

**ARTICLES OF INCORPORATION  
AND BYLAWS**

**The University of Dallas  
Irving, Texas**

ARTICLE I

The name of this corporation shall be UNIVERSITY OF DALLAS.

ARTICLE II

The corporation is a non-profit corporation.

ARTICLE III

The purposes for which the corporation is formed are:

(1) The primary purpose for which the corporation is formed, in full recognition of the authority of the will of God, is the support of charitable, literary, scientific, and educational undertakings, as authorized by the Texas Non-Profit Corporation Act (Article 1396-1.01, *et seq* of the Revised Civil Statutes of Texas, as amended), to-wit: to own, maintain, support, and operate the University of Dallas in Dallas County, Texas (and related sites and programs), a-Catholic institution of higher learning for the education and training of students in literary, scientific, theological, professional and all other branches of learning, with authority to confer all college and university degrees.

(2) The general purposes and powers are those rights and powers conferred on non-profit corporations under the laws of Texas, or which may hereinafter be conferred; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation.

(3) This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

ARTICLE IV

The street address of the registered office of the corporation is **1845 E. Northgate Drive, Irving, Texas 75062**, and the name of its registered agent at such address is **“President.”**

ARTICLE V

The term for which this corporation is to exist shall be perpetual from the date of its original incorporation, such date being May 25, 1955.

ARTICLE VI

The members of this corporation shall consist of those individuals who from time to time constitute its Board of Trustees.

ARTICLE VII

This corporation shall be governed by a self-perpetuating Board of Trustees. The number of Trustees shall include no fewer than five (5) nor more than a combined total of forty-five (45) regular voting Trustees, Life Trustees and *ex-officio* members, as may be determined in the Bylaws of this corporation. The number of voting members of the Board shall remain the authorized number unless and until such number shall be increased or decreased in such manner as may be provided in the Bylaws.

ARTICLE VIII

Regular voting members of the Board shall be nominated by a Committee appointed by the Board. They are elected only by the Board of Trustees. The term of office for voting members is from one to three years as provided in the Bylaws.

ARTICLE IX

To the full extent permitted by Texas law, a Trustee of the corporation is not liable to the corporation for monetary damages for an act or omission in such Trustee's capacity as a Trustee.

BYLAWS  
OF  
UNIVERSITY OF DALLAS

ARTICLE 1. NAME AND PURPOSE

**Name**

Section 1. The university is established and maintained as the University of Dallas.

**Purpose**

Section 2. (a) The purpose of the Corporation shall be set forth in its Articles of Incorporation, as have been and shall be amended from time to time.

(b) It shall be a further purpose of the University to promote the moral, spiritual and religious lives of its students and to be publicly identified as a Catholic university.

(c) It shall be a further purpose of the University to provide an academic and collegial community which will help students acquire a mature understanding of their faith, develop their moral and spiritual lives, and prepare them for their calling as men and women of faith in the world.

(d) It shall be a further purpose of the University to fully comply with the obligations of a Catholic university as established in *Ex Corde Ecclesiae*.

ARTICLE 2. BOARD OF TRUSTEES

**Membership**

Section 1. The Board of Trustees is the legal governing body of the University

Section 2. (a) The total voting membership of the Board of Trustees shall consist of no fewer than five (5) nor more than forty-five (45) regular voting members, including Life Trustees and voting *ex-officio* members. The voting *ex-officio* members shall be the Bishop of the Roman Catholic Diocese of Dallas (“Bishop”) who shall hold the title Chancellor of the University and shall be seen as an active participant in the life of the University, the President of the University, and the President of the National Alumni Board. Hereinafter, the term “Trustee” is defined as a member duly nominated and elected in accordance with the provisions set forth herein to serve on the University of Dallas Board of Trustees and shall include regular voting members, Life Trustees and *ex officio* members. The Board Chair may invite Emeritus Trustees and guests to attend Board

or committee meetings; however, invited persons will not have voting rights and shall not be considered members of the Board.

(b) Regular voting members will be nominated by the Governance Committee and elected to the Board by an affirmative vote of the majority of the Board. Except in extraordinary circumstances to be determined and approved by a majority of the Board, trustee terms of office shall begin on August 15 of the relevant year and conclude on August 14 three years later. Regular voting members will serve for a three (3) year term and are eligible for reappointment for up to four (4) successive three-year terms after which they are not eligible for consideration for election to subsequent terms for at least one (1) full year, except that: (1) a Trustee serving as an officer shall continue until the expiration of his or her term of office; (2) a Trustee elected as an Emeritus Trustee shall be eligible for appointment to consecutive terms with no break; (3) in extraordinary circumstances when the Governance Committee determines that the experience and expertise of a Trustee is of significant immediate benefit to the University, the Trustees may waive the one-year period of ineligibility after the fourth successive term by an affirmative vote of at least two-thirds of the Trustees to allow a Trustee to serve for more than four (4) consecutive three-year terms. *Ex Officio* members serve as long as they occupy the office establishing their *ex officio* status, and their terms shall end when their occupancy of the pertinent *ex officio* office ends.

