

1:30 p.m. -

1. **Roll Call**
2. **Approval of the Minutes of Previous Meetings**

Will the Board of Trustees approve the minutes of the meeting of the Board held on March 15, 2013?

3. **President's Report**
4. **Public Comment**

2:30 p.m. -

5. **Reports from Standing Committees**

Discussion of action and/or information items by the Standing Committees for consideration by the Board of Trustees:

A. Committee on Academic Affairs and Student Life - Marianne E. Alexander, Chair

- 1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Academic Affairs and Student Life:**

Information Items -

- a) Information on Undergraduate Programs

(See Appendix I)

- 2) **Recommendation for Approval of Administrative Appointment**

Will the Committee on Academic Affairs and Student Life recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the Board of Trustees hereby approves President Rodney A. Erickson's appointment of Dr. Nicholas P. Jones to the position of Executive Vice President and Provost of the University effective July 1, 2013.

- 3) **Proposed Change in the Name of the Department of Labor Studies and Employment Relations to the School of Labor and Employment Relations, College of the Liberal Arts**

The College of the Liberal Arts is proposing to change the name of the Department of Labor Studies and Employment Relations. This would be a change of name only, and would not change the relationship of the unit to the College. Its director would report to the Dean and continue to be part of the heads and directors cohort. The model proposed is similar to the one School already in the College, the School of Language and Literature, and to the School of Visual Arts, and the School of Architecture and Landscape Architecture that operate within the College of Arts and Architecture. The department is committed to keeping "labor" in its name, reflecting its long heritage as Penn States's only academic unit focused on labor. The department would like to modernize the name to also reflect its current strengths in human resources as already indicated in the titles of their M.S. and M.P.S. degrees, human resources and employment relations. The proposal has been favorably reviewed by faculty in this department, by faculty in related units, and by the University Faculty Senate Council. It is also endorsed by the dean of the College of the Liberal Arts.

5. Reports from Standing Committees (Continued)A. Committee on Academic Affairs and Student Life (Continued)3) Proposed Change in the Name of the Department of Labor Studies and Employment Relations to the School of Labor and Employment Relations in the College of the Liberal Arts (Continued)

Will the Committee on Academic Affairs and Student Life recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the proposed change in name from the Department of Labor Studies and Employment Relations to the School of Labor and Employment Relations in the College of the Liberal Arts is approved effective immediately.

4) Proposal to Proceed with Separate Accreditation of Dickinson School of Law Carlisle Campus and University Park Campus

It is proposed that separate accreditation be pursued for the Dickinson School of Law Carlisle and University Park Campuses. The Dickinson School of Law will remain a single academic unit of Penn State, but each campus will develop and implement separate identities, separate admissions policies, and separate educational programs. Both campuses will continue to collaborate in various ways consistent with accreditation requirements and the independent educational program of each. The new structure will enable the faculties at each campus to focus their efforts on curriculums and opportunities that better reflect the respective strengths of each faculty and campus location, thus creating a clearer choice for students considering law school at Penn State.

The process of achieving separate accreditation from the ABA will span several months. Today, both law school campuses are fully approved (i.e., accredited) by the ABA, as if each already was a separate law school. The law school's ability to operate on a unified basis results from the unique dispensation the law school has received from the ABA to (i) offer a unified upper-level curriculum to both campuses simultaneously via specially designed high-definition audiovisual telecommunications classrooms, and (ii) file an annual report with the ABA and LSAC that consolidates all requested information on the basis of the law school's unified two-campus operation.

The process of implementing separate accreditation should be relatively straightforward and will involve a three-year transition to separate campus operations. The first separately admitted 1L J.D. classes will enter in AY 2014-15. The transition from unified to separate campus operations will then occur over that academic year and the next (AY 2015-16). The law school will continue to provide unified services and a largely unified upper-level curriculum during AY 2014-15 and AY 2015-16, until the last unified 1L class, which will enter in AY 2013-14, graduates in May of 2016. In other words, all current students will be unaffected by the organizational change, apart from sharing some of the uncertainty some faculty, staff and alumni feel about the law school transitioning to a different organizational model.

The administrative implications of separate campus accreditation are expected to be manageable and modest in terms of expenditures. Both campuses will have their own dean reporting directly to the Executive Vice President and Provost of the University.

For purposes of separate campus accreditation and operations, each member of the faculty is considered assigned to the campus at which she or he currently resides, which is reflective of individual choice. Future transfers from one campus to the other

5. Reports from Standing Committees (Continued)**A. Committee on Academic Affairs and Student Life** (Continued)**4) Proposal to Proceed with Separate Accreditation of Dickinson School of Law Carlisle Campus and University Park Campus** (Continued)

or future joint appointments to both campuses and the nature and scope of any joint appointment will be matters for the dean and faculty of each campus to determine as proposals arise. Tenured law faculty will continue to hold Penn State-DSL tenure with an assignment to the campus at which they currently are resident.

Both campuses plan to establish an economically sustainable operation with the smallest number of J.D. students possible consistent with a high quality educational program and appropriate classroom experiences for the students and faculty of each campus. In fact, for the past three years, the law school has been taking aggressive steps to contend with the severe national contractions in the U.S. markets for legal services and legal education. The law school has allowed much faculty and staff attrition to occur without replacement appointments.

The law school in Carlisle will continue to pursue a mission of distinction as determined by its dean and faculty and University leadership, and will continue to benefit from full access to University resources, including collaboration with other Penn State academic units. It is possible that the Carlisle campus will pursue a more regional admissions and placement strategy than University Park, and an educational program emphasizing community based law practice, public sector lawyering, public interest lawyering, and other aspects of lawyering skills acquisition. In this event, the law school's Carlisle campus is likely to emerge as the leading regionally-focused law school in the greater Harrisburg-Baltimore region, expanding legal education opportunities for Penn State undergraduates and others whose academic profiles reflect a wider range of LSAT scores and undergraduate GPAs but whose motivation and promise is demonstrated in other ways.

The law school in University Park will continue to pursue a mission of competing with the very best major research university-based law schools, of offering rich international and interdisciplinary opportunities for students, and of having a faculty of internationally renowned scholars and advocates and J.D. and LL.M. students of the highest academic qualifications and caliber possible. The law school in University Park will continue to benchmark its educational program and progress to other leading law schools within the Big Ten/CIC and at other leading public research universities nationally and internationally. Its admissions and placement efforts will be national and international in scope, with aggressive efforts to convince top-performing Penn State undergraduates to attend Penn State Law.

The dean and faculties of both campuses support the move to separate accreditation. A March 28, 2013 letter to the Board of Trustees and President Erickson from University Park law faculty expresses unequivocal support for separate campus accreditation. On April 3, 2013, President Erickson and Interim Provost Pangborn met with Carlisle law faculty and were told that the Carlisle faculty "fully supports the independent accreditation of the law school's two campuses" assuming (i) the University intends to do everything necessary to ensure the simultaneous full approval by the ABA of each campus, and (ii) the University is committed to the long-term success of the campus. President Erickson emphatically confirmed both assumptions. On April 9, 2013, the proposal was endorsed by unanimous acclamation of the Faculty Senate Council, as confirmed in an April 10, 2013 letter from Senate Chair Larry Catá Backer to Interim Provost Pangborn.

5. **Reports from Standing Committees** (Continued)

A. **Committee on Academic Affairs and Student Life** (Continued)

4) **Proposal to Proceed with Separate Accreditation of Dickinson School of Law Carlisle Campus and University Park Campus** (Continued)

Will the Committee on Academic Affairs and Student Life recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the proposal to proceed with separate accreditation for the Dickinson School of Law University Park Campus and Carlisle Campus is approved.

FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

B. **Committee on Audit and Risk** - John P. Surma, Chair

C. **Committee on Finance, Business and Capital Planning** - Linda B. Strumpf, Chair

1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance, Business and Capital Planning:**

Information Items -

- a) Schwab Auditorium Renovations, University Park
- b) Chambers Mathematics Education Laboratory Renovation, University Park
- c) Packer Hall Electrical Rewire, University Park
- d) White Building Air Conditioning, University Park
- e) Energy Saving Program - Phase III, The Milton S. Hershey Medical Center
- f) Pneumatic Tube Replacement - Phase I, The Milton S. Hershey Medical Center
- g) Naming of Rooms, Portions of Buildings, and Plazas
- h) Status of Major Construction Programs and Borrowing

Action Items -

- i) Summary of Revisions to Existing Scholarships, Fellowships, Etc.
- j) Acknowledgments of Endowments and Other Major Commitments

(See Appendix II)

2) **Proposed Naming of Higgins House, "Alan R. Fairman House," Penn State DuBois**

The Facilities Naming Committee has recommended that the Board of Trustees name a property commonly referred to as Higgins House at Penn State DuBois, the "Alan R. Fairman House" in recognition of a gift from the Fairman Family Foundation which funded part of the recent house renovations.

Will the Committee on Finance, Business, and Capital Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the property commonly referred to as Higgins House at Penn State DuBois is named "Alan R. Fairman House."

(See Appendix III)

5. Reports from Standing Committees (Continued)**C. Committee on Finance, Business and Capital Planning** (Continued)**3) Proposed Naming of the Baseball Field, "Matt McGloin Baseball Field," Penn State Worthington Scranton**

The Facilities Naming Committee has recommended that the Board of Trustees name the baseball field at Penn State Worthington Scranton, "Matt McGloin Baseball Field" in recognition of commitments made in his honor.

Will the Committee on Finance, Business, and Capital Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the baseball field at Penn State Worthington Scranton is named "Matt McGloin Baseball Field."

(See Appendix IV)

4) Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2013

In order for the University to have an approved fiscal operating plan for the year beginning July 1, 2013, it is proposed that an interim budget be adopted.

Due to the pending status of the State appropriation, it is recommended that no action be taken at this time on changes in tuition, salaries and wages, employee benefits, or other necessary expense increases. A final budget will be submitted at the July 12-13, 2013 Board of Trustees meeting when the State appropriation is clarified.

Will the Committee on Finance, Business and Capital Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decision regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for fuel and utilities and other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2013, total budget amounts at the level of the adjusted 2012-13 budget as follows:

5. Reports from Standing Committees (Continued)C. **Committee on Finance, Business and Capital Planning** (Continued)4) **Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2013** (Continued)

	University Park and Other <u>Locations</u>	College of <u>Medicine</u>	Pennsylvania College of <u>Technology</u>	Total <u>University</u>
General Funds	\$1,752,569,000	\$112,789,000	\$98,457,000	\$1,963,815,000
Agricultural Federal Funds	21,248,000			21,248,000
Restricted Funds	557,265,000	90,000,000	15,584,000	662,849,000
Auxiliary Enterprises ^a	341,385,000	3,839,000	24,031,000	369,255,000
Total	\$2,672,467,000	\$206,628,000	\$138,072,000	\$3,017,167,000
Milton S. Hershey Medical Center				1,265,596,000
Total Funds				\$4,282,763,000

^aIncludes increase in room and board charges as approved by the Board of Trustees, March 15, 2013.

5) **Conflict of Interest - Approval of Subcontract with AccuWeather, Inc.**

The *Bylaws* of the University, Article 6(1), provide that, "No member of the Board of Trustees, any member's spouse or any corporation, partnership, association or other organization in which one or more members of the Board of Trustees, or any member's spouse or dependent child has a beneficial ownership of ten (10%) percent or more, shall enter into any contract or transaction valued at \$10,000 or more with the University unless the contract has been awarded through an open and public bidding process, in accordance with University Purchasing Policy, or has been fully disclosed to the Board of Trustees and approved by the affirmative votes of a majority of the disinterested members of the Board of Trustees. Full disclosure shall mean disclosure of the material facts as to the relationship or interest of the member or members of the Board of Trustees, or spouse or dependent child of such member or members, and disclosure of the material facts as to the contract or transaction, including a sole source justification. Approval by a majority of disinterested members of the Board of Trustees shall be valid even though the disinterested members are less than a quorum. The member or members interested in the contract or transaction may be counted in determining the presence of a quorum, may briefly state a position on the contract or transaction, and may answer pertinent questions concerning the contract or transaction, but such member or members shall not vote on the matter. The minutes of the meeting shall reflect that disclosure was made, the abstention from voting by the interested member or members and the approval by a majority of disinterested members. A record of such contracts or transactions shall be maintained in the office of the senior vice president for finance and business and shall be available for inspection by members of the Board of Trustees."

5. Reports from Standing Committees (Continued)C. **Committee on Finance, Business and Capital Planning** (Continued)5) **Conflict of Interest - Approval of Subcontract with AccuWeather, Inc.** (Continued)

Trustee Joel Myers has a beneficial ownership of more than 10 percent of AccuWeather, Inc. It is proposed that the University enter into a contract with AccuWeather, Inc. to provide AccuWeather's SkyGuard Warning Services for all its campuses beginning July 1, 2013 and ending June 30, 2014 at a cost of \$60,192. The Services include timely warnings and notices regarding location-based, snow events, tornados, high winds in excess of 40 mph, lighting strikes within a 10-mile radius of University facilities, and consulting services on weather related questions. All alerts will be delivered to University emergency personnel via SkyGuard Online, pager, email, cell phone and text messaging.

Will the Committee on Finance, Business and Capital Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, that the contract with AccuWeather, Inc. to provide AccuWeather's SkyGuard Warning Services for all of the University's campuses beginning July 1, 2013 and ending June 30, 2014 at a cost of \$60,192 is approved.

6) **Proposed Final Plans and Authorization to Award Contracts, Hetzel Union Building Addition and Renovation, University Park**

Since 1998, when the last expansion to the Hetzel Union Building at University Park was completed, traffic and use has increased by more than 60 percent. This increase in demand has made it necessary to once again expand this facility.

This 54,800 square foot addition and 52,000 square foot renovation will expand and enhance a variety of student related activity and service spaces. A more prominent location for student leadership and activities will be created, and seating and gathering areas for students will be increased. Retail operations will be expanded and better organized, and existing infrastructure systems will be modernized. The project will also enhance the accessibility and architecture of the building from the east and HUB Lawn sides.

Will the Committee on Finance, Business and Capital Planning recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the final plans for Hetzel Union Building Addition and Expansion at University Park, as designed by the firm of GUND Partnership of Cambridge, Massachusetts, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$44,600,000.

7) **Proposed Authorization to Perform a Wireless (WiFi) Coverage Upgrade, The Pennsylvania State University**

There are currently 23,000 wireless devices connected to Penn State wireless networks at peak periods. This is more than double the number connected just 15 months ago. Coverage is patchwork without a standard infrastructure to support the ever-increasing demand. The University intends to address this deficiency with a multi-phased upgrade to wireless services.

5. **Reports from Standing Committees** (Continued)

C. **Committee on Finance, Business and Capital Planning** (Continued)

7) **Proposed Authorization to Perform a Wireless (WiFi) Coverage Upgrade, The Pennsylvania State University** (Continued)

The project scope includes infrastructure replacement and service, replacement of access points, new switches, and wireless controllers. Existing sub-standard coverage areas will be brought up to new standards and new equipment and provision service will be installed where coverage does not yet exist. Human resource support will be increased for ongoing service.

Will the Committee on Finance, Business and Capital Planning recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the approval is given to perform a wireless upgrade at all Pennsylvania State University campuses.

FURTHER BE IT RESOLVED, That authorization to expend \$8,500,000 to upgrade wireless (WiFi) service at Penn State campuses be approved.

8) **Report on Status of Commonwealth Appropriation Request**

9) **Photo Report on Selected Construction Projects**

A photo report on the progress of selected construction projects will be presented at the meeting.

D. **Committee on Governance and Long-Range Planning** - James S. Broadhurst, Chair

1) **Proposed Changes to the Charter, Bylaws and Standing Orders of The Pennsylvania State University**

Will the Committee on Governance and Long-Range Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the *Charter, Bylaws, and Standing Orders* of The Pennsylvania State University are amended as set forth in the appendix and presented at the meeting on May 3, 2013.

(See Appendix V)

2) **Proposed Appointment of Members, Board of Directors of The Milton S. Hershey Medical Center**

In May 2000, the Board of Trustees approved the establishment of the corporation "The Milton S. Hershey Medical Center," a Pennsylvania nonprofit corporation for the purpose of employing personnel, owning equipment, and holding the hospital and other licenses necessary to provide healthcare services. The Board further confirmed that the University will continue to fulfill its obligations as Successor Trustee of The Milton S. Hershey Medical Center through establishment of the corporation to operate the clinical enterprise and make the necessary appointments to the Board of Directors.

5. **Reports from Standing Committees** (Continued)

C. **Committee on Governance and Long-Range Planning** (Continued)

2) **Proposed Appointment of Members, Board of Directors of The Milton S. Hershey Medical Center** (Continued)

The Board of Directors of The Milton S. Hershey Medical Center consists of 15 members. Nine directors are appointed directly by the Board of Trustees with three-year, staggered terms; two are *ex officio* directors: the Senior Vice President for Health Affairs of The Pennsylvania State University, Dean of the College of Medicine, and Chief Executive Officer; and one director is elected from among the clinical department chairs at The Milton S. Hershey Medical Center. The remaining four directors are considered independent directors, with three-year, staggered terms, and are self-perpetuating. Together, these 15 directors are responsible for governance of The Milton S. Hershey Medical Center, subject, of course, to the authority of the Board of Trustees to appoint and remove its appointees.

The members of the Board of Directors appointed by the Board of Trustees of The Pennsylvania State University whose terms expire this year are: James S. Broadhurst, Keith E. Masser, and L. J. Rowell, Jr.

Will the Committee on Governance and Long-Range Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, that the following individuals are appointed as members of the Board of Directors of The Milton S. Hershey Medical Center for a three-year term ending June 30, 2016:

James S. Broadhurst
Mark H. Dambly
Keith E. Masser

3) **Election of Officers of the Board of Trustees**

As noted in Agenda Item 5.D.1), "Proposed Changes to the *Charter, Bylaws and Standing Orders* of The Pennsylvania State University," the provision whereby the President of the University serves *ex officio* as Secretary of the corporation is being removed. The responsibilities of the Secretary are to perform the corporate duties which pertain to that office, be custodian of the corporate seal, conduct the ordinary correspondence of the Board of Trustees and maintain an accurate record of all proceedings of the Board of Trustees and of the executive committee.

Will the Committee on Governance and Long-Range Planning recommend to the Board of Trustees election of the following as officers of the corporation:

- 1) Secretary - Thomas G. Poole
- 2) Associate Secretary (name TBA), effective July 1, 2013

E. **Committee on Legal and Compliance** - Keith W. Eckel, Chair

F. **Committee on Outreach, Development and Community Relations** - Mark H. Dambly, Chair

3:45 p.m. -

6. **Informational Report on the University Faculty Senate**

A report on this year's activities of the University Faculty Senate is provided by Larry C. Backer, Immediate Past Chair of the University Faculty Senate, W. Richard and Mary Eshelman Faculty Scholar, Professor of Law and International Affairs, The Dickinson School of Law.

