

**PRAIRIELAND ENERGY, INC.**

**CORPORATE BYLAWS**

**AMENDED SEPTEMBER 10~~MARCH 14~~, 20~~20~~19**

**APPROVED BY THE SOLE MEMBER ON**

**September~~March~~ 10~~14~~, 20~~20~~19**

**PRAIRIELAND ENERGY, INC.**  
**CORPORATE BYLAWS**  
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**PRAIRIELAND ENERGY, INC.  
CORPORATE BYLAWS  
AMENDED ~~SEPTEMBER~~MARCH 1014, 2019**

**ARTICLE I.  
THE CORPORATION**

**Section 1.1. Name.**

The name of the Corporation is Prairieland Energy, Inc. (“Prairieland” or “Corporation” or “Company” or “PEI”). Prairieland was authorized by its Sole Member, the Board of Trustees of the University of Illinois, in September 1996 to provide low-cost energy for the benefit of the University and others. Prairieland was incorporated in the State of Illinois in November 1996.

**Section 1.2. Offices.**

The principal office of the Corporation shall be at 807 South Wright Street, Suite 340, Champaign, Illinois, 61820. The Corporation may have such other offices as the board of directors may from time to time determine, subject to the Sole Member's reserved powers under **Article III**. The registered agent and office of the Corporation shall be as stated in the State of Illinois Domestic Corporation Annual Report as from time to time in effect.

**Section 1.3. Corporate Purposes.**

The purposes for which the Corporation is organized are as follows:

- a. to serve as a "university-related organization" as that term is defined in **Article VI** of the University Guidelines (amended 1997), established by the Illinois Legislative Audit Commission of the State of Illinois and, as such, to support the public education policies and programs of the Board of Trustees of the University of Illinois, a body corporate and politic of the State of Illinois (the "University"); PEI’s operating relationship with the University is defined by an ~~an Energy Commodity~~ Procurement Services Agreement (PSA) between PEI and the University;
- b. to procure ~~—energy commodities (e.g., fuels, electric power, chilled water, steam), ancillary services, and to transact with private, public, and municipal utility suppliers, including but not limited to, natural gas, electricity, water, sanitary, chilled water and steam to deliver these commodities and utility services natural gas and electricity and other energy commodities~~ in a manner that supports the reliable provision of energy and utility services to the University while achieving an effective balance of cost efficiency, acceptable price volatility and desired budgetary certainty consistent with approved energy commodity procurement plans, approved procurement policies and as specified in the ~~Energy Commodity Procurement Services Agreement~~PSA between PEI and the

University;

- c. to utilize the energy commodity markets on an ongoing basis to achieve a reliable and economic mix of market energy in conjunction with energy from University production capabilities;
- d. to provide retail energy commodity services to non-University customers who are connected to the University's distribution system or to support other designated strategic University objectives;
- e. to undertake special University requested energy-related projects, on either a stand-alone basis or in conjunction with other University-related or independent entities, to enhance the effectiveness (reliability, flexibility, risk, cost) of the provision of energy commodity services to the University and retail customers;
- f. to provide the regulatory representation in various jurisdictions and with various entities having authority over the energy activities for which the organization is responsible, including related activities that may directly impact the University;
- g. to do any and all things which the board of directors may determine, consistent with the provisions hereof and the Sole Member's reserved powers under **Article III**, to be necessary or appropriate to effectuate the purposes for which the Corporation is organized as herein set forth, to the extent that the doing of such act or things is not inconsistent with the Articles of Incorporation, the corporate bylaws of the Corporation, or the provisions of any other applicable law or statute of the State of Illinois;
- h. to engage, in accordance with applicable law, in any and all activities consistent with or in furtherance of the above purposes including, but not limited to, the following:
  - (i) to solicit and acquire by gift, exchange or otherwise, property of any and all kinds, and to sell, transfer, and otherwise dispose of any property it so acquires;
  - (ii) to invest and reinvest any such property and the increments in, and avails or proceeds of, any such property in such investments as may be deemed advisable from time to time by the board of directors including, but not limited to, stocks, bonds, secured and unsecured obligations, undivided interests, leases, commercial paper, financial and governmental instruments, savings and other depository accounts, and other securities and properties to the extent permitted by law;
  - (iii) to give, donate, and contribute to any of the activities the Corporation may elect

to sponsor, or in furtherance of any of the aforesaid purposes for which the Corporation is organized, such money or property, or both, as the board of directors may from time to time determine;