(c) The Governance Committee will review the performance, attendance and University support of each Trustee annually. The Governance Committee may withhold recommending a Trustee appointment to successive terms when a Trustee fails to meet reasonable attendance expectations and/or does not support or participate in the life of the University. A regular voting member may be removed by a majority vote of the Board at any time, with or without cause upon recommendation of the Governance Committee.

(d) An *ex-officio* vacancy shall be filled only by the *ex officio* member's successor.

## **Emeritus Board**

Section 3. (a) Sitting Trustees who have shown exemplary service to the University and are committed to ongoing support of the University may be recommended for status as an Emeritus Trustee at any time during the Trustee's final term. Emeritus Trustees shall be recommended by the Governance Committee and approved by a majority vote of the full Board.

(b) An Emeritus Trustee shall be appointed for a five (5) year term and may be recommended by the Governance Committee for an additional five (5) year term based on the Emeritus Trustee's willingness and ability to serve the University effectively.

(c) Emeritus Trustees may attend all meetings of the Board and all official ceremonies of the University. Emeritus Trustees may participate at meetings of the full Board and at designated committee meetings; Emeritus Trustees are not eligible to vote at full Board and committee meetings and shall not be counted for purposes of establishing a quorum. An Emeritus

Trustee may participate on one or more designated committees if the Board Chair determines that the Emeritus Trustee possesses unique or exceptional skills, institutional memory or other special ability to contribute to the work and success of a particular committee. Emeritus Trustees shall not be appointed as committee chairs and may not be elected as an officer of the Board.

### **Life Trustees**

Section 4. In rare circumstances, and upon recommendation of the Governance Committee, the Board may elect Life Trustees by a majority vote at any regular meeting. Life Trustees are individuals who have provided the University with outstanding and invaluable service over a period of many years as distinguished leaders, wise counselors and exceptionally generous financial supporters; and who by that extraordinary service have personally exemplified and substantially advanced the distinctive mission of the University of Dallas. Life Trustees shall serve without term and may vote in meetings of the full Board and the committees on which they serve.

### **Officers**

Section 5. (a) The University President - The University President serves as the Chief Executive Officer of the University. In the absence of any Board officer at a meeting of the Board of Trustees, the President shall preside over the meetings.

(b) Officers of the Board of Trustees - The officers of the Board of Trustees shall consist of the Chair, Vice-Chair, Treasurer and Secretary who shall be selected from among the voting members of the Board of Trustees. Officers must have at least one (1) full year of service prior to nomination as an officer and officers may serve no more than two (2) consecutive full terms in the same office.

(c) Terms of Office – All Board Officers shall be elected for a two (2) year term with the election of new officers occurring at the last Board business meeting of the academic year in odd numbered years. Regular terms of office shall begin on August 15 and end on August 14 two years later, and the new officers shall preside at the first business meeting of the academic year following their election. Officers may serve no more than two consecutive two-year terms plus, if applicable, the unexpired period of a predecessor's term in the same office. After having served two consecutive terms, nothing in this section shall prohibit a Trustee from subsequently serving in the same office, so long as there is a two year break between the terms of office. These limits shall not apply to Trustees serving consecutively in different offices. The Board of Trustees shall have the power to remove any officer according to the same process for removing a regular member. A regular member may be removed as a Board officer without also removing the regular member from the Board.

(d) Duties and Responsibilities of Officers of the Board of Trustees

(1) Chair of the Board - The Chair of the Board shall preside at the meetings of the Board of Trustees and maintain all other duties as set forth in these Bylaws. The

Chair shall be empowered and authorized to execute such instruments and documents, which would be the responsibility of the principal corporate officer. Among the Chair's duties shall be the obligation to assist the Vice Chair in succeeding to the position of Chair.

(2) Vice-Chair of the Board – In the absence of the Chair, the Vice-Chair shall perform the duties ordinarily performed by the Chair. The Vice-Chair shall work with the Chair to facilitate the succession of the Vice-Chair to the position of Chair. Unless a majority of the voting trustees determines otherwise, at the close of the Chair's final term as Chair, the Vice-Chair shall succeed to the position of Chair upon election to that position in accordance with Section 5 (e)(3) of these Bylaws.

(3) Treasurer - The Treasurer shall ordinarily serve as the Chair of the Finance Committee and shall otherwise serve as the Board's designated authority regarding financial policy matters.

