

BYLAWS

SOUTHWESTERN UNIVERSITY

Georgetown, Texas

Approved/Amended by the Board of Trustees

October 28, 2011

BYLAWS

SOUTHWESTERN UNIVERSITY

Georgetown, Texas

ARTICLE I

STRUCTURE

1.1 STRUCTURE AND MEMBERS

Southwestern University, Georgetown, Texas (the “University”) is a non-profit corporation, organized under the laws of the State of Texas, that has no members within the meaning of the Texas Business Organizations Code (the “BOC”).

1.2 PURPOSES

The exclusive purposes for which the University is organized and operated are educational within the meaning of Section 501(c)(3) of the Internal Revenue Code. In accomplishment of such purposes, the University may:

- (i) Establish, maintain and support an institution that shall promote higher education in all its branches and shall confer all college and university diplomas and degrees, both liberal and professional, regular and honorary; and
- (ii) Perform such other functions as may be necessary or appropriate to fulfill the purposes of the University.

The Board of Trustees has responsibility for the University’s Mission as well as the system of governance, academic life, student life, and fiscal affairs of the University. It also is ultimately responsible for ensuring that the financial resources of the institution are adequate to provide a sound educational program.

1.3 BOARD OF TRUSTEES:

1.3.1 NUMBER OF TRUSTEES

The Board of Trustees shall be comprised of not more than fifty (50) Trustees, three-fifths (3/5) of whom must be members of The United Methodist Church, and shall be composed as follows:

DESIGNATED TRUSTEES

- 1. The President of the University;
- 2. The Bishop who presides over the Texas Conference of The United Methodist Church;

3. The Bishop who presides over the Central Texas Conference of The United Methodist Church;
4. The Bishop who presides over the North Texas Conference of The United Methodist Church;
5. The Bishop who presides over the Southwest Texas Conference and the Rio Grande Conference of The United Methodist Church;
6. The Bishop who presides over the Northwest Texas Conference of The United Methodist Church;
7. The President of the Association of Southwestern University Alumni;
8. The President-Elect of the Association of Southwestern University Alumni.

NOTE: As described in Section 1.3.2(1), the Trustees described in categories 1-8 serve on the Board of Trustees by virtue of the job positions they occupy. These Trustees may be referred to hereinafter collectively as “Designated Trustees.”

#### TRUSTEES AT LARGE

9. Not to exceed sixteen (16) Trustees elected at large, hereinafter sometimes referred to as “Trustees at Large”;

NOTE: As described in Section 1.3.2(2), the Trustees at Large described in category 9 are nominated and elected by the Board of Trustees and confirmed by the Patronizing Conferences. As provided below, Trustees at Large may also be referred to herein as “Elected Trustees.”

#### CONFERENCE TRUSTEES

10. Twenty (20) Trustees consisting of four (4) persons from each of the Central Texas Conference, North Texas Conference, Southwest Texas Conference and Texas Conference, at least one (1) but no more than two (2) of which should be ordained ministers, and one (1) minister and one (1) lay person or no clergy and two (2) lay persons if approved by the conference from each of the Northwest Texas Conference and the Rio Grande Conference, hereinafter sometimes referred to as “conference Trustees”;

NOTE: As described in Section 1.3.2(3), the Conference Trustees described in category 10 are nominated by the Board of Trustees and elected by the Patronizing Conferences. As provided below, Conference Trustees may also be referred to herein as “Elected Trustees.”

## STUDENT TRUSTEES

11. Not to exceed two (2) recent graduates from the student body, hereinafter referred to as “Student Trustees”; and

NOTE: As described in Section 1.3.2(4), the Student Trustees described in category 11 are nominated by the student body of the University and elected by the Board of Trustees. As provided below, Student Trustees may also be referred to herein as Elected Trustees.”

## SUPPLEMENTAL TRUSTEES

12. Not to exceed four (4) Trustees who may at a later date be designated by the Board of Trustees to supplement the membership of the categories above set forth, in accordance with procedures established by the Board of Trustees, subject to such designation being confirmed in accordance with procedures for confirmation, hereinafter sometimes referred to as “Supplemental Trustees.”

NOTE: As described in Section 1.3.2(2), the Supplemental trustees described in category 12 are nominated and elected by the Board of Trustees and confirmed by the Patronizing Conferences. As provided below, Supplemental Trustees may also be referred to herein as “Elected Trustees.”

