

# BYLAWS OF BAYLOR UNIVERSITY

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# BYLAWS OF BAYLOR UNIVERSITY

The following Bylaws of Baylor University (the "University"), a Texas Non-Profit Corporation, are hereby adopted. Bylaws previously adopted are hereby repealed.

## PREAMBLE

Baylor University is Texas' oldest institution of higher education. It is operated within Christian-oriented aims and ideals of Baptists and is controlled by a Board of Regents. Baylor was founded by Texas Baptists and has had a strong, ongoing relationship with Baptists. The following Bylaws govern the manner in which the Board of Regents transacts the business of the institution.

## 1. BOARD OF REGENTS

### 1.1 QUALIFICATIONS.

- A. Each Regent must be supportive of Baylor University's mission, vision, and historic Baptist heritage. At least three-fourths of the Regents must be Baptist and active members of a Baptist church ("Baptist Regents"). The remaining Regents, not to exceed one-fourth of the Regents, must be Christian and active members of a local church from a historic Christian tradition ("Fellow Christian Regents").
- B. At least one-half of the Regents must have had the State of Texas as their principal state of residence at the time of their election.
- C. A determination by the Board of Regents that a Regent meets required qualifications is controlling.

### 1.2 COMPOSITION, TERM AND QUORUM.

- A. Composition. The Board of Regents of the University is composed of the number of Regents specified in, and elected or appointed in accordance with, these Bylaws. In the election of the Regents elected by the Board of Regents, the University will be receptive to suggestions from Texas Baptists and will give due and careful consideration to the suggestions of The Baptist General Convention of Texas (the "Convention") of persons to be nominated for election to the Board of Regents. Notwithstanding the required composition of the Board of Regents, no action of the Board of Regents may be deemed invalid should the number of Regents in any of the categories set forth herein at any time be less than that designated.
- B. Number and Term. The number of Regents to constitute the Board of Regents, their terms of office, and the means of their appointment or election, shall be as follows:

1. There shall be between sixteen and forty-four Regents. There shall be four types of voting Regents: (1) Regents who are elected by the Board (“At-Large Regents”); (2) Regents who are elected through the Convention as described in Appendix A (“BGCT Regents”); (3) Regents who are elected by graduates of the University as described in Appendix B (“Alumni-Elected Regents”); and (4) Regents who are elected by the Board from specific constituencies or groups (“Regents Honoris Causa”).
2. All At-Large Regents and BGCT Regents shall be elected to the Board of Regents for a term of office not to exceed three years. All At-Large Regents and BGCT Regents shall be eligible to serve three consecutive three-year terms of office. After service of three consecutive three-year terms of office a Regent must leave the Board for a minimum of one year and is thereafter eligible to be re-elected as a Regent for three additional three-year terms or beginning service as a Regent Emeriti.
3. The Convention may elect up to 25% of the BGCT Regents in office, the specific number of which shall be determined and allocated by the Baylor Board of Regents. The authorization to elect is a delegation of authority from the Baylor University Board of Regents and can be changed unilaterally by the University as it has full legal right, power and authority to amend or rescind its certificate of formation, bylaws and other governing documents without approval or consent of the Convention or any other party notwithstanding the terms and conditions of any relationship agreement. Such election shall be conducted in accordance with Appendix A to these Bylaws.
4. Graduates of the University (hereinafter “Alumni”) may currently elect three of the Regents in office. The total number of Alumni-Elected Regents may increase in accordance with Appendix B to these Bylaws. The authorization to elect is a delegation of authority from the Baylor University Board of Regents and can be changed unilaterally by the University as it has full legal right, power and authority to amend or rescind its certificate of formation, bylaws and other governing documents without approval or consent of the Alumni or any other party, subject to certain terms of the March 7, 2016 Settlement Agreement with the Baylor Alumni Association. Such election shall be conducted in accordance with Appendix B to these Bylaws. The Regents elected must meet the qualifications set forth in paragraph 7.2 below and in the other governing documents of the University.
5. All Regents Honoris Causa shall be elected by the Board of Regents. Regents Honoris Causa shall include two Regents elected from among the tenured Faculty employed by the University, one Regent elected from among the membership of the Baylor B Association, one Regent elected from among the membership of the Baylor Bear Foundation and two

Regents elected from among the student body of the University. All Regents Honoris Causa shall serve single three-year terms except the student Regents who may serve a maximum of two one-year terms. All Regents Honoris Causa are voting Regents except any student Regent who is in his or her first one-year term in office. The terms of the two Faculty Regents and the two Student Regents shall be staggered. The process for the nomination of Regents from the Baylor B Association and Baylor Bear Foundation is described in Appendix C.