7. **Update on Presidential Search Process**

Karen B. Peetz, Chairman of the Trustee Presidential Selection Council, will provide an update on the Presidential Search process.

8. **Report on the Election of Trustees by Alumni**

The judges of the election, Marianne E. Alexander and Joel N. Myers, will report on the counting of the ballots in the election of Trustees by alumni.

9. **Report on the Election of Trustees by Agricultural Delegates**

A report on the election of Trustees by delegates from agricultural societies will be given by Chairman of the Board Keith E. Masser.

10. **Election of Trustees Representing Business and Industry Endeavors**

The Selection Group on Business and Industry Trustees will recommend to the Board of Trustees the names of two candidates for election as trustees representing business and industry endeavors for three-year terms beginning July 1, 2013. A resolution will be presented at the meeting.

11. **Announcements by the Chairman of the Board of Trustees**

1. Information on Undergraduate Programs

A. College of Agricultural Sciences

- 1) Bachelor of Science in Animal Sciences to Bachelor of Science in Animal Science: Change in Name

The name change is being made to align the name of the major with the newly created academic unit. The name change will be effective Fall Semester 2013.

B. College of Health and Human Development and
College of Information Sciences and Technology

- 1) Information Sciences and Technology for Hotel, Restaurant and Institutional Management
Minor: Phase-Out of Minor

Low enrollments support the decision to discontinue the minor. Students currently enrolled will have a reasonable opportunity to complete the program. No faculty will be affected. The phase-out will be effective Summer Session 2013.

1. Schwab Auditorium Renovations, University Park

The University intends to renovate portions of Schwab Auditorium at University Park. Beginning fall semester 2013, the Center for Performing Arts will retain priority scheduling for their ten or so annual professional performance events. After these events are scheduled, Student Affairs will schedule student-focused activities. Student Affairs will house staff in the second floor office space. It is anticipated that student activity demands on Schwab Auditorium will increase over time.

The project scope includes security and hardware upgrades, minor access enhancements, removal of the organ, which is not functional, a new podium and screen replacement, and upgraded finishes in three second floor offices. A fourth office will be refurbished to be used as a conference room for student activity scheduling. Some plaster and roof repairs will also be completed. The cost estimate for this project is \$1,400,000.

(See Appendix II.1)

2. Chambers Mathematics Education Laboratory Renovation, University Park

The University intends to renovate rooms 206 and 207 in Chambers Building to create a state-of-the-art mathematics education laboratory that can accommodate the research needs, instructional needs, and curriculum material for the Mathematics Education faculty and students. The cost estimate for this project is \$1,150,000.

(See Appendix II.2)

3. Packer Hall Electrical Rewire, University Park

The University intends to complete electrical system upgrades at Packer Hall to replace outdated equipment and deteriorated wiring and system components. The scope of work includes replacement of all building electrical wiring, panelboards, receptacles, switches and lighting fixtures. The cost estimate for this project is \$1,109,000.

(See Appendix II.3)

4. White Building Air Conditioning, University Park

The University has installed air conditioning in all but the north section of the White Building. When the project was originally bid, an add alternate was included for cooling the north section. Due to funding constraints at that time, the add alternate was not accepted. Since then student facilities fee funds have become available for the remainder of the project. The contractor on the job has agreed to honor the October 2011 price to complete the work. The cost for the original completed project was \$750,000. The cost for the north section project is estimated at \$450,000 for a total project cost of \$1,200,000.

(See Appendix II.4)

5. Energy Saving Program - Phase III, The Milton S. Hershey Medical Center

The University intends to upgrade heating, ventilation, and air conditioning in various sections of the college and hospital buildings. The upgrades consist of converting HVAC constant air volume systems to variable air volume systems, improved operating strategies, and control upgrades. Additional energy conservation measures in Phase 3 include a boiler heat recovery system in the Central Plant. The cost estimate for this project is \$2,200,000 with a payback of 5.3 years.

6. Pneumatic Tube Replacement - Phase I, The Milton S. Hershey Medical Center

The University intends to replace the decommissioned pneumatic tube system in the main hospital, which was unreliable and difficult to repair. This system is used to transfer blood products, laboratory samples for testing, etc. A new system has been installed in the Penn State Hershey Children's Hospital and connected to a new central station in the main hospital. This was funded as part of Penn State Hershey Children's Hospital. The scope of Phase I includes 22 new stations, connecting approximately two thirds of the main hospital's critical care patient areas. The cost estimate is \$2,075,000.

7. Naming of Rooms, Portions of Buildings and Plazas

The Facilities Naming Committee has made certain recommendations to the President on the naming of rooms, portions of buildings and plazas. In accordance with the Policy on Naming University Facilities, the Board of Trustees is hereby informed that the President has approved the following naming actions:

- A. Name the Fitness Center in Rec Hall in recognition of a commitment from Jeff and Kellie Hepper. The recognition plaque will read:

"Clif and Jean Hepper Fitness Center"

- B. Name the Oil Drilling Lab (Rooms 30, 31, 32) in Hosler Building in recognition of a commitment from Chevron Corporation. The recognition plaque will read:

"Chevron Oil Drilling Lab"

- C. Name the HUB Auditorium (Room 117) located on the main floor in recognition of an estate gift received from the late John B. Freeman.

- D. Name a patient exam room in the Hematology/Oncology Outpatient Pavilion in the Penn State Hershey Children's Hospital in recognition of a commitment from Shayne W. and Anne Beecher. The recognition plaque will read:

"Made possible by the generosity of The Beecher Family"

- E. Temporarily Name the Career Services Center, 106 Hiller Building, at Penn State DuBois the "GKN Sinter Metals Career Services Center Penn State DuBois," during the three-year corporate sponsorship of the Center.

8. Status of Major Construction Programs and Borrowing

(See Appendix II.5)

9. **Summary of Revisions to Existing Scholarships, Fellowships, Etc. (For the period February 18, 2013 to April 5, 2013)**

Will the Committee on Finance, Business, and Capital Planning recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

10. **Acknowledgments of Endowments and Other Major Commitments**

The Committee on Finance, Business, and Capital Planning is advised that for the period February 18, 2013 to April 5, 2013, 30 new funds totaling approximately \$1,273,500 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

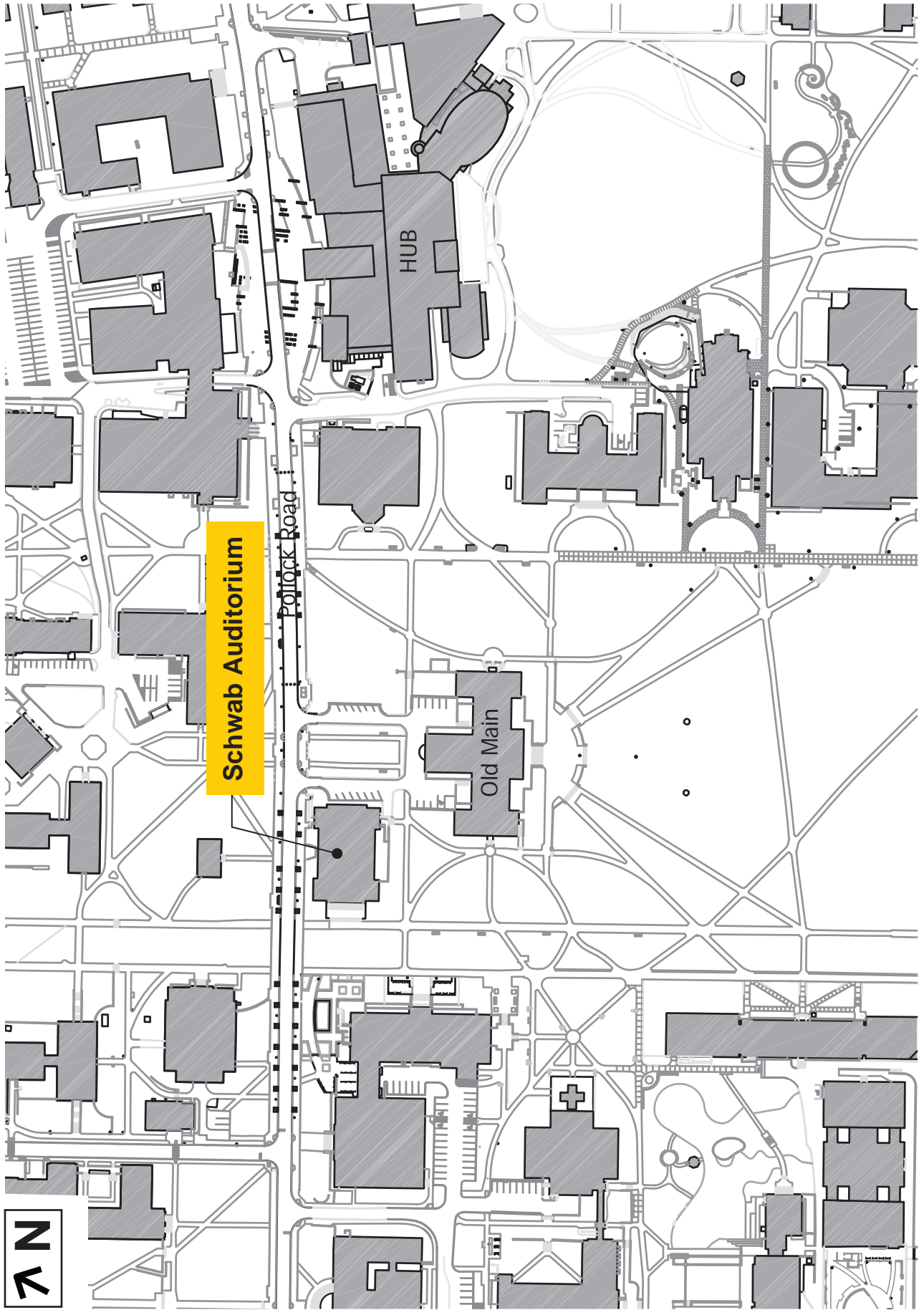
For the period January 1, 2013 through February 28, 2013, 38 major commitments were accepted by the University totaling approximately \$13,603,234.

Will the Committee on Finance, Business, and Capital Planning recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business, and Capital Planning at its meeting of May 3, 2013.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

University Park



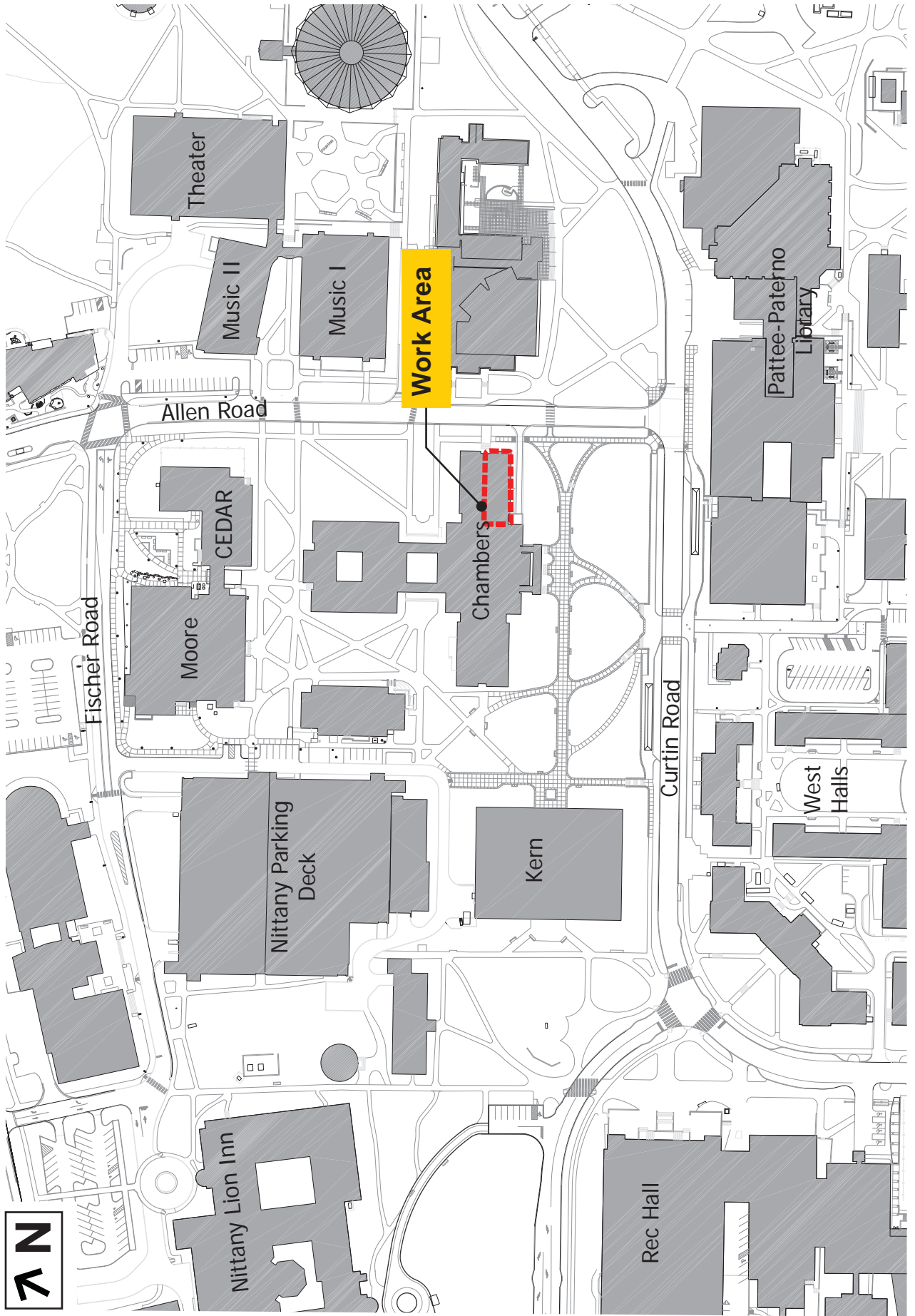
Schwab Auditorium

HUB

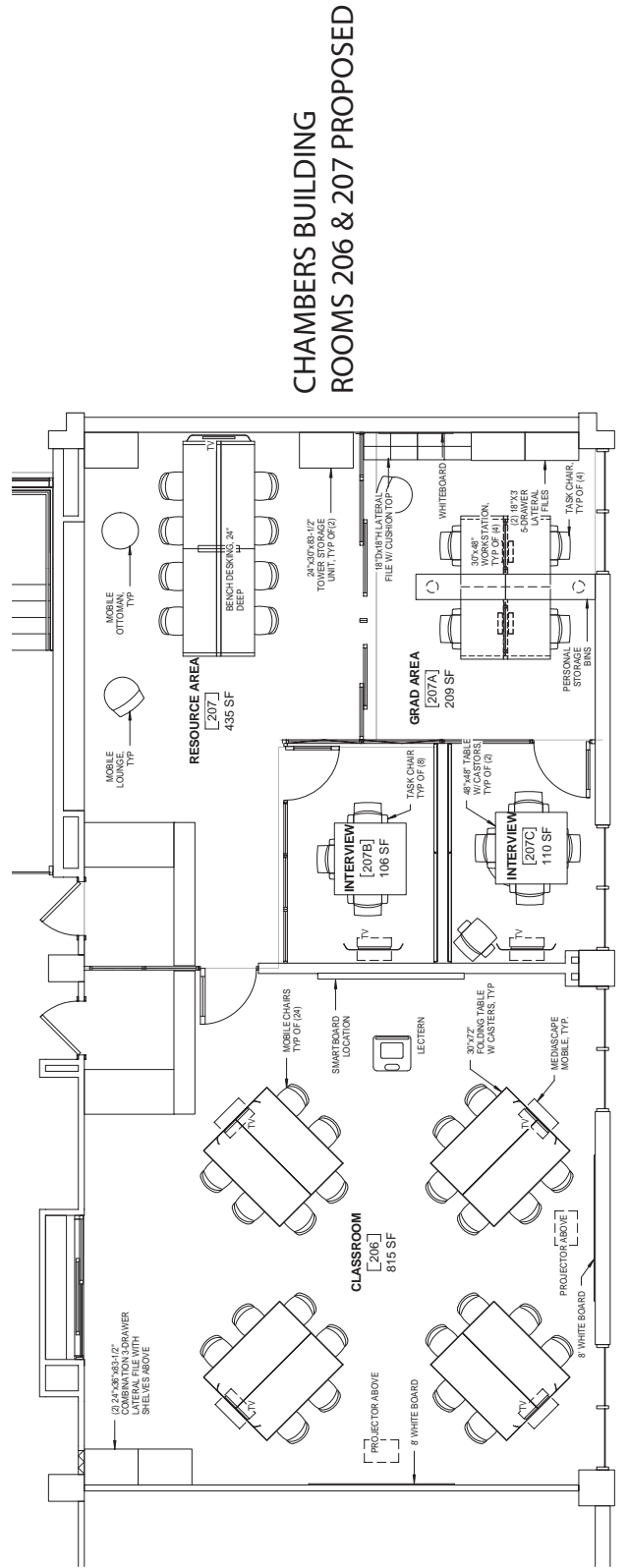
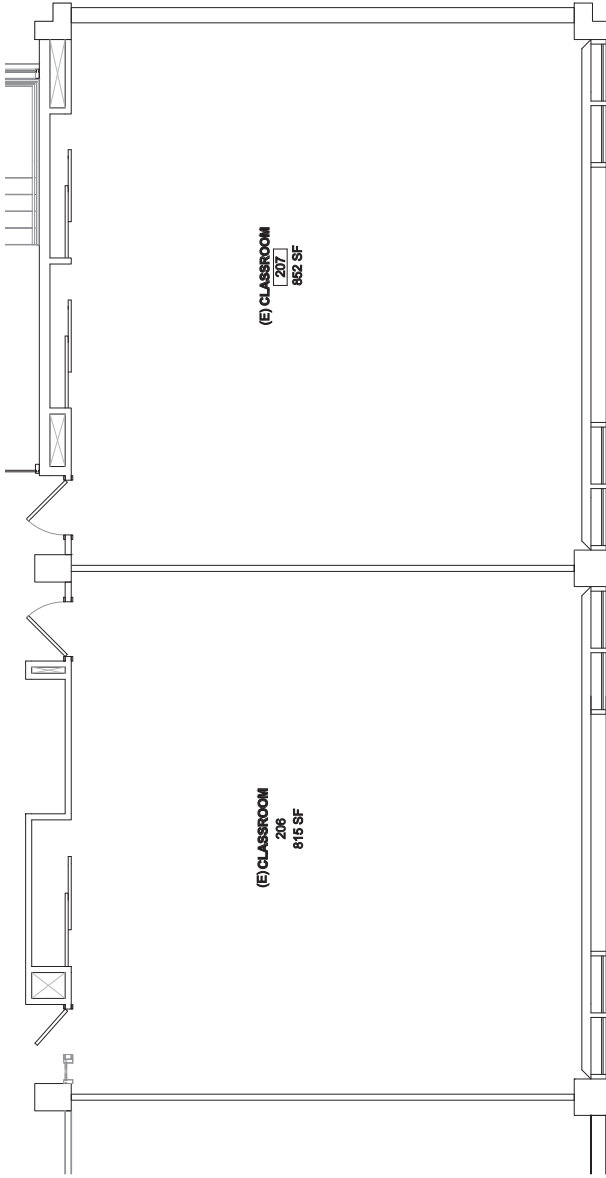
Old Main