Trustees at Large, Conference Trustees, Student Trustees and Supplemental Trustees may be referred to herein collectively as “Elected Trustees.”

The number of Trustees may be increased or decreased (provided such decrease does not have the effect of shortening the term of any incumbent Trustee) by amendment of these Bylaws, in accordance with Article Seven of the Certificate of Formation and Article I, Section 1.3.3 of these Bylaws, provided that the number of Trustees shall never be less than five (5).

### 1.3.2 PROCEDURE FOR ELECTION

The Board of Trustees shall establish qualifications, positions and procedures for nomination and election to the Board of Trustees, and may establish procedures for rotation of membership on the Board of Trustees.

1. Each Trustee described in Section 1.3.1, items 1 through 8, above, shall be elected by the Board of Trustees to hold membership on the Board of Trustees by virtue of the job positions they occupy.
2. Each Trustee at Large and each Supplemental Trustee shall be nominated and elected by the Board of Trustees in accordance with qualifications and procedures established by the Board of Trustees, subject to confirmation by the Patronizing Conferences, in accordance with procedures for confirmation.
3. Each Conference Trustee shall be nominated by the Board of Trustees and elected by the Patronizing Conference that he or she represents.

4. In accordance with qualifications and procedures established by the Board of Trustees, there shall each year be elected by the Board of Trustees one (1) Student Trustee from the class that is to be graduated in the spring of that year, consistent with Section 1.3.4(2-4) below. A student Trustee must be at least eighteen (18) years of age at the beginning of his or her term on the Board of Trustees.

### 1.3.3 CONFIRMATION REQUIRED FOR CHANGE

Any change in the composition of the Board of Trustees and the method of selection for membership on the Board of Trustees shall be confirmed by the Patronizing Conferences.

### 1.3.4 TERM OF OFFICE

1. Each Designated Trustee shall serve on the Board of Trustees for so long as he or she occupies the job position that entitles him or her to membership on the Board.
2. Each Elected Trustee, other than a Student Trustee, shall serve a term of four (4) years. Elected Trustees may, but need not, be divided into classes and their terms of office staggered. No person shall serve as Elected Trustee in the position to which said Trustee was originally elected for more than three (3) consecutive terms.
3. Each Student Trustee shall serve for a term of two (2) years.
4. Each Elected Trustee shall hold office until the earlier to occur of (a) the expiration of the term for which he or she is elected and until his or her successor has been elected in accordance with the terms of these Bylaws or (b) his or her death, resignation, or removal as hereinafter provided.

### 1.3.5 VACANCIES/REMOVAL FOR CAUSE

1. Any Trustee may be removed for cause in accordance with procedures established by the Board of Trustees. Removal shall be considered at a special meeting of the Board of Trustees called for that purpose. A Trustee whose removal has been initiated shall be interviewed by the Board of Trustees or the Executive Committee and given an opportunity to be heard. Removal shall require an affirmative vote of two-thirds (2/3) of the members of the Board of Trustees who actually cast votes at the special meeting in person or by proxy. Cause may include, but not be limited to, failure to carry out the usual and expected duties of a member of the Board of Trustees and failure to comply with applicable laws and regulations.
2. Any vacancy occurring in the office of a Trustee, whether due to death, resignation, removal, an increase in the number of Trustees or otherwise, shall be filled by the affirmative vote of a majority of the remaining Trustees though less than a quorum of the Board of Trustees.
3. Each Elected Trustee is expected to attend one-half of the Board meetings during his or her term.

### 1.3.6 POWERS AND DUTIES

1. The Board of Trustees shall act as the policymaking body of the University and through its own actions regulates to make its policies effective including policies concerning related and affiliated corporate entities and all auxiliary services. The President shall act to administer and implement the policies adopted by the Board of Trustees.
2. General institutional policies should originate with the Board of Trustees or should be approved by the Board of Trustees upon recommendation of the President. Once these policies have become official policies, the President should implement them within a broad framework established by the Board of Trustees.
3. The Board of Trustees is responsible for and has operating control of the Mission of the University.
4. The Board of Trustees is ultimately responsible for ensuring that the financial resources of the institution are adequate to provide a sound educational program.
5. The Board of Trustees protects the institution from undue influence from political, religious, or other external bodies and is itself free from such influences.
6. The Board of Trustees is not controlled by a minority of Board members or by organizations or interests separate from it.
7. The members of the Board of Trustees are free of any contractual, employment, or personal or familial financial interests in the institution.