- C. Quorum. Fifty percent of the Regents in office constitute a quorum for the transaction of business.

### 1.3 POWERS AND AUTHORITY.

A. General Powers and Authority.

1. With the exception of those matters listed in paragraph 2 below and as the Executive Committee is permitted to act in paragraph 5.1 below, the business and affairs of the University are under the sole management and control of the Board of Regents who have and may exercise all of the powers and authority of a board of Regents under and pursuant to Chapter 22 of the Texas Business Organizations Code and other applicable law; and who may do all such lawful acts and things as are not by said statute or by the Certificate of Formation directed or required to be exercised or done otherwise.
2. The following matters are under the sole management and control of the Baptist Regents who have and may exercise all of the powers and authority of a board of Regents under and pursuant to Chapter 22 of the Texas Business Organizations Code and other applicable law: (a) the Relationship Agreement; (b) theological matters related to Baylor University's George W. Truett Seminary; and (c) those matters requiring a vote of Baptist Regents in Article 11. Any meeting involving a vote on one of these matters shall be presided over by an officer who is a Baptist Regent. An affirmative vote of at least three-fourths of the Baptist Regents in office at a regular or special meeting is required on any matter contained in this paragraph.

- B. Use of Board of Regents Name. Pursuant to Section 22.201 of the Texas Business Organizations Code, the Board of Directors may be designated as the "Board of Regents of Baylor University" and any action taken by the Board of Directors under the name Board of Regents of Baylor University is an act of the Board of Directors.

- C. Fiduciary Obligation of Regents. The fiduciary duty of all Regents is solely to the University regardless of whether they are elected by the Board of Regents, the Alumni or by the Convention. A Regent shall discharge the Regent's duties,

including duties as a committee member, in good faith, with ordinary care, and in a manner the Regent reasonably believes to be in the best interest of the corporation.

#### 1.4 ANNUAL AND REGULAR MEETINGS.

The Board of Regents shall hold at least four regular meetings each calendar year, including the annual meeting that is held in the spring of each year. The Chair of the Board of Regents and the President of the University shall determine the date, time, and place of each regular meeting, but should the President fail or be unable to do so, the Chair of the Board of Regents shall determine the date, time, and place of each regular meeting.

#### 1.5 SPECIAL MEETINGS.

When necessity demands, the President, the Chair, or twenty-five percent of the Regents in office may call a special meeting of the Board of Regents by giving notice of the meeting in accordance with these bylaws. Only the matters specified in the notice or the waiver of notice of the meeting may be considered at the special meeting. The person or persons calling the meeting shall determine the date and time of the meeting. Each special meeting of the Board of Regents, not conducted under Article 1.10.C. must be held in the State of Texas.

#### 1.6 NOTICE.

- A. Regular Meetings. The person determining the date, time, and place of a regular meeting of the Board of Regents shall notify each Regent by electronic mail, regular mail, courier (including Express Mail, Return Receipt Requested), or facsimile transmission of the date, time, and place of the meeting. Neither the business to be transacted at nor the purpose of any regular meeting of the Board of Regents need be specified in the notice or waiver of notice of the meeting.
- B. Special Meetings. The person or persons calling a special meeting shall notify each Director by electronic mail, by Express Mail, Return Receipt Requested or by facsimile transmission of the date, time, and place of the meeting and the purpose or purposes for which the meeting is being called.
- C. Time Restrictions and How Notice Becomes Effective. Notice of a meeting of the Board of Regents must be given at least ten days prior to the date of a regular meeting and at least three days prior to the date of a special meeting. Notice to a Regent by electronic mail is deemed given when transmitted to the Regent's last known electronic mail account. Notice to a Regent by mail is deemed given when deposited in the United States mail, postage prepaid, addressed to the Regent's last known address. Notice by Express Mail is deemed given when deposited with the private or public Express Mail courier. Notice by facsimile transmission is deemed given when transmitted to the Regent's last known facsimile reception number.