Pollock Road

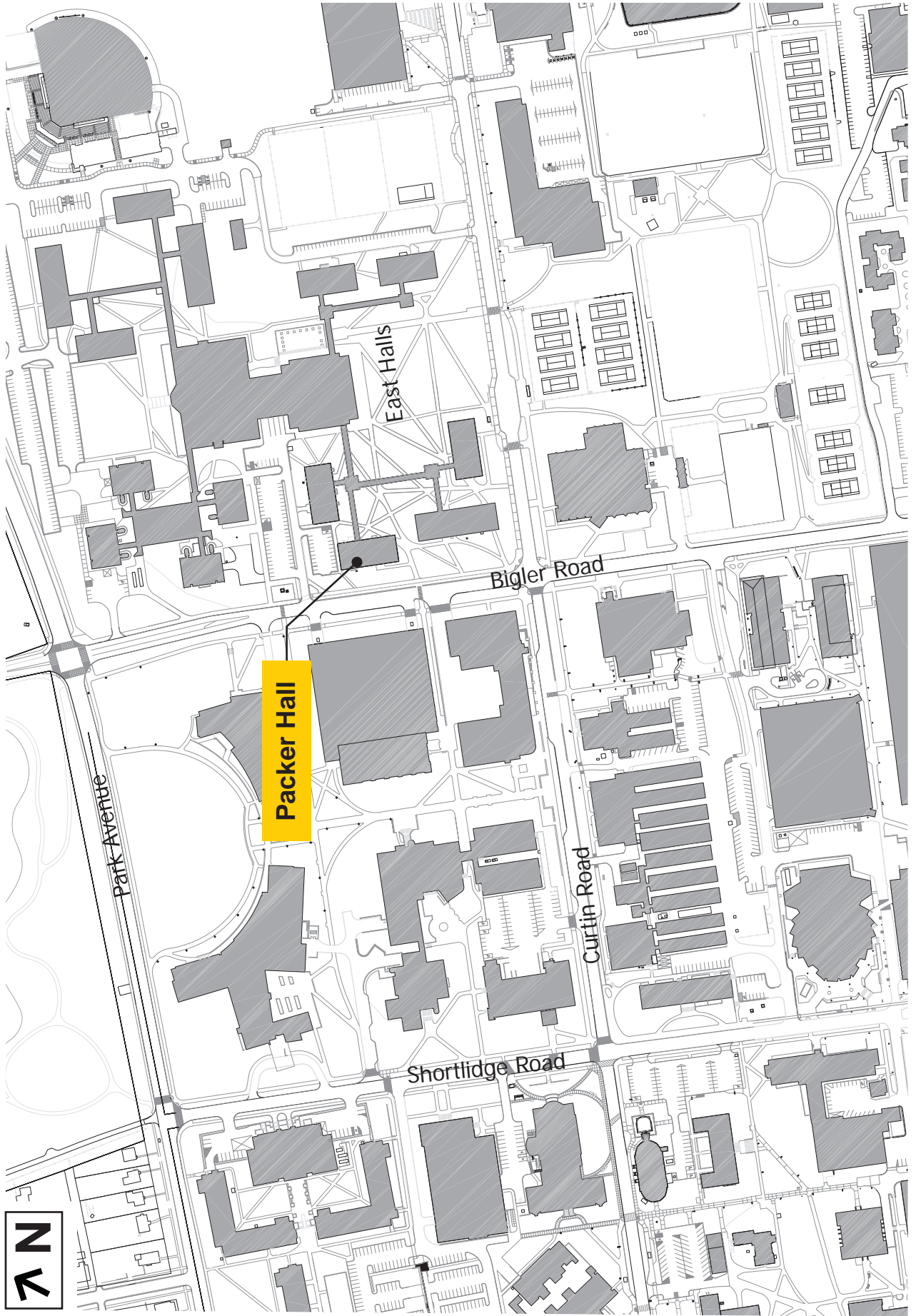
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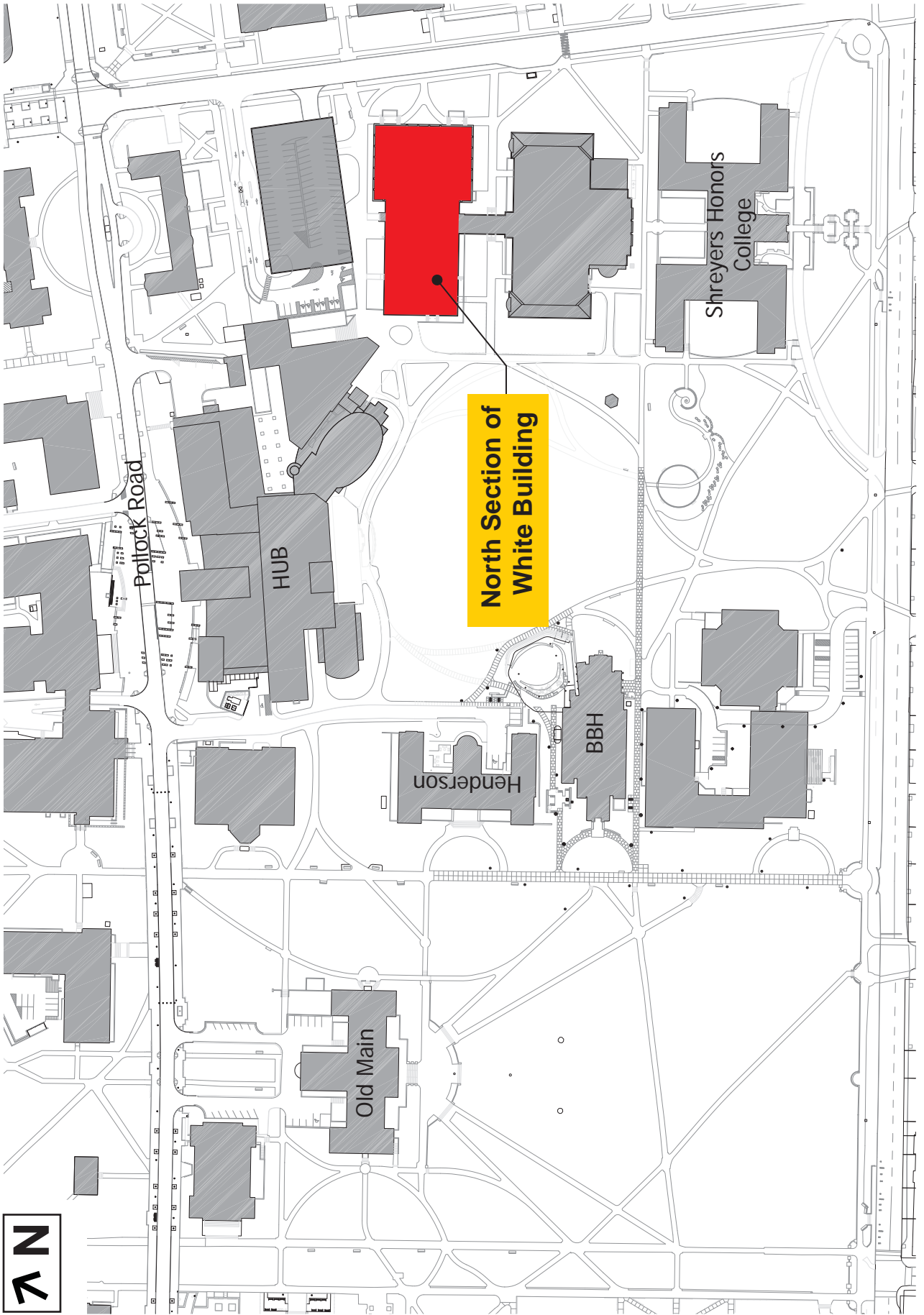
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University Park



University Park



STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Million)
April 30, 2013

5/3/2013

FB&CP

Project Data		BOT Milestones			Construction		Notes		
Campus	Project Name	Budget Amount	Commonwealth Funding	Gift Amount	Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date	Notes
Abington	Woodland Building Renovation	\$7,000,000	\$0	\$0	01/13	11/13	01/14	12/14	Project in design.
Berks	Luersen Building Renovation	\$13,000,000	\$11,800,000	\$0	03/13	01/14	01/14	05/15	Project programming in progress. DGS AE selection completed.
Brandywine	Brandywine Main Building Renovation	\$9,500,000	\$0	\$0	01/12	05/12	05/12	08/13	Construction is approximately 75% complete.
Harrisburg	Educational Activities Building	\$19,500,000	\$0	\$0	11/11	01/13	02/13	05/14	Construction is approximately 5% complete.
Philadelphia	EEB Hub, Building 661 and 7R, Philadelphia Navy Yard	\$39,000,000	\$30,000,000	\$0	09/11	01/13	02/13	02/14, 05/14 *	Construction is approximately 2% complete.
	Beaver Stadium Video Boards / Sound System	\$10,000,000	\$0	\$0	07/11	07/13	12/13	08/14	Work to be completed for 2014 Season.
	Burrows Building Renovation	\$37,800,000	\$0	\$0	05/12	01/14	02/14	08/15	Project in design.
	CEDAR Building Renovations	\$9,500,000	\$6,840,000	\$0	03/11	01/12	03/12	05/13	Construction is approximately 95% complete.
	East Campus Stream Line	\$13,500,000	\$11,000,000	\$0	N/A	03/11	06/11	05/13	Construction is approximately 95% complete.
	Environmental Improvements BFP Installations	\$10,500,000	\$7,000,000	\$0	N/A	N/A	06/08	08/14	Project program is approximately 70% complete.
	Essential Services Program	\$11,950,000	\$3,000,000	\$0	N/A	N/A	12/05	12/14	Project program is approximately 70% complete.
	Eva J. Peil Laboratory for Advanced Biological Research	\$23,000,000	\$0	\$0	11/07	11/10	09/11	06/13	Construction is approximately 85% complete.
	Health and Human Development Building	\$58,500,000	\$52,300,000	\$0	01/08	11/12	03/13	05/15	Construction is approximately 3% complete.
	HUB Addition	\$44,600,000	\$0	\$0	03/11	05/13	05/13	05/15	Project bidding in progress.
	IM Building Addition	\$28,110,000	\$0	\$0	01/11	01/13	02/13	04/14	Construction is approximately 10% complete.
	IM Building Addition Phase II	\$22,000,000	\$0	\$0	03/13	03/14	03/14	03/15	Project in programming.
	Moore Building Renovation	\$21,900,000	\$18,900,000	\$1,200,000	07/08	01/12	03/12	08/13	Construction is approximately 70% complete.
	MRL Renovations	\$11,000,000	\$8,200,000	\$0	N/A	07/13	07/13	05/15	Project in design.
	Mueller Laboratory Renovations	\$18,000,000	\$0	\$0	03/12	11/13	05/14	07/15	Project in design.
	Old Main Building Systems Renovation Phase I	\$11,000,000	\$0	\$1,500,000	09/11	11/12	01/13	10/13	Construction is approximately 15% complete.
	Pagula Ice Arena	\$90,100,000	\$0	\$89,000,000	11/10	01/12	01/12	09/13	Construction is approximately 75% complete.
	Recreation Hall/Air Conditioning	\$5,500,000	\$0	\$0	01/12	11/12	02/13	08/13	Construction is approximately 15% complete.
	South Fear Phase II Renovations	\$18,100,000	\$0	\$0	01/12	01/13	02/13	07/14	Construction is approximately 5% complete.
	South Halls Renovations and New Building	\$94,100,000	\$0	\$0	3/11, 11/11	03/12	05/12	12/14	Construction is approximately 35% complete.
	Stieldle Renovation	\$52,000,000	\$0	\$0	03/12	01/14	03/14	12/15	Project in design.
	Transformer Replacement Program	\$9,600,000	\$1,000,000	\$0	N/A	N/A	06/07	12/13	Project program is approximately 70% complete.
	Water Treatment Plant and Distribution System Upgrades	TBD	TBD	\$0	01/11	03/14	TBD	TBD	Project in design.
	WCSP Steam Turbine Replacement	\$8,600,000	\$0	\$0	01/11	01/13	11/13	05/14	Project bidding in progress.
	WCSP Steam Production Modifications	\$48,300,000	\$0	\$0	01/11	11/12	TBD	TBD	Project on HOLD pending resolution of gas line routing.
	West Campus Chilled Water Plant 3000 Ton Chiller	\$16,200,000	\$0	\$0	01/12	09/12	11/12	08/14	Equipment procurement in progress.
	Whitmore Laboratory Renovations	\$32,900,000	\$0	\$0	03/12	09/14	01/15	12/16	Project in programming.

* 02/14 completion for Building 661 and a 05/14 completion for Building 7R (EEB Hub)

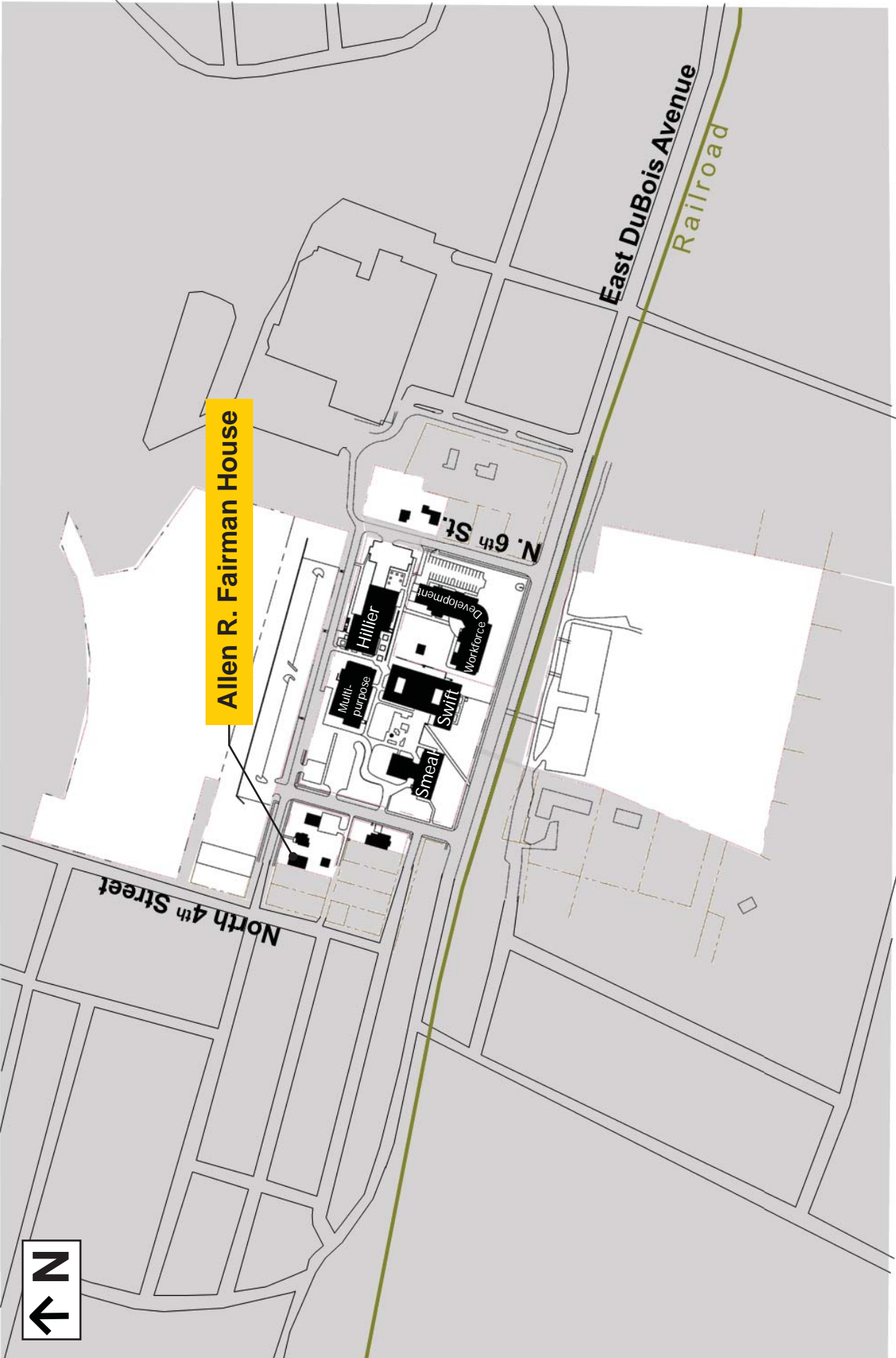
Summary of University Long-Term Debt - \$(000) (excluding PCT)

Total Bonds, Notes and Capital Leases as of June 30, 2012	\$1,011,857
Bonds, Notes, and Capital Leases Issued Year to Date Fiscal Year 2012/13	\$10,000
Year to Date Principal Payments and Premium Amortizations	(\$145,234)
Total Bonds, Notes and Capital Leases as of April 30, 2013	\$876,623
* Related Interest Expense Totals Approximately	\$34,661

Authorized Borrowing Status - \$(000) (excluding PCT)

Borrowing Authority per May 2007 Board of Trustees	\$600,000
Capital Leases, Bonds, & Notes Issued	(\$331,305)
Future Capitalized Leases & Other Anticipated Commitments	(\$5,100)
Estimated Authority Remaining	\$263,595

