BYLAWS

June 2013
I. BYLAWS

(A Corporation for educational purposes organized under the laws of the State of California pursuant to the Statutes of California 1850, Chapter 117 as amended, and continued under the California Codes by election under Corp C 2318 on March 16, 1977.)

ARTICLE I: Name, Location and Purpose

Section 1. Name: The legal name of this Corporation is THE PRESIDENT AND BOARD OF TRUSTEES OF SANTA CLARA COLLEGE. It also transacts business under the title of Santa Clara University, which is the principal educational institution operated by the Corporation and hereinafter referred to as the University.

Section 2. Principal Office: The principal office of this Corporation shall be located at the site of the University in the City of Santa Clara, State of California.

Section 3. Purpose: The primary purpose of the Corporation shall be to engage in collegiate education and it may pursue such other purposes as are necessary or useful in furthering its primary purpose.

The University will be publicly identified as a Jesuit, Catholic university. The Board of Trustees (hereafter “Trustees” or the “Board”), as a whole and individually, acknowledge their responsibility to enhance and advance the purposes, identity and mission of Santa Clara as a Jesuit, Catholic university, and that the University will conduct itself in harmony with its distinctive purposes and mission.

ARTICLE II: Authority and Responsibilities

To advance its purposes, the Corporation shall have the right to exercise all of the powers permitted by the applicable laws of the State of California.

These Bylaws and other Board approved policies shall take precedence over all other institutional statements, documents, and policies. The Board shall have the authority to carry out all lawful functions that are permitted by these Bylaws or by the articles of incorporation. This authority, in consultation with the President, shall include but not be limited to these illustrative functions:

1. Determine and periodically review the University’s mission and purposes.
2. Appoint the President, who shall be the University’s chief executive officer, and set appropriate terms of employment, including compensation.
3. Support the President and regularly assess his performance based on mutually agreed upon goals and other criteria.
4. Review and approve proposed changes in the University’s academic programs and other major enterprises consistent with the University’s mission, plans, and financial resources.

5. Approve the annual budget and tuition, regularly monitor the University’s financial condition, and establish policy guidelines affecting all institutional assets, including investments and the physical plant.

6. Participate actively in strategies to raise funds, and authorize University officers to accept gifts and bequests subject to Board policy guidelines.

7. Authorize any debt financing and approve the securitization of loans.

8. Approve all earned and honorary degrees through the President, as he shall recommend.

9. Periodically undertake assessments of the Board’s performance.

ARTICLE III: Trustees

Section 1. Board of Trustees: The Board shall consist of at least forty-five (45) Trustees but no more than fifty (50) Trustees of which thirty-five (35) positions will be for lay Trustees and ten (10) or more will be for Jesuits. The exact number of Trustees shall be set from time to time by resolution of the Board. Of the Jesuit Trustees, one (1) shall be the President of the University and one (1) shall be the Rector of the Jesuit Community at Santa Clara University. Of the thirty-five (35) lay Trustees, approximately twenty-five percent (25%) will be alumni/ae, one of whom will have received a bachelor's degree from the University not more than five (5) years prior to election as a Trustee.

Section 2. Election and Term:

1. Each Trustee shall continue to serve until his successor is elected, unless such Trustee dies, resigns or is removed prior to that time.

2. With the exception of the President and the Rector of the Jesuit Community of Santa Clara University who serve by virtue of their office, Trustees shall ordinarily be elected by the Board at an annual meeting to a term of three (3) years to commence at the end of the meeting in which they are elected and to expire at the end of the annual meeting in the third full year following the year of election.

3. Trustees will be eligible for re-election to successive terms, except for the recent alumnus/alumna Trustee who shall serve no more than two (2) terms.

4. The Governance and Nominating Committee will recommend to the Executive Committee candidates for election or re-election. The Executive Committee will make final recommendations to the Board.

5. The Board may elect the Chair of the University’s Board of Regents, by virtue of that person holding that office, as a Trustee who will be permitted to vote on matters before the Board and who will be counted as part of a quorum. In this instance, the term of this Trustee shall be no
longer than the person’s term as Chair of the Board of Regents and in no event longer than three years.

