

**Bylaws of**  
**World University Consortium**  
**A California Nonprofit Public Benefit Corporation**

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# PART 1

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## ARTICLE 1 NAME

### Section 1.1: Corporate Name

The name of this corporation is World University Consortium (the “Consortium”).

## ARTICLE 2 OFFICES

### Section 2.1: Principal Office

The principal office for the Consortium’s business transactions may be established at any place or places within or without the State of California by resolution of the Board.

### Section 2.2: Other Offices

The Board may at any time establish divisions, regional offices, branch or subordinate offices at any place or places where the Consortium is qualified to transact business.

## ARTICLE 3 PURPOSES

### Section 3.1: General Purpose

3.1.1 The Consortium is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law” or “CNCL”) for public and charitable purposes.

3.1.2 The mission of the Consortium is to establish a consortium of universities, research institutes, teachers unions and other educational institutions to promote development of accessible, affordable, quality higher education worldwide based on a human and person-centered approach that shifts the emphasis from specialized expertise to contextualized knowledge within a trans-disciplinary conceptual framework reflecting the complexity and integration of the real world, from teaching mastery of a field of knowledge to learning that enhances the capacity of students to think and discover knowledge for themselves, from theoretical mastery to acquisition of knowledge, skills and values relevant to each individual’s personal development and career – an educational system better suited to develop the full potentials of social personality and individuality for productive engagement, social welfare and psychological well-being.

### Section 3.2: Objectives

The objectives of the Consortium shall include without limitation,

- (a) **Person-centered:** Promote person-centered approaches that emphasize self-guided learning, critical and original thinking, inspirational forms of instruction, learning to learn, trans-disciplinary contextualized perspectives, learning by teaching and sharing with others, edutainment and experiential learning.

- (b) **Value-based:** Develop transcultural and culture-specific methods, courses and content reflecting universal human values.
- (c) **Open Learning Systems:** Develop innovative, open learning systems and more effective models that extend the reach of quality higher education to people of all age groups globally.
- (d) **Hybrid Systems:** Explore new models of online and hybrid delivery systems designed to facilitate learning through teacher-student and student-student interaction.
- (e) **Global Forum:** Create a worldwide forum where all the stakeholders can meet, interact and create new networks, partnerships and projects.
- (f) **Best-practices:** Identify global best practices and develop effective global models and strategies to improve accessibility, affordability, quality, innovation and relevance in higher education appropriate to the needs of the 21st century.
- (g) **New Metrics:** Enhance the learning process through research, development and application of advanced instruments for measurement and evaluation of educational processes.

## ARTICLE 4 MEMBERSHIPS

### **Section 4.1: Voting Members**

The Board may adopt policies and procedures for the admission of members, for their membership rights and for creation of new classes of members. The Consortium shall have the following classes of members as specified in this Section:

- (a) Charter Members
- (b) Institutional Members

### **Section 4.2: Non-Voting Members**

4.2.1. The Board may adopt policies and procedures for the admission of Associate Members, Corporate Members, Individual Members or other designated members, who shall have no right to vote in the general elections of the Consortium. The Consortium shall have the following classes of members as specified in this Section:

- (a) Associate Members
- (b) Corporate Members
- (c) Individual Members

4.2.2. Non-voting members who are members of the Board of Directors shall vote in the Board meetings.

4.2.3. Members are expected to support the values, goals, philosophies and objectives of the Consortium and the laws under which it is founded.

4.2.4 All categories of members in the Consortium shall be entitled to serve in an advisory capacity by submitting proposals and recommendations to the Board of Directors.

### **Section 4.3: Admission of Members**

Admission of new Consortium members shall require a 60% approval by a quorum of directors on the Board.

### **Section 4.4: Removal of Members**

Removal of existing Consortium members shall require a two-thirds majority vote by a quorum of the Board.

### **Section 4.5: Membership Fees**

The amount of dues payable by different categories of membership will be set by the Board at its discretion and revised from time to time. Failure to pay dues within the calendar year it is assessed is grounds for removal from the Consortium.

## **ARTICLE 5 DIRECTORS**

### **Section 5.1: Group of Directors**

5.1.1 The Consortium shall have the following three groups of Directors: Charter Member Directors, Institution Member Directors and Individual Directors.

- (a) Charter Member Directors are appointed by their respective Charter Member Institution.
- (b) Institution Member Directors are nominated by Institutional Members and elected through electronic ballot by the voting members of the Consortium from among the candidates nominated;
- (c) Individual Directors are individuals whether affiliated with a member institution or independent, who are deemed competent to make an important contribution to advance the objectives of the Consortium and appointed by the Board at its discretion.

5.1.2. The founder Charter Members are:

- (a) World Academy of Art and Science, USA (WAAS);
- (b) The Mother's Service Society, India (MSS);
- (c) Istituto dell' Approccio Centratosulla Persona, Italy (IACP);
- (d) Bibliotheca Alexandrina (Library of Alexandria)
- (e) and others that may be approved in this capacity by the then existing Charter Members.

5.1.3. Charter Member Directors: The Charter Members shall have the right to appoint director(s) as follows:

- (a) World Academy of Art and Science (WAAS) - Five (5) directors. These five directors shall be:
  - (i) Current President of WAAS as ex-officio director;
  - (ii) Chair of WAAS as ex-officio director;
  - (iii) Chief Executive Officer (if any) of WAAS as ex-officio director;
  - (iv) Honorary President (if any) of WAAS as ex-officio director; and

- (v) Other WAAS fellows designated by the Board of Trustees of WAAS up to a maximum of five (5).
- (b) The Mother's Service Society - One (1) director
- (c) Istituto dell' Approccio Centratosulla Persona - One (1) director
- (d) Bibliotheca Alexandrina - One (1) director
- (e) Other Charter Members – One (1) director each

### **Section 5.2: Number of Directors**

5.2.1. The authorized total number of directors of the Consortium (“Directors”) shall be not less than 5 or more than 33.