- D. Waiver of Notice. Whenever notice is required to be given to a member of the Board of Regents under the provisions of Chapter 22 of the Texas Business Organizations Code, the Certificate of Formation, or these bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the time stated therein, is equivalent to the giving of the required notice. Attendance of a Regent at any meeting of the Board of Regents constitutes a waiver of notice of such meeting, except where a Regent (1) attends the meeting for the express purpose of objecting to the transaction of business on the ground that the meeting is not lawfully called or convened *and* (2) states such objection for the record prior to the transaction of any business.

## 1.7 BUSINESS AT REGENTS MEETINGS.

- A. Election of Officers. The Board of Regents shall elect annually those officers that are required to be elected.
- B. State of the University Report. At at least one regular meeting of the Board of Regents in each academic year, the President or a person designated by the President, shall report to the Board of Regents on the condition of the University, its entities, academic units, administrative divisions, offices, and departments.
- C. Financial Report. At the next regular meeting of the Board of Regents after the close of each fiscal year, the President or a person designated by the President, shall make to the Board of Regents a report on the financial condition of the University as of the close of the University's preceding fiscal year.
- D. Other Business. The Board of Regents may dispose of other business properly brought before it for consideration.
- E. Executive Session. The Board of Regents may meet in executive session during all or part of any regular or special meeting. Only voting members of the Board, the President (a non-voting member of the Board), and others upon specific invitation of the Chair of the Board may attend an executive session. A portion of each Executive Session may be held without the President present.

## 1.8 VOTING.

The act of a majority of the Regents present at a meeting at which a quorum is present is the act of the Board of Regents, unless the vote of a greater number for the question under consideration is required by law, the Certificate of Formation, or some other provision in these Bylaws. A Regent may vote only in person and not by proxy and is entitled to one vote on each matter submitted to a vote.

## 1.9 TRAVEL EXPENSES.

The University may, within a reasonable time and to the extent consistent with University policy, reimburse each Regent for reasonable travel and other expenses incurred in association with (1) attendance at a meeting of the Board of Regents held outside the county of the Regent's residence or (2) performance of duties requested by the University.

## 1.10 RULES GOVERNING THE TRANSACTION OF BUSINESS.

- A. Use of Robert's Rules of Order. Each meeting of the Board of Regents must be conducted in accordance with the most recent edition of *Robert's Rules of Order Newly Revised* insofar as they are not inconsistent with law, the Certificate of Formation, or these Bylaws.
- B. Action Taken Without A Meeting. Any action required by the Texas Business Organizations Code to be taken at a meeting of the Board of Regents, or any action which may be taken at a meeting of the Board of Regents, or at a meeting of a committee appointed by the Board of Regents, may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by all the Regents or by all the members of the committee as the case may be.
- C. Telephone Conference Meeting. Members of the Board of Regents or members of any committee appointed by the Board of Regents, may participate in and hold a meeting of the Board of Regents, or of such committee, by means of conference telephone or similar communications equipment that permits all persons participating in the meeting to hear one another. Participation in a meeting pursuant to this provision constitutes presence in person at such meeting, except where a person (1) participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened *and* (2) states such objection for the record prior to the transaction of any business. Members of the Board of Regents may attend an Annual or regular meeting by telephone upon the approval of the Chair and Vice Chair.

## 1.11 REMOVAL, RESIGNATION, AND VACANCIES.

### A. Removal.

#### 1. Removal of At-Large Regents, BGCT Regents and Regents Honoris Causa.

- a. A Regent may be removed from his or her position as a Regent only for appropriate reasons taking into account the interests of the institution and the members of the Board of Regents. An appropriate reason may include, but is not limited to, any behavior that is inconsistent with the role of a Regent, a breach of a Regent's fiduciary duty to the University, a breach of duties imposed on a Regent by law, rule or regulation, including those imposed on the Regents by associations in which the



University is a member, or a failure to meet expectations established by the Board of Regents. The removal of a Regent may occur at a regular or special meeting of the Board of Regents, provided notice of intention to act upon the question of removing the Regent has been stated in the notice of the meeting as one of the purposes of the meeting.

- b. The Board standing committee having responsibility for nominating Board officers and members is responsible for making a preliminary determination to recommend removal of a Regent. The recommendation shall be forwarded to the Executive Committee of the Board for review and, if the Executive Committee joins in the recommendation, a review and vote and by the Board of Regents. The Chair of the Board shall provide notice to the involved Regent(s) when the recommendation is received by the Executive Committee. A majority vote by the Board of Regents shall be required for removal.