(4) Secretary - The Secretary shall be responsible for certifying the minutes of all meetings of the Board. The Secretary shall supervise custody of the University seal and supervise the seal's use in connection with written documents of the corporation executed by the Trustees or in their name. The Secretary shall duly execute for and on behalf of the Board of Trustees of the University of Dallas such instruments and documents as directed by the Board. The Secretary shall cause all notices to be given as required by Texas law and these Bylaws and shall perform such other duties as the Board of Trustees may direct.

(e) Election of Officers – Board officers will be elected at the last business meeting of the academic year in odd-numbered years as follows:

(1) Voting members will recommend qualified candidates for Board officers to the Nominating Committee no later than thirty (30) calendar days before the penultimate regular meeting in odd-numbered academic years.

(2) Nomination of qualified voting members for Board officer will occur at the penultimate regular meeting in odd numbered academic years:

(i.) The Nominating Committee will recommend a slate of Board candidates for each Board officer position and will also announce the names of other voting members nominated for Board officer positions but not selected for the recommended slate.

(ii.) Trustees may nominate other qualified officer candidates from the floor with a second by two (2) other Trustees. Any voting member nominated from the floor must consent to being considered as an officer candidate.

(3) An affirmative vote of a majority of regular voting members will be required to elect a qualified member as a Board officer.

(i.) If there is only one nominee for each office, a Trustee may move for election of the nominated slate and the vote may be approved by unanimous consent.

(ii.) If there are two or more nominees for a single office, election of each office shall be conducted separately by roll call and election for each officer shall be by majority vote. If a majority vote is not achieved in the first round of voting, the voting procedure shall continue and the Trustee with the lowest number of votes in each round shall be dropped from the vote until one candidate receives a majority vote.

(f) In the event of a vacancy in the office of Chair, the Vice-Chair will assume the position of Chair and shall serve as Interim-Chair until the final meeting of the academic year at which time a Chair shall be elected to serve out the previous Chair's term of office. An Interim Vice-Chair shall be elected after nomination from the floor at the next Board meeting and approval by a majority vote. For a vacancy in any other officer position, an election shall be held for the unexpired term at a subsequent meeting of the Board of Trustees with nominations from the floor and affirmative majority vote.

## Meetings

Section 6. (a) Regular meetings of the Board of Trustees shall be held at least four times each year including an organizational meeting in October, a Board retreat which will occur between the October and February meetings and regular business meetings in February and May on a date to be fixed by the Chair.

(b) Special meetings of the Board of Trustees may be called upon forty-eight hours' notice by the Chair, or in the Chair's absence by the Vice Chairman, or by the President or Chancellor in extraordinary circumstances.

(c) Except as otherwise allowed herein, a quorum of the Board of Trustees is necessary to transact the business of the Board. A *quorum* shall consist of one more than half the members of the total voting membership of the Board.

(d) Except as specifically set forth in these Bylaws, when a *quorum* is present, all decisions of the Board shall be by majority vote of the voting members present or voting by proxy. When a member is unable to attend a meeting due to extended illness, injury or other significant extenuating circumstance, the Board may consent to allowing a personal representative to vote by proxy on the member's behalf or the member may be permitted to vote by written absentee ballot on an item-by-item basis or on the agenda as a whole at the discretion of the Chair.

(e) Board and Executive Committee agendas will be prepared by the Chair and the President. Board materials will be provided in advance of all Board and Committee meetings.

(f) Attendance is expected at all Board and Committee meetings as an ongoing responsibility of a Trustee. Failure to attend three (3) successive regular meetings may be

considered “excessive absence” and may subject the Trustee to removal in accordance with these Bylaws.

(g) To ensure open and free discussion at all meetings, confidentiality is expected.

(h) Any regular, special or committee meeting may be held by conference telephone or similar technology, including the internet, and any board member may participate in any meeting by such medium as long as all members participating in the meeting can communicate and hear each other. Participation in a meeting in this way shall constitute presence in person at the meeting.

(i) Any action that the Board or its committees is required or permitted to take may be taken without a meeting if a majority of members eligible to vote on the action consent in writing to that action. Action taken by written consent shall have the same force and effect as any other validly approved action of the Board or committee. All actions taken by consent shall be filed with all other minutes of the Board.

### **Powers and Duties of the Board and the University President**

Section 7. (a) The Board shall have authority to carry out all corporate powers prescribed by law, these Articles of Incorporation and Bylaws and to establish general policies of the University. The Board’s authority, in consultation with the President, shall specifically include, but not be limited to the following:

(1) Providing oversight for the University’s educational and religious mission and its essential purpose as a Catholic institution of higher education. The Board will provide direction to the educational programs of the University in light of these objectives and major changes in University aims or purposes shall be subject to the action of the Board.

(2) Reviewing major proposed changes in academic programs that may impact the University’s mission, strategic plan or financial resources.

