

**Coastal Carolina University
Board of Trustees
Bylaws**

Revised October 16, 2009

ARTICLE I
The Coastal Carolina University Board of Trustees

The Coastal Carolina University Board of Trustees

The governing body of Coastal Carolina University is the Board of Trustees, which by statute is responsible for overseeing the effective governance of the University.

Section 1. Corporate Name and Governing Body

The governing body of Coastal Carolina University shall be the Board of Trustees.

Section 2. Composition of the Board

The Board of Trustees for Coastal Carolina University is composed of the Governor of the State or his designee, who is an ex officio member of the Board, and sixteen (16) members, with fifteen (15) of those members to be elected by the General Assembly and one (1) member to be appointed from the State at large by the Governor.

Section 3. Terms of Appointment of the Members of the Board

Of the fifteen (15) members of the Board of Trustees to be elected by the General Assembly, two (2) members must be elected from each Congressional District and the remaining three (3) members must be elected from the State at large. The term of office of the at large trustee appointed by the Governor is effective upon certification to the Secretary of State, and is coterminous with the term of the Governor appointing him. Each position of the Board constitutes a separate office and the seats on the Board are numbered consecutively as follows: for the First Congressional District, Seats 1 and 2; for the Second Congressional District, Seats 3 and 4; for the Third Congressional District, Seats 5 and 6; for the Fourth Congressional District, Seats 7 and 8; for the Fifth Congressional District, Seats 9 and 10; for the Sixth Congressional District, Seats 11 and 12; for the At-Large positions elected by the General Assembly, Seats 13, 14 and 15. The member appointed by the Governor shall occupy Seat 16.

Section 4. Terms of Office

The term of office of an elected Trustee commences on the first day of July of the year in which the Trustee is elected. Members elected from seats 1-15 shall be elected for four (4) year terms. Note that the Governor's appointment regarding Seat 16 shall be coterminous with the term of the Governor appointing him.

Section 5. Vacancies

If a vacancy occurs among the fifteen (15) Trustees elected by the General Assembly when the General Assembly is not in session, the Governor may fill such vacancy by appointment until the next session of the General Assembly.

Section 6. Reimbursement

Members of the Board are entitled to subsistence, per diem, and mileage authorized for members of State Boards, Committees, and Commissions.

Section 7. Honorary Members of the Board

The following shall be given status of non-voting Honorary Members of the Board of Trustees and receive notice of regular Board meetings:

- (a) The President of the Coastal Educational Foundation;
- (b) Chairman of the Horry County Higher Education Commission;
- (c) President of Coastal Carolina Alumni Association;
- (d) President of the Student Government Association;
- (e) Chairman of the Faculty Senate;
- (f) Chairman of the Horry County Legislative Delegation; and
- (g) Any other individual which may be designated by the Board.

Honorary Members shall have the right to attend public sessions of regular Board meetings and shall participate at any such session to the extent requested by the Board or the officer presiding at such meeting.

Section 8. Resignation

A Trustee may resign from the Board and/or any committee of the Board at any time by delivering written notice to the Board, the Chairman, or the Secretary. If the notice specifies an effective date that is subsequent to the date of such delivery of the notice, such resignation shall be effective as of such subsequent date; otherwise a resignation is effective when the notice is delivered.

ARTICLE II *Duties of the Board*

The Board of Trustees shall define the mission, role and scope of the University, shall establish the general policies of the University, shall approve the budget for the next fiscal year, and shall provide accountability to the public and the General Assembly.

All corporate powers of the University must be exercised by or under the authority of the Board, and the University's affairs shall be managed under the direction of the Board.

Within these fundamental responsibilities, the Board will perform, where appropriate, many essential functions, including, but not limited to the following:

- (a) Receive recommendations from the President and have final approval on all matters of promotion and tenure;
- (b) Review and approve academic plans, including programs and new units, and major modifications or deletions in existing programs and units;

- (c) Designate endowed chairs and professorships, award honorary degrees, and name buildings or major portions thereof, other structures, streets and geographic areas;
- (d) Review and approve requests for appropriations;
- (e) Review and approve the annual budget and budget changes;
- (f) Approve all long-range development plans for the University, including major capital projects; and
- (g) Approve all sales, subject to the limitation stated in Article IV, section (d), or purchases of real property, and ensure that all properties of the University are preserved and maintained.