5.2.2. The actual total number of directors within these limits, is to be decided by resolution of the Board.

5.2.3. The maximum number of directors currently approved for each group of directors is:

- (a) Charter Member Directors - Eighteen (18) including 5 from WAAS)
- (b) Institutional Member Directors - Twelve (12)
- (c) Other Individual Directors - Ten (3)

5.2.4. The authorized number of directors of each group of directors and the total number of directors may be increased or decreased by a 66 percent vote of a quorum of the Board.

### **Section 5.3: Qualifications of Directors**

5.3.1. A maximum of one director from any institutional member organization may serve on the board as an Institutional Director at any point in time, though additional members from any institutional member organization could be appointed by the Board as Individual Directors.

5.3.2. The Board shall make reasonable efforts to include Directors who represent the diversity of the world, including but not limited to factors such as race, age, ethnicity, gender, and geography.

5.3.3. Directors shall support the goals, philosophies and objectives of the Consortium and the laws and regulations under which it is founded.

5.3.4. A director shall not engage in any activity that is directly contrary to the interests of the Consortium or its rules of decorum.

### **Section 5.4: Ex-Officio Directors**

The Board may at its discretion appoint any officer of the Consortium as an ex-officio, voting director for the duration of the period in which the person services as officer.

### **Section 5.5: Corporate Powers Exercised by Board**

5.5.1. Subject to the provisions of the Articles of Incorporation of the Consortium (the “Articles of Incorporation”), CNCL and any other applicable laws, the business and affairs of the Consortium shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of Directors (the “Board”).

5.5.2. The Board may delegate the management of the activities of the Consortium to any person or persons, management company or committee however composed, provided that the activities and affairs of the Consortium shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

### **Section 5.6: Terms of office**

The term of office for members of each group of directors shall be as follows:

- (a) Charter Member Directors - Four (4) years and they may be reappointed for any number of consecutive terms.
- (b) Institutional Member Directors - Two (2) years and they may be reelected for any number of consecutive terms. The term can be increased or decreased by the resolution of the Board.
- (c) Individual Directors - One (1) year and they may be reappointed for any number of consecutive terms. The term can be increased or decreased by the resolution of the Board.

### **Section 5.7: Election of Institutional Member Directors**

5.7.1. Institutional Member Directors shall be elected at each general meeting of the voting members for terms specified in section 5.6 (b).

5.7.2. Policy and procedure for conducting election of Institutional Member Directors shall be decided by the Board.

5.7.3. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, unless the director resigns or is removed or replaced at an earlier date in accordance with these Bylaws.

5.7.4. If there are fewer nominees for elected director than there are open positions to be filled, then at the close of nominations, all nominees will be deemed elected.

### **Section 5.8: Events Causing Vacancies**

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board, at any meeting at which any Director or Directors are to be elected, to elect the full authorized number of Directors.

### **Section 5.9: Removal of Directors**

5.9.1. Any directors representing Charter Member or Institutional Members who change their employment or affiliation during their term on the Board so as to no longer represent the institution from which they were appointed/elected to the Board or no longer serve with the consent of the institutions they represent, shall immediately cease to be members of the Board, unless the Board decides otherwise.

5.9.2. If the conduct of any director is inconsistent with the values, mission and objectives of the Consortium, or if there is any other sufficient justification, the Board may by a two-thirds

majority vote by a quorum of the Board remove a designated, elected or appointed member from the Board prior to the expiration of the normal term of office.

5.9.3. In the event a director is absent from more than 50% of all physical and electronic Board meetings conducted in any year, the director's resignation shall be deemed to have been tendered. The Board may by resolution declare by a simple majority vote as vacant the office of such director.

5.9.4. Under extenuating circumstances, the Chair may waive this provision or a majority of the Board may override the deemed resignation specified in section 5.9.3.

#### **Section 5.10: Resignation of Directors**

5.10.1. Any director may resign by giving written notice to the Chairperson, the President, the Secretary, or the Board. Such a written resignation will be effective on the later of (i) the date it is delivered or (ii) the time specified in the written notice that the resignation is to become effective.

5.10.2. No Director may resign if the Consortium would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

#### **Section 5.11: Filling Vacancies**

5.11.1. Institution Member vacancies on the Board of Directors resulting from any cause that prevents a director from fulfilling his duties on the Board shall be filled by a nominee of the institutional member represented, subject to the approval by the Board of Directors, for the remainder of the unexpired term of the Director or until the elected representative is able to return to active duty.

5.11.2. If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Board may choose to fill such vacancy by electing an additional director as soon as practicable after the vacancy occurs.

#### **Section 5.12: Regular Meetings**

5.12.1. Each year, the Board shall hold at least one physical meeting, at a time and place fixed by the Chair of the Board, for the purposes of election of Directors, appointment of Officers, review and approval of the corporate budget and transaction of other business. This meeting is sometimes referred to in these Bylaws as the "annual meeting."

5.12.2. Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time by resolution. All such meetings may be held through conference calls, or video calls or using other modern technologies, unless a majority of the directors approve of conducting a physical meeting instead.