(3) Appointing the University President and setting appropriate terms of employment, including compensation.

(4) Annually assessing the performance of the University President based on mutually agreed goals and other criteria.

(5) Approving institutional policies on faculty appointment, promotion, tenure and dismissal and the Faculty Handbook.

(6) Approving the annual operations and capital budgets, regularly monitoring the University’s financial condition and establishing policy guidelines affecting institutional assets, including the acquisition and investment of funds and facilities.



(7) Annually approving short- and long-range plans for the growth and development of the University prepared by the University President, including approval of the University strategic plan. The University administration and faculty are expected to exercise initiative in recommending improvements and developments for the consideration of the Board.

(8) Authorizing any debt financing and approving the securitization of loans.

(9) Authorizing the construction of new buildings and facilities, approving major renovations of existing buildings and facilities.

(10) Authorizing the purchase, sale and management of land, buildings or major equipment.

(11) Approving honorary degrees as recommended by the President.

(12) Periodically assessing the Board's performance.

(b) The President is the University's chief executive officer and shall have general supervision and control over the activities and affairs of the University. The President's authority is vested through the Board of Trustees and includes responsibility for all University educational and managerial affairs. The President is responsible for leading the University, implementing all Board policy, keeping the Board informed on appropriate matters, consulting with the Board in a timely manner on matters appropriate to its policy-making and fiduciary functions, and serving as the University's key spokesperson. The President has the authority to execute all documents on behalf of the University and the Board consistent with Board policy and the best interest of the University.

(c) It shall be the Board and each Trustee's responsibility to contribute financially to the University's fundraising goals, to participate actively in strategies to secure sources of support, and to develop sources of University support by promoting bequests and annuities and authorizing University officers to accept gifts or bequests subject to Board policy guidelines.

## **Committees**

### **Section 8. Standing Committees.**

(a) **General Provisions.** Except as otherwise provided in this Section, the following provisions shall apply to all standing committees:

(1) Each standing committee will adopt a written charter of its roles and responsibilities.

(2) A majority of the members of standing committees shall be voting members of the Board of Trustees of the University, and the presence of a majority of the voting members assigned to a Committee shall be necessary and sufficient for the conduct of committee business. Exception is allowed for the Audit Committee wherein only the Chair must be a voting member of the Board of Trustees. Standing committees shall bring major problems or policy matters to the attention of the Board, with such recommendations as may be appropriate. A standing committee may appoint such sub-committees as it deems necessary to assist it, but sub-committees shall only have authority to report findings and recommendations to the parent committee.

(3) Standing committee members and committee chairs shall be nominated by the Governance Committee, after consultation with the University President and the Board Chair. Committee members and committee chairs shall be elected annually by the voting members of the Board, at the last Board meeting of the academic year. The Chair, in consultation with the President, shall recommend chairs of all standing committees from among the voting members of each committee. When appropriate, the University President shall appoint a University administrator to work with each committee and to serve as a liaison between the Committee and the President's office. Standing committees shall meet on a regular basis, but at least once a year, at the call of the Committee Chair, and be actively engaged with the appropriate administrators in fulfilling the duties and obligations of the committee.

(4) Standing committee meetings may include participation by conference call and/or voting by written proxy ballot on an item-by-item basis as determined by the committee chair or by participation by a member's personal representative with the consent of the committee chair.

(5) Standing Committee meeting agendas will be as directed by the Committee Chair.

**(b) The Executive Committee.**

(1) The Executive Committee shall consist of the Chancellor, the President of the University, the Board Chair, the Vice Chair, the Board Secretary and Treasurer, the chair of all the standing committees and four (4) at-large voting members of the Board of Trustees appointed by the Chair. The Board Chair shall serve as Chair of the Executive Committee and shall preside over the meetings of the Committee, or in his absence, the Vice Chair shall preside.

(2) The Executive Committee shall exercise the powers of the Board of Trustees in the interim between Board meetings except that, unless specifically empowered

by the Board to do so, it may not sell or alienate the University land, alter bylaws, or appoint or remove the President of the University or a member of the Board of Trustees. A majority of members of the Executive Committee is necessary to transact the business of the Committee. All decisions of the Committee shall be by majority vote of the participating Committee members. When a member is unable to attend in person or by teleconference, the member will be allowed to vote by written absentee ballot (by fax or email) on an item-by-item basis.

(3) The Executive Committee shall meet on call of its Chair. Notice of Executive Committee meetings and the agenda shall be provided to each voting member of the Board; specifically including the President. The Executive Committee shall report any actions taken at the next scheduled meeting of the Board of Trustees. The Executive Committee shall select one of its members to serve as secretary of the Executive Committee. Minutes of Executive Committee meetings shall be distributed in a timely fashion to each voting member of the Board.