ARTICLE III *Officers of the Board*

The officers of the Board of Trustees shall consist of the Chairman, Vice Chairman, Secretary, and Treasurer and such assistant officers as the Board may appoint pursuant to Article IV(e). All are nominated and appointed at the Annual Meeting by the Board of Trustees. Such appointment shall be made by vote of a majority of the Board of Trustees. The Chairman's terms shall be limited to two (2) terms of two (2) years or until a successor is appointed in the event of resignation or removal. The Vice Chairman's terms shall be limited to two (2) terms of two (2) years or until a successor is appointed in the event of resignation or removal. The Secretary's and Treasurer's terms shall be for one (1) year or until a successor is appointed in the event of resignation or removal and there shall be no limit to the number of consecutive terms. Any officer may resign his office at any time by delivering written notice to the Board, the Chairman, or the Secretary. If the notice specifies an effective date that is subsequent to the date of such delivery of the notice, such resignation shall be effective as of such subsequent date; otherwise a resignation is effective when the notice is delivered. An officer's resignation does not affect the University's contract rights, if any, with such officer. Vacancies in any office may be filled at any meeting.

Section 1. Chairman

The Chairman of the Board of Trustees will provide leadership to the Board in determining the Board's policies, recognizing the rights of the faculty and student body and maintaining the independence of the Board from outside influences. The powers and duties of the Chairman include:

- (a) Preside over the meetings of the Board. In his absence, the Vice Chairman will preside or, if both are absent, the Chairman shall designate another Trustee to preside;
- (b) With the Secretary, execute all papers to which it is necessary to affix the Seal of the University;
- (c) Appoint all standing committees and their respective chairmen, with the advice and consent of the Board;

- (d) Appoint all special or ad hoc committees as required;
- (e) Serve as a non-voting member ex officio on all committees of the Board;
- (f) Act as the Board's spokesperson or representative;
- (g) Appoint a special committee on the nomination of a President, when the office of the President becomes vacant or a vacancy is impending, to seek and recommend to the Board a person to fill the vacancy; and
- (h) Perform such additional duties as directed by the Board.

Section 2. Vice Chairman

In the absence or inability of the Chairman to discharge his duties of office, all duties pertaining to the office of the Chairman of the Board shall devolve upon and be executed by the Vice Chairman.

Section 3. Secretary

The powers and duties of the Secretary include:

- (a) Keep a faithful record of all proceedings;
- (b) Conduct correspondence for the Board;
- (c) Give notice of time and place for the meetings;
- (d) See that all documents entrusted in his care are filed and kept safely at the University;
- (e) Serve as secretary to all committees. When the Secretary of the Board is given responsibilities under these Bylaws, the Secretary may appoint a designee, and other personnel as may be necessary, who may be employees of the University, or otherwise, to attend committee meetings, take minutes, and report to the Secretary, or the Secretary may attend with the designee;
- (f) Authenticate records of the Board and of the University; and
- (g) Maintain conflict of interest statements and other disclosures of any trustee, officer, or member of the committee.

Section 4. Treasurer

The Treasurer shall have custody of the funds and securities of the University and shall invest and deposit the same as directed or authorized by the Board. The Treasurer shall have power to sign and endorse checks, and to give due and proper receipts and acceptance in the name of the University, and upon approval of the Board may authorize others to sign and endorse checks and to carry out banking functions. The Treasurer shall keep a regular account of all receipts and disbursements, and at the Annual Meeting of the Board, or at such times as requested by the Board, shall render an account of his transactions and the financial condition of the University.

