from time to time shall seem expedient to its Members or Trustees, including research, publication, education, the establishment and maintenance of charitable or benevolent activities, agencies and institutions, and the aid of any such activities, agencies, or institutions already established.

Article II

Office

The principal office of the Foundation shall be located in the City, County, and State of New York.

Article III

Members

Section 1. The members of the Foundation (the “members”) shall be the present members of the Board of Trustees of the Foundation (the “Board”) and those persons who shall hereafter be elected members of the Board. A Trustee who ceases to be a member of the Board shall thereupon cease to be a member.

* As adopted March 3, 1952 and as amended February 3, 1955, November 19, 1959, May 6, 1964, February 7, 1968, May 11, 1971, March 15, 1974, December 8, 1975, December 6, 1979, June 28, 1980, June 22, 1984, March 11, 1985, November 20, 1987, March 21, 1988, June 10, 1988, November 3, 1995, June 19, 2014, February 20, 2015, June 19, 2015.

Section 2. An annual meeting of the members shall be held immediately preceding and at the place of each annual meeting of the Board for the purpose of electing Trustees and transacting such other business as may properly come before the meeting.

Section 3. Special meetings of the members may be called at any time by either the Board or the Chair of the Board, and shall be called by the Chair upon written request of any three members. Such request shall specify the date and purpose of the meeting.

Section 4. Written notice of the date, time, and place¹ of any meeting of the members shall be given by the Secretary to each member, personally, by mail, by facsimile telecommunications or by electronic mail, addressed to him or her at the applicable address as it appears on the records of the Foundation, not less than ten days and not more than fifty days before the meeting. Notice of a special meeting shall also state the purposes for which the meeting is called. Notice need not be given to any member who submits a waiver of notice, in person or by proxy, whether before or after the meeting. Waiver of notice may be written or electronic. If written, the waiver must be executed by the member by signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means including, but not limited to, facsimile signature. If electronic, the transmission of the waiver must be sent by electronic mail.²

Section 5. At all meetings of the Foundation, six (6) members, present in person or by proxy, shall constitute a quorum for the transaction of business, but a lesser number may adjourn the meeting to a time and place specified.

Section 6. At all meetings of the members each member may vote in person or by proxy. A member may authorize another person or persons to act for him or her as proxy by providing such authorization by electronic mail to the person who will be the holder of the proxy or to a proxy solicitation firm or like agent duly authorized by the person.

Article IV

Board of Trustees

Section 1. The management of the Foundation shall be vested in the Board, which shall consist of up to sixteen Trustees.

Section 2. Members of the Board shall be elected to a term of office of up to five years in length, such elections to take place at the annual meeting of the Foundation. Members may be eligible for re-election at the expiration of their current term of office. However, no member of the Board (other than the President) who has served for two consecutive five-year terms shall be eligible for re-election as a Trustee for a period of one full year after the conclusion of

¹ Note that the New York Not-for-Profit Corporation Law (the "NPCL") requires only that the purpose be included in the notice for a special meeting.

² See Section 606 of the NPCL.

the second term. After an absence from office as a Trustee for a period of one full year, a person shall be eligible for re-election as a Trustee for only one additional term.

Trustees previously elected to consecutive terms totaling less than ten years may be elected to additional terms sufficient to provide ten consecutive years of service. Any Trustee who has served for ten consecutive years shall, for the purposes of determining eligibility for re-election in the above paragraph, be deemed to have served two consecutive five-year terms. The President shall serve as an *ex officio* member of the Board.

Section 3. Vacancies on the Board may be filled for unexpired terms by vote of a majority of the entire Board³ at any meeting of the Board.

Section 4. Any Trustee may resign at any time by written notice to the Secretary of the Foundation.

Section 5. The Board shall hold its meetings at such place or places as the Board may from time to time determine.

Section 6. The annual meeting and two or more other regular meetings of the Board shall be held each year on such dates as the Board may from time to time determine. Special meetings may be called by the Chair of the Board, or in his or her absence or inability to act, by the Vice Chair of the Board, and shall be called by such officer on the written consent of three members of the Board.

Section 7. Written notice of the date, time and place of all meetings of the Board shall be given by the Secretary personally, by mail, by facsimile telecommunication or by electronic mail⁴ to each Trustee at his or her applicable address as it appears on the records of the Foundation, not less than one week before the meeting. Notices of special meetings shall also state the purpose of the meeting. Notice of a meeting need not be given to any director who submits a waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice. Such waiver may be written or electronic. If written, the waiver must be executed by the member by signing such waiver or causing his or her signature to be affixed to such waiver by any reasonable means including, but not limited to, facsimile signature. If electronic, the transmission of the waiver must be sent by electronic mail.⁵

Section 8. At all meetings of the Board, six (6) members, present in person or by proxy, one third of the entire number of the members shall constitute a quorum for the transaction of business, but a lesser number may adjourn the meeting to a time and place specified.