Section 3. Trustees Emeriti: Upon recommendation of the Executive Committee, after consultation with the Governance and Nominating Committee, Trustees who have served with distinction for at least two terms may be designated by the Board as a Trustee Emeritus. This position will be reserved for individuals with records of distinguished service to the University.

1. Emeritus Trustees may participate in the discussions at regular meetings of the Board as may be permitted by the Chair, but will not be counted as part of a quorum nor have the right to vote on matters presented to the Board.

2. Emeritus Trustees may be appointed by the Chair to serve on Board Committees but do not have the right to vote on any matter coming before those Committees.

Section 4. Resignation and Removal:

1. Any Trustee or Trustee Emeritus may resign at any time by delivering a written resignation to the Chair, the President, or the Secretary. Any resignation shall take effect when it is received or at any later time specified in the resignation. Unless the resignation specifies otherwise, its acceptance shall not be necessary to make it effective.

2. Subject to the provisions of Section 5222 of the Corporations Code of the State of California (the “Corporations Code”), any Trustee or Trustee Emeritus may be removed from office without cause if such removal is approved by a majority of the Trustees then in office.

Section 5. Fees and Compensation: Trustees and Trustees Emeriti shall receive neither compensation for their services nor reimbursement for their expenses unless such payments are fixed by resolution of the Board.

Section 6. Standard of Care:

1. General. A Trustee shall perform the duties of a Trustee, including duties as a member of any Committee on which the Trustee may serve, in good faith, in a manner such Trustee believes to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by: (1) one or more officers or employees of the Corporation whom the Trustee believes to be reliable and competent as to the matters presented; (2) counsel, independent accountants, or other persons as to
matters which the Trustee believes to be within such person’s professional or expert competence; or (3) a Committee upon which the Trustee does not serve, as to matters within its designated authority, provided that the Trustee believes such Committee merits confidence; so long as in any such case, the Trustee acts in good faith after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. Except as provided in Article IX below, a person who performs the duties of a Trustee in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person’s obligations as a Trustee, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a Corporation, or assets held by it, are dedicated.

2. Investments. Except with respect to assets held for use or used directly in carrying out the Corporation’s charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing the Corporation’s investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation’s capital. No investment violates this Section where it conforms to provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to the Corporation.

Section 7. Inspection Rights: Every Trustee shall have the right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation.

ARTICLE IV: Meetings of the Board

Section 1. Annual Meeting: The annual meeting of the Board shall ordinarily be held at the principal office on the first Friday of June of each year.

The Chair may change the date, time and place of the annual meeting, provided that the meeting shall be held within three weeks of the regularly scheduled date. A written notice shall be given to the Trustees at least thirty (30) days prior to the changed date selected by the Chair for the annual meeting. The notice must also state the place and the time of day at which the meeting will be held.

Section 2. Regular Meetings: Two (2) additional meetings shall be held on the second Friday in February and the third Friday in October in each calendar year. The Chair may for good cause change the date and time of these meetings to any other day in the calendar month in which the meeting is ordinarily scheduled. Unless otherwise stated in
the notice, regular meetings shall be held at the principal office. The Board may by resolution change the months set for regular meetings.

Section 3. Special Meetings: A special meeting of the Board may be called by the Chair, the President of the University or any seven (7) or more Trustees. A special meeting for emergency purposes may be called at any time. The notice of the meeting shall be sent by the most expeditious means by the Secretary, Assistant Secretary, or a person designated by the Chair or President. The notice shall specify the business to be transacted and no other business shall be conducted at the special meeting.

Section 4. Notice of Meetings and Agenda: Other than as to a special meeting, the notice of which is provided for in Section 3 above, the Secretary, Assistant Secretary, or any person designated by the Chair or President shall send written notice of the date, time and place of any meeting to the Board at least thirty (30) days prior to the date of such meeting. The agenda shall be prepared by the Chair or by the President and sent by the Secretary or the designated person at least fifteen (15) days prior to such meeting.