Section 5. Standards of Conduct for Officers

- (a) An Officer with discretionary authority shall discharge his duties under that authority:
 - (1) in good faith;

- (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and,
 - (3) in a manner the officer reasonably believes to be in the best interests of the Board and the University.
- (b) In discharging his duties, an Officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
- (1) one or more officers or employees of the University who the Officer reasonably believes are reliable and competent in the matters presented; or
 - (2) legal counsel, public accountants, or other persons as to matters the Officer reasonably believes are within the person's professional or expert competence.
- (c) An Officer is not acting in good faith if the Officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) unwarranted.

ARTICLE IV

Powers of the Board

Pursuant to Section 59-136-130, Code of Laws of South Carolina, 1976, as amended, the Board of Trustees is constituted a body corporate and politic under the name of the Board of Trustees for Coastal Carolina University. The corporation has the power to:

- (a) Have perpetual succession;
- (b) Sue and be sued by the corporate name;
- (c) Have a seal and to alter it at pleasure;
- (d) Make contracts and to have, to hold, to purchase, and to lease real estate and personal property for corporate purposes, and to sell and dispose of personal property and any building considered by it as surplus property or not further needed, and any buildings that it may need to do away with for the purpose of making room for other construction. The Board does not have power to sell or dispose of any of its real estate, other than buildings, except with the consent of the State Budget and Control Board;
- (e) Appoint a Chairman and to appoint or otherwise provide for the appointment of subordinate and assistant officers and agents, faculty members, instructors, and other employees, prescribing the terms of their employment and their duties and fixing their compensation;
- (f) Make Bylaws and regulations for the management of its affairs and its own operations not inconsistent with law;
- (g) Condemn land for corporate purposes as provided by law;
- (h) Fix tuition fees and other charges for students attending the university, not inconsistent with law;
- (i) Confer degrees upon students and other persons as the Board considers qualified;

- (j) Accept, receive, and hold all monies or other properties, real, personal, and mixed, that may be given, conveyed, bequeathed, or devised to the University and to use them for the benefit of the University, but in those cases where the money or property is received, charged with any trust, the money or property must be held and used strictly in accordance with the terms of the trust. If the terms of the trust require something to be done other than to administer the trust, no obligation in receiving the trust over and above its administration is binding upon the University or the State, except any obligation accepted by the General Assembly;
- (k) Assign any member of the faculty without additional salary to additional duties in any other University department than that in which the faculty member may at the time be working;
- (l) Compel by subpoena, rule, and attachment witnesses to appear and testify and papers to be produced and read before the Board in all investigations relating to the affairs of the University;
- (m) Adopt measures and make regulations as the Board considers necessary for the proper operation of the University;
- (n) Appoint for the University a Board of Visitors of a number as it may determine, to regulate the terms during which the members of the Board of Visitors serve, and to prescribe their functions;
- (o) Remove any officer, faculty member, agent, or employee for incompetence, neglect of duty, violation of University regulations, or conduct unbecoming a person occupying such a position;
- (p) Appoint an Executive Committee not exceeding five (5) members of the Board who have the powers of the Board during the interim between meetings of the Board but not the power to do anything inconsistent with the policy or action taken by the Board, and the Executive Committee at each meeting of the Board shall report fully all action taken by it during the interim;
- (q) Appoint committees of the Board or officers or members of the faculty of the University with authority and for purposes in connection with the operation of the University as the Board considers necessary;
- (r) Appoint a President. The President shall report to and seek approval of his actions and those of his subordinates from the Board; and
- (s) Issue revenue bonds as provided by law.

ARTICLE V

Meetings

Meetings of the Board of Trustees are of three (3) types: the Annual Meeting, regular meetings, and special meetings.

Section 1. Annual and Regular Meetings

There will be at minimum of four (4) Regular Meetings of the Board annually. Ordinarily the dates of these four separate meetings will correspond with a day during the respective four seasons of the year. The meeting that is held during the summer months will be the Annual Meeting. At this meeting, the Board nominates and appoints a Chairman, Vice Chairman, Secretary, and Treasurer.