Penn State Dubois



Worthington Scranton

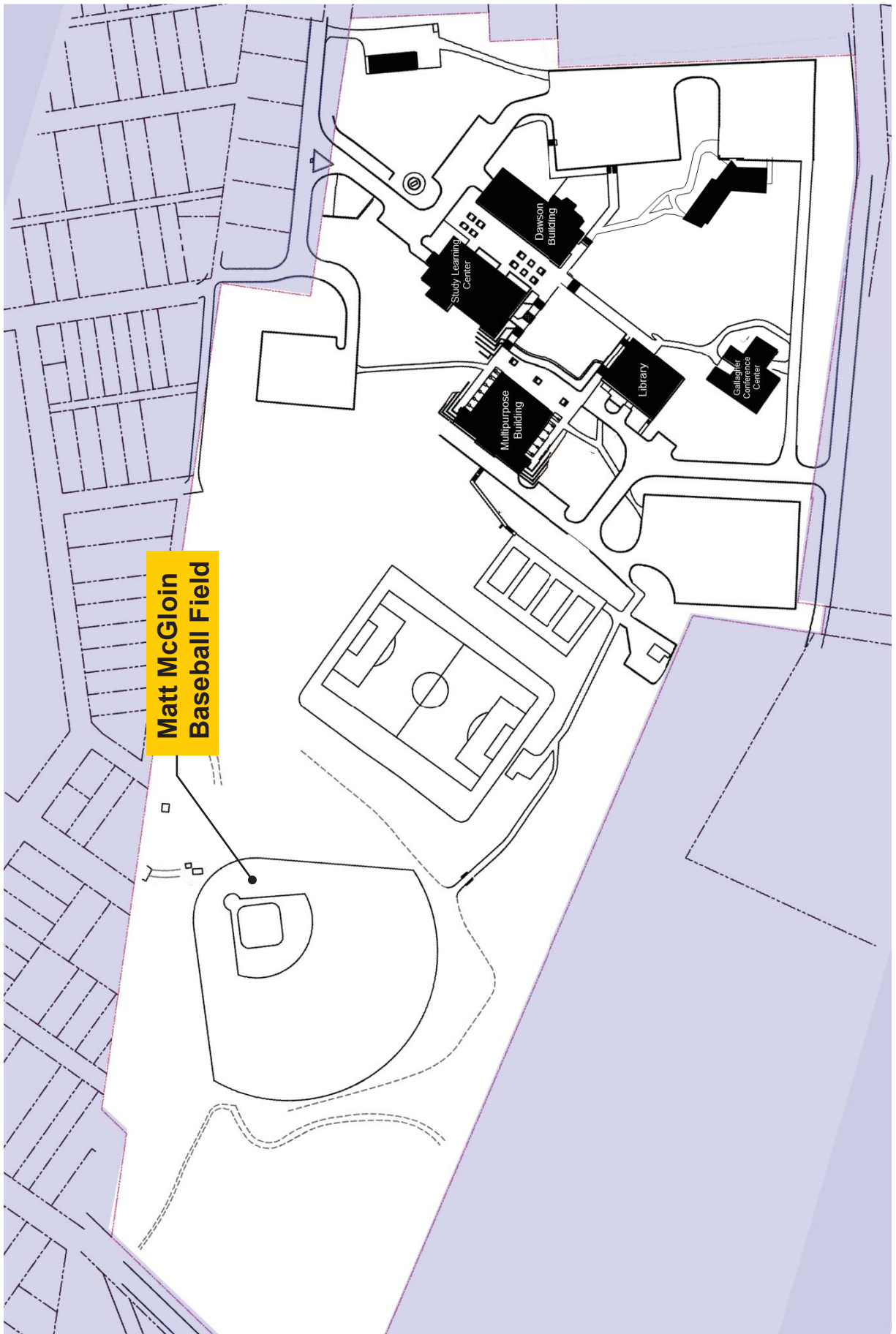


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CORPORATE CHARTER OF THE PENNSYLVANIA STATE UNIVERSITY*

The Charter of The Pennsylvania State University is not in the traditional form of charters of other corporations. This is because no particular form was followed when the institution was created as the Farmers' High School by special act of the legislature of Pennsylvania on February 22, 1855. The name of the institution has been changed successively to the Agricultural College of Pennsylvania in 1862, the Pennsylvania State College in 1874, and The Pennsylvania State University in 1953. The original charter has been amended once in the Court of Quarter Sessions of Centre County on May 1, 1862, and in the Court of Common Pleas of Centre County in the following proceedings: No. 235 November Term, 1875; No. 166 April Term, 1892; No. 162 May Term, 1915; No. 130 February Term, 1925; No. 218 February Term, 1951; No. 140 December Term, 1953; No. 211 February Term, 1958; No. 189 October Term, 1959; and No. 192 October Term, 1962. The Charter was further amended by action of the Board of Trustees on November 22, 2002 and May 3, 2013. Various acts of assembly have been passed which deal with the status and rights of The Pennsylvania State University as the instrumentality of the Commonwealth to perform the essential governmental functions of education, but these do not alter the charter and powers of the institution.

In reality, the charter of The Pennsylvania State University consists of the acts of assembly which properly relate to it as well as all of the decrees of the Court of Centre County above cited. The following are selected paragraphs from these various acts and decrees arranged under traditional headings.

NAME AND PURPOSE OF THE INSTITUTION

There is hereby erected and established, at the place which shall be designated by the authority, and as hereinafter provided, an institution for the education of youth in the various branches of science, learning and practical agriculture, as they are connected with each other, by the name, style, and title of The Pennsylvania State University. (Act of February 22, 1855, P.L. 46, sec. 1, 24 Purd. Comp. Stat. sec. 2531; Decree of the Court of Quarter Sessions of Centre County, May 1, 1862, No. 8, April Sessions, 1862; Decree of the Court of Common Pleas of Centre County, January 26, 1874, No. 238, November Term, 1873; Decree of the Court of Common Pleas of Centre County, Pennsylvania, November 13, 1953, No. 140, December Term, 1953)

MANAGEMENT OF THE INSTITUTION

The said institution shall be under the management and government of the Board of Trustees. (Act of February 22, 1855, P.L. 46, sec. 2, 24 Purd. Comp. Stat. sec. 2532)

INCORPORATION

Said trustees and their successors in office are hereby erected and declared to be a body politic and corporate in law, with perpetual succession, by the name, style, and title of The Pennsylvania State University, by which name and title the said trustees, and their successors, shall be able and capable in law to take by gift, grant, sale or conveyance, by bequest, devise, or otherwise, any estate in any lands, tenements, and hereditaments, goods, chattels, or effects, and at pleasure to

*For a copy of the original Charter of the University, see pages C-8 through C-11

alien or otherwise dispose of the same to and for the use and purpose of the said institution; and the said corporation shall, by the same name, have power to sue and be sued, and generally to do and transact all and every business touching or concerning the premises, or which shall be necessarily incidental thereto, and to hold, enjoy, and exercise all such powers, authorities, and jurisdiction as are customary within the colleges within this Commonwealth. (Act of February 22, 1855, P.L. 46, sec. 3, 24 Purd. Comp. Stat. sec. 2533; [Resolution of the Board of Trustees, May 3, 2013])

CORPORATE SEAL

The same trustees shall cause to be made a seal, with such device as they may think proper, and by and with which all the deeds, diplomas, certificates, and acts of the institution shall be authenticated, and they may at their pleasure alter the same. (Act of February 22, 1855, P.L. 46, sec. 4, 24 Purd. Comp. Stat. sec. 2534)

NUMBER OF TRUSTEES

The number of trustees of said institution shall be fixed at thirty-two. (Act of February 22, 1855, P.L. 46, sec. 3, 24 Purd. Comp. Stat. sec. 2533; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951)

MEMBERSHIP OF THE BOARD

- (1) Ex Officio Members: The Secretary of Education, the Secretary of Agriculture, and the Secretary of Conservation and Natural Resources of the Commonwealth shall be ex officio voting members of the Board and the President of The Pennsylvania State University and the Governor of the Commonwealth shall be ex officio non-voting members of the Board. (Act of February 22, 1855, P.L. 46, sec. 3, 24 Purd. Comp. Stat. sec. 2533; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Act of June 2, 1893, P.L. 272, sec. 1; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951; [Resolution of the Board of Trustees, May 3, 2013])
- (2) Members Appointed by the Governor: Six trustees shall be appointed by the Governor of the Commonwealth. (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)
- (3) Members Elected by the Alumni: Nine trustees shall be elected by the General Alumni Association of the University. (Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common

Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)

- (4) Members Elected by Organizations: Six trustees, who shall be members of and represent the following named societies and associations, to be elected by three delegates from each county in the Commonwealth representing organized agricultural societies or associations of the said county. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951))
- (5) Members Elected Representing Business and Industry: Six trustees representing business and industry endeavors shall be elected by the Board of Trustees. (Resolution of the Board of Trustees, November 22, 2002.)

QUALIFICATIONS OF ELECTORS

(1) Alumni

- (a) All graduates who have received a first or bachelor's degree or an advanced degree from the University, and former students (limited to those persons who have satisfactorily passed one semester's or two terms' work, or more, in any of the University courses requiring two years, or more, for completion) shall be eligible to vote for alumni trustees, at the election next following the year of their graduation or the year following that in which they were no longer in attendance at the University, subject, however, to the procedure next stated. (Decree of the Court of Common Pleas of Centre County, April 25, 1892, No. 166, April Term, 1892; Decree of the Court of Common Pleas of Centre County, February 28, 1958, No. 211, February Term, 1958; Decree of the Court of Common Pleas of Centre County, No. 192, October Term, 1962))
- (b) Procedure in Conducting Nominations and Elections: Ballots for the nomination and election of alumni to the Board of Trustees of the University shall be sent only to:
- (i) Electors (qualified as above set forth) who have, within two years prior to March 1 of each year, been either active members of the Penn State Alumni Association or contributors to the University; or
- (ii) Electors who make individual request, in writing to the University, that such ballots be furnished to them. (Decree of the Court of Common Pleas of Centre County, February 28, 1958, No. 211, February Term, 1958; Resolution of the Board of Trustees May 3, 2013.)

- (c) Rules and Regulations: The said Board of Trustees is hereby authorized and empowered to make and alter, from time to time, such rules and regulations for the election of all alumni members thereof as it shall deem necessary and expedient for carrying out the purpose of this act.
- (2) Agricultural Societies: In case more than one agricultural society from a county shall elect delegates, then the delegates so elected from such county shall select three delegates from their number who shall represent the said societies. (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)
- (3) Societies and Associations to Be Organized Three Months: No society or association, as aforesaid, shall be entitled to send delegates unless regularly organized and in existence at least three months preceding the time of the election of trustees. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)

TIME OF ELECTION

The election of trustees shall be held annually, by ballot, in manner as provided by the Board of Trustees, on such day and hour during Commencement week and on such day previous to the day for the final public exercises of Commencement as from time to time shall be determined by the Board of Trustees. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535; Decree of the Court of Common Pleas of Centre County, January 26, 1874, No. 238, November Term, 1873; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, April 25, 1892, No. 166, April Term, 1892; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)

NOTICE OF ELECTION

Notice of such date for the election of trustees and of the meeting or meetings to be held for such purpose shall be provided by the Secretary of the Board of Trustees at least sixty days prior to the date of said election to (a) the qualified electors described in Section (1)(b) under "QUALIFICATIONS OF ELECTORS" above, and (b) the societies and associations hereinbefore named shall be sent by the Secretary of the Board of Trustees at least sixty days prior to the date of said election to such agricultural societies or associations as appeared eligible at the next preceding annual election. Such notice shall be also similarly given at least sixty days prior to the date of said election for the election of business and industry trustees. Notice shall also be posted on the University's website at least sixty days prior to the election. (Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; [Resolution of the Board of Trustees, May 3, 2013].)

PLACE OF ELECTION

All elections shall be held at the institution by so many of the electors and alumni above mentioned as shall be present at the regular time for holding elections, under the direction of the Board of Trustees and by ballot, as now provided by law. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875)

JUDGES OF ELECTION

It shall be the duty of said Board of Trustees to appoint two of their number as judges to hold such election, to receive and count the votes, and return the same to the Board of Trustees with their certificate of the number of votes cast, and for whom, whereupon the said Board shall determine who have received the highest number of votes and who are thereby elected. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535)

TERM OF TRUSTEES

The term of the trustees appointed and elected as aforesaid shall be three years; two of whom shall be appointed by the Governor, annually; three of whom shall be elected by the alumni of the University annually; two of whom shall be elected annually by the delegates representing the agricultural societies and associations, and two of whom shall be elected annually representing business and industry (see pages 3 and 4); all of whose terms of office shall begin on the first day of July following their appointment or election, as the case may be. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, April 25, 1892, No. 166, April Term, 1892; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951)

MEETINGS OF THE BOARD

In addition to the annual meeting of the Board of Trustees at the institution, such other meetings are authorized as may be fixed by the Board by their adjournment from time to time, or be called by the authority of the President and Secretary, in which latter case notice shall be given to each and every member of the Board at least three days prior to the time of meeting, which said meetings shall take place and be in lieu of those provided by the sixth section of the Act of the twenty-second of February, A.D. 1855. (Act of February 22, 1855, P.L. 46, sec. 6, 24 Purd. Comp. Stat. sec. 2541; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; [Resolution of the Board of Trustees, May 3, 2013])

COMPENSATION OF TRUSTEES

Members of the Board of Trustees serve as volunteers and shall not be compensated for their services. Trustees may be reimbursed upon request for transportation and other direct expenses while engaged in the discharge of their official duties, in accordance with the University's travel reimbursement policies in effect from time to time. (Decree of the Court of Common Pleas of

Centre County, June 15, 1915, No. 162, May Term, 1915; [Resolution of the Board of Trustees, May 3, 2013])

OFFICERS OF THE BOARD

The officers of the Board of Trustees shall be chosen annually by the Board to serve for a period of one year; and shall consist of a Chair, a Vice Chair, a Secretary, and a Treasurer. (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; [Resolution of the Board of Trustees, May 3, 2013])

EXECUTIVE COMMITTEE

- (1) Membership: The executive committee shall have 13 members, all of whom shall be voting members. The executive committee shall be composed of the Chair of the Board of Trustees (who shall also be the chair of the executive committee), the Vice Chair, the chairs of the standing committees, the chair of the Board of Directors of the Milton S. Hershey Medical Center (or, if such chair is not a voting member of the Board of Trustees, a member of the Board of Directors of The Milton S. Hershey Medical Center who is also a voting member of the Board of Trustees), the immediate past chair of the Board of Trustees, and three at-large members nominated by the Governance and Long-Range Planning Committee and elected by the Board of Trustees. The Secretary of the Board shall be the Recording Secretary of the Executive Committee. In addition, the President of the University shall be an ex-officio nonvoting member of the Executive Committee. (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 28, 1958, No. 211, February Term, 1958; Decree of the Court of Common Pleas of Centre County, September 23, 1959, No. 189, October Term, 1959; [Resolution of the Board of Trustees, May 3, 2013])
- (2) Duties: The duty of the Executive Committee shall be, under the direction of and subject to the approval of the Board of Trustees, to transact such necessary business as may arise in the intervals between the regular meetings of the Board. (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915)

TREASURER

The Treasurer (who shall receive and disburse the funds of the institution, and perform such other duties as shall be required of him) shall not be a member of the Board, and shall receive such compensation from time to time as the Board may direct. (Act of February 22, 1855, P.L. 46, sec. 8, 24 Purd. Comp. Stat. sec. 2539; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; [Resolution of the Board of Trustees, May 3, 2013])

ORGANIZATION AND SITE

On the second Thursday of June after the passage of this act, the Board of Trustees, who are hereby appointed, shall meet at Harrisburg and proceed to the organization of an institution and selection of the most eligible site within the Commonwealth of Pennsylvania for its location,

where they shall purchase or obtain by gift, grant, or otherwise, a tract of land containing at least two hundred acres, upon which they shall procure such improvements and alterations to be made as will make it an institution properly adapted to the instruction of youth in the art of farming according to the meaning and design of this act. (Act of February 22, 1855, P.L. 46, sec. 6, 24 Purd. Comp. Stat. sec. 2541; [Resolution of the Board of Trustees, May 3, 2013])

PRINCIPAL AND FACULTY

[Deleted]. (Act of February 22, 1855, P.L. 46, sec. 6, 24 Purd. Comp. Stat. sec. 2541; [Resolution of the Board of Trustees, May 3, 2013])

BYLAWS, ORDINANCES, AND RULES

The Board shall have power to pass all such bylaws, ordinances, and rules as the good government of the institution shall require, and therein to prescribe what shall be taught to the pupils, and generally to do and perform all such administrative acts as are usually performed by and within the appropriate duty of a Board of Trustees, and shall, by a Secretary of their appointment, keep a minute of the proceedings and action of the Board. (Act of February 22, 1855, P.L. 46, sec. 6, 24 Purd. Comp. Stat. sec. 2541; [Resolution of the Board of Trustees, May 3, 2013])

SUBJECTS TO BE TAUGHT

It shall be the duty of the Board of Trustees as soon as and as often as the exigencies of the case may require, in addition to the principal, to employ such other professors, teachers, or tutors as shall be qualified to impart to pupils under their charge a knowledge of the English language, grammar, geography, history, mathematics, chemistry, and such other academic disciplines as may be deemed appropriate from time to time. (Act of February 22, 1855, P.L. 46, sec. 7, 24 Purd. Comp. Stat. sec. 2542; [Resolution of the Board of Trustees, May 3, 2013.])

AN ACT TO INCORPORATE THE FARMERS' HIGH SCHOOL OF PENNSYLVANIA[†]

Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, that there be and is hereby erected and established, at the place which shall be designated by the authority, and as hereinafter provided, an institution for the education of youth in the various branches of sciences, learning, and practical agriculture, as they are connected with each other, by the name, style, and title of the Farmers' High School of Pennsylvania.

Section 2. That the institution shall be under the management and government of a board of trustees, of whom there shall be thirteen, and seven of whom shall be a quorum, competent to perform the duties hereinafter authorized and required.

Section 3. That the Governor, Secretary of the Commonwealth, the president of the Pennsylvania State Agricultural Society, and the principal of the institution, shall each be ex-officio a member of the board of trustees, and they, with Dr. Alfred L. Elwyn and Algernon S.

[†] Act of February 22, 1855, P.L. 46, sec. 1, 24 Purd. Comp. Stat.

Roberts, of the city of Philadelphia; H. N. McAllister, of the county of Centre; R. C. Walker, of the county of Allegheny; James Miles, of the county of Erie; John Strohm, of the county of Lancaster; A. O. Hiester, of the county of Dauphin; William Jessup, of the county of Susquehanna, and Frederick Watts, of the county of Cumberland, shall constitute the first Board of Trustees; which said trustees and their successors in office, are hereby erected and declared to be a body politic and corporate in law, with perpetual succession, by the name, style, and title of the Farmers' High School of Pennsylvania, by which name and title the said trustees, and their successors, shall be able and capable in law to take by gift, grant, sale, or conveyance, by bequest, devise, or otherwise, any estate in any lands, tenements, and hereditaments, goods, chattels, or effects, and at pleasure to alien or otherwise dispose of the same to and for the use and purpose of the said institution: Provided, however, That the annual income of the said estate so held, shall at no time exceed twenty-five thousand dollars; and the said corporation shall, by the same name, have power to sue and be sued, and generally to do and transact all and every business touching or concerning the premises, or which shall be necessarily incidental thereto, and to hold, enjoy, and exercise all such powers, authorities, and jurisdiction as are customary within the colleges within this Commonwealth.