- (iv) to take title, and hold in its own name, such real or personal property, or both, and such interests in either such type of property as the Corporation may acquire, for the purposes herein set out, and to sell, transfer, and dispose of any such property or reinvest the proceeds thereof as herein permitted;
- (v) to borrow money and give security therefore by pledging, mortgaging, or otherwise hypothecating any property it may own, or any interest it may have in such property;
- (vi) to become a member of any other corporation organized under the laws of any state, or to become affiliated with any other organization of like character existing under the laws of any state; to join associations of similar organizations to further the mission of the Corporation;
- (vii) to promote, by donation, loan or otherwise, the interests of any organization formally affiliated with the Corporation or the University of Illinois, the purposes of which are not inconsistent with those of the Corporation or the university related organization guidelines; and
- (viii) to engage in any lawful activities within the purposes for which a corporation may be organized.

## **ARTICLE II.** **CONTRIBUTIONS, DISTRIBUTIONS AND ALLOCATIONS**

### **Section 2.1. Capital Contributions.**

Initially, the Sole Member provided \$100,000 in Capital Contributions for the formation of Prairieland which was authorized by the Board of Trustees of the University of Illinois in September 1996.

### **Section 2.2. Additional Capital Contributions.**

If the Board determines that the Company requires funds for any purpose related to the business of the Company, the Board may recommend to the Sole Member that the Sole Member approve additional contributions for the Sole Member and, if approved by the Sole Member, the Sole Member shall contribute such funds to the capital of the Company; provided, however, that the Sole Member shall not be required to make additional contributions to the Company without the consent of the Sole Member or if such contribution would be outside of the permissible scope of the University Guidelines.

**Section 2.3. Distributions.**

The Company shall make distributions to the Sole Member at such time as determined by the Sole Member, but subject to the limitations set forth in the Act.

**Section 2.4. Allocations.**

The profits and losses of the Company for each fiscal year shall be allocated 100 percent to the Sole Member. The Company shall reimburse the Sole Member for any tax liabilities incurred from allocated profits.

**ARTICLE III.  
SOLE MEMBER OF THE CORPORATION**

**Section 3.1. Sole Member.**

The Sole Member of this Corporation shall be the Board of Trustees of the University of Illinois, a body corporate and politic of the State of Illinois established pursuant to 110 ILCS 305/1 et seq.

**Section 3.2. Limitation of Liability.**

The Sole Member's liability with respect to the Company shall be limited to the fullest extent as provided in the Act, this Agreement and any applicable law.

**Section 3.3. Reserved Powers of the Sole Member.**

In addition to all of the rights and powers allowed by law, the Sole Member shall have reserved to it the following rights and powers:

- a. To amend the articles of incorporation and corporate bylaws of the Corporation.
- b. To appoint the Corporation's board of directors other than those serving *ex officio* (if any), which power the Sole Member may at its discretion delegate to its chair.
- c. To remove any or all of the Corporation's directors at any time with or without cause.
- d. To designate the chair, the vice chair and the president of the Corporation.
- e. To approve or disapprove all plans of merger or consolidation and the creation or acquisition of all joint ventures and all majority-controlled or majority-owned subsidiaries or affiliates of the Corporation.
- f. To approve or disapprove the Corporation's incurring of long-term debt (debt with maturities more than twelve (12) months).
- g. To approve or disapprove the appointment of independent certified public accountants for

the Corporation.

- h. To approve or disapprove any voluntary dissolution of the Corporation and any liquidation or distribution of corporate assets.

In addition, the University Counsel of the Sole Member shall be delegated the reserved power of approving or disapproving the appointment of any legal counsel for the Corporation.

**Section 3.4. Annual Meeting of the Sole Member.**

Action constituting the annual meeting of the Sole Member shall be taken each year at such time and place as is designated by the Sole Member.

**Section 3.5. Action by the Sole Member.**

The Sole Member's actions shall be documented in official meeting minutes and written instruments evidencing approvals. These documents will be made available to the chairman, president or secretary of the Corporation by the Sole Member. The action of the Sole Member shall be deemed to have been taken as of the date on which there is evidence of such written instruments having been delivered, unless the instruments provide otherwise.