Section 2. Special Meetings

Special meetings of the Board of Trustees shall be held whenever called by the Chairman of the Board of Trustees or by a majority of the Trustees.

Section 3. Notice of Meetings

The Secretary of the Board shall see that notice is given by mail of the time and place of all meetings to each trustee not less than five (5) days before the meeting.

Section 4. Waiver of Notice

- (a) A Trustee may waive any notice required by these Bylaws. Except as provided in subsection (b), the waiver must be in writing, signed by the Trustee entitled to this notice, and filed with the minutes of the Board.
- (b) Trustee's attendance at or participation in a meeting waives any required notice of the meeting unless the Trustee, upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with these bylaws, objects to lack of notice and does not thereafter vote for or assent to the objected to action. Such objection and failure to vote in favor shall be noted in the minutes of the Board.

Section 5. Locations of Meetings: Action Without Meeting

The Board of Trustees may hold its meetings in such place or places within or without the State of South Carolina as the Board may determine. Pursuant to Section 59-136-140, Code of Laws of South Carolina, 1976, as amended, the Board shall meet no fewer than four (4) times each year. Any action by the Board may be taken without a meeting if all the members of the Board consent in writing to the adoption of a resolution authorizing the action. The resolution and written consents shall be filed with the minutes of the Board. Action taken under this section by consent is effective when the last Trustee signs the consent, unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 6. Teleconference

Unless otherwise prohibited by the enabling legislation, the Bylaws, or the South Carolina Freedom of Information Act found in Section 30-4-10, et seq., Code of Laws of South Carolina, 1976, as amended, any or all Board members may participate in a meeting of the Board or any Committee by means of conference call by which all persons

participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at such meeting.

Section 7. Freedom of Information Act

Under the South Carolina Freedom of Information Act, all Board meetings will be open to the public; however, the Board may move into executive session as stipulated in the Act, provided there shall be notice to the media and that notice is reflected in the minutes.

ARTICLE VI

Board and Committee Procedures

Section 1. Order of Business

The order of business at all regular meetings will be generally as follows:

- (a) Roll call;
- (b) Approval of minutes of previous meetings;
- (c) Ratification of Executive Committee action;
- (d) Reports of committees;
- (e) Report from the President;
- (f) Report from the Chairman;
- (g) Unfinished business;
- (h) New business;
- (i) Election of officers of the Board (Annual Meeting only or such special meeting as may be determined by the Board of Trustees);
- (j) Executive session, if necessary; and
- (k) Adjournment

Section 2. Quorum

A majority of the membership of the Board shall constitute a quorum for the transaction of business at all authorized meetings, except as provided otherwise in Article IX or X.

Section 3. Rules of Procedure

All meetings of the Board and of each Committee of the Board will be conducted in accordance with Robert's Rules of Order, Newly Revised. The officer presiding over a meeting shall serve as, or may appoint another person to serve as, parliamentarian for such meeting.

Section 4. Minutes

- (a) Minutes of the proceedings of the Board shall be kept by the Secretary, and as soon as practical after a meeting, a copy of said minutes shall be mailed to each member of the Board.

- (b) Minutes of the proceedings of each committee shall be kept by the Secretary, and as soon as practical after a meeting, a copy of said minutes shall be mailed to each member of the Board.
- (c) The minutes of executive sessions of the Board and its committees shall be recorded and maintained in accordance with the South Carolina Freedom of Information Act.

Section 5. Proxies Prohibited

The use of proxies for purposes of determining a quorum, for voting or for any other purposes shall not be permitted.

ARTICLE VII ***Committees of the Board***

The committees of the Board of Trustees are of three (3) types: the Executive Committee, Standing Committees, and Special or Ad Hoc Committees. The Secretary of the Board shall serve as the secretary for each committee, keep the committee minutes, and perform such other duties as the committees require. The committee chairman will set the agenda. A majority of the members of any committee shall constitute a quorum, except as provided otherwise in Article X.