#### **Section 5.13: Number of Regular Meetings**

5.13.1. Regular meetings of the Board of Directors shall be held physically or electronically two to four times annually or as required to complete the work of the Board.

5.13.2. As a matter of custom, regular meetings shall be scheduled by the Chair in conjunction with the President.

5.13.3. Meetings shall be open to members on approval of the Chair or by vote of the Board.

#### **Section 5.14: Special Meetings**

5.14.1. Special meetings of the Board for any purpose may be called at any time by the Chairperson or the President or any five directors.

5.14.2. Such meetings shall be held through conference calls or video calls or using other modern technologies in order to ensure opportunity for all directors to attend, unless a majority of the directors approve of conducting a physical meeting instead.

5.14.3. Written notice shall be given for special meetings to each Director stating the purpose of the meeting and the time and place thereof, according to the normal rules of notice.

#### **Section 5.15: Electronic Meetings**

Any meeting may be held by conference telephone, video conference call, audio conference call, or other communications equipment permitted by CNCL, as long as all Directors participating in the meeting can communicate with one another.

#### **Section 5.16: Notice of Meetings - Manner of Giving**

5.16.1. Notice will be issued by electronic transmission with confirmation by delivery receipt. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting.

5.16.2. Except when the time and place of a regular meeting is set by the Board by resolution in advance, notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods, subject to the approval of the Board:

- (a) Personal delivery of oral or written notice; or
- (b) Mail, postage paid; or
- (c) Telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or
- (d) Facsimile, electronic mail (email) or other means of electronic transmission if the recipient has consented to accept notices in this manner.

5.16.3. All such notices shall be given or sent to the Director's address, phone number, facsimile number or email address as listed in the records of the Consortium.

5.16.4. Any oral notice given personally or by telephone may be communicated directly to the Director or to a person who would reasonably be expected to promptly communicate such notice to the Director.

5.16.5. Notice of regular meetings may be given in the form of a calendar or schedule that sets forth the date, time and place of more than one regular meeting.

#### **Section 5.17: Notice of Meetings - Time Requirements**

5.17.1. For physical meetings of the Board, a prior notice of at least ten (10) days shall be given for notices delivered personally or by telephone, voice messaging, e-mail or other electronic transmission or at least 20 days for messages delivered by mail subject to the provision set by the section 5.17.3.

5.17.2. For electronic meetings of the Board, a prior notice of at least seven (7) days shall be given for notices delivered personally or by telephone, voice messaging, e-mail or other electronic transmission, subject to the provision set by the section 5.17.3

5.17.3. If a majority of all directors agree, the normal notice period can be waived, in which case the minimum notice period shall be 48 hours.

#### **Section 5.18: Place of Board Meetings**

5.18.1. Regular and special meetings of the Board may be held at any place within or outside the state as determined by the Chair or by majority vote of the Board.

5.18.2. The Chair or a majority of a quorum of the Board may choose to permit members to participate electronically in physical meetings at its discretion.

#### **Section 5.19: Quorum**

The quorum for the transaction of business of the Board, shall be as follows:

- (a) if the current total number of directors is 12 or less - 50% of the total number of current directors;
- (b) if the current total number of directors is between 13 and 24 - 40%;
- (c) if the current total number of directors is 25 or more - 33%.

#### **Section 5.20: Valid Board Action**

5.20.1. Minimum Vote Requirements for Valid Board Action: Every act taken or decision made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is a decision of the Board, unless a greater number is expressly required by CNCL or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

5.20.2. When a Greater Vote is Required for Valid Board Action: The following actions shall require a vote by a majority of all Directors then in office in order to be effective:

- (a) Approval of contracts or transactions in which a Director has a direct or indirect material financial interest as described in these Bylaws (provided that the vote of any interested Director(s) is not counted);
- (b) Creation of, and appointment to, Committees (but not advisory committees) as described in these Bylaws;
- (c) Removal of a Director without cause as described in these Bylaws; and
- (d) Indemnification of Directors as described in these Bylaws.

#### **Section 5.21: Number of Votes**

5.21.1. Each member of the Board of Directors shall have one (1) vote on any matter before said Board.

5.21.2. In the event of a tie vote, the Chair shall have the tie-breaking extra vote.

### **Section 5.22: Waiver of Notice**

5.22.1. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, or (ii) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the Minutes.

5.22.2. The waiver of notice or consent does not need to specify the purpose of the meeting.

5.22.3. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the Minutes of the meeting.

5.22.4. The notice of a meeting is not required to be given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

5.22.5. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by email with delivery receipt, or by postage paid mail addressed to the Secretary at the principal office of the Consortium as contained on the records of the Consortium as of the date of the protest.

### **Section 5.23: Adjournment**

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

### **Section 5.24: Notice of Adjournment**

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

### **Section 5.25: Conduct of Meetings**

5.25.1. Meetings of the Board shall be presided over by the Chairperson, or, in his/her absence the President or, if the President and Chairperson are both absent, by the Chief Executive Officer (if any) or, in the absence of each of these persons, by a chairperson of the meeting chosen by a majority of the Directors present at the meeting.

5.25.2. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting.

5.25.3. Meetings shall be governed by Robert's Rules of Order or by other special rules of procedure adopted by the Board from time to time.

5.25.4. Any action by the majority of the Directors present at a meeting at which a quorum is present shall be the duly authorized act of the Board of Directors unless said act requires a greater number required by the law or these Bylaws.

### **Section 5.26: Action Without Meeting**

5.26.1. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to the action.