**ARTICLE IV.  
BOARD OF DIRECTORS**

**Section 4.1. Powers.**

Subject to the authority of the Sole Member in **Article III**, the Corporation's board of directors shall govern and manage the affairs of the Corporation. The board of directors shall determine compliance with the Corporation's stated purposes and shall have the power and authority to do and perform acts or functions not inconsistent with these bylaws, the Corporation's articles of incorporation or any other law or applicable statute of the State of Illinois. The corporate powers, business and property of this Corporation shall be controlled by the Board. Except as to Sole Member reserved powers, it shall be the initiating body of governance decisions.

**Section 4.2. Composition of the Board.**

The board of directors shall consist of up to seven (7) individuals with the right to vote.

- a. One (1) Trustee would be suggested by the Chairman of the University Board of Trustees. This Trustee member would serve as the PEI Board Chair.



- b. The President of the University will recommend three (3) University employees, two of which should be drawn against a pool of candidates recommended by the Campuses with no more than one nomination from any one Campus;
- c. The Board will select three (3) persons to fill “at-large” seats on the Board, with at least two of the three being independent from the University.

**Section 4.3. Advisors to the Board.**

The Board may by resolution designate non-voting advisors to the board, including the following designated individuals, who shall be entitled to notice of and to attend all meetings of the board, who may express their views, but who shall not be entitled to vote. These designated individuals, unless otherwise elected a director, are individuals serving with the following designated titles or successor titles: (a) the Senior Associate Vice President, Business and Financial Services, (b) the Executive Director of Facilities & Services (Urbana-Champaign), (c) the Vice Chancellor for Administrative Services (Chicago), (d) the Executive Director of Facilities and Services (Springfield), and (e) the President of Prairieland. All such advisors shall serve terms ending on the next annual meeting of the board unless the Board specifies an earlier termination.

**Section 4.4. Terms of Directors.**

Except as to *ex officio* directors, all directors shall serve terms of three (3) years as designated by the Sole Member. The term of office for each elected, independent director shall expire at the annual meeting held during the year designated by the Sole Member as the year of term expiration for such director. Ex-officio directors serve during their terms of office.

**Section 4.5. Removal of Directors.**

Any Director may be removed for cause by action of the Sole Member or by action of a majority of the voting directors affirmed by the Sole Member at any regular or special meeting, if the Director is notified in writing by the Chair or Secretary of the Corporation at least thirty (30) days before the meeting of such charges to be proffered. A Director’s absence from two consecutive Board meetings may be grounds for removal.

**Section 4.6. Resignation of Directors.**

Any director may resign by filing a written resignation with the Secretary, President or Chair. Such resignation shall become effective as of the designated date of the resignation.

**Section 4.7. Succession of Directors.**

Upon the death, disability, ineligibility, resignation or removal of a Director other than the Chair, a successor may be selected by the Chair, subject to confirmation by the Sole Member, to serve until the next annual meeting of the Corporation. If the vacant directorship is the Chair, then the Vice Chair will assume the duties of the Chair until the Sole Member appoints a new Chair.

**ARTICLE V.**  
**MEETINGS OF THE BOARD OF DIRECTORS**

**Section 5.1. Annual Meeting.**

The annual meeting of the board of directors shall be held no later than the second quarter of each fiscal year at such hour and place as may be determined by the board of directors. The purposes of the annual meeting shall be:

- a. to seat all newly-appointed directors,
- b. to elect the officers of the Corporation (subject to **Section 3.3**) and
- c. to transact such other business as may be necessary or desirable.

**Section 5.2. Regular Meetings.**

The board of directors shall hold regular meetings at least two (2) times each year at the principal office of the Corporation or at such place and at such time as may be designated by the board chair in the notice. The annual meeting shall be considered a regular meeting of the board.

**Section 5.3. Special Meetings.**

Special meetings of the board of directors shall be:

- a. Called by the board chair when directed by the Board;
- b. May be called by the chair;
- c. Must be called by the Chair at the written request of two or more voting members of the Board.

Special meetings shall be at any reasonable time and place determined by the Chair, but not later than five weeks after request for such meetings has been received from the members of the Board.