### 1.3.7 OFFICERS AND DUTIES

1. Officers:

The officers of the Board of Trustees shall be a Chair, one or more Vice Chairs, Secretary/Treasurer, and such other officers as may be deemed necessary by the Board of Trustees.

2. Duties:

a. Chair:

The Chair of the Board of Trustees shall be elected by the Board of Trustees from among its members and shall serve for a term of two (2) years, but such Trustee shall be eligible for re-election. The Chair shall:

- (i) Preside over all meetings of the Board of Trustees;
- (ii) Execute and deliver the correspondence, conveyances and instruments necessary or required to effect the instructions and actions of the Board of Trustees;

- (iii) Appoint members of standing and other committees, except those that are otherwise created by the Board of Trustees, and serve as an ex officio member of all committees of the Board of Trustees; and
- (iv) Perform such other duties as shall be committed to him or her by the Board of Trustees or the Executive Committee.

In addition, the Chair's signature, or a facsimile thereof, shall appear on all diplomas issued by the University.

b. Vice Chair(s):

The Vice Chair(s) of the Board of Trustees shall be elected by the Board of Trustees from among its members and shall serve for a term of two (2) years, but such Trustees shall be eligible for re-election. The Vice Chair having the greatest seniority shall:

- (i) In case of the absence by death, resignation, disability, removal, or disqualification of the Chair, act in his or her stead, performing all duties and exercising all powers of the Chair; and
- (ii) Perform such other duties as may be assigned by the Chair or requested by the Board of Trustees or the Executive Committee.

c. Secretary/Treasurer:

The Secretary/Treasurer of the Board of Trustees shall be elected by the Board of Trustees from among its members and shall serve for a term of two (2) years, but such Trustee shall be eligible for re-election. The Secretary/Treasurer shall:

- (i) Maintain records of the proceedings of the Board of Trustees, carefully preserving and keeping in order all books, papers, documents and records of the Board of Trustees;
- (ii) Sign official documents;
- (iii) In the absence of the Chair, the Vice Chair(s) and the President, call the meeting to order and call for a Chair pro tempore to be chosen by the members present;
- (iv) Affix the official seal of the University to and attest all documents executed in the name of the University or the Board of Trustees and requiring attestation;
- (v) Prepare certified excerpts from the minutes of the Board of Trustees; and

- (vi) Perform such functions and have such other duties and responsibilities as may be assigned by the Chair, the Board of Trustees or the Executive Committee.

In addition, the Secretary/Treasurer's signature, or a facsimile thereof shall appear on all diplomas issued by the University. In the performance of these duties the Secretary/Treasurer shall be provided necessary staff assistance from the President's office, which office shall be the repository of the aforesaid records and documents. The Board of Trustees may elect an Assistant Secretary/Treasurer to perform such duties as may be designated.

## 1.4 MEETINGS OF THE BOARD OF TRUSTEES

### 1.4.1 TYPES AND PROCEDURES

1. Regular Meetings: The Board of Trustees shall meet at least twice annually.
  - a. Regular meetings of the Board of Trustees shall be held in the fall and spring. The spring meeting shall be known as the annual meeting.
  - b. The date of the regular meetings shall be established by the Chair.
2. Special Meetings: Special meetings of the Board of Trustees shall be called by the Chair of the Board of Trustees if the Chair of the Board of Trustees:
  - a. Shall deem a special meeting of the Board of Trustees to be in the best interest of the University; or
  - b. Shall have received a request from the President of the University to which the Chair concurs; or
  - c. Shall have received written requests of fifteen (15) members of the Board of Trustees; or
  - d. Shall have received a written petition from two-thirds (2/3) of the faculty of the University who, in attendance at a Faculty meeting and by written request to the Chair of the Board of Trustees, wish to appeal the President's suspension of an action of the faculty or wish to request a special meeting of the Board or the Executive Committee of the Board of Trustees.
3. Notice:

Written notice stating the place, date, and time of any regular or special meeting of the Board of Trustees shall be delivered not less than seven (7) days before the date of the meeting, either personally, by mail, by email

and/or electronic message, or by other satisfactory means (including but not limited to facsimile, fax and overnight delivery) to each Trustee at his or her address as shown on the records of the University. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with first class postage thereon prepaid. Neither the business to be transacted at, nor the purpose of, any regular or special meeting need be specified in the notice or waiver of notice of such meeting unless specifically required by law. Any Trustee may waive notice of any meeting. The attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business thereat because such meeting is not lawfully called or convened. At any such meeting at which every Trustee shall be present even though without notice, any matter pertaining to the University's purposes may be considered and acted upon.