5.26.2. Such written consent shall have the same force and effect as a unanimous vote of the Board taken at a meeting.

5.26.3. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

5.26.4. Written consent may be transmitted by postage paid mail, messenger, courier, facsimile, email or any other reasonable method satisfactory to the Chair and the Secretary.

5.26.5. For the purposes of this Section only, “all members of the Board” shall not include any “interested Director” as defined in the CNCL S.5233.

5.26.6 Any action required or permitted to be taken by the Board may be taken by electronic on-line vote in which all Directors are provided at least 72 hours advance notice and a minimum of seven days within which to record their votes, provided that all members consent to the said action. Absence of written objection will be taken as consent.

### **Section 5.27: Attendance at Meetings**

Attendance at physical and electronic meetings of the Board is a requirement for service as a director of the Consortium.

### **Section 5.28: Fees and Compensation of Directors**

5.28.1. The Consortium shall not pay any compensation to Directors for services rendered to the Consortium as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Consortium, in reasonable amounts as approved by the Board.

5.28.2. Directors may not be compensated for rendering services to the Consortium in a capacity other than as Directors, unless such compensation is reasonable and further provided that not more than 49% of the persons serving as Directors may be “interested persons” which, for purposes of this Section only, means:

- (a) any person currently being compensated by the Consortium for services rendered to it within the previous 12 months, whether as a full or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

### **Section 5.29: Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Consortium.

**ARTICLE 6**  
**COMMITTEES**

**Section 6.1: Committees of Directors**

6.1.1. The Board may, by resolution adopted by a majority of the Directors then in office, create one or more Board Committees (“Committees”), including an Executive Committee, each consisting of three (3) or more Directors, to serve at the discretion of the Board.

6.1.2. Any Committee, to the extent provided in the resolution of the Board, may be given the authority of the Board except that no Committee may:

- (a) approve any action for which the CNCL also requires approval of the members or approval of a majority of all members of the Board;
- (b) fill vacancies on the Board or in any Committee which has the authority of the Board;
- (c) fix compensation of the Directors for serving on the Board or on any Committee;
- (d) amend or repeal Bylaws or adopt new Bylaws;
- (e) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) appoint any other Committees or the members of these Committees;
- (g) expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected; or
- (h) approve any transaction (i) between the Consortium and one or more of its Directors or (ii) between the Consortium and any entity in which one or more of its Directors have a material financial interest.

**Section 6.2: Meetings and Action of Board Committees**

6.2.1. Meetings and action of Committees shall be governed by and held in accordance with the provisions of Article concerning meetings of Directors, with such changes in the context of the said Article as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board.

6.2.2. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records.

6.2.3. The Committee shall report to the Board from time to time as the Board may require.

6.2.4. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions by these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules.

**Section 6.3: Quorum Rules for Board Committees**

6.3.1. A majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn.

6.3.2. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

6.3.3. Every act taken or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the CNCL relating to actions that require a majority vote of the entire Board.

6.3.4. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

#### **Section 6.4: Revocation of Delegated Authority**

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

#### **Section 6.5: Executive Committee**

6.5.1. The Executive Committee of the Board shall have a maximum number of nine (9) members.

6.5.2. The Committee shall consist of:

- (a) Chair of the Board, if he is the CEO, as ex-officio member
- (b) President of the Consortium as ex-officio member
- (c) CEO of the Consortium, if other than the Chair or President, as ex-officio member
- (d) Secretary of the Consortium as ex-officio member
- (e) Treasurer of the Consortium as ex-officio member
- (f) Other directors of the Consortium appointed by the Board

6.5.3. The Executive Committee shall be chaired by the Chief Executive Officer or in his/her absence by the non-executive Chair or President or another person chosen by the Committee.

6.5.4. By a majority vote of its members then in office, the Board of Directors may at any time revoke or modify any or all authority delegated to the Executive Committee, increase or decrease but not below five (5) the number of its members, and fill vacancies therein from the members of the Board.

6.5.5. The Executive Committee shall keep regular Minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

6.5.6. The Executive Committee may assist the Chair in preparing the agenda for meetings of the Board of Directors, and in preparing the annual budget of the Consortium for review, amendment, and approval by the Board.

6.5.7. The Executive Committee will oversee the implementation of policies and programs approved by the Board of Directors.

6.5.8. The Chair, President, CEO or any two or more members of the Executive Committee may refer a decision of Executive Committee to the Board of Directors by circulating a memorandum to all Board members. Any issue thus referred shall be submitted to a review

and vote by the Board, if either the Chair or one-third of the Board members deem it necessary.

6.5.9. The Executive Committee shall conduct regularly electronic/telephonic meetings on a monthly or quarterly basis or more frequently when required. Meetings will normally be convened on 10 days' notice, but special meetings to address extraordinary issues may be convened on 48 hours' notice by a call of CEO or at the request of any three members of the Committee. The timing of meetings shall be fixed taking as far as is practicable during the normal working or waking hours of all committee members.

6.5.10. Any action required or permitted to be taken by the Executive Committee under any provision of law may be taken without a meeting, if all the members of the Committee shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Committee meeting. Such action by written consent shall have the same force and effect as the unanimous vote of the Board or Committee. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Committee without a meeting and that the Bylaws of the Consortium authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

6.5.11 Any action required or permitted to be taken by the Board may be taken by electronic on-line vote in which all Directors are provided at least 72 hours advance notice and a minimum of seven days within which to record their votes, provided that all members consent to the said action. Absence of written objection will be taken as consent.

6.5.12. Minutes of Executive Committee meetings shall be circulated to the whole Board within 30 days of all such meetings.