Section 1. Executive Committee

- (a) The Executive Committee shall consist of not more than ten (10) members and shall include the Chairman, Vice Chairman, immediate past Chairman, and chairs of all standing committees. In his discretion, the Chairman may add one (1) chair of any of the existing *ad hoc* committees of the Board to the Executive Committee. Members of the initial Executive Committee shall be appointed on the effective date of this revision and will serve until the next Annual Meeting of the Board. Subsequent members of the Executive Committee shall be appointed as of the end of an Annual Meeting of the Board by the person elected at such meeting as Chairman and will serve for a period of one (1) year or until the next Annual Meeting of the Board.
- (b) The Executive Committee may exercise the powers and transact business of the Board of Trustees in recess of the Board as long as such action is consistent with the provisions of S.C. Code § 59-136-130, Paragraph (16), as set forth verbatim in Article IV herein.
- (c) All actions taken by the Executive Committee in the interim between meetings of the Board will be reported promptly to the Board by the Secretary, and thereafter ratified by the full Board.

Section 2. Standing Committees

- (a) The Standing Committee of the Board and their areas of responsibility shall

consist of the following:

- (1) *Academics and Student Affairs.* Working primarily with the office of the Provost, this committee is charged with oversight and evaluation of academic policies, programs and degrees, to insure that they relate to and assist in accomplishing the University's goals and mission. The committee also shall consider and recommend policies related to student development and student services.
 - (2) *Advancement, Marketing and Alumni Affairs.* The duties of this committee are to establish and monitor all fundraising activities of the University and to assist the President and fundraising staff in cultivating and soliciting philanthropy for the institution, along with a review of the achievements and plans of the office of Alumni Affairs, in order to assure that the University's alumni are kept informed about and encouraged to participate in institutional activities. The committee will also monitor the marketing and branding efforts of the University.
 - (3) *Athletics.* This committee shall be responsible for formulating, reviewing and recommending all policies relating to the intercollegiate athletic activities of the University.
 - (4) *Audit.* This committee is authorized to review the findings of the institution's internal auditing staff as presented to them by the President, provided, that this committee shall have independent authority to directly oversee any investigations into the expenditures or management practices of the office of the President.
 - (5) *Finance, Planning and Facilities.* This committee shall have oversight responsibility for any and all fiscal matters relating to budgets (annual and long-term capital); financing of any University project, undertaking or enterprise; and all financial reporting. This committee shall review the Campus Master Plan, the design of any and all structure and buildings on the campus and at off-campus sites, the location of structures and buildings, repairs and renovations, grounds maintenance and appearance, and any other matters pertaining to the physical plant of the University. This committee shall also oversee and review strategic and long-range planning for the institution.
 - (6) *Governmental Affairs.* This committee shall ensure that an annual legislative agenda is developed, that favorable relations are maintained with the General Assembly, the Governor, state boards and commissions, all federal officials and offices, and all pertinent local governments, for the purpose of advancing institutional interests.
- (b) The Board may expand or restrict responsibilities of each Standing Committee as it deems appropriate.
 - (c) Each Standing Committee shall be composed of no fewer than three (3) Trustees appointed by the Chairman, with the consent of the Board. The Chairman may appoint a maximum of four (4) ex officio members to each committee. Such members may not participate in executive sessions, unless invited to do so, and may not vote on any business coming before their respective committees.
 - (d) A vacancy on any Standing Committee will be filled by appointment by the Chairman of the Board for the unexpired term.

- (e) The Chairman has the power to change the membership of any standing committee at any time, with the consent of the Board.
- (f) Each Standing Committee will meet at the call of the Chairman of the Committee, or the Chairman of the Board, and shall consider such matters referred to by these officers or by members of the committee, or by the President.
- (g) The Secretary will prepare the agenda for each Standing Committee meeting, notify the members of the time and place of the meeting, attend the meeting, and record the minutes.
- (h) Standing Committees will present their reports and recommendations to the Board.
- (i) No Standing Committee has the power or authority to commit the Board or the University to any policy or action.