Section 4. That the same trustees shall cause to be made a seal, with such device as they may think proper, and by and with which all the deeds, diplomas, certificates and acts of the institution shall be authenticated, and they may at their pleasure alter the same.

Section 5. That at the first meeting of the board of trustees, the nine named, who are not ex-officio members, shall, by themselves and by lot, be divided into three classes of three each, numbered one, two, and three; the appointment hereby made of class number one, shall terminate on the first Monday of October, one thousand eight hundred and fifty-six; number two on the first Monday of October, one thousand eight hundred and fifty-seven, and number three on the first Monday of October, one thousand eight hundred and fifty-eight; and upon the termination of such office of such directors, to wit: On the first Monday of October in every year an election shall be held at the institution to supply their place, and such election shall be determined by the votes of the members of the executive committee of the Pennsylvania State Agricultural Society, and the votes of three representatives duly chosen by each county agricultural society in this Commonwealth which shall have been organized at least three months preceding the time of election, and it shall be the duty of said board of trustees to appoint two of their number as judges to hold such election, to receive and count the votes, and return the same to the board of trustees with their certificate of the number of votes cast, and for whom, whereupon the said board shall determine who have received the highest number of votes, and who are thereby elected.

Section 6. That on the second Thursday of June after the passage of this act, the board of trustees, who are hereby appointed, shall meet at Harrisburg, and proceed to the organization of an institution and selection of the most eligible site within the Commonwealth of Pennsylvania for its location, where they shall purchase or obtain by gift, grant, or otherwise, a tract of land containing at least two hundred acres, and not exceeding two thousand acres, upon which they shall procure such improvements and alterations to be made, as will make it an institution properly adapted to the instruction of youth in the art of farming according to the meaning and design of this act. They shall select and choose a principal for said institution, who, with such scientific attainments and capacity to teach as the board shall deem necessary, shall be a good

practical farmer; he, with such other persons as shall, from time to time, be employed as teachers, shall comprise the faculty, under whose control the immediate management of the institution, and the instruction of all the youth committed to its care shall be, subject, however, to the revision and all the orders of the board of trustees; there shall be a quarterly meeting of the board of trustees at the institution, and as much oftener as shall be necessary, and they shall determine; the board shall have power to pass all such bylaws, ordinances, and rules as the good government of the institution shall require, and therein to prescribe what shall be taught to and what labor performed by the pupils, and generally to do and perform all such administrative acts as are usually performed by and within the appropriate duty of a board of trustees, and shall, by a secretary of their appointment, keep a minute of the proceedings and action of the board.

Section 7. That it shall be the duty of the board of trustees as soon and as often as the exigencies of the case may require, in addition to the principal, to employ such other professors, teachers, or tutors as shall be qualified to impart to pupils under their charge a knowledge of the English language, grammar, geography, history, mathematics, chemistry, and such other branches of natural and exact science as will conduce to the proper education of a farmer; the pupils shall, themselves, at such proper times and seasons as shall be prescribed by the board of trustees, perform all the labor necessary in the cultivation of the farm, and shall thus be instructed and taught all things necessary to be known by a farmer.

Section 8. That the board of trustees shall annually elect a treasurer, who shall receive and disburse the funds of the institution, and perform such other duties as shall be required of him, and from whom they shall take such security for the faithful performance of his duty as necessity shall require; and it shall be the duty of said board of trustees, annually, on or before the first of December, to make out a full and detailed account of the operations of the institution for the preceding year, and an account of all its receipts and disbursements, and report the same to the Pennsylvania State Agricultural Society, who shall embody said report in the annual report which, by existing laws, the said society is bound to make and transmit to the Legislature on or before the first Monday of January each and every year.

Section 9. That it shall be lawful for the Pennsylvania State Agricultural Society to appropriate, out of their funds to the object of this act, a sum not exceeding ten thousand dollars, whenever the same shall be required, and to make such further appropriations, annually, out of their funds, as will aid in the prosecution of this object, and it shall be the duty and privilege of said society, at such time as they shall deem expedient by their committee, officers, or otherwise, to visit the said institution and examine into the details of its management.

Section 10. That the act to incorporate the "Farmers' High School of Pennsylvania," approved the thirteenth day of April, Anno Domini, one thousand eight hundred and fifty-four, be and the same is hereby repealed.

APPROVED -- The twenty-second day of February, A.D., 1855.

James Pollock

AMENDMENTS TO THE CHARTER

This original charter has been amended a number of times. The major amendments are listed below.

05/01/1862	Name changed to The Agricultural College of Pennsylvania
01/26/1874	Name changed to The Pennsylvania State College
11/22/1875	Number of trustees increased to 23, providing for first trustees elected by alumni, and providing for participation of the mining and manufacturing associations in the Commonwealth in the election of trustees
04/25/1892	Changed date of annual election and beginning of term of office of elected trustees; specified right of alumni to vote would begin three years after graduation
03/24/1905	Number of trustees increased to 32 providing for 6 trustees to be appointed by the Governor and increasing to 9 the number elected by the alumni. Term of elected trustees to begin July 1; officers to be elected annually and an executive committee of not less than 3 nor more than 7 members to act during intervals between Board meetings
06/15/1915	Number of trustees decreased to 31 (the President of the State Agricultural Society and the Secretary of the State Board of Agriculture were replaced by the Secretary of Agriculture). Specified method of election of trustees by delegates from county agricultural and industrial interests
02/23/1925	Election of trustees to be held on such day and hour during commencement week as the Board may from time to time determine
06/24/1939	Increased number of trustees to 32 by adding the Secretary of Mines
07/19/1951	Separated the 12 trustees elected by delegates into two groups -- 6 to be elected by delegates from county agricultural societies and 6 to be elected by delegates from county industrial societies
11/13/1953	Name changed to The Pennsylvania State University
02/28/1958	Specified qualifications of electors of alumni trustees and procedures in conducting alumni elections; provided for an executive committee of nine members
09/23/1959	Provided for an executive committee of not less than 7 nor more than 11 members
09/28/1962	Amended procedure for alumni elections as a result of the term system

- 11/22/2002 Discontinued provision for election of trustees from county industrial interests; specified election of trustees representing business and industry endeavors
- 05/03/2013 Significant changes regarding ex officio membership, responsibilities of officers, membership of the executive committee, requisite notice for meetings, and manner of delivery and notice for election materials

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ARTICLE I

NAME AND PURPOSE

Section 1.01 Name. The name of the corporation is The Pennsylvania State University (hereinafter referred to as the “University”), existing under the Pennsylvania Nonprofit Corporation Law of 1988.

Section 1.02 History. The University was created as the Farmers’ High School by special act of the Pennsylvania legislature on February 22, 1855. The name of the institution has been changed successively to the Agricultural College of Pennsylvania in 1862, the Pennsylvania State College in 1874 and The Pennsylvania State University in 1953. On August 28, 1878 after the enactment of Pennsylvania’s first corporation law, and pursuant to the provisions thereof, the institution elected to be subject to such corporation law and thereafter, has been existing under such law, as such law has been amended, supplemented and modified from time to time.

Section 1.03 Purpose. The University was formed in 1855 as an institution for the education of youth in the various branches of science, learning and practical agriculture, as they are connected with each other. The University currently exists as a multi-campus public research university that educates students from Pennsylvania, the nation and the world, and improves the wellbeing and health of individuals and communities through integrated programs of teaching, research, and service.

ARTICLE II

TRUSTEES

Section 2.01 Number, Election and Term of Office. The affairs of the University shall be managed by a Board of Trustees.

(a) The number of Trustees which shall constitute the full Board of Trustees shall be thirty two (32) as set forth herein.

(i) Ex Officio Voting Members. The Secretary of Education, the Secretary of Agriculture and the Secretary of Conservation and Natural Resources shall be ex officio voting members of the Board of Trustees.

(ii) Ex Officio Non-Voting Members. The Governor of the Commonwealth of Pennsylvania and the President of the University shall be ex officio, non-voting members of the Board of Trustees.

(iii) Members Appointed by the Governor. Six Trustees shall be appointed by the Governor of the Commonwealth of Pennsylvania.

(iv) Members Elected by the Alumni. Nine Trustees shall be elected by the alumni of the University.

(v) Members Elected by Organizations. Six Trustees, who shall be members of and represent organized agricultural societies and associations, to be elected by three delegates from each county in the Commonwealth representing organized agricultural societies or associations of the said county.

(vi) Members Elected Representing Business and Industry. Six trustees representing business and industry endeavors shall be elected by the Board of Trustees.

(b) Each Trustee shall serve for a term of three (3) years. Term limits for Trustees (other than ex officio Trustees) will be 12 years, effective with terms beginning July 1, 2013 or thereafter. This provision for term limits shall not apply to members of the Board of Trustees while serving in the capacity as Chair of the Board of Trustees. Such individuals will be considered eligible for re-election or re-appointment as a member by the respective

constituent group. For Trustees with terms beginning prior to July 1, 2003, the previously enacted 15 year term limit is effective as of July 1, 2003. For Trustees with terms beginning on July 1, 2003 through and including July 1, 2012, the previously enacted 15 year term limit is effective with the date of such Trustee's initial election or appointment. The Trustees shall be separated into three groups of substantially equal number so that the terms of one third of the Trustees shall expire each year. Each Trustee shall serve until his or her term expires, and thereafter until such Trustee's successor is duly elected, or until such Trustee's earlier death or resignation.

Section 2.02 Qualifications for Membership. Members of the Board of Trustees shall be natural persons of full age who need not be residents of the Commonwealth of Pennsylvania. A person who is employed in any capacity by the University shall not be eligible to serve as a member of the Board of Trustees. This qualification for membership shall not apply to a person who is an ex officio member of the Board of Trustees, nor to a person who is a student employed part-time by the University. A person shall not be eligible to serve as a member of the Board of Trustees for a period of five (5) years from the July 1 coincident with or next following the date of (a) last employment in any capacity by the University or (b) the last day of such person's employment with the Commonwealth of Pennsylvania as Governor, Lieutenant Governor, Attorney General, Auditor General or State Treasurer. This qualification for membership shall not apply to a person who is an ex officio member of the Board of Trustees, nor to a person who is a student employed part-time by the University. Only graduates of The Pennsylvania State University who shall have received an associate degree, a bachelor's degree, or an advanced degree from the University shall be eligible to serve as a trustee elected

by the alumni. No member of the faculty or the governing board of any other college or university in Pennsylvania shall be eligible to serve as a trustee elected by the alumni.

Section 2.03 Removal. Any member of the Board of Trustees other an ex-officio member may be removed from his or her position as a Trustee in accordance with this Section 2.03.

(a) Any Trustee who believes that another Trustee has breached his or her fiduciary duty to the University shall raise the issue with the Chair of the Board of Trustees or the chairperson of the Governance and Long-Range Planning Committee.

(b) Removal of a Trustee shall require a joint proposal to the Board of Trustees by the chairperson of the Board of Trustees and the chairperson of the Governance and Long-Range Planning Committee that the Board of Trustees take action to remove a Trustee on the basis that the Trustee has breached his or her fiduciary duty to the University. Such joint proposal shall be furnished in writing to each member of the Board of Trustees not less than 30 days prior to the meeting of the Board of Trustees at which such matter is to be considered. Removal shall require the determination of not less than two-thirds of the Trustees present at a duly called meeting that the Trustee has breached his or her fiduciary duty.

(c) In the event that the Chair of the Board of Trustees or the chairperson of the Governance and Long-Range Planning Committee is the subject of a removal action under this Section 2.03, the Vice Chair of the Board of Trustees shall be substituted for such affected Trustee for purposes of this Section 2.03.

Section 2.04 Regular Meetings; Notice. Regular meetings of the Board of Trustees shall be held at such time and place as shall be designated by the Board of Trustees from time to time. There shall be at least one (1) regular meeting of the Board of Trustees per

year. Notice of such regular meetings shall not be required, except as otherwise expressly required herein or by law, and except that whenever the time or place of regular meetings shall be initially fixed and then changed, notice of such action shall be given promptly by telephone, facsimile, electronic mail or otherwise to each Trustee not participating in such action. Any business may be transacted at any regular meeting.

Section 2.05 Annual Meeting of the Board. One regular meeting of the Board of Trustees shall be designated the annual organization meeting at which the Board of Trustees shall organize itself and elect the officers of the University for the ensuing year and may transact any other business.

Section 2.06 Special Meetings; Notice. Special meetings of the Board of Trustees may be called at any time by the Chair of the Board or by seven members of the Board of Trustees, to be held at such place and day and hour as shall be specified by the person or persons calling the meeting. Notice of every special meeting of the Board of Trustees shall be given by the Secretary to each Trustee by telephone, facsimile, electronic mail or otherwise at least three (3) days before the meeting unless the meeting is being called in the event of an emergency, in which case as much advance notice shall be given to the Trustees as is practicable under the circumstances. In addition, public notice of any special meeting shall be given as required by law. Except as otherwise provided herein or required by law, any business may be transacted at any special meeting regardless of whether the notice calling such meeting contains a reference thereto.

Section 2.07 Quorum. At all meetings of the Board of Trustees, the presence of at least a majority of the voting members of the Board of Trustees in office shall be necessary and sufficient to constitute a quorum for the transaction of business. If a quorum is not present at

any meeting, the meeting may be adjourned from time to time by a majority of the Trustees present until a quorum as aforesaid shall be present, but notice of the time and place to which such meeting is adjourned shall be given to any Trustees not present either by facsimile or electronic mail or given personally or by telephone at least eight hours prior to the hour of reconvening.

Section 2.08 Actions. Resolutions of the Board of Trustees shall be adopted, and any action of the Board of Trustees upon any matter shall be valid and effective, with the affirmative vote of a majority of the Trustees present at a meeting duly convened and at which a quorum is present. The Chair, if one has been elected and is present, or if not, the Vice Chair, if present, or if not, a Trustee designated by the Board of Trustees, shall preside at each meeting of the Board of Trustees. The Secretary, or in his or her absence the Associate Secretary, shall be responsible for ensuring that the minutes of all meetings of the Board of Trustees are recorded in some reasonable manner. In the absence of the Secretary and the Associate Secretary, the presiding officer shall designate any person to take the minutes of the meeting. Unless otherwise modified in these Bylaws, the conduct of business in meetings of the Board of Trustees and any committees thereof shall be in accordance with the parliamentary procedures prescribed in Robert's "Rules of Order."

Section 2.09 Meetings by Telephone. Subject to the requirements of any applicable open meeting laws, one or more Trustees may participate in any regular or special meeting of the Board of Trustees or of a committee of the Board of Trustees by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting in this manner by a Trustee will be considered to be attendance in person for all purposes under these Bylaws.

Section 2.10 Resignations. Any Trustee may resign by submitting his resignation to the Secretary. Such resignation shall become effective upon its receipt by the Secretary or as otherwise specified therein.

Section 2.11 Vacancies. Vacancies in the membership of the Board of Trustees created by death, resignation, removal or any other reason may be filled by appointment by the Chair of the Board of Trustees for the unexpired term in all cases except memberships reserved for gubernatorial appointment and ex officio memberships established by the University's charter.

Section 2.12 Compensation. Members of the Board of Trustees serve as volunteers and are not compensated for their services. Trustees may be reimbursed upon request for transportation and other direct expenses while engaged in the discharge of their official duties, in accordance with the University's travel reimbursement policies in effect from time to time.

Section 2.13 Certain Meetings. The Chair of the Board of Trustees may, at his discretion, request that one or more of the non-voting members of the Board of Trustees be excused from any regular or special meeting of the Board of Trustees or any portion thereof.

ARTICLE III

COMMITTEES AND SUBCOMMITTEES

Section 3.01 Committees and Subcommittees. Standing or temporary committees or subcommittees consisting of at least one (1) Trustee may be appointed by the Board of Trustees from time to time; provided, however, that a temporary committee may not be created for the purpose of acting on any matter appropriate to be acted on by a standing committee or subcommittee thereof. Committees and subcommittees may include non-voting

members that are not Trustees of the University. Each such committee and subcommittee shall have and exercise such authority of the Board of Trustees in the management of the business and affairs of the University as the Board of Trustees may specify from time to time.

Section 3.02 Executive Committee. The executive committee shall have thirteen (13) members, all of whom shall be voting members. The executive committee shall be composed of the Chair of the Board of Trustees (who shall also be the chair of the executive committee), the Vice Chair of the Board of Trustees, the Chairs of the standing committees, the Chair of the Board of Directors of the Milton S. Hershey Medical Center (or, if such chair is not a voting member of the Board of Trustees, a member of the Board of Directors of The Milton S. Hershey Medical Center who is also a voting member of the Board of Trustees), the immediate past Chair of the Board of Trustees and three at-large members nominated by the Governance and Long-Range Planning Committee and elected by the Board of Trustees. In addition, the President of the University shall be an ex-officio nonvoting member of the Executive Committee.

(a) Purpose of the Executive Committee. The purpose of the executive committee shall be to transact all necessary business as may arise in the intervals between regular meetings of the Board of Trustees; it being understood that action by the Executive Committee would not be expected to be taken except in extraordinary circumstances. Notice of any action by the Executive Committee shall be provided to the Board of Trustees at its next regular meeting.

(b) Meetings of the Executive Committee. Meetings of the executive committee may be called by the Chair of the Board of Trustees or by any three (3) members of

the Executive Committee. No action may be taken by the Executive Committee without the affirmative vote of at least seven (7) members of the Executive Committee.

(c) Place of Meetings of the Executive Committee. All meetings of the executive committee shall be held at the executive offices of the University unless otherwise ordered by the Chair of the executive committee.

(d) Notice of Meetings of the Executive Committee. Notice of the time and place of all meetings of the executive committee shall be given in the same manner as for meetings of the Board of Trustees.

Section 3.03 Standing Committees and Subcommittees. The Board may adopt standing committees and subcommittees thereof in addition to the executive committee in accordance with the terms of these Bylaws.

(a) Function of Standing Committees and Subcommittees. The purpose of the standing committees and subcommittees is to facilitate consideration of the business and management of the Board of Trustees and of the University, as hereinafter set forth.

(b) Referral of Matters to Standing Committees and Subcommittees. Any matters appropriate for consideration by a standing committee or a subcommittee first shall be referred thereto by the Board of Trustees or the Chair of the Board of Trustees; except that a two-thirds (2/3) vote of the Trustees present at a meeting of the Board of Trustees but in no event by an affirmative vote of less than nine (9) Trustees will permit initial consideration by the full Board of Trustees; provided, however, that any matter referred to and considered by a standing committee or a subcommittee, but upon which the committee or subcommittee makes no recommendation or report to the Board of Trustees may be brought before the Board of Trustees for consideration at the request of any Trustee.