2. Removal of Alumni-Elected Regents.

- a. An Alumni-Elected Regent may be removed from his or her position as a Regent only for cause and by employing the disciplinary procedure set forth in the current edition of *Robert's Rules of Order Newly Revised*. "Cause" is defined as any behavior that is inconsistent with the role of a Regent. Such behavior may include, but is not limited to, a breach of a Regent's fiduciary duty to the University, a breach of duties imposed on a Regent by law, rule or regulation, including those imposed on the Regents by associations in which the University is a member, or a failure to meet expectations established by the Board of Regents. The removal of a Regent may occur at a regular or special meeting of the Board of Regents, provided notice of intention to act upon the question of removing the Regent has been stated in the notice of the meeting as one of the purposes of the meeting.
- b. Any Alumni-Elected Regent, who is removed from office under the disciplinary procedure of the Board of Regents, has a right to demand confidential arbitration by three (3) neutral arbitrators (one selected by the Chair of the Board, one selected by the Regent subject to removal, and one selected by those two arbitrators) who could reinstate him or her as a Regent, as the sole relief available, if the arbitrators determined the Board of Regents failed to follow its disciplinary procedure or cause did not exist for removal. Unless otherwise determined by the Board of Regents (prior to any removal), or as later agreed by the parties involved, such arbitration shall be confidential and will follow the procedures set out in American Arbitration Association Commercial Arbitration Rules, Expedited Procedures to the extent applicable, with one exception being that it shall not be required that the American

Arbitration Association actually be involved, conduct, or participate in any way in the arbitration under this section.

- B. Resignation. A Regent may resign at any time. A resignation must be in writing and is effective at the time of its receipt by either the Chair or the Secretary.
- C. Vacancies. A vacancy occurring on the Board of Regents may be filled by the affirmative vote of a majority of the remaining Regents, though less than a quorum of the Board of Regents, except as to the Alumni-Elected Regent(s), whose vacancy shall be filled at the next available election cycle, according to the procedure in Appendix B. A Regent elected to fill a vacancy shall serve for the unexpired term of his or her predecessor in office.

#### 1.12 REGENTS EMERITI.

In order to provide the Board of Regents with continuity and enhance the sharing of institutional history and perspective, the Board of Regents may, from time to time, elect a former Regent to the position of Regent Emeritus. The Board of Regents shall by policy specify the number, classes, qualifications, terms of service, and prerequisites of Regents Emeriti and the procedures by which the Board of Regents nominates and elects Regents Emeriti. One Regent Emeritus shall also be elected by the Board to serve a single three-year term as Chair of the Regents Emeriti with the right to vote and serve on the Executive Committee. The right to vote and serve on the Executive Committee shall be contingent on satisfying additional requirements set out in Board Policy. The failure to give a Regent Emeritus notice of a meeting of the Board of Regents shall not cause the meeting to be an unlawfully called or convened meeting of the Board of Regents.

## 2. OFFICERS OF THE BOARD

### 2.1 ELECTION AND TERM OF OFFICE.

The officers of the Board of Regents consist of a Chair and three Vice Chairs. At least two officers of the Board must be a Baptist Regent. The Board of Regents shall elect the Chair and Vice Chairs annually. The terms of office of the Chair and Vice Chair begin on June 1 following their election and end on May 31 of the following calendar year. Both the Chair and the Vice Chairs may be reelected to two additional one-year terms, provided that each remains a member of the Board of Regents. The Chair will be required to leave the Board one year after service as Chair, irrespective of how many years he or she has remaining in the Regent term or whether he or she would otherwise have been eligible for reelection. The Vice Chairs are not necessarily intended to be elected to the position of Chair after serving as Vice Chair. If an officer of the Board resigns, a resignation should be in writing and is effective at the time of its receipt by another officer of the Board of Regents. An officer of the Board of Regents may be removed from office by the Board of Regents, with or without cause, whenever in the Board's judgment the best interests of the University are served thereby. If a vacancy occurs in the office of Chair, then the three Vice Chairs shall select one of the Vice Chairs to serve as chair until the Board of Regents elects a successor.

If a vacancy occurs in the office of Vice Chair, the Board of Regents may elect a successor. Election of a successor to fill a vacancy in the office of Chair or Vice Chair may occur at any meeting of the Board of Regents.