Section 3. Special or Ad Hoc Committees (Hereinafter Referred to as Special Committees)

- (a) Special Committees may be constituted at any time either by action of the Board or by the direction of the Chairman. Each Special Committee shall address one or more functions identified by the authority (i.e., the Board or the Chairman) constituting such Special Committee. The responsibilities of each Special Committee may be restricted by such constituting authority and may be expanded by the Board or the Chairman.
- (b) Special Committees shall consist of no fewer than three (3) Trustees appointed by the Chairman and shall have a term not to exceed one (1) year unless renewed for a specific period of time by action of either the Board or the Chairman.
- (c) The Chairman will designate the chairman of each Special Committee.
- (d) Special Committees will meet at the call of the Chairman of the committee or the Chairman of the Board.
- (e) Each Special Committee will present its report and recommendations as required to the Board.
- (f) A vacancy on any Special Committee will be filled by appointment by the Chairman of the Board for the unexpired term.
- (g) The Secretary will prepare the agenda for each Special Committee meeting, notify the members of the time and place of the meeting, attend the meeting, and record the minutes.
- (h) No Special Committee has the power or authority to commit the Board or the University to any policy or action.

Section 4. Procedural Matters

The provisions of Article V, sections 3, 4, and 6 applicable to the Board shall also apply to each Committee of the Board.

ARTICLE VIII
Administration of the University

Section 1. Vesting of Authority

The authority for the administration of the University operating under the Board of Trustees is vested by the Board in the office of the President and such subordinate officers as may from time to time be appointed by the President of the institution.

Section 2. Appointments and Terms

The President is appointed by the Trustees to serve at the pleasure of the Board.

All other officers of the University are appointed by the President may be removed by the Board as described in Article IV(a), and otherwise serve at the pleasure of the President for such terms and upon such conditions as he may deem appropriate.

Section 3. General Powers and Duties of the President

- (a) The President is the chief executive officer of the University and Chairman of the faculty. While he is vested to act for the Trustees in administering the University, he is also responsible for achieving the stated purposes of the University and for its ongoing operations.
- (b) To this end the President shall have the foregoing general powers and all powers commonly associated with and required for the discharge of the duties of a chief executive of the University, subject to the reporting and approval requirements stated in Article IV(r).
- (c) The President shall serve as the official medium of communications between the Board of Trustees, on the one hand, and the University faculty, administrative officers, individual members of the staff, University organizations, student organizations, and students on the other.

ARTICLE IX
Indemnification

Section 1. Authority to Indemnify

- (a) Except as provided in subsection (d) and subject to Article IX, section 3, the University shall indemnify an individual made a party to a proceeding because the individual is or was a Trustee against liability incurred in the proceeding if the individual:
 - (1) conducted himself in good faith; and
 - (2) reasonably believed:

- (i) in the case of conduct in his official capacity, that his conduct was in the best interest of the University; and
 - (ii) in all other case, that his conduct was at least not opposed to the best interests of the University; and
- (3) in the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful.
- (b) A Trustee's conduct with respect to an employee benefit plan for a purpose the Trustee reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of subsection (a)(2)(ii).
- (c) The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Trustee did not meet the standard of conduct described in this section.
- (d) The University may not indemnify a Trustee under this section:
 - (1) in connection with a proceeding by or in the right of the University in which the Trustee was adjudged liable to the University; or
 - (2) in connection with any other proceeding charging improper personal benefit to the Trustee, whether or not involving action in his official capacity, in which the determination was made that the Trustee improperly received personal benefit; or
 - (3) the Trustee failed to notify promptly the Chairman, the President, or the Secretary of his need for the indemnification.
- (e) Indemnification permitted under this section in connection with a proceeding by or in the right of the University is limited to reasonable expenses actually incurred by the Trustee in connection with the proceeding.