(4) The University General Counsel may be present at all meetings of the Executive Committee to advise on any significant contractual and litigation matter related to the University.

(5) The Executive Committee shall report to the Board the results of the annual review of Presidential effectiveness and recommend annual compensation for the President. The University President will recommend compensation for personnel with the rank of Dean and above. All executive compensation, including executive compensation recommended by the University President, shall be reviewed by the Board to confirm reasonableness prior to authorization.

(6) The President shall notify the Executive Committee in advance of the contemplated appointment or dismissal of any University employees with the rank of Dean and above.

(7) The Executive Committee shall review all nominations for honorary degrees and present for approval of the Board such candidates, as the Committee deems worthy.

(c) **The Finance Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members of the Board.

(2) The Committee shall concern itself with the business affairs of the University, and monitor the development and implementation of a comprehensive fiscal plan which is both realistic and related to the academic goals and priorities of the

University. The fiscal plan shall be approved and periodically reviewed by the Board of Trustees.

(3) The Committee shall review the University's annual operating and capital budgets and submit them with the Committee's recommendation to the Board for approval prior to the beginning of each fiscal year.

(4) The Committee shall review, advise, or approve, as appropriate, general administrative questions brought to it by management concerning operational and expenditure issues for human resources, information technology systems, safety, physical and data security and facilities and maintenance.

**(d) The Endowment and Investment Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members and shall meet at least twice a year. The Committee shall submit on a regular basis a report to the Board on the state of the endowment, changes in investments, and estimates of future earnings compared to current and past yields.

(2) The Committee shall develop and maintain investment policy guidelines to be ratified by the Board. Acting within the scope of investment policy guidelines, the Committee shall have charge of the investment of endowment funds of the University, including the power to effect purchases, sales, or exchanges of securities and other investment assets of the University. In cooperation with the Development and Alumni Relations Committee, the Committee shall discuss University Development activity and its impact on the University endowment.

(3) The Committee may employ investment counsel and may delegate authority to purchase or sell securities for the account of the University to such investment counsel, or to any officer of the University Administration, subject to such limitations as the Committee or Board may impose.

(4) The Committee shall monitor the expenditure of income from specific endowment funds to ensure that such expenditure is in accordance with the purpose and specific requirements of each endowment fund.

**(e) The Academic Affairs Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members.

(2) The Committee shall concern itself with the academic affairs of the University. It shall inform itself of the character and quality of the University's academic programs, its accreditation, and important policy matters relating to faculty affairs.

(3) The Committee shall monitor the development of the academic programs, and review proposals for major changes in the *curriculum* or in the various degree programs. The Committee shall also monitor retention, career services and academic success initiatives. It shall review all major policy proposals requiring Board approval in the areas of academics or faculty affairs. It shall forward recommendations for new facilities or major renovations to the Finance Committee.

(4) The Committee shall bring major problems or policy concerns in the above areas to the attention of the Board, with such recommendations, as the Committee deems appropriate.

(5) The Chairman of the Student Life Committee shall sit as a member of the Academic Affairs Committee.

**(f) The Student Life Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members.

(2) The Committee shall concern itself with the student life of the University. It shall inform itself of the character and quality of the University's student life and important policy matters relating to student life.

(3) The Committee shall monitor the development of the campus ministry, athletics and academic success initiatives, making recommendations to the Board after appropriate consultation with the President. It shall review all major policy proposals requiring Board approval in the areas of student life. It shall forward recommendations for new facilities or major renovations to the Finance Committee.

(4) The Committee shall bring major problems or policy concerns in the above areas to the attention of the Board, with such recommendations, as the Committee deems appropriate.

(5) The Chairman of the Academic Affairs Committee shall sit as a member of the Student Life Committee.

**(g) The Development and Alumni Relations Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members.

(2) The Committee shall concern itself with the University's program in fundraising and alumni affairs. The Committee shall provide leadership in the comprehensive effort to generate greater understanding and support for the University. Subject to Board approval, the Committee may establish and shall supervise such committees, councils, advisory boards, or associations as may be appropriate to support the University's development program.

(3) The Committee shall review for Board approval comprehensive plans for alumni relations and for developing the philanthropic financial resources necessary to achieve the University's purpose, goals and objectives.

**(h) The Marketing, Communications, and Enrollment Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members.

(2) The Committee shall concern itself with the University's program in public relations. The Committee shall provide leadership in the comprehensive effort to generate greater understanding, awareness and support for the University. Subject to Board approval, the Committee may establish and shall supervise such committees, councils, advisory boards, or associations as may be appropriate to support the University's development program.

(3) The Committee shall review for Board approval comprehensive plans for marketing and public relations to achieve the University's purpose, goals and objectives.