4. Place:

Meetings of the Board of Trustees shall be held on the University campus at Georgetown, Texas, unless otherwise directed by the Board of Trustees or its Chair.

5. Quorum:

Eighteen (18) of the members of the Board of Trustees shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of the meeting, although less than a quorum, may adjourn without notice until a quorum attends. The vote of a majority of the Trustees present at any meeting shall prevail, unless the vote of a greater number is required by law, the Certificate of Formation or these Bylaws. Trustees present by proxy may not be counted toward a quorum.

6. Nature:

Meetings of the Board of Trustees are executive in nature unless the Board of Trustees determines otherwise by an affirmative vote of two-thirds (2/3) of the Trustees present and voting, provided however, Administrative Officers who are designated by the Chair may be present and, when matters within their supervision are under discussion, may have the privilege of the floor.

7. Voting:

A Trustee may vote in person or by proxy executed in writing by the Trustee. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

With respect to any action (a) which is required by the BOC to be taken at a meeting of the Board of Trustees or (b) which may be taken at a meeting of the Board of Trustees or any committee established by the Board of Trustees, such action may be taken without any such meeting if a written consent setting forth the action to be taken is signed (as provided for in the BOC) by a sufficient number of members of the Board of Trustees or committee thereof as would be necessary to take the action at a meeting at which all, and not just a quorum, of the members of the Board of Trustees or members of the committee were present and voted.

8. Order of Business:

The Board of Trustees normally shall observe the following order of business at its regular meetings:

- a. Call to order;
- b. Invocation;
- c. Consent agenda items, including correction and approval of minutes of the preceding meeting(s), and conferring of degrees and honorary degrees;
- d. Report and recommendations of the President;
- e. Report of the standing committees;
- f. Report of other committees;
- g. Unfinished business; and
- h. New business.
- i. Executive Session.

Note: The Order of Business may be any order the Board of Trustees deems acceptable.

9. Conduct of Business:

At meetings of the Board of Trustees, matters pertaining to the University's purposes shall be considered. At all meetings of the Board of Trustees, the Chair shall preside, and in the absence of the Chair, the Vice Chair having the greatest seniority shall preside, and in the absence of any Vice Chair, the President shall preside, and in the absence of the President, the Secretary/Treasurer shall call the meeting to order and a Chair pro tempore shall be chosen by the Board of Trustees from among the Trustees present. The Secretary/Treasurer of the Board shall act as Secretary/Treasurer of all meetings of the Board of Trustees, but in the

absence of the Secretary/Treasurer, the presiding Chair may appoint any person to act as Secretary/Treasurer of the meeting.

1.5 COMPENSATION OF TRUSTEES; EXPENSES

Except for Executive Officers described in Article II, persons serving as Trustees shall not receive any salary or compensation for their services as Trustees; provided, however, that nothing contained herein shall be construed as precluding any Trustee from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a Trustee) that are reasonable and necessary in carrying out the University's purposes as the Board of Trustees may determine. A Trustee shall be entitled to reimbursement for reasonable expenses incurred by him or her in carrying out his or her duties as a Trustee.

1.6 COMMITTEES

1.6.1 STANDING COMMITTEES

Regular standing committees of the Board of Trustees shall be the Executive Committee and the Committee on Nominations, together with such other standing committees as the Board of Trustees may create. The Board of Trustees may delegate to such committees proper powers and duties. Any committee that exercises the powers of the Board of Trustees must consist of a majority of persons who are Trustees.