(c) Matters Appropriate to More Than One Committee or Subcommittee. Except as otherwise provided in these Bylaws, matters determined to be appropriate for consideration by more than one committee or subcommittee may be referred by the Chair of the Board of Trustees to one committee or subcommittee or more.

(d) Final Authority of the Board. Unless otherwise specifically delegated and except as otherwise provided herein, authority to act on all matters is reserved to the Board of Trustees, and the duty of each standing committee and subcommittee shall be only to consider and to report or make recommendations to the Board of Trustees upon appropriate matters.

(e) Specific Responsibility of Standing Committees. The several standing committees are charged specifically with the immediate care and supervision of the subject matters respectively indicated by and properly relating to their titles.

(f) Standing Committees Established. The following shall be the standing committees of the Board of Trustees:

(i) Committee on Academic Affairs and Student Life. The committee on academic affairs and student life shall consist of not less than five (5) appointive members, in addition to the ex officio members, and shall consider and report or recommend to the Board of Trustees on matters pertaining to:

- (1) the educational policies and programs of the University, including the long-range educational development of the University;
- (2) the faculty;
- (3) educational policy matters pertaining to instruction, research, and continuing education; and
- (4) all phases of student life.

(ii) Committee on Finance, Business and Capital Planning. The committee on finance, business and capital planning shall consist of not less than five (5) appointive members, in addition to the ex officio members and shall consider and report or recommend to the Board of Trustees on matters pertaining to:

(1) finance, business, budgets, non-budget expenditures, human resources, investments, trust funds, insurance, real estate contracts, government and private contracts, and grants, fees, room and board charges, and the long-range financial planning and development of the University;

(2) endowments, gifts, and fund raising;

(3) the purchase and sale of real estate, master plans, construction, the appointment of architects, the selection of architectural styles and materials, architect's plans, the award of contracts, and the names of buildings and roads; and

(4) the University's capital plan, the long-range comprehensive physical plant and infrastructure development of the University at each campus, consistent with the long-range educational development of the University.

(iii) Committee on Governance and Long-Range Planning. The committee on governance and long-range planning shall consist of not less than five (5) appointive members, in addition to the ex officio members and shall:

(1) in fulfillment of its governance responsibilities, provide counsel and advice to the Board of Trustees in matters concerning the development of strategies, policies, and practices that orient, educate, organize, motivate, and assess the performance of trustees. It shall assume such additional responsibilities

as may from time to time be assigned by the Chair of the Board of Trustees with the approval of the Board of Trustees including, but not limited to:

- a.** reviewing and recommending to the Board any changes to the expectations of membership and code of conduct for all trustees, including trustees emeriti;
- b.** recommending to the Board of Trustees candidates for election to membership on the Executive Committee;
- c.** reviewing the service of a Trustee upon retirement; and
- d.** evaluating and making recommendations on the working effectiveness of the Board and its committees.

(2) in fulfillment of its long-range planning responsibilities:

- a.** charge and support the chief executive with leading a strategic planning process, participating in that process, approve the strategic plan, and monitoring its progress; and
- b.** ensure the growth, development, and sustainability of the University for future generations in order to achieve its full potential as one of the world's great universities.

(iv) Committee on Audit and Risk. The committee shall consist of not less than five (5) appointive members, in addition to the ex officio members, and shall oversee the auditing of the University's financial statements and internal controls as set forth more fully in the operating guidelines of the committee. In fulfilling its responsibility, the committee on audit and risk shall consider and report or recommend to the Board of Trustees on matters pertaining to:

- (1) regular and special audits; and
- (2) the identification and management of risks including financial,

material, and reputational.

(v) Committee on Legal and Compliance; The committee on legal and compliance shall consist of not less than five (5) appointive members, in addition to the ex officio members, and shall oversee adherence to laws, regulations, and policies that pertain to University operations. In fulfilling its responsibility, the committee on legal and compliance shall consider and report or recommend to the Board of Trustees on matters pertaining to compliance, oversight and legal issues as legally or otherwise prescribed.

(vi) Committee on Outreach, Development and Community Relations. The committee on outreach, development and community relations shall consist of not less than five (5) appointive members, in addition to the ex officio members and shall, in concert with the University's leadership, engage regularly with the University's major constituents including the faculty, staff, students, alumni, supporters, relevant state and local government agencies and officials, business leaders and the public. It shall assume such additional responsibilities as may from time to time be assigned by the Chair of the Board of Trustees with the approval of the Board of Trustees including, but not limited to:

- (1) Educating constituents about the role and responsibilities of the Board of Trustees;
- (2) Communicating the value of the University to all constituents at all locations; and

(3) Developing short and long term communication plans consistent with University priorities.

(g) Selection of Committee Members. Members of the standing committees, and the chairperson and vice chairperson thereof, shall be appointed by the Chair of the Board of Trustees. The Chair of the Board of Trustees and, in his or her absence, the Vice Chair of the Board of Trustees shall be an ex officio member of all standing committees, of all special committees and of all subcommittees. No Trustee shall serve as chairperson of any standing committee for more than five (5) consecutive years, except as specifically approved by a two-thirds vote of the Board of Trustees. Members of the subcommittees, and the chairperson and vice chairperson thereof, shall be appointed by the chair of the standing committee of which the subcommittee is a part, after consultation with the Chair of the Board of Trustees.

(h) Term of Committee Members. Committee members shall serve for a term of one (1) year commencing upon the date of the election of officers of the Board or such other date as may be prescribed by the Chair of the Board of Trustees, and until their successors are appointed in accordance with this Bylaw.

(i) Vacancies on Standing Committees. Vacancies on all standing committees shall be filled through appointment by the Chair of the Board to serve the unexpired term created by the vacancy.

(j) Consultation with Constituent Groups. Standing committees shall seek consultation from representative constituent groups as appropriate in the exercise of their responsibilities.

(k) The following shall be the subcommittees of the Board of Trustees:

(i) The subcommittee on architect/engineer selection (of the committee on finance, business and capital planning) shall be composed of three members of the committee on finance, business and capital planning. When it becomes necessary for the Board of Trustees to appoint an executive architect or engineer for major University physical plant projects, University staff will prepare a list of not less than three nor more than five firms for consideration by the subcommittee. The qualifications of these firms to perform this particular professional activity as well as background information regarding the type of firm and previous professional work will be presented to the subcommittee. Based on this information, and upon any recommendation that may be forthcoming from a program committee, and any additional information the subcommittee may request, the subcommittee, after discussion with the staff, will recommend to the committee on finance, business and capital planning, the firm that they recommend the Board of Trustees should appoint.

(ii) The subcommittee on finance (of the committee on finance, business and capital planning) shall be composed of up to three members of the committee on finance, business and capital planning. This subcommittee shall be responsible for reviewing on a regular basis certain of the University's material financial matters, including the operating and capital budgets, balance sheet management and debt strategy, non-endowed investments, review and endorsement of endowment spending rates, and informing the committee on finance, business and capital planning regarding relevant financial oversight matters.

(iii) The subcommittee on human resources (of the committee on finance, business and capital planning) shall be composed of up to five members, not all of whom

need be members of the committee on finance, business and capital planning. This subcommittee shall be responsible for reviewing on a regular basis certain of the University's greatest assets, its human resources, including the applicable policies and procedures concerning the recruitment, retention, and training of employees, as well as diversity and inclusion. The subcommittee shall be responsible for a review of compensation policies and practices.

(iv) The Subcommittee on Legal (of the committee on legal and compliance) shall be composed of up to five members of the committee on legal and compliance. This subcommittee shall be responsible for reviewing matters pertaining to compliance, oversight and legal issues as legally or otherwise prescribed, including but not limited to litigation strategies and other matters as prescribed by the subcommittee's charter.

Section 3.04 Quorum and Actions. At all meetings of a committee, the presence of at least a majority of the members of such committee (including any ex officio members of such committee) shall be necessary and sufficient to constitute a quorum for the transaction of business. Except as set forth in Section 3.02(b), resolutions of a committee shall be adopted, and any action of the committee upon any matter shall be valid and effective, with the affirmative vote of a majority of the members of the committee present at a meeting duly convened and at which a quorum is present.

Section 3.05 Authority of Board. Any action taken by any committee shall be subject to alteration or revocation by the Board of Trustees; provided, however, that third parties shall not be prejudiced by such alteration or revocation.

Section 3.06 Special Assignments. The Chair of the Board of Trustees may make special assignments to the Trustees from time to time in furtherance of the Board's duties and obligations. Such assignments shall include, but not be limited to, the following:

(a) Trustee Representative at All Commencements. The Board of Trustees shall be represented at all Commencements by the Chair of the Board of Trustees or by Trustees designated by the Chair of the Board of Trustees.

(b) Trustee Representative at Meetings of the Executive Board of the Alumni Association. On recommendation of the Executive Board of the Alumni Association, the Chair of the Board of Trustees is authorized to appoint a Trustee to attend all official meetings of the Executive Board of the Alumni Association.

(c) Trustee Liaison to Capital Campaigns. The Chair of the Board of Trustees is directed to appoint a liaison Trustee to interact with developmental activities for capital campaigns and to apprise the Board of Trustees of the activities and the progress of campaigns.

ARTICLE IV

LIABILITY AND INDEMNIFICATION

Section 4.01 Personal Liability of Trustees.

(a) Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of Trustees, no Trustee of the University shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Trustee.

(b) Nature and Extent of Rights. The provisions of this Section shall be deemed to be a contract with each Trustee of the University who serves as such at any time while this Section is in effect and each such Trustee shall be deemed to be so serving in reliance on the

provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the University which has the effect of increasing Trustee liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

Section 4.02 Indemnification.

(a) Right to Indemnification.

(i) As used herein, the word “Action” shall mean any action, suit or proceeding, administrative, investigative or other, (i) to which such person is a party (other than an action by the University) or (ii) in connection with which such person is not a party but is a witness, subject to investigation or otherwise involved, in either case by reason of such person being or having been a Trustee or officer of the University or by reason of such person serving or having served at the request of the University as a director, officer, employee, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other entity.

(ii) Except as prohibited by law, each Trustee and officer of the University shall be entitled as of right to be indemnified by the University against expenses and any liability paid or incurred by such person (i) in the defense of any Action to which such person is a party or (ii) in connection with any other Action.

(iii) A person who is not a Trustee or officer of the University may be similarly indemnified in respect of service to the University to the extent the Board of Trustees at any time designates such person as entitled to the benefits of this Section.

(iv) As used in this Section, “indemnitee” shall include each Trustee and each officer of the University and each other person designated by the Board of Trustees as

entitled to the benefits of this Section; “liability” shall include amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement; and “expenses” shall include fees and expenses of counsel incurred by the indemnitee only (i) if the University has not at its expense assumed the defense of the Action on behalf of the indemnitee with reputable and experienced counsel selected by the University, or (ii) if it shall have been determined pursuant to Section (c) hereof that the indemnitee was entitled to indemnification for expenses in respect of an Action brought under that Section.

(b) Right to Advancement of Expenses. Every indemnitee shall be entitled as of right to have his expenses in defending any Action paid in advance by the University, as incurred; provided, however, that the University receives a written undertaking by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that such person’s conduct was such that the University is prohibited by law from indemnifying such person.

(c) Right of Indemnitee to Initiate Action; Defenses.

(i) If a written claim under paragraph (a) or paragraph (b) of this Section is not paid in full by the University within thirty days after such claim has been received by the University, the indemnitee may at any time thereafter initiate an action to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the expense of prosecuting such action.

(ii) The only defenses to an action to recover a claim for indemnification otherwise properly asserted under paragraph (a) shall be that the indemnitee's conduct was such that under applicable law the University is prohibited from indemnifying the

indemnitee for the amount claimed, but the burden of proving any such defense shall be on the University.

(iii) The only defense to an action to recover a claim for advancement of expenses otherwise properly asserted under paragraph (b) shall be that the indemnitee failed to provide the undertaking required by paragraph (b), but the burden of proving any such defense shall be on the University.

(d) Non-Exclusivity; Nature and Extent of Rights; Insurance. The rights to indemnification and advancement of expenses provided for in this Section shall (i) not be deemed exclusive of any other rights to which any indemnitee may be entitled, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the University at any time while this Section is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he was entitled or was designated as entitled to indemnification under this Section and shall inure to the benefit of the heirs and legal representatives of each indemnitee. The University may provide, at its cost, insurance, or may self-insure, to protect itself and any Trustee, officer, agent or employee eligible to be indemnified hereunder against any liability or expense whether or not the University would have the power to indemnify such trustee, officer, agent or employee.

ARTICLE V

OFFICERS AND EMPLOYEES

Section 5.01 Officers.

(a) Officers. The officers of the Board of Trustees shall be a President (also referred to as the “Chair”), a Vice President (also referred to as the “Vice Chair”), each of whom shall be a member of the Board of Trustees, and a Secretary.

(b) Election and Term of Officers. All officers of the Board of Trustees shall be chosen each year by ballot of the voting members of the Board of Trustees present at the stated meeting of the Board of Trustees in January to serve for a period of one year and until their successors are chosen according to these Bylaws.

(c) Duties of Officers. The Chair of the Board of Trustees shall perform the corporate duties which pertain to that office. The Chair shall appoint all committees and subcommittees of the Board of Trustees and the chairperson thereof (except the executive committee) unless otherwise ordered by the Board of Trustees. The Vice Chair shall, in the absence of the Chair, perform the duties of the Chair. The Secretary shall perform the corporate duties which pertain to that office, be custodian of the corporate seal, conduct the ordinary correspondence of the Board of Trustees and maintain an accurate record of all proceedings of the Board of Trustees and of the executive committee.

(d) Vacancies in Office. Vacancies in any office or offices may be filled by ballot of the voting members present at any meeting of the Board of Trustees.

(e) Officers of the University. The executive officers of the University shall be the President, one or more Vice Presidents as the Board of Trustees may from time to time determine, an associate secretary, three assistant secretaries, a Treasurer, and three assistant treasurers, all of whom shall be elected by the Board of Trustees. Except for the office of the President and Secretary, any two or more offices may be held by the same person. Each

executive officer shall hold office at the pleasure of the Board of Trustees, or until his or her death or resignation.

(f) The associate secretary shall assist the secretary in the performance of his/her duties and shall act for and on behalf of the University in the same manner and with the same authority as the secretary. The assistant secretaries shall assist the associate secretary and shall act for and on behalf of the University in the same manner and with the same authority as the secretary. The Treasurer shall receive and disburse all monies of the corporation under procedures and safeguards prescribed by the Board of Trustees. The assistant treasurers shall assist the treasurer in the performance of these duties and shall act for and on behalf of the University in the same manner and with the same authority as the treasurer.

Section 5.02 Additional Officers; Other Agents and Employees. The Board of Trustees may from time to time appoint or employ such additional officers, assistant officers, agents, employees and independent contractors as the Board of Trustees deems advisable; the Board of Trustees shall prescribe their duties, conditions of employment and compensation; and the Board of Trustees shall have the right to dismiss them at any time, without prejudice to their contract rights, if any. The President of the University may employ from time to time such other agents, employees and independent contractors as he may deem advisable for the prompt and orderly transaction of the business of the University, and he may prescribe their duties and the conditions of their employment, fix their compensation and dismiss them at any time, without prejudice to their contract rights, if any.

Section 5.03 The Chair. The Chair of the Board of Trustees, if any, shall be elected from among the voting members of the Board of Trustees, shall preside at all meetings of the Board of Trustees as provided herein, and shall have such other powers and duties as from

time to time may be prescribed by the Board of Trustees. The Chair shall be an ex officio member of all standing committees and subcommittees, entitled to vote thereon. In the absence or disability of the Chair, the Vice Chair shall have the powers and perform the duties of the Chair.

Section 5.04 The President. The President of the University shall be the chief executive officer of the University. Subject to the control of the Board of Trustees, the President shall have general supervision of and general management and executive powers over all the property, operations, business, affairs and employees of the University, and shall see that the policies and programs adopted or approved by the Board of Trustees are carried out. The President shall exercise such further powers and duties as from time to time may be prescribed in these Bylaws or by the Board of Trustees. The President of the University, as chief administrative officer, shall carry out all orders and directives of the Board of Trustees and shall administer all policies of the Board of Trustees, as well as the policies established by him or her and by the faculty. The President may delegate such administrative authority as he or she deems appropriate to his or her staff, to the Treasurer, to the deans of the various academic units, and to others, who shall exercise such delegated authority in the name of the President. The establishment of senior administrative positions responsible directly to the President and the determination of the functions of such positions shall be made by the President of the University. All administrative officers with the title of vice president or dean shall be appointed by the President, subject to the approval of the Board of Trustees. Removal of such administrative officers with the title of vice president or dean shall be made by the President and, in such event, the President shall inform the Board of Trustees of such removal at the next regular meeting of the Board. The President, as chief policy officer, shall have final authority, subject to the

revisions and orders of the Board of Trustees, to establish policy concerning educational policy and planning, student affairs, the instructional program, courses and curricula, personnel, admissions, graduation requirements, scholarships and honors, calendar requirements, business, planning, research, and finance; provided, however, that the President shall delegate to the faculty, as appropriately organized, subject to the orders of the President, the authority to establish policy concerning the approval and supervision of the instructional program, including courses and curricula, academic admission standards, graduation requirements, and scholarships and honors. The President shall consult with the faculty, as appropriately organized, in the establishment of policy concerning educational policy and planning, including general admissions policy, calendar, academic personnel, student affairs, and any other matter he or she shall deem appropriate. In addition, the President shall consult with the student body, as appropriately organized, in the area of student affairs.

Section 5.05 The Vice President(s). The University may have one or more Vice Presidents. The Vice President(s) may be given by resolution of the Board of Trustees general executive powers, subject to the control of the President, concerning one or more or all segments of the operations of the University. The Vice President(s) shall exercise such further powers and duties as from time to time may be prescribed in these Bylaws or by the Board of Trustees or the President. At the request of the President, or in his or her absence or disability, the Executive Vice President and Provost shall exercise the powers and duties of the President.

Section 5.06 The Secretary, Associate Secretary and Assistant Secretaries. It shall be the duty of the Secretary (a) to keep an original or duplicate record of the proceedings of the Board of Trustees, and a copy of the Charter and of the Bylaws; (b) to give such notices as may be required by law or these Bylaws; (c) to be custodian of the corporate records and of the

seal of the University and see that the seal is affixed to such documents as may be necessary or advisable; and (d) to exercise all powers and duties incident to the office of Secretary; and such further powers and duties as from time to time may be prescribed in these Bylaws or by the Board of Trustees or the President. The Associate Secretary and the assistant secretaries shall assist the Secretary in the performance of his duties and shall also exercise such further powers and duties as from time to time may be prescribed by the Board of Trustees, the President or the Secretary. At the direction of the Secretary or in his or her absence or disability, the Associate Secretary shall exercise the powers and duties of the Secretary.