### **Section 6.6: Audit Committee**

6.6.1. In any fiscal year in which the Consortium receives or accrues gross revenues of two million dollars or more (excluding grants from, and contracts for services with, governmental entities for which the governmental entity requires an accounting of the funds received), the Board shall

- (a) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant ("CPA") in conformity with generally accepted auditing standards;
- (b) make the audit available to the Attorney General and to the public on the same basis that the Internal Revenue Service Form 990 is required to be made available; and
- (c) appoint an Audit Committee.

6.6.2. The Audit Committee shall not include paid or unpaid staff or employees of the Consortium, including, if staff members or employees, the President or Chief Executive Officer or the Treasurer or chief financial officer (if any).

6.6.3. If there is a finance committee, members of the finance committee shall constitute less than 50% of the membership of the Audit Committee and the chairperson of the Audit Committee shall not be a member of the finance committee. Subject to the supervision of the Board, the Audit Committee shall:

- (a) make recommendations to the Board on the hiring and firing of the CPA;
- (b) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Consortium are in order;
- (c) approve non-audit services by the CPA and ensure such services conform to standards in the Yellow Book issued by the United States Comptroller General; and
- (d) if requested by the Board, negotiate the CPA's compensation on behalf of the Board.

### **Section 6.7: Other Committees**

6.7.1. The Board may create one or more advisory committees to serve at the pleasure of the Board. Advisory committees may include directors and other members of the Consortium, as well as non-members of the Consortium. The Board shall appoint and discharge advisory committee members. These additional committees shall act only in an advisory capacity to the Board.” All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect.

6.7.2. Standing Managerial Committees of the Board shall be permanent committees charged with managerial responsibility for ongoing functions of the Consortium affecting all its programs and operations. Each standing managerial committee shall be chaired by a director appointed by the Board. Members of such committees shall be appointed by the committee's Chair with confirmation by the Board.

6.7.3. The Standing Managerial Committees of the Board shall include the following:

- (a) The Election Committee shall be established by the Board with its majority drawn from the Board itself and chaired by the Secretary, except for elections in which the Secretary is contesting, in which case another member of the Committee shall act/be designated by the Board as Chair. The Committee shall have overall responsibility for the elections of Officers and Directors. Other elections and referenda shall be supervised by the Secretary;
- (b) The Development or Fundraising Committee, which shall seek grants and donations in support of programs and ongoing operations, establish a policy of contributions from members, and work with the Program Committee on strategies for funding new projects.
- (c) The Nominations Committee, which actively seeks nominations from Members, and seeks to broaden the Consortium's representation across a wide diversity of disciplines, areas of interest and expertise, and racial/ethnic/religious identities;
- (d) The Membership Communications Committee, which will be responsible for initiatives to increase member activism and involvement; and
- (e) The Program Committee, which shall encourage and assist groups and individual Members within the Consortium to develop, fund, and carry out new programs, either short-term or long-range, to advance the objectives and purposes of the Consortium.

6.7.4. The Board may create the following Standing Committees of the Board that are Advisory Committees in addition to the committees specified in section (c) of this section.

- (a) Issues Committees: From time to time the Board may create Standing Committees to work on long term issues and dissolve them when they are no longer needed. Such Committees' work shall be reviewed by the Board periodically to assure the continued relevance of the Committees' operations.
- (b) Management and Ad Hoc Committees: The Board of Directors may also create other standing managerial and operating committees, chaired by a director; and may eliminate, or change the mandates of, any existing committee. It may also create Ad Hoc committees.
- (c) Meetings and action of Committees: Meetings and action of committees shall be governed by the provisions of these Bylaws. The Board may adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that they are consistent with these Bylaws.
- (d) Compensation and Accountability: The Committee members act voluntarily and can only be compensated for their effective travel costs. Fees for events cannot exceed those paid for official commissions. For activities exceeding the usual function, a committee member can receive appropriate compensation, as approved by the Board. Any paid member of a Committee must recuse herself or himself on any matter involving his/her payment.

## **ARTICLE 7 OFFICERS**

### **Section 7.1: Officers of the Consortium**

7.1.1. The officers of the Consortium ("Officers") shall be the President, the Chairperson, the Chief Executive Officer (if other than the President or Chair), the Secretary, and the Treasurer or Chief Financial Officer.

7.1.2. These officers will be ex-officio members of the Board of Directors.

7.1.3. The Board shall have the power to designate additional Officers, including a Vice President, who also need not be Directors, with such duties, powers, titles and privileges as the Board may fix, including such Officers as may be appointed in accordance with the Section 7.3.

7.1.4. Any number of offices may be held by the same person, except that the Secretary, the Treasurer and the chief financial officer (if any) may not serve concurrently as either the President or the Chairperson.

### **Section 7.2: Chairperson**

7.2.1. The chairperson of the Board (the "Chairperson") shall be an ex-officio Director and shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws.

7.2.2. If the Board designates both a Chairperson and a President, the Board shall, by resolution, establish the specific duties carried by each position.

7.2.3. The Board may designate the Chair as the chief executive, with the powers and duties prescribed in Section 7.4.

### **Section 7.3: President**

7.3.1. The president of the Consortium (the “President”) shall, in the Chairperson’s absence, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board or prescribed by these Bylaws.

7.3.2. If no other person is designated as the chief executive, the President shall, in addition, be the chief executive and shall have the powers and duties prescribed in Section 7.4.