1. General Regulations:

a. Appointment and Term of Standing Committees

The standing committees shall be appointed by the Chair of the Board of Trustees, by and with the consent of the Board of Trustees and shall remain as constituted (unless a vacancy shall be caused by death, resignation, disqualification or inability to act), at the will of the appointing Chair or until the succeeding Chair shall be elected. The Chair and the President shall be ex officio members of each committee.

b. Method of Filling Vacancies in Standing Committees:

In case a vacancy shall occur on any of the standing committees, the Chair of the Board of Trustees shall appoint another member to serve thereon until the next regular meeting, at which time the confirmation by the Board of Trustees shall be sought. If confirmed, the appointment shall stand at the will of the appointing Chair or until the time for reconstituting standing committees as herein provided.

c. Committee Meetings:

Meetings of any committee shall be called by the Chair of the committee, the Chair of the Board of Trustees or the President of the University. A majority of any committee shall constitute a quorum.

d. Committee Records:

Each standing committee shall keep records of its proceedings, and all actions shall be formally reported to the Board of Trustees at its next regular meeting.

e. Authority of Standing Committees:

The authority of standing committees (Executive Committee and the Committee on Nominations, together with such other standing committees as the Board of Trustees may create) of the Board of Trustees shall be subject to the policies of the Board of Trustees.

2. Executive Committee:

a. Membership:

The Executive Committee shall be composed of the Chair, Vice Chair(s), and Secretary/Treasurer of the Board of Trustees, the President of the University, and seven (7) or more additional members of the Board of Trustees.

b. Meetings:

The Executive Committee shall meet at least once annually.

c. Powers and Duties:

(i) The Executive Committee shall be empowered and there is hereby delegated to said committee all of the powers and authority of the Board of Trustees to act upon all questions and transact business of every kind in the assignment of affairs by the University when the Board of Trustees is not actually in session except as otherwise provided for in these Bylaws or the Certificate of Formation.

(ii) The Executive Committee shall be empowered to accept and receipt for all funds or property received by the University by gift, devise or otherwise.

- (iii) By way of enumeration of specific duties, but not by way of limitation on its general powers, the Executive Committee shall, subject to the control of the Board of Trustees:
- (1) Exercise supervision and control over the investment of Endowment Funds, Funds for Special Purposes and Current Funds from whatever source derived and over the expenditures of same in accordance with the discretion of the Board of Trustees;
  - (2) Exercise supervision and control over the erection of buildings;
  - (3) Negotiate and procure all loans;
  - (4) Designate those employees and officers for whom dishonesty insurance is required in favor of the University for the faithful performance of their duties and set the maximum amount of insurance deemed necessary therefor; and
  - (5) Have the right to sell, lease, convey or transfer, both real and personal property belonging to the University, except the Executive Committee shall not sell any of the property used for the University purposes proper, including campus, grounds, buildings and equipment, without authority from the Board of Trustees. The President or Vice President for Fiscal Affairs, may, with the advice and consent of the Executive Committee, sell, exchange or dispose of, or convert into other property, assets not so used, including stocks, bonds, notes and other securities, In addition, the President or Vice President for Fiscal Affairs may sell, exchange or dispose of, or convert into other property, any furniture, equipment or similar personal property no longer used for University purposes, provided that any such transaction in the amount of \$25,000 or more shall be reported to the Board of Trustees at its next regular meeting.

6. Serve as the final appeal for faculty members who, by written petition from two-thirds (2/3) of the faculty of the University in attendance at a Faculty meeting and by written request to the Chair of the Board of Trustees, wish to appeal the President's suspension of an action of the faculty to the Executive Committee.

7. Serve as the final appeal for faculty members on continuous appointment on any matter pertaining to their status, duties, or privileges by written request for a hearing by the Executive Committee to the Chair of the Board of Trustees provided they have exhausted all regular administrative remedies to the issue.

(iv) The Executive Committee performs such other duties and exercises such other powers as the Board of Trustees may delegate to it.

d. Authority Limited:

The Executive Committee shall be without authority to alter, modify or rescind any affirmative action or policy taken or approved by the Board of Trustees or to elect Trustees.

e. Reports:

All actions taken by the Executive Committee shall be reported to the Board of Trustees at its next regular meetings.

3. Committee on Nominations:

a. Membership:

The Committee on Nominations shall consist of not less than three (3) nor more than five (5) members of the Board of Trustees, two (2) of whom shall be the President of the University and the President of the Association of Southwestern University Alumni.

b. Duties:

The Committee on Nominations shall:

(i) Consistent with Section 1.3, nominate the Trustees at Large, Conference Trustees and Supplemental Trustees, subject to election and/or confirmation by the Patronizing Conferences as required and as provided in these Bylaws;

(ii) Nominate officers for the Board of Trustees; and

- (iii) Perform such other duties and exercise such other powers as the Board of Trustees or the Executive Committee may delegate to it.