³ Note that the Non-Profit Revitalization Act (the "NPRA") amended the NPCL such that for a corporation whose bylaws provide for a range between a minimum and maximum number of directors, the term "entire board" is now defined as the number of directors within such range that were elected as of the most recently held election of directors. Thus, the "number of directors then in office" is equivalent to the "entire board."

⁴ This is not required but has been added to give the maximum amount of flexibility in sending notice to Trustees.

⁵ See Section 711(c) of the NPCL.

Article V

Officers

Section 1. The officers of the Foundation shall include a Chair of the Board, a Vice Chair, a President, a Treasurer, and a Secretary, who shall be elected by the Board at its annual meeting each year. The Board may elect or provide for the appointment of such other officers and agents as it may deem necessary and may prescribe their terms of office and duties.

Section 2. The Chair of the Board, the Vice Chair of the Board, and the President must be members of the Board. Other officers may be such members. More than one office may be held by one person, except that the Chair of the Board, the Vice Chair of the Board and the President may not hold the office of either the Treasurer or Secretary. No member of the Board who has served for three consecutive years as Chair shall be eligible for re-election as Chair, provided, however, that after an interval of one year, the same Trustee shall be eligible for re-election as Chair.

Section 3. The terms of the officers of the Foundation shall be one year or until their successors are elected, but any officer may be removed at any meeting of the Board by an affirmative vote or a written consent of a majority of the entire Board. The Board may at any meeting fill for the unexpired term any vacancy which occurs in any office of the Foundation.

Section 4. The Chair of the Board shall preside at all meetings of the Foundation, and the Board, at which he or she is present, and shall exercise an advisory function in relation to the policies and activities of the Foundation. The Chair shall be an ex-officio member of all standing committees and perform such other duties as may be required by this Constitution or by the Board. The Chair may not be an employee of the Foundation.⁶

Section 5. In the event of a vacancy in the office of the Chair of the Board, or during the absence or inability to act of the Chair, the duties and powers of the Chair shall devolve upon the Vice Chair of the Board. The Vice Chair may not be an employee of the Foundation.⁷

Section 6. The President shall be the principal executive officer of the Foundation and shall be charged with the direction of the program of the Foundation, and the management of the staff employed in carrying out the purpose of the Foundation, subject to the control of the Board.

Section 7. The Treasurer shall be charged with the custody of all papers and documents relating to the property of the Foundation. He or she shall deposit or cause to be deposited all corporate funds in the corporate name in such bank or banks, trust company or trust companies, as the Board shall designate or approve. Such funds shall be disbursed by such procedure as the Board may by resolution from time to time prescribe. The Treasurer shall render or cause to be rendered to the Board at least as of the end of each fiscal year an accurate account of his or her tenure as Treasurer and of the financial condition of the Foundation.

⁶ See Section 713(f) of the NPCL.

⁷ Since the Vice Chair is a stand-in for the Chair, this limitation should be placed upon the Vice Chair as well.

Section 8. The Secretary shall give notice of, and shall keep or cause to be kept a careful record of the proceedings of all meetings of the Foundation, of the Board, and of the Finance Committee; and shall in general perform all the duties incident to the office of secretary, subject to the control of the Board. The Secretary shall have the custody of the Corporate Seal, and shall affix the same on all contracts and instruments requiring the seal.

[Article VI, Executive Committee, removed by trustee resolution in March 1988.]

Article VII

Committees⁸

Section 1. At each annual meeting of the Board, the Board, by an affirmative vote of a majority of the entire Board, shall elect from its membership a Finance Committee of at least three Trustees for a term of one year or until their successors are appointed. The Board shall designate the chair of the Committee. It shall be the duty of the Finance Committee to determine the investment and reinvestment of the funds owned by or held by the Foundation, consistent with such policy as the Board may by resolution from time to time prescribe, consistent with Section 519 of the New York Not-for-Profit Corporation Law. The Committee shall regularly report its proceedings to the Board or subsequent meetings of the Board, including at each meeting a review of the changes in investment funds effected since the last preceding meeting of the Board.