**Section 5.4. Notice.**

Notice of each meeting of the board of directors stating the place, day and hour of the meeting shall be given to each director in such director's preferred form of delivery and at such director's designated email address or mailing address at least five days prior thereto by written notice by email, first class, certified or registered mail, or at least two days prior thereto by personal delivery of written notice or by telephonic or facsimile notice (and the method of notice need not be the same to each director). If mailed, such notice shall be deemed to be given when

deposited in the United States mail, with postage thereon prepaid. If emailed, such notice shall be deemed to be given as of the date and time designation contained on the email. Any director may waive notice of any meeting before, at or after such meeting. Neither the business to be transacted at, nor the purpose of any meeting of the board need be specified in the notice or waiver of notice of such meeting unless otherwise required by statute.

**Section 5.5. Waiver of Notice.**

Notice of the time, place and purpose of any meeting of the board of directors or any of its committees may be waived by a director or committee member by facsimile or other writing, either before or after such meeting has been held. A director's or committee member's attendance at any meeting, except for the sole purpose of objecting to the holding of such meeting, shall constitute waiver of notice of such meeting by the director or committee member.

**Section 5.6. Quorum.**

A majority of the voting members of the Board shall constitute a quorum for Board meetings. Except as otherwise provided in these bylaws, all actions of the Board shall be determined by a majority vote of those members of the Board present and voting at the meeting. Any action taken by the Board at a meeting at which a quorum is not present may be ratified in writing by the number of Board members absent from that meeting that is sufficient with the number present to constitute a quorum.

**Section 5.7. Manner of Acting.**

The act of a majority of the directors present in person (and not by proxy) at a meeting at which a quorum is present shall be by the act of the board of directors, unless the act of a larger number is required by law, the articles of incorporation or these bylaws.

**Section 5.8. Procedure.**

Roberts Rules of Order Revised (latest edition) shall govern procedure at all meetings of the board of directors and its committees where not covered expressly by these bylaws.

**Section 5.9. Informal Action by Directors.**

Any action required to be taken at a meeting of the board of directors, or any other action which may be taken at a meeting of the board or of any committee of the board, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed or emailed by all the directors entitled to vote with respect to the subject matter thereof, or by all the members of the committee, as the case may be. Any such writing or email shall be filed with, or entered upon, the records of the Corporation. Any consent signed or emailed by all the directors or all the members of the committee shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Illinois Secretary of State or with anyone else.

**Section 5.10. Meeting by Conference Telephone.**

One or more members of the board of directors or of any committee of the board may participate in and act at any meeting of such board or committee by means of conference

telephone, video conferencing, or other similar telecommunications equipment by means of which all persons participating in the meeting can hear each other simultaneously. Participation in such a meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. Meetings may not be held by e-mail.

**Section 5.11. Compensation.**

Directors shall not receive compensation for their services as directors. However, the reasonable expenses of directors related to their attendance at board meetings may be paid or reimbursed by the Corporation. Directors shall not be disqualified from receiving reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity; provided, however, that **Article IX** of these bylaws shall have been complied with.

**ARTICLE VI.**  
**OFFICERS OF THE CORPORATION**

**Section 6.1. Designation of Corporate Officers.**

The officers of the Corporation shall be a chair, a vice chair, a president, one or more vice presidents, a secretary, a treasurer, a controller and such other assistant vice presidents, assistant secretaries, assistant treasurers and assistant controllers as may be deemed necessary by the president. Any two or more offices may be held by the same person, except that no person may simultaneously hold the offices of president and secretary. Officers other than the chair and vice chair need not be directors of the Corporation. Pursuant to **Article III** of these bylaws, the nomination of the chair, the vice chair and the president shall be approved by the Sole Member. The treasurer shall be the individual designated in **Section 6.7** to serve in this office *ex officio*. The vice president(s), controller, secretary, and any assistant vice presidents, assistant secretaries, assistant treasurers or assistant controllers shall be appointed annually by the president of the Corporation; such appointments are subject to the approval of the Board. Any chair, vice chair or president may be removed by the Sole Member at any time, with or without cause, when in its judgment the best interests of the Corporation will be served thereby. Any officer appointed by the president may be removed by the president at any time, with or without cause, when in his or her judgment the best interests of the Corporation will be served thereby. Such removal must be affirmed by a majority vote of the Board. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer shall not of itself create any contract rights.

**Section 6.2. Duties of the Chair.**

The chair shall be the chief policy officer of the Corporation and shall have all the duties which that position would customarily require, including presiding at all meetings of the board of directors, seeing that all orders and resolutions of the board of directors are carried out, and performing all other duties assigned to the chair under these bylaws or by board resolution.