#### 1.6.2 OTHER COMMITTEES

The Board of Trustees or the Executive Committee may create other committees, and may delegate to such committees proper powers and duties.

#### 1.7 PARTICIPATION IN MEETING BY TELEPHONE

Ordinarily, meetings of the Board of Trustees and committees will be held in person. However, unless otherwise restricted by these Bylaws, members of the Board of Trustees, any standing committees, or any other committee designated by the Chair or the Board of Trustees, may participate in a meeting (if the presiding chair of the meeting concurs) by means of conference telephone or similar communications equipment by means of which all individuals participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

### ARTICLE II

#### OFFICERS OF THE UNIVERSITY

#### 2.1 EXECUTIVE OFFICERS

The executive officers of the University shall be a President, elected by the Board of Trustees (in accordance with Section 2.1.1(1) of these Bylaws) and such other executive and Administrative Officers as the President may appoint in accordance with Section 2.1.2 of these Bylaws.

##### 2.1.1 PRESIDENT

The President is the chief executive officer of the University.

##### 1. Election:

The President of the University shall be elected by the Board of Trustees on recommendation of the Committee on Nominations. An affirmative vote of two-thirds (2/3) of the Trustees present and voting shall be required for election.

##### 2. Duties:

The governance of the University is committed to the President. He or she is vested with the responsibility for the implementation of policies adopted by the Board of Trustees, for every phase of the University's operation, and for formulating and enforcing all rules and regulations. In the performance of his or her duties, he or she shall strive to have a direct relationship with every member of the University community. By way of enumeration, but not by way of limitation, the President shall:

- a. Advise and counsel with the Board of Trustees in establishing, changing and developing policy for the governance and operation of the University;
- b. Keep abreast of educational trends throughout the nation and keep the Board of Trustees apprised;
- c. Report to the Board of Trustees at their meetings and at such other times as the occasion may require concerning legislation adopted by the officers and faculty of the University;
- d. Supervise, review, recommend and present budgets for the operation of the University to the Board of Trustees;
- e. Appoint, with the concurrence of the Chair of the Board of Trustees, all Administrative Officers of the University;
- f. Maintain continuity in the overall operations of the University, taking into consideration its policies, traditions, and achievements of the past and shall furnish leadership in development of plans and programs which shall enrich the resources and services of the University;
- g. Act as the official medium of communication between the Board of Trustees and the officers, staffs, faculties, and students of the University;
- h. Prescribe such rules and regulations as are necessary for the administration, control and discipline of the University and for the direction and guidance of its employees;
- i. Head all divisions of the University, providing such supervision and direction as to promote their efficient operation;
- j. Be ex officio member of all faculties and all faculty committees, and/or preside and vote at his or her discretion at meetings of the faculty or any subdivision thereof, and may, at his or her discretion, be a member of the various committees of the faculty;
- k. Have authority to suspend the action of the faculty of the University. In so doing, he or she shall submit to the body concerned, in writing, at its next regular meeting, a statement of his or her action and his or her reasons therefore, and he or she shall report his or her action to the Board of Trustees or the Executive Committee at its next regular meeting together with any pertinent statement submitted by the body affected;
- l. Preside on public academic occasions;

- m. Have general responsibility for the care and use of the real and personal property of the University. In carrying out this responsibility, he or she shall execute all deeds, deeds of trust, bills of sale, assignments, transfers, releases, notes, obligations or contracts, or other instruments of the University as the Board of Trustees may direct;
- n. Serve as chief executive agent of the Board of Trustees in establishing policies and procedures for determining development needs of the University and exercise ultimate control of the University's fundraising activities;
- o. Have ultimate responsibility for the intercollegiate athletics program, its resources and its compliance with NCAA and conference regulations;
- p. Represent the University at the annual conferences of the Patronizing Conferences and at the meetings of other organizations in which the University holds membership;
- q. Interpret the programs and needs of the University to the public pursuant to and in accordance with policies established by the Board of Trustees;
- r. Prepare and submit an annual report to the Board of Trustees for its approval, a copy of which shall thereafter be delivered to each Patronizing Conference, including but not limited to a status report of the University's physical plant and other properties, of income and expenditures, of faculty, of the academic program, of employees, and of the student body, together with a copy of the annual audit prepared by an independent certified public accountant;
- s. The President's signature, or a facsimile thereof, shall appear on all diplomas issued by the University; and
- t. Perform such other duties and functions as the Board of Trustees or the Executive Committee may assign to him or her.