### **Section 7.4: Chief Executive Officer**

7.4.1. The Board may appoint the Chair, the President or any director as Chief Executive Officer (CEO). The CEO shall be the general manager of the Consortium. Subject to the control of the Board and the specific authorities assigned to the Chair and President, the CEO shall supervise, direct and control the Consortium's day-to-day activities, business and affairs. The CEO shall be the chief administrative and executive officer. The Chief Executive Officer shall be responsible for the administration of the Program of Work in accordance with the policies and procedures of the Board of Directors.

7.4.2. The CEO shall be an ex-officio member of the Board of Directors.

7.4.3. The CEO shall be empowered to hire, supervise and fire all of the employees of the Consortium, under such terms and having such job responsibilities as the CEO shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment.

7.4.4. The CEO may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

7.4.5. The CEO, subject to the approval of the Board of Directors, shall sign all contracts and obligations of the Consortium and shall assist in the formulation and promotion of the general activity program of the Consortium.

7.4.6. With the cooperation of the Treasurer and members of the Finance Committee, the CEO shall be responsible for the preparation and operation of budgets covering all activities of the Consortium, subject to the approval of the Board of Directors. The CEO shall insure all expenditures within approved budget allocations.

### **Section 7.5: Secretary**

7.5.1 The secretary of the Consortium shall be an ex-officio director of the Consortium.

7.5.2 The Secretary shall be responsible for management of the affairs of the Board of Directors under the direction of the Chair, including.

- (a) Bylaws: The Secretary shall certify and keep or cause to be kept at the principal office of the Consortium the original or a copy of these Bylaws as amended to date.
- (b) Minute Book: The Secretary shall maintain or cause to be kept a record of the minutes of all Board meetings.
- (c) Notices: The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.
- (d) Corporate Records: Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.
- (e) Corporate Seal and Other Duties: The Secretary shall keep or cause to be kept the seal of the Consortium, if any, in safe custody, and shall have such other powers and perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws.
- (f) Records and Documents: The Secretary shall ensure that facsimile copies of all Minutes, records and documents are maintained on the Consortium's website in a manner accessible to all directors of the Consortium.

### **Section 7.6: Treasurer**

7.6.1 The Treasurer of the Consortium shall be the Chief Financial Officer of the Consortium and an ex-officio director of the Consortium

7.6.2 The Treasurer shall be responsible for management of the financial affairs of the Board Consortium under the direction of the Chair, President and CEO, including, attending to the following:

- (a) Books of Account: The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and transactions of the Consortium, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.
- (b) Financial Reports: The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- (c) Deposit and Disbursement of Money and Valuables: The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Consortium with such depositories as may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Consortium as may be ordered by the Board; shall render, or cause to be rendered to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Consortium; and shall have other powers and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.

- (d) Bond: If required by the Board, the Treasurer shall give the Consortium a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Consortium of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

### **Section 7.7: Vice President**

7.7.1 The Board may appoint one or more vice presidents of the Consortium. The Vice President(s), if any, shall have such other powers and perform such other duties as may be prescribed by the Board.

7.7.2 At the time of appointment, the Board will determine whether Vice Presidents are ex-officio members of the Board.

### **Section 7.8: Additional Officers**

The Board may empower the Chairperson, President, or Chief Executive Officer, to appoint or remove such other Officers as the business of the Consortium may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board from time to time may determine.

### **Section 7.9: Election of Officers**

7.8.1. The Officers, except those appointed in accordance with Section 9.3, shall be elected by the Board at the annual meeting of the Consortium for a term of one year, and each shall serve at the discretion of the Board until his or her successor shall be elected, or his or her earlier resignation or removal.

7.8.2. Officers may be elected for any number of consecutive terms.

### **Section 7.10: Removal of Officers**

Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed, with or without cause, (i) by the Board, at any regular or special meeting of the Board, or at the annual meeting of the Consortium, or (ii) by an Officer on whom such power of removal may be conferred by the Board.

### **Section 7.11: Resignation of Officers**

7.11.1. Any Officer may resign at any time by giving written notice to the Consortium.

7.11.2. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

7.11.3. Any resignation is without prejudice to the rights, if any of the Consortium under any contract to which the Officer is a party.

### **Section 7.12: Vacancies in Offices**

7.12.1. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular

appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis.

7.12.2. In the event of a vacancy in any officer of the Board, such vacancy shall be filled temporarily by appointment by the Executive Committee, and the appointee shall remain in office for 90 days, or until the next regular meeting of the Board, whichever comes first. Thereafter, the position can be filled only by action of the Board. In the event of a vacancy in any officer who is not a member of the Board, such vacancy shall be filled temporarily by appointment by the Chief Executive Officer.

7.12.3. Any member appointed by the Board to fill the unexpired term of a vacating Officer shall hold the office until the expiration of the vacating Officer's term. Such appointment shall not exclude the new Officer from nomination at the conclusion of the expiring term.

### **Section 7.13: Compensation of Officers**

7.13.1. Salaries Fixed by Board: The salaries of Officers, if any, shall be fixed from time to time by resolution of the Board or by the person or Committee to whom the Board has delegated this function, and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director, provided, however, that such compensation paid to a Director for serving as an Officer shall only be allowed if permitted under other provisions of the By-laws. In all cases, any salaries received by Officers shall be reasonable and given in return for services actually rendered for the Consortium which relate to the performance of the public benefit purposes of the Consortium. No salaried Officer serving as a Director shall be permitted to vote on his or her own compensation as an Officer.

7.13.2. Fairness of Compensation: The Board shall periodically review the fairness of compensation, including benefits, paid to every person, regardless of title, with powers, duties, or responsibilities comparable to the president, chief executive officer, treasurer, or chief financial officer (i) once such person is appointed, (ii) upon any extension or renewal of such person's term of appointment, and (iii) when such person's compensation is modified (unless all employees are subject to the same general modification of compensation).