In addition to matters provided in the agenda, the Board may transact other business as may be necessary or appropriate and not in conflict with any other provision of these Bylaws. Items which are not on the agenda may be taken up only after a vote by the Board that the matter must or would best be acted upon at that time.

Section 5. Quorum and Adjournment: Fifty percent (50%) or more of the current Trustees shall constitute a quorum for the transaction of business at any meeting. A majority vote of the Trustees at any meeting at which a quorum is present shall be sufficient to authorize any action of the Corporation unless a greater vote is required by any other provision of these Bylaws or by applicable law.

Section 6. Action without a Meeting: The Board may take any action without a formal meeting if all of the Trustees consent to the action. Consents may be given by mail, verified electronic mail, facsimile, or in any other mode of written communication. The action by written consent shall have the same effect as a unanimous vote of the Trustees and shall be filed in the minutes of the proceedings of the Board as soon as is practical.

Section 7. Procedure:

1. The meetings of the Board shall be conducted in accordance with the parliamentary procedure prescribed in Roberts' Rules of Order. The Board may adopt by resolution such Standing Rules as are needed to supplement these Bylaws and which are not inconsistent therewith.

2. All elections provided for in these Bylaws shall be determined by a vote of the majority of the Trustees present at a meeting at which a quorum exists, unless otherwise required in the Bylaws or by the applicable law.

Section 8. Telephone and Electronic Meetings: Trustees may participate in any meeting through use of conference telephone or electronic video screen communication as long as
all Trustees participating in the meeting are able to hear one another. Trustees may participate in any meeting through use of other communications equipment, as specified in Section 7211 of the Corporations Code, as long as all of the following apply:

1. each Trustee participating in the meeting can communicate with all of the other Trustees concurrently;
2. each Trustee is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and
3. the Corporation adopts and implements some means of verifying 1) that all persons participating in the meeting are Trustees of the Corporation or are otherwise entitled to participate in the meeting, and 2) that all actions of, or votes by, the Board are taken and cast only by Trustees and not by persons who are not Trustees.

Section 9.  **Confidentiality:** All proceedings of the Board and its Committees shall be confidential and shall not be divulged except as authorized by the Board or as otherwise required by law.
ARTICLE V: Committees of the Board

Section 1. Committees: The Board may, by resolution adopted by a majority of the Trustees then in office, provided a quorum is present, create one or more committees, each consisting of two or more Trustees or non-Trustees, to serve at the pleasure of the Board. The Chair of the Board, pursuant to Article VI, Section 3, shall determine the composition of the committees (with the exception of the Executive Committee) and appoint the committee members.

Section 2. Meetings and Actions of Committees: Meetings and actions of committees of the Board shall be governed by these Bylaws. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records.

Section 3. Term of Office: Except as provided in Section 7 relating to the Executive Committee, the term of office for members of a committee shall be determined by the Board or by the Chair, as provided in Article VI, Section 3, upon the appointment of members to such committees.

Section 4. Quorum: Unless otherwise provided in these Bylaws or in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 5. Rules: Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board.

Section 6. Limitations: Except as provided in Section 7 relating to the Executive Committee, no committee may:

1. set the number of Trustees within a range specified in these Bylaws;
2. elect Trustees or remove Trustees without cause;
3. fill any vacancies on the Board or on any committee;
4. amend or repeal Bylaws or adopt new Bylaws;
5. amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
6. adopt amendments to the Articles of Incorporation of the Corporation;
7. appoint any committees of the Board or the members thereof;
8. approve any transaction (1) to which the Corporation is a party and one or more Trustees have a material financial interest; or (2) between the Corporation and one or more of its Trustees or between the Corporation or any person in which one or more of its Trustees have a material financial interest; and
9. approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of the Corporation.

Section 7. Executive Committee:
1. The Executive Committee shall consist of the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, and a maximum of ten (10) other Trustees. In addition, the immediate past Chair of the Board of Trustees shall serve as an ex officio member of the Executive Committee for the year immediately following the conclusion of his or her term as Chair, provided he or she is still a member of the Board of Trustees. The Trustees serving on the Executive Committee shall include at least three (3) Jesuits, one of whom shall be the Rector of the Jesuit Community at Santa Clara University, and one of whom shall be the Jesuit President of the University; and the Chairs of at least three (3) Standing Trustee Committees. All members of the Executive Committee, except the officers of the Board and the Rector, shall be elected at an annual meeting for a term of two (2) years each, which term shall expire at the end of the annual meeting in the second calendar year following their election.