### 2.1.2 OTHER OFFICERS

#### 1. Composition:

There shall be such Vice Presidents and such other administrative officers (collectively, "Administrative Officers") as may be appointed by the President with the concurrence of the Chair of the Board of Trustees.

2. Duties:

Administrative Officers shall perform such duties and functions as the President of the University, the Board of Trustees or the Executive Committee may assign to them.

2.1.3 COMPENSATION

Executive Officers and Administrative Officers shall be entitled to receive salary or compensation in an amount reasonable for such personal services rendered that are necessary and reasonable in carrying out the University's purposes as the Board of Trustees may determine; provided, however, that in no event shall such salary or compensation be excessive.

The Executive Committee of the Board of Trustees shall establish a Compensation Committee and adopt policies and procedures for the compensation of the Executive Officers and Administrative Officers of the University.

ARTICLE III

FACULTY

3.1 GENERAL FACULTY

3.1.1 FACULTY MEMBER

A University faculty member is a citizen, a member of a learned profession, and a member of a church-related educational institution. As a person of learning and an educator he or she enjoys a special position in the community. A faculty member should as a teacher, as a scholar, as an administrator and as an individual, discharge his or her duties and responsibilities in such manner as to bring honor to the profession, the University, and to the faculty member.

1. Composition:

The faculty shall consist of the President of the University, the Deans of Instruction, the Vice Presidents, the Dean of Students, Professors, Associate Professors, Assistant Professors, Instructors, and such other personnel as designated by the President.

2. Classification:

The members of the University faculty are classified and ranked in the order as listed:

- a. President;
- b. Deans and Vice Presidents;
- c. Professors;

- d. Associate Professors;
- e. Assistant Professors;
- f. Instructors.

### 3.1.2 POWERS AND DUTIES

The faculty of the University of which the President is the chief executive officer, shall, subject to the approval of the Board of Trustees:

1. Concern itself with all matters connected with the educational program of the University: academic, cultural, social and religious;
2. Nominate to the Board of Trustees for favorable action candidates for all degrees;
3. Delegate to committees of its own constitution such of its powers and functions as it may see fit; and
4. Have such other powers and duties as the Board of Trustees may delegate to the faculty.

### 3.1.3 ACADEMIC FREEDOM

Academic freedom is the cornerstone of a free society, and it will be scrupulously defended at the University. The Board of Trustees desires to maintain, commensurate with the idea of a university of the first class, a learned faculty chosen on the basis of their scholarship, teaching ability, interest in youth and general usefulness, who will search for truth and who by precept and example, will instruct, guide and inspire the students.

### 3.1.4 TENURE

To give assurance to faculty members that they may feel secure in their positions, tenure is established as follows:

1. The initial appointment of a faculty member is on a year-to-year basis unless stated otherwise in writing by the President to the faculty member involved until:
  - a. Professors have completed five (5) years of satisfactory service in that rank;
  - b. Associate Professors have completed six (6) years of satisfactory service in that rank or a higher rank;
  - c. Assistant Professors have completed seven (7) years of satisfactory service in that rank or a higher rank; or

- d. Instructors have completed seven (7) years of satisfactory service in that rank or a higher rank.
2. After the expiration of the probationary periods set forth above, service will be continued during good behavior and satisfactory service, except for resignation, retirement or circumstances due to financial exigencies or good cause shown.
3. In the case where dismissal is for good cause the issue will be determined by an equitable procedure established by the Board of Trustees affording protection to the rights of the individual and to the interests of the University.

#### ARTICLE IV

#### MISCELLANEOUS

##### 4.1 PROPERTY

All property of the University shall be held in the name of “Southwestern University, Georgetown, Texas.”

##### 4.2 FISCAL YEAR

The fiscal and operating year of the University shall be from July 1 to June 30.

##### 4.3 SEAL OF THE UNIVERSITY

The corporate seal of the University shall be in the form as imprinted hereon.