Section 2. Advances for Expenses

- (a) Subject to subsection (c), the University shall pay for or reimburse the reasonable expenses incurred by a Trustee who is a party to a proceeding in advance of final disposition of the proceeding if:
 - (1) the Trustee furnishes the University a written affirmation of his good faith belief that he has met the standards of conduct described in Article IX, section 1;
 - (2) the Trustee furnishes the University a written undertaking, executed personally by the Trustee or on the Trustee's behalf, to repay the advance if it is ultimately determined that the Trustee did not meet such standards of conduct; and
 - (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article.
- (b) The undertaking required by subsection (a)(2) must be an unlimited general obligation of the Trustee but need not be secured and may be accepted without reference to financial ability to make repayment.

- (c) The University shall not be obligated to advance expenses if the Trustee failed to give to the Chairman, the President, or the Secretary prompt notice of his need for advance and such failure reasonably impaired the University's ability to control such expenses or resulted in such expenses being materially greater than would likely have been incurred by the University.
- (d) The expenses to be advanced under this section include the cost of defense by counsel reasonably acceptable to the Board. Such determination of acceptability must be made
 - (1) by the Board by majority vote of a quorum consisting of Trustees not at the time to the proceeding; or
 - (2) if a quorum cannot be obtained under subsection (d)(1), by majority vote of a committee duly designated by the Board, in which designation Trustees who are parties may participate, consisting solely of two or more Trustees not at the time parties to the proceedings; or
 - (3) if a quorum cannot be obtained under subsections (d)(1) or (d)(2), by majority vote of a quorum consisting of a majority of the Board without including the Trustee seeking such advance.
- (e) Determinations and authorizations of payments under this section must be made in the manner specified in Article IX, section 3.

Section 3. Determination and Authorization of Indemnification

- (a) The University may not indemnify a Trustee under Article IX, section 1 unless authorized in the specific case after a determination has been made that indemnification of the Trustee is permissible in the circumstances because the Trustee has met the standards of conduct set forth in Article IX, section 1.
- (b) The determination must be made:
 - (1) by the Board by majority vote of a quorum consisting of Trustees not at the time parties to the proceedings; or
 - (2) if a quorum cannot be obtained under subsection (b)(1), by majority vote of a committee duly designated by the Board in which designation Trustees who are parties may participate, consisting solely of two or more Trustees not at the time parties to the proceeding; or
 - (3) if a quorum cannot be obtained under subsections (b)(1) and a committee cannot be designated under subsection (b)(2) by special legal counsel:
 - (i) selected by the Board or its committee in the manner prescribed in subsection (b)(1) or (b)(2); or
 - (ii) if a quorum of the Board cannot be obtained under subsection (b)(1) and a committee cannot be designated under subsection(b)(2), selected by majority vote of the full Board, in which selection Trustees who are parties may participate.
- (c) In no circumstances shall the Trustee making such request be permitted to vote on his request. A quorum necessary for such action shall consist of a majority of the Board without including such Trustee.

- (d) Authorization of indemnification and evaluation as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if such determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses must be made by those entitled under subsection (b)(3) to select counsel.

Section 4. Covered Proceedings

The proceedings for which a Trustee may seek indemnification and/or advance of expenses under this Article IX are threatened, pending, or completed actions, suits, or proceedings, whether civil, criminal, administrative, or investigative, and whether formal or informal. Such indemnification and/or advance of expenses are available under this Article IX to current and former Trustees for proceedings related to their acts or omissions as described in Article IX, section 1(a)(2).

Section 5. Insurance

In addition to the indemnification herein provided, the University should secure a policy of Directors' and Officers' Liability Insurance covering all members of the Board with limits established by the Board.

ARTICLE X *Conflict of Interest*

Section 1. Conflict of Interest

A Trustee shall be considered to have a conflict of interest if:

- (a) Such Trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his responsibilities to the University; or
- (b) Such Trustee is aware that a member of his family, or any organization in which such Trustee (or member of his family) is an officer, director, employee, member, partner, trustee, or controlling stockholder has such existing or potential financial or other interests. For the purposes of this article, a family member is defined as a spouse, parent, sibling, children and any other relative if the latter resides in the same household as the Trustee.