**Section 6.3. Duties of the Vice Chair.**

In the absence of the Chair or in the event of the chair's inability or refusal to act, the Vice Chair shall chair meetings of the board of directors and shall perform such other duties as may be delegated to the Vice Chair from time to time by the chair or the board. See **Section 4.7.**

**Section 6.4. Duties of the President.**

The president, subject to the direction and supervision of the board of directors, shall be the chief executive officer and shall be the direct executive representative of the board of directors in the management of the Corporation and in its dealings with regulatory agencies. In carrying out the duties of the office, the president, consistent with the Sole Member's established policies and stated rights and powers, shall have general and active control of the affairs and business of the Corporation, and shall have all the duties and authority which such position would customarily require, including, but not limited to the following:

- a. Carrying out all policies established by the board and advising on the formulation of these policies.
- b. Developing and submitting to the board for approval a plan of organization and reorganization for the conduct of the various activities of the Corporation and recommending changes when necessary.
- c. Preparing written plans for the achievement of the Corporation's specific objectives and periodically reviewing and evaluating such plans.
- d. Preparing annually an operating budget showing the expected revenue and expenditures and a three year capital budget as required by the board.
- e. Selecting, employing, supervising, and discharging corporate officers, employees and agents of the Corporation and developing and maintaining personnel policies and practices for the Corporation.
- f. Maintaining physical properties of the Corporation in a good and safe state of repair and operating condition.
- g. Supervising the financial affairs of the Corporation to ensure that funds are collected and expended to the best possible advantage of the Corporation.
- h. Presenting to the board, or its authorized committees, periodic reports reflecting the activities of the Corporation and such other special reports as may be required by the board.

- i. Attending meetings of the board, serving as an *ex officio* non-voting advisor to the board and its committees, and coordinating the preparation of board meeting agendas and materials.
- j. Representing the Corporation in its relationships with the University of Illinois and with all of the Corporation's affiliated organizations and non-affiliated organizations.
- k. Performing such other duties as may from time to time be assigned by the board Chair or by the board.

The overall performance of the president shall be evaluated annually by the Chair and the board of directors in a formal process to be established from time to time by the board.

**Section 6.5. Duties of the Vice Presidents.**

The vice presidents shall perform such duties and have such responsibilities as may be prescribed from time to time by the president.

**Section 6.6. Duties of the Secretary.**

The Secretary shall send appropriate notices or waivers of notice regarding board meetings, shall (in conjunction with the president) prepare agendas and other materials for all meetings of the board of directors, shall act as official custodian of all records, reports and minutes of the Corporation, the board and its committees, shall be responsible for the keeping and reporting of adequate records of all meetings of the board and shall perform such other duties as are customarily performed by or required of corporate secretaries, including acting as the custodian of the corporate seal.

**Section 6.7. Duties of the Treasurer.**

The Treasurer, who shall be the Comptroller of the Board of Trustees of the University of Illinois *ex officio* or his/her express designee, shall have custody and control of all funds of the Corporation and shall have such duties as are customarily performed by or required of corporate treasurers.

**Section 6.8. Duties of the Controller.**

The Controller shall ensure that a true and accurate accounting of the business activities and the financial transactions of the Corporation is made periodically, that reports of such activities and transactions are presented to the board of directors, and that all accounts payable are presented to such representatives as the board may designate for authorization of payment. The Controller shall have other such duties as are customarily performed by or required of corporate controllers.

**Section 6.9. Duties of the Assistant Vice Presidents, Assistant Treasurers, Assistant Controllers and Assistant Secretaries.**

The assistant vice presidents, assistant treasurers, assistant controllers and assistant secretaries shall perform such duties as shall be assigned to them by the vice presidents, treasurer, controller or secretary, respectively, or by the president or the board of directors.

**Section 6.10. Succession of Officers.**

Upon the death, disability, ineligibility, resignation, or removal of an officer other than the Chair, Vice Chair, or President, a successor may be selected by the President, subject to confirmation by the board of directors, to serve until the next annual meeting of the Corporation. If the vacant officer is the President, then the Chair or Vice Chair may select a successor or may assume the duties of the President until the Sole Member appoints a new President. The successor may not simultaneously hold the offices of president and secretary.

**Section 6.110. Surety Bonds.**

The board of directors may require any officer or agent of the Corporation to execute to the Corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of such person's duties and for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation. The cost of all surety bonds shall be paid by the Corporation.