[Seal]

##### 4.4 CONFLICT OF INTEREST:

The Board of Trustees shall establish a Conflict of Interest Policy consistent with the Texas Business Organizations Code and the University’s status as an organization described under section 501(c)(3) of the Internal Revenue Code.

##### 4.5 INDEMNIFICATION

The University shall indemnify and hold harmless its Trustees and Officers to the fullest extent permitted by law from any damage, loss, reasonable costs and fees incurred, or liability that results from service as a Trustee or Officer of the University or service at the request of the University with another entity. Such indemnification may include, without limitation, advancing the Trustee’s or Officer’s reasonable expenses. In addition, the University shall have the power to indemnify (which indemnification shall include, without limitation, advancing reasonable expenses) to the fullest extent permitted by law

such other persons (including, without limitation, an employee or agent of the University or any person who is or was acting at the request of the University as a Trustee, Officer, employee, or agent of another corporation, supporting organization, partnership, joint venture, trust, or other enterprise) as the Board of Trustees may determine. The University shall have the power to purchase and maintain at its expense insurance on behalf of such persons to the fullest extent permitted by law, whether or not the University would have the power to indemnify such persons under the foregoing provisions.

4.6 DISCRIMINATION PROHIBITED

4.6.1 The University in the administration of its affairs shall not discriminate against any person on the basis of sex, race, color, religion, age, disability, or national or ethnic origin, or any other impermissible factor. The University's commitment to equal opportunity includes nondiscrimination on the basis of sexual orientation.

ARTICLE V

DEGREES

5.1 ALL DEGREES

Nomination for all degrees shall be made by the faculty. The Board of Trustees shall elect individuals to receive degrees from those nominated upon an affirmative vote of two-thirds (2/3) of the Trustees present and voting.

ARTICLE VI

CONFIRMATION

6.1 PROCEDURE FOR CONFIRMATION

All matters requiring confirmation by the Patronizing Conferences shall be accomplished as follows:

1. Those actions which require confirmation shall be filed by the University with the Patronizing Conferences of the University at least ninety (90) days prior to each Patronizing Conference's next annual session;
2. Upon the failure of the Patronizing Conference to notify the Board of Trustees of its action within thirty (30) days following the close of said Patronizing Conference's next annual session, those actions requiring confirmation are thereafter approved and confirmed;
3. Upon the approval of two-thirds (2/3) of the Patronizing Conferences, each Patronizing Conference having one (1) vote, any action taken by the Board of Trustees requiring confirmation shall be so confirmed; and

4. Actions which require confirmation by the Patronizing Conferences shall be specifically designated in the Certificate of Formation and Bylaws, as applicable.

## ARTICLE VII

### AMENDMENTS

#### 7.1 PROCEDURE FOR AMENDMENTS

1. Except as provided herein, the Board of Trustees may at any meeting thereof amend or rescind these Bylaws or any Article or Section thereof by the affirmative vote of two-thirds (2/3) of the members of the Board of Trustees present at such meeting.
2. Any amendment or rescission of these Bylaws by the Board of Trustees, in which confirmation by the Patronizing Conferences is required, shall be submitted to said Patronizing Conferences in accordance with the procedures for confirmation.

## ARTICLE VIII

### BYLAWS REPEALED

#### 8.1 FORMER BYLAWS REPEALED

All former Bylaws are hereby repealed, effective as of October 28, 2011.

History of Bylaws:

Approved January 29, 1971  
Amended April 28, 1978  
Amended April 18, 1980  
Amended May 1, 1981  
Amended October 21, 1982  
Amended April 21, 1987  
Amended December 10, 1999  
Amended April 3, 2001  
Amended November 12, 2004  
Amended October 7, 2005  
Amended October 26, 2007  
Amended March 27, 2009  
Amended October 29, 2010  
Amended October 28, 2011

## ARTICLE XI

### DEFINITIONS

#### 9.1 “INTERNAL REVENUE CODE”

As used herein, the term “Internal Revenue Code” refers to the Internal Revenue Code of 1986, as amended, and future corresponding revenue laws of the United States.

#### 9.2 “PATRONIZING CONFERENCES”

As used herein, the term “Patronizing Conferences” refers to The Patronizing Conferences of The United Methodist Church and includes the Central Texas Conference, the North Texas Conference, the Southwest Texas Conference, the Texas Conference, the Northwest Texas Conference, and the Rio Grande Conference.