## PART 2

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*The provisions in Part 2 are exact renditions of California Non-Profit Corporation Law as without any modification or based on standard practices of California Nonprofit Public Benefit Corporations. References in these sections to the Corporation refer to the World University Consortium.*

### ARTICLE 8 LIMITATIONS

#### **Section 8.1: Political Activities**

This corporation is organized and operated exclusively for public charitable purposes within the meaning of Section 501 (c) (3), Internal Revenue Code. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

#### **Section 8.2: Prohibited Activities**

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. The Corporation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other persons as such. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code.

### ARTICLE 9 DEDICATION OF ASSETS

#### **Section 9.1: Property Dedicated to Nonprofit Purposes**

The property of this corporation is irrevocably dedicated to public charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, office or member thereof or to the benefit of any private person.

#### **Section 9.2: Distribution of Assets Upon Dissolution**

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c) (3), Internal Revenue Code.

**ARTICLE 10**  
**TRANSACTIONS BETWEEN CORPORATION**  
**AND DIRECTORS OR OFFICERS**

**Section 10.1: Transactions with Directors and Officers**

10.1.1. Interested Party Transactions: Except as described in the section 10.1.2, the Corporation shall not be a party to any transaction:

- (a) in which one or more of its Directors or Officers has a material financial interest, or
- (b) with any corporation, firm, association, or other entity in which one or more Directors or Officers has a material financial interest.

10.1.2. Requirements to Authorize Interested Party Transactions: The Corporation shall not be a party to any transaction described in the section 10.1.1.unless:

- (a) the Corporation enters into the transaction for its own benefit;
- (b) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into;
- (c) prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith, by a vote of a majority of Directors then in office (without counting the vote of the interested Directors), and with knowledge of the material facts concerning the transaction and the interested Director's or Officer's financial interest in the transaction;
- (d) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
- (e) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (a) through (d) of this section.

10.1.3. Material Financial Interest: A Director or Officer shall not be deemed to have a "material financial interest" in a transaction:

- (a) that fixes the compensation of a Director as a Director or Officer;
- (b) if the contract or transaction is part of a public or charitable program of the Corporation and it (1) is approved or authorized by the Corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Directors or their families only because they are in the class of persons intended to be benefited by the program; or
- (c) where the interested Director has no actual knowledge of the transaction and it does not exceed the lesser of one percent of the gross receipts of the corporation for the preceding year or \$100,000.

### **Section 10.2: Loans to Directors and Officers**

10.2.1. The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General; except that, however, the Corporation may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or Officer, if in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

10.2.2. The limitation above does not apply if (i) the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of an Officer in order to secure the services of (or continued services of) the Officer and the loan is secured by real property located in California; or (ii) the loan is for the payment of premiums on a life insurance policy on the life of a Director or Officer and repayment to the Corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value.

### **Section 10.3: Interlocking Directorates**

No contract or other transaction between the Corporation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Director(s) are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if (i) the material facts as to the transaction and as to such Director's other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Director(s) (subject to the quorum provisions of Article 7); or if (ii) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.

### **Section 10.4: Duty of Loyalty; Construction with Article 11**

Nothing in this section shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Corporation. Furthermore, nothing in section shall be construed to override or amend the provisions of Article 11. All conflicts between the two articles shall be resolved in favor of Article 11.

## **ARTICLE 11**

### **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

#### **Section 11.1: Definitions**

For purpose of this Article 11,

- (a) "Agent" means any person who is or was a Director, Officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, Officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation;

- (b) “Proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and
- (c) “Expenses” includes, without limitation, all attorneys’ fees, costs, and any other expenses reasonably incurred in the defense of any claims or proceedings against an Agent by reason of his or her position or relationship as Agent and all attorneys’ fees, costs, and other expenses reasonably incurred in establishing a right to indemnification under this Article 11.

### **Section 11.2: Applicability of Indemnification Provisions**

11.2.1. Successful Defense by Agent: To the extent that an Agent has been successful on the merits in the defense of any proceeding referred to in this Article 11, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim.

11.2.2. Settlement or Unsuccessful Defense by Agent: If an Agent either settles any proceeding referred to in this Article 11, or any claim, issue, or matter therein, or sustains a judgment rendered against him, then the provisions of Section 11.3 through Section 11.6 shall determine whether the Agent is entitled to indemnification.

### **Section 11.3: Actions Brought by Persons Other than the Corporation**

11.3.1. This Section 11.3 applies to any proceeding other than an action “by or on behalf of the corporation” as defined in Section 11.4. Such proceedings that are not brought by or on behalf of the Corporation are referred to in this Section 11.3 as “Third Party proceedings.”

11.3.2. Scope of Indemnification in Third Party Proceedings: Subject to the required findings to be made pursuant to Section 10, the Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any Third Party proceeding, by reason of the fact that such person is or was an Agent, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

11.3.3. Required Standard of Conduct for Indemnification in Third Party Proceedings: Any indemnification granted to an Agent in Section above is conditioned on the following. The Board must determine that the Agent seeking reimbursement acted in good faith, in a manner he or she reasonably believed to be in the best interest of the Corporation, and, in the case of a criminal proceeding, he or she must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner he or she reasonably believed to be in the best interest of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

### **Section 11.4: Action Brought By or On Behalf Of the Corporation**

11.4.1. This Section 11.4 applies to any proceeding brought (i) by or in the right of the Corporation, or (ii) by an Officer, Director or person granted relator status by the Attorney General, or by the Attorney General, on the ground that the defendant Director was or is engaging in self-dealing within the meaning of the CNCL S.5233, or (iii) by the Attorney General or person granted relator status by the Attorney General for any breach of duty

relating to assets held in charitable trust (any such proceeding is referred to in these Bylaws as a proceeding “by or on behalf of the Corporation”).