Section 5.07 The Treasurer and Assistant Treasurers. It shall be the duty of the Treasurer (a) to keep the University's contracts, insurance policies, leases, deeds and other business records; (b) to see that the University's lists, books, reports, statements, tax returns, certificates and other documents and records required by law are properly prepared, kept and filed; (c) to be the principal officer in charge of tax and financial matters, budgeting and accounting of the University; (d) to have charge and custody of and be responsible for the University's funds, securities and investments; (e) to receive and give receipts for checks, notes, obligations, funds and securities of the University, and deposit monies and other valuable effects in the name and to the credit of the University, in such depositories as shall be designated by the Board of Trustees; (f) to cause the funds of the University to be disbursed by payment in cash or by checks or drafts upon the authorized depositories of the University, and to cause to be taken and preserved proper vouchers for such disbursements; (g) to render to the President and the Board of Trustees whenever they may require it an account of all his transactions as Treasurer, and reports as to the financial position and operations of the University; (h) to keep appropriate, complete and accurate books and records of account of all the University's business and

transactions; and (i) to exercise all powers and duties incident to the office of Treasurer; and such further duties from time to time as may be prescribed in these Bylaws or by the Board of Trustees or the President. The assistant treasurers shall assist the Treasurer in the performance of his or her duties and shall also exercise such further powers and duties as from time to time may be prescribed by the Board of Trustees, the President or the Treasurer. At the direction of the Treasurer or in his absence or disability, an assistant treasurer shall exercise the powers and duties of the Treasurer.

Section 5.08 Vacancies. Any vacancy in any office or position by reason of death, resignation, removal, disqualification, disability or other cause shall be filled in the manner provided in this Article V for regular election or appointment to such office.

Section 5.09 Delegation of Duties. The Board of Trustees may in its discretion delegate for the time being the powers and duties, or any of them, of any officer to any other person whom it may select. Upon authorization by the Board of Trustees, an officer may delegate performance of specific duties to employees and agents of the University.

(a) Notwithstanding the foregoing, the following matters shall require the approval of the Board of Trustees:

- (i) Basic University Organization and Policy
 - (1) Amendments to the Charter, Bylaws and Standing Orders;
 - (2) All reports of standing or special committees of the University's Board of Trustees;
 - (3) All major modifications of educational policy;
 - (4) Authorization to grant degrees to graduates;

(5) The determination of the major goals of the University, including the establishment and review of long-range plans for the educational, financial and physical development of the University; and

(6) University intellectual property policy.

(ii) Fiscal Matters

(1) Establishment of, or changes in existing, major University fiscal policies;

(2) Annual operating budgets and changes in the approved totals, state appropriation requests, and appropriation of building funds unappropriated;

(3) Acceptance of gifts, bequests, grants, fellowships, scholarships, loan funds that are not in accord with established policy;

(4) Establishment of, or changes in, fees including tuition, room and board;

(5) Authorization to borrow money; authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities; and

(6) Selection of a firm to make annual audit of University accounts.

(iii) Physical Plant

(1) Establishment of, or changes in existing policies, on matters such as selection of architects, naming of buildings and roads, preservation of campus landmarks;

(2) Approval of the purchase or sale of land and other real estate with a value of over \$1 million, with the exception of the sale of land and other real

estate up to \$3 million in value gifted to the University for the express purpose of sale with proceeds benefitting the University;

(3) Approval of specific names for individual buildings and roads;

(4) Design plans for buildings and facilities to be constructed or significant alteration to existing buildings, with the exception of temporary buildings or buildings under \$5 million in cost; provided that review and approval may be requested by the administration in lieu of presentation as an information item for projects of a special nature that fall below the \$5 million level;

(5) Projects under \$5 million in cost that are bond-financed;

(6) Approval to award contracts for construction; provided, however, that the Officers of the University shall have the discretion to expend up to an additional 10 percent of the authorized construction cost, as necessary; and

(7) Appointment of architect for construction of major projects.

(iv) Personnel Matters.

(1) The selection, support, compensation and evaluation of the President of the University and other senior positions, in accordance with policies and procedures adopted by the Board of Trustees from time to time. This responsibility includes a commitment to grant the President broad delegated authority, to support the President in his/her exercise of such authority, to judge the performance of the President, and if necessary, to remove the President. In the selection of a President, the Board shall consult with representatives of the faculty and the student body.

(v) Miscellaneous

(1) Selection of the recipients of Distinguished Alumni Awards, honorary degrees and the Penn State Medal; and

(2) Selection of specific dates for regular meetings of the Board of Trustees.

(b) The delegation of authority set forth in this Section 5.09 requires that the Board of Trustees rely on the judgment and decisions of those who operate under its authority. However, this reliance of the Board of Trustees must be based upon its continuing awareness of the operations of the University. Therefore, the Board of Trustees shall receive and consider thorough and forthright reports on the affairs of the University by the President or those designated by the President. The Board of Trustees has a continuing obligation to require information or answers on any University matter with which it is concerned. In addition to such matters as the President of the University may determine, or as requested by the Chair of the Board of Trustees, the following matters shall be presented to the Board of Trustees for information:

(i) Basic University Organization and Policy

(1) New curricula and major changes in existing curricula;

(2) Major policy matters affecting student welfare and activities; and

(3) Major policy matters affecting research.

(ii) Fiscal Matters

(1) Financial statements, and gifts, bequests, grants, fellowship, scholarships, loan funds that are in accord with established policy; and

(2) The University's annual reports filed under the Clery Act and the Pennsylvania Right to Know Act.

(iii) Personnel Matters

(1) Policies. New policies or changes in existing policies governing appointments, promotions in academic rank, leaves of absence, resignations, retirements, academic freedom and tenure, hours and conditions of employment, and fringe benefits; and

(2) Compensation. Information regarding the compensation and performance of the University's senior executives and leaders.

(iv) Physical Plant

(1) New construction or renovations projects with a cost between \$1,000,000 and \$4,999,999;

(2) Naming of rooms, portions of buildings, and plazas;

(3) Real estate purchases less than \$1 million in value;

(4) Proceeds from the sale of land and other real estate gifted to the University for the express purpose of sale;

(5) Capital budget request submitted to the Commonwealth of Pennsylvania.

(c) Board of Trustees Delegation of Authority to Certain University Administrative Officers.

(i) The President, Vice President, Secretary, Treasurer, Assistant Treasurer, Senior Vice President for Finance and Business, and Corporate Controller of the University, or any one of such officers be and they are hereby fully authorized and empowered on behalf of the University to execute and acknowledge all deeds, agreements and contracts, and to transfer and endorse, sell, assign, set over and deliver

any and all shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by this University, and to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(ii) The Treasurer, or in the absence of the Treasurer, the Senior Vice President for Finance and Business, may delegate in writing to such employees of the University as they may deem appropriate, the authority to execute and acknowledge on behalf of the University standardized agreements and contracts for which those employees have administrative responsibility.

(iii) The Executive Director, Office of Investment Management, or in his absence, the Chief Investment Officer, is hereby fully authorized and empowered on behalf of the University to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes or other securities now or hereafter standing in the name of or owned by this University, and to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(iv) The Associate Vice President for Finance and Business and Controller, or, in his or her absence, the Associate Controller, be and they are hereby fully authorized and empowered on behalf of the University to execute and acknowledge all agreements and contracts related to the affairs of the College of Medicine.

(v) The Associate Secretary and Assistant Secretary of this University, or any one of such officers, be and they are hereby fully authorized and empowered on behalf of

this University to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

ARTICLE VI

MISCELLANEOUS CORPORATE TRANSACTIONS AND DOCUMENTS

Section 6.01 Execution of Notes, Checks, Contracts and Other Instruments. All notes, bonds, drafts, acceptances, checks, endorsements (other than for deposit), guarantees and all evidences of indebtedness of the University whatsoever, and all deeds, mortgages, contracts and other instruments requiring execution by the University, may be signed by the Chair, the President, any Vice President or the Treasurer, and authority to sign any of the foregoing, which may be general or confined to specific instances, may be conferred by the Board of Trustees upon any other person or persons. Any person having authority to sign on behalf of the University may delegate, from time to time, by instrument in writing, all or any part of such authority to any other person or persons if authorized to do so by the Board of Trustees, which authority may be general or confined to specific instances. Facsimile signatures on checks may be used if authorized by the Board of Trustees.

Section 6.02 Voting Securities Owned by the University. Securities owned by the University and having voting power in any other University shall be voted by the President or any Vice President, unless the Board of Trustees confers authority to vote with respect thereto, which may be general or confined to specific investments, upon some other person. Any person authorized to vote such securities shall have the power to appoint proxies, with general power of substitution.

ARTICLE VII

GENERAL PROVISIONS

Section 7.01 Offices. The principal business office of the University shall be located at 201 Old Main, University Park, Pennsylvania 16802. The University may also have offices at such other places within or without the Commonwealth of Pennsylvania as the business of the University may require.

Section 7.02 Corporate Seal. The Board of Trustees shall prescribe the form of a suitable corporate seal, which shall contain the full name of the University and the year and state of its creation.

Section 7.03 Fiscal Year. The fiscal year of the University shall end on June 30 or on such other day as shall be fixed by the Board of Trustees.

Section 7.04 Private Inurement. No part of the net earnings of the University shall inure to the benefit of, or be distributable to, its Trustees, officers or other private persons, except that the University shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Bylaws and the University's Charter.

ARTICLE VIII

CONFLICTS OF INTEREST

Section 8.01 Definitions. For purposes of Sections 8.01 – 8.11 hereof, the following terms shall have the meanings set forth below.

(a) **Conflict of Interest.** A “conflict of interest” exists when a reasonable observer, having knowledge of all of the relevant facts and circumstances, would conclude that a Trustee has an actual or apparent conflict of interest in a matter related to the University. In

addition to financial conflicts of interest, a conflict of interest includes a situation in which a Trustee, family member or related entity has an interest that may lead the Trustee to act in a way that is incompatible with or a breach of the Trustee's fiduciary duty to the institution or use such Trustee's role to achieve personal gain or benefit or gain or benefit to family, friends or associates.

(b) Family Member. A "family member" means a Trustee's spouse or dependent child.

(c) Financial Conflict of Interest. A "financial conflict of interest" exists when a Trustee, a family member or related entity has an actual or potential financial interest in a matter (i) that is pending before the Board for discussion or vote or (ii) in which the Trustee or a family member is personally involved. A financial conflict of interest does not include a student or employment relationship of a family member.

(d) Related Entity. A "related entity" means a corporation, partnership, association or other entity where the Trustee or family member serves as an officer, director, partner or employee; expects to receive \$5,000 or more in compensation for services in a calendar year; holds any equity in a non-publicly traded entity; or holds an interest of 5% or more in a publicly traded entity.

(e) Known. "Known" means that the Trustee has actual knowledge of the conflict of interest.

(f) Board. "Board" includes any standing or ad hoc committee of the Board.

(g) Disclose or Disclosure. "Disclose" or "disclosure" means to provide a brief summary of the transaction, agreement or business arrangement and the Trustee's financial or other interest.

Section 8.02 Disclosure. Each Trustee must disclose in writing to the Office of the Board of Trustees and to the Chair of the Board all situations that involve actual or apparent conflicts of interest if and as the conflict of interest becomes known to such Trustee.

Section 8.03 Annual Disclosure. In addition to other annual disclosures required by law or policy, each Trustee must disclose annually and in writing to the Secretary of the Board all conflicts of interest that are known to such Trustee. The annual disclosures of known conflicts of interest will be publicly available upon request.

Section 8.04 Recusal. If a matter in which a Trustee has a known conflict of interest comes before the Board for discussion or decision, the interested Trustee shall leave the Board meeting while the matter is discussed and voted upon. The Trustee's interest and recusal shall be noted in the minutes, which shall be publicly available.

Section 8.05 Contracts or Transactions with the University.. (a) A contract or transaction between the University and a Trustee, family member or an entity in which a Trustee or family member has a beneficial interest of ten percent (10%) or more and the contract or transaction is valued at \$10,000 or more must be approved by the Board of Trustees in accordance with this Section. The University official responsible for the matter must first conclude that it is in the best interests of the University to consider entering into such a contract or transaction. In circumstances where the Trustee, family member or related entity is purchasing goods or services from the University, as opposed to selling such goods or services, the matter is presumptively in the University's interests if the price is fair and reasonable and the contract or transaction does not foreclose a similar transaction with another individual or entity. In other circumstances where the University is purchasing goods or services, the officer must first explore alternatives that do not involve an interest of the Trustee, family member or entity in

which the Trustee or family member owns a beneficial interest of ten percent (10%) or more. If, after exercising such due diligence, the official determines that it is in the best interests of the University to proceed, the matter must be submitted to the Board for approval. The written materials submitted to the Board shall include a description of the contracting process, including the use of open and public bidding if possible and practical, and the official's analysis of why it is in the best interests of the University to proceed with the agreement or relationship. The interested Trustee shall leave the meeting during the discussion and voting. The Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the University's best interests, the price and value provided are fair and reasonable to the University and whether to approve the transaction or arrangement. Any such decision shall be recorded in the minutes, which shall be publicly available.

(b) Contracts or transactions of less than \$10,000 between the University and a Trustee, family member or an entity in which the Trustee or a family member has a beneficial interest of ten percent (10%) or more will be disclosed to the Board of Trustees annually in a written report which shall be available to the public. The report shall include a certification by the appropriate officers of the University that such contracts or transactions were made in the normal course of business and were fair to the University.

Section 8.06 Annual Statements. Each Trustee shall annually sign a statement that affirms that such Trustee (a) has received a copy of the Board's conflict of interest policy as expressed in this Article VIII, (b) has read and understands the policy, and (c) has agreed to comply with the policy.

Section 8.07 Fiduciary Duty. Members of the Board of Trustees stand in a fiduciary relationship to the University which reposes special confidence in each member.

Members of the Board of Trustees shall act in good faith, with due regard to the interests of the University, and shall comply with the fiduciary principles of conduct in addition to any other state or federal requirements. Trustees bring to their roles varied backgrounds and expertise, and they are selected in different ways, but they must keep the welfare of the entire University, not just a particular constituency, at all times paramount.

Section 8.08 Misuse of Information. No member of the Board of Trustees shall for personal gain or benefit or for the gain or benefit of others use any information not available to the public at large and obtained as a result of service to the University.

Section 8.09 Gifts and Favors. No member of the Board of Trustees shall solicit or accept for personal use or for the use of others any gift, loan, gratuity, reward, promise of future employment or any other thing of monetary value based on any understanding that the vote, official action or judgment of the member would be influenced thereby.

Section 8.10 Pre-Existing Contract or Transaction. A contract or transaction that would be required to be disclosed under this Article but which was entered into before the interested Trustee assumed office, or which became subject to this Article as a result of amendments to the Article, and which remains to be performed in whole or in part, shall be disclosed by the Trustee pursuant to Section 8.03 but is not subject to the voting and other requirements of this Article.

Section 8.11 Family Members as Employees. A record of all spouses or dependent children of Trustees who are employed by the University or an affiliated entity and where compensation exceeds \$10,000 per year shall be maintained in the Office of the Board of Trustees and the names and positions but not the amount of compensation shall be posted on the University's public website.

Section 8.12 Employment of Trustees. No Trustee may be employed by the University in any capacity before the fifth (5th) anniversary of the date on which such person last served as a Trustee, except as approved by action of the Board of Trustees.

Section 8.13 Disclosure of Potential Conflict of Interest by Employees of the University. Employees of the University shall exercise the utmost good faith in all transactions touching upon their duties to the University and its property. In their dealings with and on behalf of the University, they shall be held to a strict rule of honest and fair dealings between themselves and the University. They shall not use their positions, or knowledge gained therefrom, in such a way that a conflict of interest might arise between the interest of the University and that of the individual. Employees shall disclose to the administrative head of the college or other unit in which they are employed, or other appropriate superior officer, any potential conflict of interest which they are aware before a contract or transaction is consummated. This bylaw shall be published to the University community at least once annually.

Section 8.14 Consultation. Any Trustee or University official may consult with the Secretary of the Board or the University General Counsel concerning the interpretation or application of any of the provisions of Article VIII.

ARTICLE IX

AMENDMENTS

Section 9.01 Amendments. These Bylaws may be amended, altered or repealed, and new bylaws may be adopted, by the Board of Trustees at any regular or special meeting. Except as specifically set forth in Section 4.01, no provision of these Bylaws shall vest any property or contract right in any person.

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STANDING ORDERS OF THE BOARD OF TRUSTEES**ORDER I. PROCEDURES FOR THE ELECTION OF TRUSTEES BY ALUMNI (see also *the Charter and the Bylaws*)**

- (1) Date of Election. Elections for alumni members of the Board of Trustees shall be held each year on the day preceding the annual Commencement, under the direction of two judges annually appointed for that purpose by the Chair of the Board of Trustees, and may be held either in connection with the Delegate Convention for the election of other members of the Board, or at such other hour of the same day, and such other place, as the Chair of the Board of Trustees may from time to time direct.
- (2) Nominations. The Secretary of the Board of Trustees, or such other officer as may be from time to time designated by the Chair of the Board of Trustees, shall send to each qualified elector as established in the Charter, whose email address is known a notice stating the date at which the next election will be held and the names of alumni trustees whose terms will expire by law on the thirtieth day of June next following. Such notice shall be sent each year not less than ninety days preceding the date on which such election is to be held, and shall invite nominations for vacancies then to occur. All persons who are nominated by as many as fifty electors shall be announced as soon as practical after the tenth day of April each year in a circular sent to all electors, with a form of ballot.
- (3) Form of Ballot. Only the official nominating and voting ballots may be used to nominate and vote for candidates.
- (4) Position on Ballot. Immediately after the last day fixed for depositing ballots to nominate candidates for alumni trustee, the Chair of the Board of Trustees shall fix a day and hour for casting lots for the position of names upon the election ballots. The Secretary of the Board of Trustees shall give at least three days' notice of said date and hour to all candidates nominated. Any candidate may appear in person or by a representative duly authorized in writing. In the event that any candidate is not present in person or by duly authorized representative at the time of casting of lots, it shall be the duty of the Secretary to appoint some person to represent such absentee. After said lots are cast, the Secretary shall accordingly establish the order in which the names of said candidates are to appear on the election ballot.
- (5) Designation of Incumbents. Incumbents shall not be identified as such on election ballots, but ~~biographical~~ sketches shall identify incumbents with an asterisk.
- (6) Position in Booklet of Biographical Sketches. Candidates' names shall be in alphabetical order In any publication of biographical sketches.