**Section 6.121. Regulatory Compliance.**

These bylaws acknowledge that the Corporation is subject to the jurisdiction of various state and federal regulatory agencies and that the board of directors has delegated responsibility for continuing compliance with all applicable regulatory standards, including the aforesaid university-related organization rules, to the president.

**Section 6.132. Business Policies.**

The board of directors may adopt and use appropriate business policies as they may determine to be in the best interest of the corporation from time to time and as may be appropriate for similarly situated businesses. The corporation shall use as a guideline the general business practices of corporations in the State of Illinois.

Any exceptions to these policies must be approved as follows:

- a. at least three of the officers of the corporation, including specific approval by the President, the Controller and one other officer; or
- b. the President and one director; or
- c. at least two of the directors of the corporation,

Any exceptions authorized must be reported at the next Board meeting for Board approval.



**ARTICLE VII.**  
**COMMITTEES OF THE BOARD OF DIRECTORS**

**Section 7.1. Committees Generally.**

Committees of the board shall be standing or special. Every committee shall have at least three (3) members, a majority of whom shall be voting directors. All committee members and committee chair shall be appointed annually by and shall serve at the pleasure of the chair of the board of directors. Each committee chair shall be a voting director. Each such committee shall have the power and authority specified by the board, but, as is provided by law, no committee shall have the authority of the board of directors in reference to the following:

- a. Amending, altering or repealing the bylaws;
- b. Electing, appointing, or removing any member of any such committee or any officer or director of the Corporation;
- c. Amending or restating the articles of incorporation;
- d. Adopting a plan of merger or consolidation with another corporation;
- e. Authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation;
- f. Authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore;
- g. Adopting a plan for the distribution of the assets of the Corporation; or
- h. Amending, altering or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by such committee.

**Section 7.2. Committee Procedures Generally.**

Each committee shall record minutes of its deliberations, recommendations and conclusions and shall promptly deliver a copy of such minutes to the secretary of this Corporation. Reasonable notice of the meetings of any committee shall be given to the members thereof and to the board chair and the president, each of whom shall have the right to attend and participate in the deliberations of the committee. The board chair, the president or the committee chair may invite to any committee meeting such individuals as they may select who may be helpful to the deliberations of the committee. A majority of the members of each committee shall constitute a quorum for the transaction of business and the act of a majority of the members of any committee present at a meeting at which a quorum is present shall be the action of the committee. Each committee may operate through the establishment of one or more subcommittees to be composed



of such members of the committee and to have such duties and responsibilities as shall be delegated to the subcommittee by the committee. Each committee may adopt rules for its own operations and that of its subcommittees not inconsistent with these bylaws or the policies of the board of directors.

### **Section 7.3. Standing Committees.**

The board shall have one standing committee: the Audit and Finance Committee.

#### **Audit and Finance Committee:**

- a. **Responsibilities:** The Audit and Finance Committee shall review the Corporation's financial statements, methods of reporting, procedures of accounting and may recommend that audits be conducted beyond those that are otherwise required. The Chair of the Committee or a designee shall be a part of the annual audit planning process. In addition, the Committee shall advise the Board regarding the general fiscal policy of the Corporation, including review of the Corporation's operating budget and financial transactions between the Corporation and the University. The Committee will have the specific responsibility for the review of the annual audit of the corporation, the review of the annual budget of the corporation and the periodic review of the business practices of the corporation.
- b. **Committee Composition:** The Audit and Finance Committee shall have a majority of independent directors and shall be chaired by an independent director whenever there are two independent directors available to serve on and Chair the Committee. Otherwise the chair will appoint other directors to serve in an interim capacity until there are two independents available.

### **Section 7.4. Other Committees.**

The Board may form additional standing committees or special committees that may be created or terminated at any time by resolution of the board of directors. The committee chair and members shall be appointed by the board chair. Any additional standing or special committee shall limit its activities to the accomplishment of the tasks for which it is appointed and shall have no power to act except as specifically conferred by action of the board. Upon completion of the tasks for which created, a special committee shall stand discharged.

## **ARTICLE VIII.** **FISCAL MATTERS**

### **Section 8.1. Fiscal Year End.**

The fiscal year of the Corporation shall end on June 30<sup>th</sup> of each year.