(4) The Committee shall concern itself with the enrollment management of the University. It shall inform itself of the character and quality of the University's enrollment initiatives and important policy matters relating to enrollment management.

(5) The Committee shall monitor the development of the student recruiting, admissions, financial aid, and retention policies, making recommendations to the Board after appropriate consultation with the President. It shall review all major policy proposals requiring Board approval in the areas of enrollment management. It shall forward recommendations for new facilities or major renovations to the Finance Committee. The Committee shall bring major problems or policy concerns in the above areas to the attention of the Board, with such recommendations, as the Committee deems appropriate.

**(i) The Governance Committee.**

(1) **Purpose** – The Governance Committee will:

(a) Review the composition of the Board to assure that the Board can deliberate and act in ways that are commensurate with the needs of the University and consistent with the Board's fiduciary obligation.

(b) Recruit and vet highly qualified and committed candidates for Board membership, recommend members to serve on Board committees and as committee chairs and develop and recommend strategies, policies and practices that orient, educate, motivate and assess the performance of Board members.

(c) Assist the Chair and President in their joint responsibility to help the Board function effectively and efficiently and guide the Board in review of its own effectiveness and efforts to maintain the University's excellence and sustain its future growth.

(d) Consult with the President and General Counsel to review the University's compliance with laws, policies and regulations related to the University's operation, making the protection of students, faculty, staff and constituents a top priority. A comprehensive list of legal and compliance issues that fall within the authority of the Committee is set forth below. To the extent that the identified matters fall in whole or in part within the purview of another committee of the Board, the scope of this Committee's review and oversight will be limited to legal and compliance issues.

## **(2) Composition and Structure**

(a) The Committee shall be composed of no fewer than 4 voting members and shall include the Chancellor of the University and the President. Nominees to serve on the Committee shall be determined based on consultation between the chair and the President. Committee membership shall be confirmed by vote of the Board based on nominations as recommended by the Chair and President.

(b) The Committee will consult with other Board committees as appropriate in the exercise of its responsibilities. The Committee may convene a joint meeting with members of another Board committee to discuss issues of joint interest.

## **(3) Meetings**

(a) Discussion and communication between Committee members and the General Counsel, or any other attorney representing the University, on any matter that relates to the legal functions of the University, and/or any matter related to legal issues affecting or involving the University, including but not limited to litigation strategy, will be protected by the attorney-client privilege and any other privileges and protections as are applicable and appropriate.

(b) The Committee may move into a confidential meeting with the General Counsel at any time to discuss litigation and/or matters protected by the attorney-client privilege or other legal protections. All such meetings will be privileged and confidential. If outside counsel has been retained to represent the Board separately from the General Counsel, then the Committee will meet with outside counsel as appropriate.

**(4) Legal and Compliance Issues Within the Scope of this Committee’s Responsibility**

The following partial, but not exclusive list of legal subjects falls within the Committee’s authority and may be brought to the Committee for discussion and oversight.

Threatened or pending litigation involving the university, including review of significant settlement agreements	Legal aspects of compliance issues (e.g. financial aid compliance, health, safety and environmental)
Employment disputes	Administrative agency complaints
Government inquiries and investigations	Conflicts of interest
Campus safety and security and Clery Act compliance	First Amendment issues, including academic freedom and protests
Discrimination complaints, including harassment	Student conduct and other legal issues affecting students
Employee misconduct	Faculty disputes and investigations
Mandatory reporting compliance	Contract matters and disputes
Athletics and NCAA compliance	Intellectual property and technology transfer
Privacy issues	Employee contracts, including unusual or significant severance or termination arrangements and payments
Development	Policy development
Whistleblower complaints	
Finance, tax and investments	Real Property, facilities, leases and construction

**(j) The Audit Committee.**



(1) The Committee shall periodically appraise the financial and accounting systems of the University and recommend changes it deems appropriate.

(2) The Committee shall present to the Board a recommendation on the appointment of an independent auditor; review the independent auditor's proposed audit scope and the results of the firm's audit. The Committee may request any designated independent auditor, or any officer or employee of the University to appear before it to report on the financial condition of the University and answer any questions the Committee may have.

(3) The Committee shall provide assurance that expenditure of income from specific endowment funds and other restricted gifts are in accordance with the purpose and specific requirements of the donor agreement and/or intent.

(4) The Committee shall have a minimum of three members, all of whom are independent of management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member. The Chair of the Committee shall be a voting member of the Board and have or have access to accounting and related financial management expertise. Neither the President of the University nor Chair of the Board of Trustees may serve as members of the Audit Committee. They or any staff member of the University may, upon invitation of the Committee, attend any meetings in support of the Committee's work.

**(k) The Real Estate Committee.**

(1) The Committee shall be composed of no fewer than three (3) voting members and shall meet at least twice a year. The Committee shall submit on a regular basis a report to the Board on the progress of University land development.