2. Commencing June 8, 2013, members of the Executive Committee shall be eligible for reelection to the Executive Committee for up to two (2) additional two-year terms. A Trustee who has served on the Executive Committee for six (6) consecutive years will not be eligible for election to the Executive Committee until after a period of two (2) years has lapsed, provided that any Executive Committee terms commencing prior to June 7, 2013 shall not be included in this six-year limitation. Notwithstanding the foregoing, the Board of Trustees may waive this six-year limitation for any member of the Executive Committee who, at the end of six years of continuous membership on the Executive Committee, is serving as Chair of the Trustee Academic Affairs Committee or Chair of the Trustee Finance Committee. The Board shall elect Trustees to replace any members of the Executive Committee who may die, resign or be removed before completion of their terms at the next meeting of the Board; such terms shall expire at the end of the next succeeding annual meeting.

3. The purpose of the Executive Committee is nine fold. It will: (1) oversee the priorities and plans to enhance the Jesuit, Catholic character and educational mission of the University and the progress of the strategic plan; (2) act on behalf of the Board to address issues needing attention or emergency issues (as specified by Section 5212 of the Corporations Code) between regular Board meetings; (3) act as the agent of the Board to help the Chair and President address nonessential matters that arise, (4) assist the Chair and the President with their joint responsibility to ensure that the Board functions effectively and efficiently by helping the President and Board chair identify issues and plan agendas for subsequent Board meetings; (5) oversee the role and responsibilities of the standing committees; (6) serve as a sounding Board for the President and the
administration; (7) monitor the President’s performance and compensation; (8) at the appropriate time, develop plans for succession of the President; and (9) oversee the succession plans for Trustees and the succession plan for University administrators other than the President.

4. In accordance with Section 5212 of the Corporations Code, the Executive Committee shall have the authority to act for the Board on all matters except for the following, which shall be reserved for the Board: presidential selection and termination; University and Board officer election; changes in institutional mission and purposes; changes to the Charter or Articles of Incorporation or Bylaws; incurring of corporate indebtedness except as specifically delegated by the Board; sale of University assets or tangible property except as specifically delegated by the Board; adoption of the annual budget; and conferral of degrees.

5. The Executive Committee shall report to the Board all actions taken by the Executive Committee and shall make such other reports as may be requested by the Board. The Board shall have the power to rescind any act of the Executive Committee, except that no such rescission shall have retroactive effect with respect to any action that shall have been taken in reliance upon the validity of an act of the Executive Committee.

6. Seven (7) members shall constitute a quorum for the transaction of any business at any meeting of the Executive Committee. If a quorum is present, a majority of those present shall determine all matters brought before the meeting unless a greater vote is required by the applicable law.

Section 8. Governance and Nominating Committee: The Governance and Nominating Committee shall be a subset of the Executive Committee and shall have the following responsibilities: (1) it shall ensure that the Board’s membership consists of highly qualified and committed individuals; (2) it shall ensure that regular programs orienting new Trustees and providing in-service education for Board members are maintained; (3) it shall periodically recommend initiatives by which the Board shall assess its performance; and (4) it shall recommend to the Board of Trustees, after consultation with the Chair and President, members of the Board to serve on the Executive Committee.

Section 9. Audit Committee: The Corporation shall have an Audit Committee whose members shall be appointed by the Chair, subject to the following limitations: (1) a majority of the members of the Audit Committee may not consist of members of the Finance Committee, if any; (2) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (3) the Audit Committee may not include any member of the staff, or the President, Chief Financial Officer or Treasurer; and (4) the Audit Committee may not include any person who has a material financial interest in any entity doing business with the Corporation.
If the Audit Committee is composed and appointed as required by Section 1 above (concerning Board Committees), it shall be deemed a Board Committee on which the other directors are entitled to rely as provide in Article III, Section 6 of these Bylaws; otherwise, the Board shall remain responsible for oversight and supervision of the Audit Committee as an Advisory Committee.