**Section 8.2. Contracts.**

The chair, the vice chair, the president, the treasurer and their express designees shall be authorized to execute contracts on behalf of the Corporation. In addition, the board may authorize other officers or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, with such authority being either general or confined to specific instances, in conformance with the fiscal policies of the Corporation and subject to **Article III** of these bylaws.

**Section 8.3. Loans and Indebtedness.**

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized pursuant to **Article III** of these bylaws and by a resolution of the board with such authority being either general or confined to specific instances; provided, however, such authorization is not required for general trade indebtedness incurred in the purchase of goods or services in the ordinary course of business.

**Section 8.4. Checks, Drafts and Other Forms of Payments.**

All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation or to the Corporation, shall be signed or endorsed by officers or agents who shall be authorized as signatories on the accounts of the Corporation by resolution of the board. The signatures of such persons may be by facsimile or provided electronically where expressly authorized, but shall not be preprinted on the instrument.

**Section 8.5. Deposits.**

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the board may select.

**Section 8.6. Maintenance of Records.**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its sole member, board of directors, and committees having any of the authority of the board of directors, and shall keep at the principal office a record giving the names and addresses of the directors. All books and records of the Corporation may be inspected by the sole member for any proper purpose at any reasonable time.

**ARTICLE IX.**  
**CONFLICTS OF INTEREST**

**Section 9.1. Statement of General Policy.**

No transactions involving remuneration or benefit to a covered person under **Section 9.2**, or to an organization other than the Sole Member in which such director or officer has a material financial interest or of which the director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Corporation without (a) full written disclosure

to the board of directors by the covered person of the material facts of the transaction and the director or officer's interest or relationship; (b) the authorization, approval or ratification of the board of directors; and (c) a determination by a majority of disinterested directors (even though the disinterested directors may be less than a quorum) that the transaction is fair to the Corporation at the time it is authorized, approved or ratified. No director so involved may vote on such authorization, approval or ratification by the board of directors. Full disclosure, followed by board approval, shall constitute a finding of fairness in the absence of clear intention to the contrary.

**Section 9.2. Coverage of this Policy.**

This policy shall apply to all members of the board of directors, corporate officers, and key agents of the Corporation, including (a) independent contractors who provide services and materials and (b) such persons when serving with other organizations or agencies competing with the Corporation for grants or personnel. The Corporation's management shall have the affirmative obligation to publicize periodically this policy to all such covered persons.

**Section 9.3. Disclosure of All Conflicts.**

All covered persons shall disclose to the board of directors all real and apparent, direct and indirect conflicts which they discover or have been brought to their attention in connection with the Corporation's activities. "Disclosure" as used in these bylaws shall mean providing promptly to the appropriate persons a written description of the direct and indirect material facts of the transaction or real or apparent conflict, and the director's interest or relationship to the transaction or conflict. An annual conflict disclosure statement shall be completed by all persons to whom this policy applies to assist them in considering such disclosures, but disclosure is appropriate whenever a conflict arises. The annual conflict disclosure statements shall be filed with the president of the Corporation or any other person designated by him from time to time to receive such notifications. All conflict disclosure statements received hereunder shall be noted for record in the minutes of a meeting of the board of directors.

**Section 9.4. Proscribed Activity by Persons Having Conflicts.**

When an individual believes that he or she or a member of his or her immediate family might have or does have a real or apparent, direct or indirect conflict, such individual should, in addition to filing the conflict disclosure statement required hereunder, abstain from making motions, voting, executing agreements, or taking any other similar direct action on behalf of the Corporation to which the conflict might pertain, but shall not be precluded from debate or other similar involvement on behalf of the Corporation.

**ARTICLE X.**  
**INDEMNIFICATION**

**Section 10.1. Basic Indemnification.**

- a. This Corporation shall, to the fullest extent to which it is empowered to do so by law, indemnify and advance and pay indemnification expenses to its directors, officers, and agents and to any person who is or was serving at the request of the Corporation as a director, officer,

or agent of another corporation, partnership, joint venture, trust or other enterprise. This indemnification for such designated individuals covers those who were or are a party, or are threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of this Corporation) by reason of the fact that the party is or was a director, officer, member of a committee or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, member of a committee, or agent of another corporation, partnership, joint venture, trust or enterprise, in which it is a member or owns shares of capital stock or of which it is a creditor, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the party in connection with such action, suit, or proceeding if the party acted in good faith and in a manner the party reasonably believed to be in, or not opposed to, the best interests of this Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe the party's conduct was unlawful.