(2) Acting within the scope of land policy and development guidelines established by the Board of Trustees, the Committee shall have charge of all real estate belonging to the University, including land used for the University campus and operations. The Committee shall supervise the University's land development program. Subject to Board approval, the Committee may employ land development counsel, or establish a land development subsidiary, and delegate to such counsel, subsidiary or officer of the University Administration, authority to develop non-campus University lands in accordance with such limitations and requirements as the Committee or Board may impose.

3) The Committee shall approve an annual facilities report, prepared by the Administration, of physical plant deferred maintenance, capital budget expenditures, periodic campus master plan updates and University security and safety programs.

(4) The Committee shall approve periodic master plan updates.

(l) **The Nominating Committee.**

The Nominating Committee shall screen potential nominees for Board officers, investigate and assess candidate suitability to hold a Board officer position and recommend a slate of candidates to be elected as officers of the Board in odd-numbered years. In December of every even-numbered year, the Board Executive Committee will appoint at least three (3) voting members of the Board to serve on the Nominating Committee. The Nominating Committee will solicit Board members to identify qualified voting members for service as Board officers, and shall submit a slate of voting-members from recommended nominees for election to Board officer positions. The slate of Board officer candidates shall not include the name of any Trustee who has not specifically expressed a commitment to serving as an officer if approved by the Board. Membership on the Nominating Committee will not preclude a Trustee from being nominated as an officer if the trustee meets all other requirements for office.

(m) **The Risk Management Committee**

(1) The Committee shall be composed of no fewer than three (3) voting members and shall meet at least twice a year.

(2) The role of the committee is to ensure that the University has a risk policy and plan that includes regular risk assessments and an effective risk assessment process, which process is to include risk identification, risk quantification and risk evaluation.

(3) The Committee shall regularly review and discuss specific and/or significant risks and exposures facing the University and assess the adequacy of actions proposed by the University to manage such risks in consultation with the President and General Counsel.

(4) The Committee shall approve an annual Risk Mitigation summary report, prepared by the Administration, identifying the integration of risk management in the Administration's management goals and summarizing significant risks to the University and the measures taken to mitigate those risks.

**ARTICLE 3. THE OFFICERS OF THE ADMINISTRATION**

**Section 1.** The President- The President serves at the will of the Board of Trustees, and shall have the academic, administrative, and the executive responsibility for the University. The President shall give an annual report on the state of the University to the Board.

The President is expected to understand and be committed to the purposes of the University, and have the qualifications necessary for academic leadership. As educational and

administrative head of the University, the President shall exercise a general superintendence over all the affairs of the institution, and bring such matters to the attention of the Board as are appropriate to keep the Board fully informed to meet its policy-making responsibilities. The President shall have power, on behalf of the Trustees, to perform all acts and execute all documents to make effective the actions of the Board or its Executive Committee. The President of the University exercises those specific responsibilities which are assigned by the Board of Trustees, from time to time, a record of which will be found in the minutes of the Board meetings.

The President shall not be entitled to vote on any matter which involves the President's authority, compensation, duties, and responsibilities. Further, the President may be excluded from meetings of the Board or its Committees where such matters are discussed.

Section 2. All Other University Officers - All other officers of the administration shall be appointed by the University President following consultation with the Executive Committee and shall include a Provost and such other officers as determined by the University President.

#### ARTICLE 4. TRUSTEES AND OFFICERS INDEMNIFICATION

Section 1. Limitation or Elimination of Liability. To the full extent that the Texas Non-Profit Corporation Act and any other applicable law provides for the limitation or elimination of the liability of directors, trustees or officers, a Trustee or Officer of the University shall not be liable to the University or its members for monetary damages.

Section 2. Indemnification. To the full extent permitted by the Texas Non-Profit Corporation Act, as amended from time to time, and any other applicable law, the University shall indemnify any Trustee (including in his/her further capacity as Officer of the Board of Trustees as applicable) and any Officer of the Administration (individually, an "Indemnitee" and collectively "Indemnities") against lawful judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including court costs and attorneys' fees) actually incurred by any such person who was, is, or is threatened to be made a named defendant or respondent in any proceeding because the person is or was a Trustee, an Officer of the Board of Trustees, or an Officer of the Administration, and may advance to such person such reasonable expenses as are incurred by such person in connection therewith. The indemnification provided for in this article shall only apply to acts or omissions the indemnified party reasonably believed were undertaken (or not undertaken) in good faith and in the best interests of the University.