- (7) Duplicate Ballots. A duplicate ballot may be issued to a voter only on a written or personal application to the Secretary of the Board of Trustees stating that the original ballot has been lost, mutilated, or destroyed.
- (8) Deadline for Receipt of Nominations. Ballots for the nomination of alumni trustees must be received at the office of the Secretary of the Board of Trustees before 5:00 p.m., February 25.
- (9) Candidate May Withdraw Name. Each candidate nominated shall be given the privilege of withdrawing his/her name.
- (10) Election Returns. All ballots for alumni trustees returned to the proper official in response to said circular and received by him/her on or before the day of election shall be safely kept by him/her, and by him/her delivered at the time and place of election to the two judges selected by the Chair of the Board of Trustees and shall by them be counted as cast at that time and place. Said judges shall make return to the Board of Trustees of the persons for whom ballots have been cast, either by letter or by electors in person, with the number of votes for each person; and the Board of Trustees shall thereupon determine and declare what persons have been elected to fill the vacancies aforesaid. A plurality of votes only shall be required to elect and, in case of an equality of votes between two or more candidates, the person or persons who shall hold said office or offices of trustee shall be designated by ballot of the Board of Trustees.
- (11) Announcement of Results. The names of the winning candidates in the election shall be given publicity in the public press. The names of all candidates and the number of votes received by each shall be made available for publication.
- (12) Electronic Notices and Voting. In order to be good stewards of the limited financial resources of the University, electronic mail may be used to communicate any required notices or other correspondence under this Order I and an electronic balloting and voting process may be used so long as reasonable accommodations are made to permit any qualified elector without access to electronic mail to participate in the election.

ORDER II. SELECTION GROUP ON BOARD MEMBERSHIP FOR BUSINESS AND INDUSTRY TRUSTEES (see also *the Charter and the Bylaws*)

The Selection Group on Board Membership for Business and Industry Trustees shall be composed of five members (three seated Trustees representing business and industry endeavors excepting those standing for reelection; and two trustees from among those elected by the alumni, elected by agricultural associations, or appointed by the Governor. The selection group shall be appointed annually by the Chair of the Board of Trustees for the purpose of recommending, in accordance with guidelines established by the Board of Trustees from time to time, two candidates for membership on the Board of Trustees representing business and industry endeavors. The names and qualifications of the candidates shall be submitted for confirmation by the Board of Trustees (approval or rejection of recommended candidates only).

ORDER III. PROCEDURES FOR THE ELECTION OF TRUSTEES BY AGRICULTURAL DELEGATES (see also *the Charter and the Bylaws*)

The Charter of the Board of Trustees of The Pennsylvania State University provides for the election of six trustees who represent the organized Agricultural Societies or Associations in the Commonwealth.

- (1) Date of Election. Election for agricultural delegate members of the Board of Trustees shall be held each year on the Thursday prior to the day for the annual Commencement, under the direction of two judges annually appointed for that purpose by the Chair of the Board of Trustees.
- (2) Delegates. Agricultural societies are not entitled to send delegates unless they have been organized and in existence at least three months preceding the election, and have duly notified the University of this fact at least sixty days prior to the election. Each society is invited to send up to three delegates each to participate in the election. Societies shall endeavor to select delegates that reside in the county they represent. Employees of The Pennsylvania State University are not permitted to serve as delegates. The societies are to provide each delegate with appropriate credentials to present as proof of eligibility to vote on the day of the election. No proxies are permitted.
- (3) Candidates. Candidates must be an active member of an agricultural society. Individual candidates are invited to notify the Secretary of the Board of Trustees by February 25 of each year. The names of the candidates (along with a biographical sketch and position statement for each candidate, the agenda for the meeting, the governance provisions for the election, and the delegate credential cards for each organization) will be distributed to society secretaries in advance of the election in order to better inform agricultural society delegates.
- (4) Nominations. Nominations will be required for all trustee candidates on the day of the election. Nominations of additional candidates not included in the election mailing are also permitted.
- (5) Registration. Registration of delegates is required on the day of the election. Delegates must present a valid Credential/Registration card, and can be registered as a delegate in one organization/county only.
- (6) Eligibility and Voting. Only those delegates in attendance and duly registered are permitted to participate in the election and voting. The following provisions also apply:
 - (i) Each county is permitted a maximum of three votes each for the candidates.
 - (ii) If a county is represented by more than three delegates, a caucus is required to determine the three from their number who will represent the county.

(iii) If fewer than three delegates represent a county, the county is permitted only as many votes as there are delegates.

- (7) Announcement of Results. The names of the winning candidates in the election shall be given publicity in the public press. The names of all candidates and the number of votes received by each shall be made available for publication.

ORDER IV. RULES AND REGULATIONS FOR THE CONDUCT OF PUBLIC MEETINGS OF THE BOARD OF TRUSTEES, ITS STANDING COMMITTEES AND ITS SPECIAL COMMITTEES

- (1) Meetings Open to the Public. A meeting of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be open to the public as required by applicable law.
- (2) Annual Public Notice of All Meetings. Public notice of the date, time, and place of all regularly scheduled meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees for the calendar year shall be published annually in all daily newspapers of general circulation published in Centre County, and in at least one daily newspaper of general circulation in Pennsylvania. Such notice for meetings at locations other than University Park shall be published in a daily newspaper of general circulation in the political subdivision in which such meetings are to be held. Notice of all regularly scheduled meetings shall also posted on the University's website at the same time as such notice is published in the newspaper.
- (3) Public Notice of Individual Meetings. Public notice of the date, time, and place of each regular meeting shall be given and published in the daily newspapers of general circulation as indicated above, at least three days prior to the time of each regularly scheduled meeting, and at least twenty-four hours prior to the time of the meeting in the case of special or rescheduled meetings. This provision shall not apply in case of a meeting called to deal with an emergency involving a clear and present danger to life or property. Notice of all special meetings shall also be posted on the University's website at the same time as such notice is published in the newspaper. .
- (4) Posting of Notices. Public notice of all meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be posted at the offices of the Secretary of the Board of Trustees at University Park, Pennsylvania.
- (5) News Media Notices. Notice of the date, time, and place of meetings shall be furnished on request to any newspaper publishing in the political subdivision in which the meeting will be held and to any radio and television station which regularly broadcasts into the political subdivision (Centre County in the case of meetings at University Park).

- (6) Notice to Others. Notice of meetings shall also be furnished to anyone providing a stamped, self-addressed envelope prior to the meeting.
- (7) Meeting Room. Except for telephonic meetings, meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be held in a room large enough to accommodate the members of the Board of Trustees, officers of the University, and invited guests. Space shall also be available for up to twenty-five visitors, including representatives of the news media, on a first-come, first-served basis. The room will be opened one-half hour prior to the starting time of the meeting.
- (8) Arrangements for News Media Area and Press Conferences. An area in the meeting room shall be designated by the University for use by the press and other news media, subject to such rules and regulations as the University may adopt. To further facilitate communications between the Board and the public, the Chair of the Board of Trustees and/or the President of the University shall hold press conferences as necessary following meetings of the Board of Trustees.
- (9) Visitors to the Meetings. Visitors to the meetings, including representatives of the news media, shall be present as observers, and not as participants. Any form of participation including speaking, the presentation of petitions, and the display of banners, posters, and other forms of signs is prohibited. This rule does not apply to guests invited by the Chair of the Board of Trustees or the President of the University.
 - (a) The Chair of the Board of Trustees or the President of the University shall be authorized to invite non-voting faculty representatives, non-voting student representatives or other constituent representatives to attend and participate in the meetings of standing committees, subcommittees, and of special committees, except executive sessions. The representatives shall be selected by the Chair of the Board of Trustees in such manner as he/she deems appropriate.
 - (b) The Board of Trustees welcomes the opportunity for expression of public views on issues before the Board. To accommodate such expression, the Board shall reserve a portion of its regular meeting for individuals who wish to address the Board. All persons wishing to speak must preregister by completing a Request to Address form and submit it to the Office of the Secretary of the Board of Trustees no later than 48 hours before the start of the meeting (typically, Wednesday, at 1:30 p.m., 48 hours before Friday meeting at 1:30 p.m.). The Secretary of the Board of Trustees will review this request and notify the person making the request whether he/she may give public comment at the next meeting. The Board will allow up to thirty minutes for public comment/questions per meeting. An individual speaker will be permitted up to three minutes for a presentation. This will be strictly adhered to with assistance of a timekeeper. Thus, a maximum of ten speakers will be scheduled for each Board meeting.

When the number of requests to address the Board of Trustees at a given session exceeds the time available, requests will be approved based on the date the written request was received by the Secretary of the Board. In addition, preference will be given to subject matters that relate to the agenda for the relevant Board meeting and to avoid repetitiveness. Finally, the Board will not hear presentations or entertain questions on the following topics: issues under negotiation as part of the University's collective bargaining process; the employment status of any specific individual; statements concerning the private activities, lifestyles or beliefs of individuals employed by or associated with the University; grievances of individual students or employees; proposals or bids for contracts; or pending or threatened litigation involving the University.

The Chair of the Board of Trustees shall have the authority to modify the provisions of this subsection (b) in his or her discretion to permit additional speakers, extend the public comment session and to make such other accommodations as may be necessary or advisable in his or her opinion to achieve the purposes of the public comment period.

- (10) Photographic and Recording Equipment. Visitors to the meeting, including representatives of the news media, shall be allowed to use battery-operated audio tape recorders, television cameras and photographic equipment subject to the following regulations:
- (a) A designated area in the meeting room shall be used by all visitors to the meeting using television cameras or photographic equipment.
 - (b) Television cameras and related equipment shall be allowed entry into the meeting room for set up purposes during the one-half hour period prior to the starting time of the morning and afternoon meetings. Television cameras and related equipment shall not be allowed entry into the meeting room after the starting time of the meeting, except during the course of a meeting recess, in which event entry will be permitted.
 - (c) Television cameras and photographic equipment shall be required to use available light during the meeting. Artificial lighting and flashes shall not be used during the meeting.
 - (d) No voice-over broadcasting shall be permitted during the meeting.
- (11) Procedures for Committee Meetings and Board Meetings. In conducting the business of the Board of Trustees, its Standing Committees, and its Special Committees, the procedures for the meetings of the Standing Committees and the Special Committees shall provide for full discussion of both information and action items. Following discussion of action items, Standing Committees will vote to recommend an action to the Board of Trustees. Special committees recommend action to Standing Committees. The Board of Trustees meeting will

be devoted primarily to (a) taking formal action on committee recommendations as a block, with Board members having the opportunity to raise questions concerning any of the recommended action items and to call for a separate vote on a given item; (b) considering and acting upon matters which have not come to the Board through a Standing Committee; and (c) receiving the report of the President of the University. The vote of each member of the Board or of a committee on any resolution, rule, order, regulation, ordinance or the setting of official policy must be publicly cast and, in the case of a roll call vote, recorded. From time to time, the Board of Trustees, executive committee, standing committees and subcommittees may hold conferences, which need not be open to the public, for the purposes of providing training and information to Trustees on matters directly related to their official responsibilities; provided, however, that no “deliberations” (as defined in the Pennsylvania Sunshine Law) of University business may occur at a conference.

- (12) Agenda for the Meetings. The agenda and supporting material for the meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be available to the public (both in hard copy at the meeting and online) at the time of the meetings. In addition to making available to the public at the time of the meeting the agenda and supporting material, the University will make available five days in advance of the meeting an agenda of items to be considered with a note that the agenda of items is subject to change without notice prior to the meeting.
- (13) Executive Sessions of the Board of Trustees. The Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees may hold an executive session as permitted by applicable law.
- (14) Maintaining Order. The presiding officer at public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall have the authority to maintain order during the public meeting. Any person who, in the opinion of the presiding officer, prevents, disturbs, or interrupts a public meeting may be requested to leave the public meeting, and, upon failure to comply, may be subject to forcible removal and/or arrest for violation of applicable law.
- (15) Minutes of Public Meetings. The minutes of public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be available for inspection and copying during regular business hours at the office of the Secretary of the Board of Trustees. A copy of minutes of public meetings shall be available to a member of the public upon payment of the reasonable cost of reproduction.
- (16) Revisions in the Rules and Regulations for Public Meetings. The Board of Trustees will periodically review the Rules and Regulations for the Conduct of Public Meetings and make such revisions as experience indicates are appropriate and desirable.

ORDER V. GOVERNANCE OF THE UNIVERSITY

- (1) Role of the Board of Trustees in University Governance
- (a) Guiding Policies. In the exercise of its responsibilities, the Board of Trustees shall be guided by the following policies:
- (i) Delegation of authority. As set forth in the Bylaws, the authority for day-to-day management and control of the University, and the establishment of policies and procedures for the educational program and other operations of the University, is delegated to the President of the University, and by him or her either by delegation to or consultation with the faculty and the student body in accordance with a general directive of the Board of Trustees.
- (ii) Advisor to the President. It is the duty of the Board of Trustees to advise the President on any University matter.
- (b) Responsibility to Inform the Citizens of Pennsylvania. The Board of Trustees shall inform the citizens of the Commonwealth of Pennsylvania of the University's performance of its role in the education of the youth of Pennsylvania.
- (c) Responsibility for Development of Effective Relationships. The Board of Trustees shall assist the President in the development of effective relationships between the University and the various agencies of the Commonwealth of Pennsylvania and the United States of America which provide to the University assistance and direction.
- (d) Expectations of Membership. In exercising the responsibilities of trusteeship, the Board of Trustees is guided by the expectations of membership, each of which is equally important. It is expected that each Trustee will:
- (i) Understand and support the University's mission, vision, and values;
- (ii) Act in good faith at all times and in the best interests of the University in a non-partisan manner, without regard to the manner in which such Trustee was appointed or elected to the Board of Trustees;
- (iii) Make the University a top philanthropic priority to the very best of one's personal ability and fulfill on a timely basis all financial obligations and pledges of support to the University;

- (iv) Prepare diligently, attend faithfully, and participate constructively in all Board of Trustees meetings and related activities by reading the agenda and supporting materials;
- (v) Speak openly, freely and candidly within the Board and publicly support decisions reached by the Board; it being recognized and understood that once the Board of Trustees, as the governing body of the University, makes a decision, it can be counterproductive and potentially damaging to the University for individual Trustees to publicly criticize or attempt to subvert such decision;
- (vi) Make decisions and instruct the administration collectively as the governing body of the University; it being recognized and understood that unless specifically authorized, no individual Trustee has the authority to act on his or her own on behalf of the University or the Board;
- (vii) Participate regularly in events that are integral parts of the life of the University community;
- (viii) Disclose promptly and fully any potential or actual conflicts of interest in accordance with the Board's conflict of interest policies, and personally maintain exemplary ethical standards;
- (ix) Refrain from requests of the President or staff for special consideration or personal prerogatives, including admissions, employment, and contracts for business;
- (x) Maintain the confidentiality of confidential information without exception; it being recognized and understood that for this purpose "confidential information" includes nonpublic information concerning the University, including its finances, operations and personnel, as well as nonpublic information about internal Board discussions and dynamics;
- (xi) Advocate the University's interests, but speak for the Board or the University only when authorized to do so by the Board or the Chair; it being recognized and understood that it is important for the Board of Trustees to convey a consistent message and that, in most instances, the Chair of the Board of Trustees should serve as the spokesperson;
- (xii) Respect University policies relating to the acquisition of information and communication; it being recognized and understood that all such information should be used only for purpose consistent with such Trustee's duties and responsibilities to the University; and

- (xiii) Extend goodwill to one another and to all members of the University community.

Regular attendance at meetings by members of the Board is expected. If a member of the Board is unable to attend at least four of the six scheduled meetings each year, such Board member should discuss with the Chair of the Board of Trustees the question of his or her ability to continue attendance appropriate to a Trustee.

- (e) Final Responsibility of the Board. The Board of Trustees is the final repository of all legal responsibility and authority to govern the University, under the laws of Pennsylvania. It can delegate but it cannot abandon this responsibility and authority. The Board has the responsibility and duty to direct all organizations and persons participating in governing the University, whether such participation be in the establishment of policies, rules, and regulations, or in the administration of such policies, rules, and regulations. In order to perform this responsibility and duty, and consistent with the Charter, the Board of Trustees hereby directs that governing of the University henceforth be conducted in accordance with the following general plan of organization.

(2) Internal Governance

- (a) What Internal Governance Is Concerned With. This plan of organization concerns only the internal governance of the University. It is not concerned with the operation of the Board of Trustees, with the functions of the officers of the corporation, or with the establishment of financial policy and fiscal and budgetary controls, which matters are the responsibility of the Board of Trustees, the President, and the Treasurer in accordance with established policy.
- (b) Who Performed By. The internal governance of the University shall be performed by the President and his or her administration, by the faculty, and by the student body in accordance with the delegations of authority and advisory roles hereinafter set forth.

(3) Faculty

- (a) Responsibilities. The faculty, as appropriately organized, pursuant to delegation from the President, and subject to the revisions and orders of the President, shall establish policy concerning the approval and supervision of the instructional programs including courses and curricula, academic admissions standards, graduation requirements, and scholarships and honors.
- (b) Consultation by the President. The faculty shall be consulted by the President concerning student affairs, educational policy and planning,

academic personnel, and any other matter upon the request of the President.

- (c) Communication with the Board. Official faculty communication to the Board of Trustees shall be made through the President and through faculty participation on the standing committees.

(4) Student Body

- (a) Consultation by the President. The student body shall be consulted by the President concerning the establishment of policy for student affairs.
- (b) Communication with the Board. Official student communication to the Board of Trustees shall be made through the President and through student participation on the standing committees.
- (c) Participation in the Deliberations of the Faculty. Students may also participate in an appropriate manner in the deliberations of the faculty subject to the revisions and orders of the President.

ORDER VI. TRUSTEE EMERITUS

- (1) Granting the Status of Trustee Emeritus to Former Members of the Board. The status of Trustee Emeritus shall be reserved for any living former member of the Board of Trustees who has served as a board member for 12 years or more with distinction. The Chair of the Board shall request a review of the service of a Trustee upon retirement. Criteria to be considered by the committee shall include offices held, attendance record, participation in the activities of the Board, length of service, or other significant contributions. A trustee emeritus shall have none of the obligations of membership on the Board of Trustees (other than the expectations of membership set forth in Standing Order IV(1)(d)(i)- (iii), (v) and (viii) - (xiii)), but shall be entitled to all of the privileges except those of making motions, of voting and of holding office. Each former Chair of the Board of Trustees and any other Trustee having served 20 years will be entitled to automatic trustee emeritus status.

Worthington Scranton