- b. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the party did not act in good faith and in a manner which the party reasonably believed to be in or not opposed to the best interests of this Corporation or, with respect to any criminal action or proceeding, had reasonable cause to believe that the party's conduct was unlawful.

#### **Section 10.2. Actions by or in the Right of this Corporation.**

- a. This Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of this Corporation to procure a judgment in its favor by reason of the fact that the party is or was a director, officer, member of a committee, or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, member of a committee, or agent of another corporation, partnership, joint venture, trust or another enterprise in which it is a member or owns shares of capital stock or of which it is a creditor, against expenses (including attorneys' fees) actually and reasonably incurred by the party in connection with the defense or settlement of such action or suit if the party acted in good faith and in a manner the party reasonably believed to be in or not opposed to the best interests of this Corporation.
- b. The Corporation shall not indemnify any person named in **Section 9.2(a)** with respect to any matter where the party is adjudged to be liable for negligence or misconduct in the performance of the party's duty to the Corporation unless and only to the extent that the court shall determine that, despite the finding of liability but in view of all circumstances of the case, such party is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 10.3. Indemnification When Successful on the Merits.**

To the extent that a director, officer, member of a committee or agent of this Corporation has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in **Sections 10.1 and 10.2** or in defense of any action, suit or proceeding referred to in **Sections 10.1 and 10.2** or in defense of any claim, issue or matter therein, the party shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the party in connection therewith; provided, however, nothing contained in this section shall limit the ability of this Corporation to provide indemnity, including costs of counsel, as provided elsewhere in these bylaws.

**Section 10.4. Appropriate Authorization for Payment of Indemnification.**

Any indemnification under **Sections 10.1 and 10.2** (unless ordered by a court) shall be made by this Corporation only as authorized in the specific case upon a determination that the indemnification of the indemnified party is proper in the circumstances because the party has met the applicable standard of conduct set forth in **Section 10.1 or Section 10.2**. Such determination shall be made:

- a. By the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding; or
- b. If a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

**Section 10.5. Payment in Advance of Final Disposition.**

Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by this Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in **Section 10.4** upon receipt of a written promise by or on behalf of a director, officer, member of a committee or agent of this Corporation that he or shall will repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by this Corporation.

**Section 10.6. Nonexclusivity of Indemnification Rights.**

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the disinterested directors, or otherwise, both as to action in the party's official capacity and as to action in another capacity while holding such office, and shall continue as to a party who has ceased to be a director, officer, committee member, or agent and shall inure to the benefit of the heirs, executors, or administrators of such a party.

**Section 10.7. Purchase of Director and Officer Liability Insurance.**

This Corporation may purchase and maintain insurance on behalf of any party who is or was a director or officer who is or was serving at the request of this Corporation as a director, officer, committee member or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such party and incurred by such party in any such capacity, or arising out of the party's status as such, whether or not this Corporation would have the power to indemnify such party against such liability under the provisions of this Article.

**Section 10.8. Definitions.**

For the purposes of this Article, the following terms are defined as follows:

- a. References to the "Corporation" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers, committee members, or agents so that any party who was a director, officer, committee member or agent of such merging corporation, or was serving at the request of such merging corporation as a director, officer, committee member or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving corporation as such party would have with respect to such merging corporation if its separate existence had continued.

**ARTICLE XI.  
NON-DISCRIMINATION**

**Section 11.1. Statement of Policy.**

The Corporation recognizes the rights of all persons to equal opportunity and shall not at any time discriminate against any director, officer, contractor or any other person with whom it deals, because of race, color, religion, sex, pregnancy, disability, national origin, citizenship status, ancestry, age, order of protection status, genetic information, marital status, sexual orientation including gender identity, arrest record status, unfavorable discharge from the military, or status as a protected veteran.

**ARTICLE XII.  
BYLAWS AVAILABLE FOR INSPECTION**

**Section 12.1 Inspection of Bylaws.**

The Secretary of the Corporation shall at all times have available at the principle office of the Corporation a true and correct copy of the bylaws. These bylaws shall at any reasonable time be exhibited upon request.

**ARTICLE XIII.  
AMENDMENTS**

**Section 13.1. Amendment Procedure.**

The Board of Directors will periodically review and recommend necessary amendments of the corporate bylaws to the Sole Member for approval.