The indemnification provided by this Article 4 shall not be deemed exclusive of any other rights to which the person claiming indemnification may be entitled under any statute, insurance coverage, or otherwise both as to any action in his or her official capacity and as to any action in another capacity while holding office, and shall continue as a person who shall have ceased to be a Trustee, Officer of the Board of Trustees, or Officer of the Administration engaged in any other enterprise at the request of the University and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 3. Additional Indemnity. The University may indemnify and advance expenses to an employee or agent who is not a Trustee or Officer of the Administration, by reason of the fact that he or she is or was an employee or agent of the University, or is or was serving at the request of the University, to such further extent, consistent with law, as may be provided by general or specific action of the Board, by contract, or as permitted or required by common law.

Section 4. Insurance. The University shall have the power to purchase and maintain insurance or, to the extent permitted by applicable law, another arrangement on behalf of any person who is or was a Trustee, Officer of the Board of Trustees, Officer of the Administration, employee, or agent of the University, or who is or was serving at the request of the University as director, officer, employee, or agent or any other capacity in another association or a partnership, trust, or other enterprise, against any liability asserted against or incurred by any such person in any such capacity or arising out of his or her status as such, whether or not the University would have power to indemnify him or her against such liability by the provisions of this Article .

Section 5. Special Legal Counsel. In the event there has been a change in the composition of a majority of the Board of Trustees after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to Section 2 of this Article 4 shall be made by special legal counsel agreed upon by the Board of Trustees and the proposed Indemnitee. If the Board of Trustees and the proposed Indemnitee are unable to agree upon such special legal counsel, the Board of Trustees and the proposed Indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

Section 6. Definitions. For purposes of this Article 4, “Officer of the Administration” means any person with the title of President, Vice-President or Dean who is or was responsible for the administration of a major administrative unit within the University, and such other person who is or was an employee of the University or is or was serving at the request of the University as director, officer, partner, trustee, employee, agent, or similar functionary of the University or of another association, partnership, trust, employee benefit plan, or other enterprise.

“Trustee” for purposes of this Article 4 means any person who is or was a Trustee under these by-laws and any person who, while a Trustee, is or was serving at the request of the University as director, officer, partner, trustee, employee, agent, or similar functionary of the University or of another association, partnership, trust, employee benefit plan, or other enterprise.

“Proceeding” means any threatened, pending, or completed action, claim, suit, or proceedings, whether civil, criminal, administrative, arbitative, or investigative, any appeal in any such action, suit, or proceedings, and any inquiry or investigation that could lead to such an action, suit or proceeding.

## ARTICLE 5. CONFLICT OF INTEREST

Section 1. A Trustee shall be considered to have a conflict of interest if:

(a) such Trustee has existing or potential financial or other interests which may impair or might reasonably appear to impair such Trustee's independent, unbiased judgment in the discharge of his or her responsibilities to the University; or

(b) such Trustee is aware that a member of his or her family (which for purposes of this paragraph shall be a spouse, parent, sibling, child, and any other relative if the latter resides in the same household as the Trustee), or any organization in which such Trustee (or any member of his or her family) is an officer, director, employee, member, partner, trustee, or controlling stockholder, has existing or potential financial or other interests which impair or might reasonably appear to impair such Trustee's independent, unbiased judgment in the discharge of his or her responsibilities to the University. Any Trustee who is uncertain whether her or she has a conflict of interest in any matter may request the Board or the Executive Committee to determine whether a conflict of interest exists, and the Board or the Executive Committee, shall resolve the question by majority vote of the disinterested voting members of the Board or disinterested voting members of the Executive Committee, as the case may be, even though the disinterested Trustees or members of the Executive Committee be less than a *quorum*.

Section 2. Each Trustee shall disclose to the Board any potential conflict of his or her interest or such Trustee's family member's interest at the earliest practicable time. No Trustee shall vote on any matter, under consideration at a Board or committee meeting, in which such Trustee or Trustee's family member has a conflict of interest. A disclosure shall be made to the Board or to such committee of the material facts as to a Trustee's relationship or interest or that of his or her family member and as to the proposed contract or transaction in which such Trustee or family member is interested. The Trustee having a conflict of interest or whose family member has a conflict of interest may be counted in determining whether a *quorum* was present at such meeting but may not be counted in calculating the majority necessary to carry the vote. The Trustee having a conflict of interest or whose family member has a conflict of interest shall abstain from voting. Any such matter may be authorized or ratified by a majority of the disinterested voting members of the Board present at such meeting even if the disinterested voting members be less than a *quorum*.

Section 3. Each Trustee shall sign an annual no-conflict statement and submit it to the Governance Committee at the first meeting of each academic year and advise the Governance Committee of any change in status during the year.

Section 4. This Article shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

## ARTICLE 6. BYLAW CHANGES

The Bylaws of the University may be amended by a majority vote of the voting members of the Board at the second reading of the proposed changes. Proposed amendments shall be presented to the Board by the Governance Committee.