Section 2. Prohibition

- (a) No Trustee may make, participate in making, or in any way attempt to use the membership to influence a decision in which the Trustee, a member of the Trustee's family, an individual with whom the Trustee is associated, or a business with which the Trustee is associated has an economic interest. The foregoing prohibition shall apply to actions by the Board and actions by any committee of the Board.

- (b) The foregoing prohibition shall not apply to actions involving the University and any company whose securities are traded publicly and in which a Trustee, one or more family members of a Trustee, and one or more individuals or businesses associated with a Trustee have invested; provided the holdings of a Trustee and all his family members and associated individuals and businesses do not, in the aggregate, equal or exceed five percent (5%) of the outstanding shares of any class of voting securities issued by such company.

Section 3. Contemporaneous Disclosure

All Trustees shall disclose to the Board any possible conflict of interest at the earliest practical time. Each time a Trustee who, in the discharge of his official responsibilities, is required to take an action or make a decision which affects an economic interest of the Trustee, a member of the Trustee's family, an individual with whom the Trustee is associated, or a business with which the Trustee is associated shall:

- (a) Prepare a written statement describing the matter requiring action or decision and the nature of the Trustee's potential conflict of interest with respect to the action or decision; and
- (b) Furnish a copy of the written statement to the Chairman or other presiding officer, who shall cause the statement to be published at the meeting and shall require that the Trustee be excused from any votes, deliberations, and other actions on the matter on which the potential conflict of interest exists.

The Secretary shall be responsible for naming in the minutes of such meeting the Trustees who voted in favor of and against such matter, and for including a copy of such written statement in such minutes.

Section 4. Annual Disclosure

Each Trustee shall file with the Secretary a statement identifying all family members and all individuals and businesses associated with the Trustee who are doing business with the University or otherwise giving rise to an actual or potential conflict of interest for such Trustee. Such statement shall be filed with the Secretary within thirty (30) days after the Trustee's election to the Board and, in any event, prior to the first meeting of the Board occurring after his election to the Board. Each Trustee shall update such report at least annually, prior to or contemporaneously with the Annual Meeting.

Section 5. Advisory Opinion

Any Trustee who is uncertain whether a conflict of interest may exist in any matter may request the Board, or the Committee considering such matter, to determine this matter by a majority vote of a quorum consisting of a majority of the Board, or the Committee if appropriate, without including such Trustee.

Section 6. Construction

All matters relating to conflicts of interest, including whether an economic interest exists and whether there is a conflict of interest or the appearance of a conflict of interest, shall be determined and governed by the Ethics, Government Accountability, and Campaign Reform Act of 1991, as amended, and any successor to such Act.

ARTICLE XI

Miscellaneous

Section 1. University Seal

The official University seal shall be used in connection with the transaction of business of the Board of Trustees. The seal may be affixed by the Secretary on any document signed on behalf of the University or the Board. Permission may be granted by the Board, the Secretary of the Board or the President for the use of the seal in the decoration of University buildings or in other special circumstances. The seal shall be of the following form and design:

Section 2. Gender, Number

The use of the masculine gender in these Bylaws includes the feminine gender, and when the context requires, the use of the singular includes the plural.

Section 3. Severability

Should any Article, section, subsection, sentence, clause, phrase or term of these Bylaws be declared to be void, invalid, illegal, or unenforceable for any reason, by the adjudication of any court or other tribunal having jurisdiction over the proper parties and the subject matter affected by these Bylaws, such judgment shall in no way affect the other provisions hereof which shall be severable and which shall remain in full force and effect.

ARTICLE XII

Changes to Bylaws

- (a) None of these bylaws shall be subject to change by repeal, alternative, or suspension, except by vote of two-thirds (2/3) of the members present at a meeting of the Board, those voting to amend being also a majority of the entire Board.
- (b) Proposed amendments may be presented to the Board by members of the Board, by the President or, when transmitted through the President, by the faculty.
- (c) Proposed amendments must be submitted in writing to all members of the Board at least thirty (30) days before the meeting at which action on them is to be taken.