The Audit Committee shall have the following responsibilities: (1) recommend to the Board the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor; (2) negotiate the compensation of the auditor on behalf of the Board; (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of the Corporation are in order; (4) review and determine whether to accept the audit; (5) approve performance of any non-audit services provided to the Corporation by the auditor’s firm; and (6) carry out such other responsibilities as may be delegated to it by the Board.

Section 10. Other Committees: The Board or its Chair may establish Standing, Ad Hoc, and other Committees as may be deemed advisable.

Each Committee shall have a written statement of purpose and responsibilities. The purpose and responsibilities and the number, classification and terms of members of the Committees shall be as prescribed by resolution of the Board or by the Chair if such prescription is delegated to the Chair by the Board. The Board shall have the power to rescind any act of each Committee other than those acts which are mandated by statute to be carried out by such Committee.

Each Committee shall have an officer of the University or member of the administrative staff, as designated by the President, to assist with its work. Each Committee shall meet at least three times annually and report regularly on its work and recommendations to the Board.

ARTICLE VI: Officers of the Corporation and Board except the President

Section 1. Officers: The officers of the Corporation shall be the Chair, the President (as described in Article VII), the Vice Chair, the Secretary and the Treasurer. The Board may also elect additional Vice Chairs, Assistant Secretaries and Assistant Treasurers as it may deem appropriate. Officers other than the Chair, Vice Chair, President and Treasurer need not be Trustees. All officers serve at the pleasure of the Board.

Section 2. Election, Term: The Officers of the Corporation, except the President of the University and the Chair of the Board, shall be elected by the Board each year at the annual meeting for a term of one (1) year, which term shall expire at the end of the annual meeting in the next calendar year. Officers of the Corporation shall be eligible for reelection for each succeeding year. The Board shall elect other officers to replace any officer who may die, resign or be removed before completion of his or her term. An
Section 3. **Chair of the Board:** The Chair shall be a member of the Board and shall preside at all meetings of the Board and act as Chair of the Executive Committee. The Chair shall have the right to vote on all questions, appoint Committee Chairs and Vice Chairs, determine the composition of all Board Committees (with the exception of the Executive Committee), and otherwise serve as spokesperson for the Board. He or she shall be an ex-officio member of all Standing Committees of the Board. The Chair shall exercise the powers and duties prescribed for the Chair in these Bylaws, and shall have such other powers and duties as may be set forth in an appropriate resolution of the Board.

The Chair shall be elected by a majority vote of the Trustees in office at the time of election and shall serve for a term to expire at the end of the annual meeting in the third year following the year in which elected. The person may be reelected for a successive additional term of three (3) years or such shorter term as the Board may prescribe by a majority vote of the Board in office at the time of the meeting. After a period of one year, the person is again eligible for election as Chair.

Section 4. **The Vice Chair:** The Vice Chair shall act in the absence of the Chair or whenever it is determined by a majority of the Trustees that the Chair is unable to perform the duties of the office. When acting in place of the Chair, all the powers and duties of the Chair shall be vested in the Vice Chair.

Section 5. **The Secretary and Assistant Secretaries:** The Secretary shall act as custodian of all of the records and papers of the Corporation and shall serve as clerk of the Board and the Executive Committee. The Secretary shall attend meetings of the Board and the Executive Committee, record and distribute the minutes of such meetings to the Trustees, and make the records of the Corporation available for inspection by Trustees at all reasonable times. The Secretary shall ensure that the Board is acting in accordance with these Bylaws, that bylaw amendments are promptly made as necessary, that minutes of Board and Executive Committee meetings are accurate and distributed to all members in a timely manner, that meetings are properly scheduled and members notified, and that Board policy statements and other official records are properly maintained. The Secretary shall perform such other and related duties as may be provided in a resolution of the Board or as may be reasonably requested by the Chair or the President.