11.4.2. Scope of Indemnification in Proceeding By or On Behalf Of the Corporation: Subject to the required findings to be made pursuant to the Section 11.4.3., and except as provided in 11.4.4. and 11.4.5. of this Section, the Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding by or on behalf of the Corporation, by reason of the fact that such person is or was an Agent, for all expenses actually and reasonably incurred in connection with the defense or settlement of such action.

11.4.3. Required Standard of Conduct for Indemnification in Proceeding By or On Behalf Of the Corporation: Any indemnification granted to an Agent in the Section 11.4.2. is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

11.4.4. Claims Settled Out of Court: If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, with or without court approval, the Agent shall receive no indemnification for amounts paid pursuant to the terms of the settlement or other disposition. Also, in cases settled or otherwise disposed of without court approval, the Agent shall receive no indemnification for expenses reasonably incurred in defending against the proceeding, unless the proceeding is settled with the approval of the Attorney General.

11.4.5. Claims and Suits Awarded Against Agent: If any Agent is adjudged to be liable to the Corporation in the performance of the Agent’s duty to the Corporation, the Agent shall receive no indemnification for amounts paid pursuant to the judgment, and any indemnification of such Agent under (B) of this Section, for expenses actually and reasonably incurred in connection with the defense of that action shall be made only if both of the following conditions are met:

- (a) The determination of good faith conduct required by the Section 11.4.3 must be made in the manner provided for in Section 11.5; and
- (b) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

### **Section 11.5: Determination of Agent’s Good Faith Conduct**

The indemnification granted to an Agent in Section 11.3 and Section 11.4 is conditioned on the findings required by those Sections being made by:

- (a) the Board by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
- (b) the court in which the proceeding is or was pending. Such determination may be made on application brought by the Corporation or the Agent or the

attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Corporation.

### **Section 11.6: Limitations**

No indemnification or advance shall be made under this Article 11, except as provided in Section 11.2.2 or Section 11.5(b), in any circumstances when it appears:

- (a) that the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, as amended, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

### **Section 11.7: Advance of Expenses**

Expenses incurred in defending any proceeding may be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this Article 11.

### **Section 11.8: Contractual Rights of Non-Directors and Non-Officers**

Nothing contained in this Article 11 shall affect any right to indemnification to which persons other than Directors and Officers of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

### **Section 11.9: Insurance**

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any Agent, as defined in this Article 11, against any liability asserted against or incurred by any 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 the liability under the provisions of this Article 11.

## **ARTICLE 12**

## **CORPORATE RECORDS, REPORTS AND SEAL**

### **Section 12.1: Minute Book**

The Corporation shall keep a minute book in written form which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

## **Section 12.2: Books and Records of Account**

The Corporation shall keep adequate and correct books and records of account. “Correct books and records” includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

## **Section 12.3: Articles of Incorporation and Bylaws**

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

## **Section 12.4: Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns**

The Corporation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Code.

## **Section 12.5: Annual Report; Statement of Certain Transactions**

The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Corporation’s fiscal year containing the following information:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for this fiscal year;
- (d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year;
- (e) A statement of any transaction (i) to which the Corporation, its parent, or its subsidiary was a party, (ii) which involved more than \$50,000 or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a financial interest):
  - (1) Any Director or Officer of the Corporation, its parent, or its subsidiary;
  - (2) Any holder of more than 10% of the voting power of the Corporation, its parent, or its subsidiary.
- (f) The statement specified in (e) above shall include: (i) a brief description of the transaction; (ii) the names of interested persons involved; (iii) their relationship to the Corporation; (iv) the nature of their interest in the transaction, and; (v) when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.
- (g) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director.

### **Section 12.6: Directors' Rights of Inspection**

Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Corporation and each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

### **Section 12.7: Corporate Seal**

The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## **ARTICLE 13**

### **EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

#### **Section 13.1: Execution of Instruments**

The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

#### **Section 13.2: Checks and Notes**

Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President.

#### **Section 13.3: Deposits**

All funds of the Corporation 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 13.4: Gifts**

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the charitable or public purposes of the Corporation.

## **ARTICLE 14**

### **CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of CNCL shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

**ARTICLE 15**  
**AMENDMENTS**

**Section 15.1: Amendment by Directors**

The Board may adopt, amend or repeal bylaws by the vote or written consent of two-thirds majority of the directors voting during the board meeting with quorum. Such power is subject to the following limitations:

- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.
- (b) No amendment may extend the term of a Director beyond that for which such Director was elected.
- (c) If bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

**ARTICLE 16**  
**PARLIAMENTARY PROCEDURE**

Robert's Rules of Order, newly revised, shall govern all proceedings of Board of Directors subject to such special rules as have been or may be incorporated into the By-Laws.

**Certificate**

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We certify that we are the duly elected and acting Directors of **World University Consortium**, a California nonprofit public benefit corporation; that these Bylaws, consisting of **31** pages, are the Bylaws of this Corporation as adopted by the Board of Directors on MM/DD/YYYY; and that these Bylaws have not been amended or modified since that date.

Executed on \_\_\_\_\_ at Napa, California.

**The document should be signed by all five of directors listed by name**