Section 2. At each annual meeting of the Board, by affirmative vote of a majority of the entire Board, the Board shall elect from its membership an Audit Committee of at least three members. Each member shall be an “independent director” as defined in the New York Not-for-Profit Corporation Law.⁹ It shall be the duty of the Audit Committee to:

1. Oversee the accounting and financial reporting processes of the Foundation and the audit of its financial statements;
2. Annually retain or renew the retention of an independent auditor;
3. Review with the independent auditor the results of the audit (including the management letter);
4. Review with the independent auditor the scope and planning of the audit prior to its commencement;
5. Review and discuss with the independent auditor any material risks and weaknesses in internal controls identified by the auditor, any restrictions on the scope of the auditor’s activities or access to requested information, any significant disagreements between the

⁸ Note that per the NPRA, committees can now be one of two types: committees of the Board (i.e., committees consisting only of Trustees) and committees of the corporation (i.e., committees with non-Trustee members). Committees of the corporation may not have authority to bind the Board, except that investment decisions may be delegated to a committee of the corporation in accordance with Section 519 of the NPCL.

⁹ See Section 102(a)(21) of the NPCL.

auditor and management, and the adequacy of the Foundation's accounting and financial reporting processes;

6. Annually consider the performance and independence of the auditor;
7. Report its activities to the Board;
8. Review the Foundation's overall spending and spending by activity area, such as for Research awards, Visiting Scholars, and Management and Administration, to determine that spending is in line with the Foundation's annual budget;
9. Oversee the adoption, implementation of, and compliance with any conflict of interest policy or whistleblower policy adopted by the Foundation; and
10. Fulfill any other duties as delegated from time to time by the Board.

Section 3. The Board may elect, or provide for the appointment of, and may prescribe the terms, duties, and procedures of, such other committees as it may deem advisable to advise or assist in the management, direction and supervision of the activities of the Foundation and may fill any vacancies which may occur in any committees. Any such Committee that is a committee of the Board shall consist of at least three members of the Board, and shall be elected or appointed by an affirmative vote of a majority of the entire Board. No committee that is not a committee of the Board shall have authority to bind the Board.

Article VIII

Investments

The funds of the Foundation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal, or otherwise, including but not limited to stocks, bonds, securities or other instruments, or interests in investment funds investing in any of the foregoing, as the Board or its delegee may deem desirable.

Article IX

Purchase, Sale, Mortgage or Lease of Real Estate

The Foundation may not purchase real property unless authorized by a majority of the Board or a majority of a committee authorized by the Board, provided that if such property would, upon purchase, constitute all or substantially all of the Foundation's assets, the purchase must be authorized by two-thirds of the entire Board. The Foundation may not sell, mortgage, lease, exchange, or otherwise dispose of its real property unless authorized by a majority of the Board or a majority of a committee authorized by the Board, provided that if such property constitutes all or substantially all of the Foundation's assets, the disposition must be authorized by two-thirds of the entire Board.

Article X

Fiscal Year

The fiscal year of the Foundation shall begin on September 1 and end on August 31.

Article XI

Seal

The seal of the Foundation shall contain the following inscription:

RUSSELL SAGE FOUNDATION FOR THE IMPROVEMENT OF SOCIAL
AND LIVING CONDITIONS 1907. INASMUCH AS YE HAVE DONE IT
UNTO ONE OF THE LEAST OF THESE MY BRETHREN YE HAVE DONE
IT UNTO ME.

Article XII

Limitation of Liability and Indemnification of Trustees

The Trustees, officers and employees of the Foundation shall be entitled to indemnification to the fullest extent permitted under Article VII of the New York Not-for-Profit Corporation Law.

Article XIII

Action by the Board of Trustees and Committees

Section 1. Any action required or permitted to be taken by the Board or any duly constituted committee may be taken without a meeting if all members of the Board or any such committee consent to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If written, the consent must be executed by the Trustee or committee member by signing such consent or causing his or her signature to be affixed to the consent by any reasonable means including, but not limited to, facsimile signature. If electronic, the consent must be sent by electronic mail.¹⁰ The resolution and the consents by the members of the Board or such committee shall be filed with the minutes of the proceedings of the Board or such committee.

Section 2. Upon the consent of the Chair of the Board or the chair of any duly constituted committee, as the case may be, any one or more members of the Board or of any such committee may participate in a meeting of the Board or of such committee by means of a

¹⁰ See Section 708(b) of the NPCL.

conference telephone, videoconference, or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time and participate in all matters before the Board or committee.¹¹ Participation by such means shall constitute presence in person at such meeting.

Article XIV

Amendment

This Constitution may be amended at any meeting, either of the members or of the Board, by the affirmative vote of a majority of the votes cast by those entitled to vote thereon, at a meeting at which a quorum is present, provided that a copy of the amendment as proposed shall have been mailed to each such person at least ten days before the meeting at which action thereon is to be taken.

¹¹ See Section 708(c) of the NPCL.