One or more Assistant Secretaries, as requested by the Chair or the President, shall act in the absence or disability of the Secretary, or may be delegated all or some of the duties of the Secretary from time to time by the Chair or the President with the concurrence of the Secretary, and shall have the same powers and duties as the Secretary while acting in such capacity.

Section 6. **The Treasurer and Assistant Treasurers:** The Treasurer shall serve on the Finance Committee, preferably as Chair or Vice Chair. Subject to the direction and
control of the Board, the Treasurer shall work with the President and the Vice President of Administration and Finance.

The Chief Financial Officer (CFO) is or shall report to the Vice President of Administration and Finance. The CFO shall have authority and responsibility for the financial affairs of the Corporation. The CFO shall have custody of all the funds, securities, financial records and related documents of the Corporation and shall maintain accurate books of account reflecting the financial transactions of the Corporation. The Treasurer shall perform such other related duties as may be provided in a resolution of the Board or as may be reasonably requested by the Chair or the President.

One or more Assistant Treasurers, as requested by the Chair or the President, shall act in the absence or disability of the Treasurer, or may be delegated all or some of the duties of the Treasurer from time to time by the Chair or the President with the concurrence of the Treasurer, and shall have the same powers and duties as the Treasurer while acting in that capacity.

Section 7. Executive Compensation Review: The Board (or a Committee designated by the Board) shall review any compensation packages (including all benefits) of the President and such other officers as the Board deems appropriate, and shall approve such compensation only after determining that the compensation is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of the Corporation.

Section 8. Removal and Resignation: Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect when it is received or at any later time specified in the resignation. Unless the resignation specifies otherwise, its acceptance shall not be necessary to make it effective.

Any officer of the Corporation may be removed by a majority vote of the Trustees in office, or as required by the applicable law. Vice Presidents and other subordinate officers of the University may be removed by the President or by a majority vote of the Trustees at any meeting of the Board at which a quorum is present.

Section 9. Vacancies: Any vacancy in an office because of death, resignation, or removal of an officer shall be filled by a majority vote of the Trustees at any meeting of the Board at which a quorum is present, except as provided in Article VII.

ARTICLE VII: President

The President shall be the Chief Executive Officer and a member of the Society of Jesus. The President shall have the authority and responsibility to conduct the operations of the University subject to direction and control of the Board. The President is responsible for
leading the University, implementing all Board policies, 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 chief spokesman. The President shall have such other powers and duties as the Board may prescribe by resolution and shall be primarily responsible for carrying out the orders and resolutions of the Board.

The President shall report to the Board at regular intervals on the condition of the University and shall submit to the Board for approval the annual budget, any major change in policies or programs, the list of candidates for degrees and honorary degrees, and the name of the commencement speaker. He shall inform the Board concerning any other matter which he considers important to the welfare of the University.

The President shall have the power to appoint and dismiss academic and administrative officers of the University; however, he must obtain approval of the Board to institute a new Vice Presidential office.

The President during any extended absence may designate the Provost, one of the Vice Presidents or Chancellor (if that position exists) to act for him, unless or until the Board elects an Acting President under the provisions set out below.

The President shall be elected by a majority vote of the Trustees in office at the time of election and shall serve for a term to expire at the end of the annual meeting in the sixth year following the year in which he was elected. He may be reelected to additional terms of six (6) years or such shorter term as the Board may prescribe by a majority vote of the Board in office at the time of the meeting.

The President serves at the pleasure of the Board for such term, compensation, and with such other terms of employment, as it shall determine. The President may resign or be removed in accordance with the procedure provided in Section 4 of Article III of these Bylaws.

In the absence of the President, or in the event of his resignation or removal, or at any time when the majority of the Trustees then in office determine that the President is incapacitated to such an extent that he is physically or mentally incapable of performing adequately the duties of the office, the Board may elect by majority vote an Acting President. The Acting President need not be a Trustee or a member of the Society of Jesus, shall serve at the pleasure of the Board, and may exercise all the powers and duties conferred upon the President.

**ARTICLE VIII: Certain Transactions**

**Section 1. Loans:**

Except as permitted by Section 5236 of the Corporations Code, the Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Trustee or
officer; provided, however, that the Corporation may advance money to a Trustee or officer of the Corporation for expenses reasonably anticipated to be incurred in performance of the duties of such Trustee or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions:

Except as provided in Section 3 below, the Board shall not approve, or permit the Corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which the Corporation is a party and in which one or more of its Trustees has a material financial interest, unless the transaction comes within Section 5233(b) of the Corporations Code.

Section 3. Approval:

The Corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. The Corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) the Corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to the Corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the Trustee’s interest in the transaction, and by a vote of a majority of the Trustees then in office, without counting the vote of the interested Trustee or Trustees.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the requirements above; provided that, at its next meeting, the full Board determines in good faith that the Board Committee’s approval of the transaction was consistent with the requirements above and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the Trustees then in office without the vote of any interested Trustee.

ARTICLE IX: Indemnification

Section 1. Right of Indemnity:

To the fullest extent allowed by Section 5238 of the Corporations Code, the Corporation shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, “agent” shall have the same meaning as in Section 5238(a), including trustees, directors, officers, employees, other agents, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorneys’ fees.
Section 2. Approval of Indemnity:

On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of Trustees who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses:

The Board shall authorize the advancement of expenses incurred by or on behalf of an agent of the Corporation in defending any proceeding prior to final disposition, if the Board finds that:

1. the requested advances are reasonable in amount under the circumstances; and
2. before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under the applicable statute.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Contractual Rights:

Nothing contained in this Article IX shall affect any right to indemnification to which Trustees, officers, or other persons may be entitled by contract or otherwise.

Section 5. Insurance:

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, whether or not the Corporation would have the power to indemnify the agent against that liability under the provisions of this Article IX; provided, however, that the Corporation shall not have the power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Corporations Code. The Board shall make all reasonable efforts in good faith to obtain available liability insurance for volunteer directors or officers within the meaning of Section 5239.

Section 6. Fiduciaries of Corporate Employee Benefit Plan:

This Article IX does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person’s capacity as such,
even though that person may also be an agent of the Corporation as defined in Section 1 of this Article IX. Nothing contained in this Article IX shall limit any right to indemnification to which such a trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law.

ARTICLE X: Conflict of Interest

A conflict of interest shall ordinarily exist when a Trustee (1) has existing or potential financial or other interests that impair or appear to impair his or her independent, unbiased judgment in the discharge of his or her responsibilities to the University; or (2) is aware that a member of his or her family has financial or other interests that would impair or appear to impair the Trustees’ independence in the discharge of his or her responsibilities to the University. For the purpose of this provision, a family member is a spouse, parent, sibling, child, or any other relative residing in the same household as the Trustee.

A Trustee shall disclose to the Board any possible conflict of interest at the earliest practical time. Further, the Trustee shall absent himself or herself from discussions of, and abstain from voting on, such matters considered by the Board or its Committees. The minutes of such meeting shall reflect that a disclosure was made and the Trustee with a conflict, potential or actual, abstained from voting. Any Trustee who is uncertain of whether a conflict of interests may exist may request that the Board or Committee resolve the question in his or her absence by a majority vote.

Further specification of policies and practices relating to conflict of interest are delineated in the statement entitled, Policy Regarding Conflict of Interest, in Appendix A.

ARTICLE XI: Amendments to Bylaws

These Bylaws may be amended or repealed and new Bylaws may be adopted at any meeting of the Board by a three-quarters (3/4) vote of the number of Trustees in office at the time of such meeting, provided that the notice of the meeting or the agenda under Section 4 of Article IV contained a statement of such proposed amendment, repeal or new Bylaws. If the Bylaws are amended, repealed, or new Bylaws adopted by a unanimous vote of all authorized Trustees at a meeting or by unanimous written consent as provided in Section 6 of Article IV, it shall not be necessary that the notice of the meeting contain a statement of such proposed amendment, repeal or new Bylaws.

ARTICLE XII: Seal

The seal of the Corporation shall, subject to change by the Board, consist of a flat surfaced circular die in the form shown below.