## 2.2 POWERS AND DUTIES.

The powers and duties of the officers of the Board of Regents are those usually pertaining to their respective offices, subject to the supervision and direction of the Board of Regents, including the following:

- A. Chair of the Board of Regents. The Chair of the Board of Regents shall preside at all meetings of the Board of Regents and the Executive Committee; appoint a parliamentarian for the Board; and perform such other duties as are assigned to the Chair from time to time by the Board of Regents.
- B. Vice Chairs of the Board of Regents. In the case of a temporary absence or inability of the Chair to serve, the Chair shall select one of the Vice Chairs to perform the duties of the Chair. If the Chair fails to make such a selection, the three Vice Chairs shall select a Vice Chair to perform the duties of the Chair. The Vice Chairs may also serve as Chairs for standing, special or ad hoc committees. The Vice Chairs may also perform such other duties as the Chair or the Board of Regents may properly direct.

## 2.3 COMPENSATION.

The Chair and Vice Chairs shall not receive compensation for their services as officers of the Board of Regents.

# 3. OFFICERS OF THE UNIVERSITY

## 3.1 ELECTION AND TERM OF OFFICE.

The officers of the University consist of a President, one or more Vice Presidents, a Treasurer, a Secretary, one or more Assistant Secretaries, and such other officers as the Board of Regents may from time to time authorize. In addition to the foregoing, the office of Chancellor is authorized, with duties prescribed by the Board of Regents.

- A. Election of President. Subject to any limitations in Chapter 22 of the Texas Business Organizations Code with regard to the length of term in office, the President shall be elected by the Board of Regents for an indefinite term. If a vacancy occurs in the office of President, the Board of Regents may appoint an interim successor who shall serve until the Board of Regents elects a successor. The President may be removed from office by the Board of Regents with or without cause, whenever, in the Board's judgment, the best interests of the University are served thereby.

- B. Selection of Vice Presidents. Subject to any limitations in Chapter 22 of the Texas Business Organizations Code, any person holding the office of Vice President (including any chief academic officer, chief financial officer or chief operating officer) shall be appointed by the President for an indefinite term, after appropriate consultation with the Board of Regents. Such Vice Presidents and other members of the President's Executive Council may be removed from office (1) by the President with or without cause, whenever in the judgment of the President the best interests of the University are served thereby or (2) by the Board of Regents, with or without cause, whenever in the judgment of the Board of Regents, the best interests of the University are served thereby, after appropriate consultation with the President.
  
- C. Election of Other Officers. Subject to any limitations in Chapter 22 of the Texas Business Organizations Code with regard to length of their terms in office, all other officers are appointed by the President for an indefinite term. Such officers may be removed from office by the President, with or without cause, whenever in the President's judgment, the best interests of the University are served thereby.

### 3.2 POWERS AND DUTIES OF OFFICERS.

The powers and duties of the officers are those usually pertaining to their respective offices, subject to the supervision and direction of the Board of Regents, including the following:

- A. President. The President shall serve as the chief executive officer of the University. The President shall have direct charge of, full supervision over, and shall be responsible for all property of the University, and over all matters pertaining to the University, in all its units, schools, colleges, and departments, wherever located. The President shall be accountable only to the Board of Regents for the proper administration of all affairs, business, and functions of the University. The President is responsible for carrying out the mission and purposes of the University. The President shall be an ex-officio and non-voting member of the Board of Regents and member of all boards and committees. Among the executive and administrative responsibilities of the President is the duty to present to the Board of Regents any and all matters and recommendations which in the judgment of the President may need attention or that may be of interest. The President shall present timely recommendations regarding and affecting other matters set out elsewhere in these Bylaws. The President shall perform such other duties and responsibilities as are usually performed, and shall have such other powers and authority as are usually held by the president of a university, as well as such other duties and responsibilities as may be given to him or her from time to time by the Board of Regents.
  
- B. Vice Presidents. In the event of absence or inability of the President to act, the Vice Presidents shall, in the order established by the President, perform the duties of the President. The Vice Presidents shall also perform such other duties as may be assigned to them by the President.

- C. Treasurer. Subject to the provisions of Article 6 of these bylaws, the Treasurer is charged with and has oversight of all funds of the University, including tuition, fees, gate receipts, admission fees, interest, income from property, student loan funds, special endowments, and trust funds.
- D. Secretary. The Secretary shall keep or cause to be kept, full, complete, and accurate minutes of each meeting of the Board of Regents. The Secretary shall cause all of such minutes to be kept at the University in a secure place and in a manner that insures their preservation.

### 3.3 COMPENSATION OF OFFICERS.

The compensation of the President is set by or under the direction of the Board of Regents. The President sets the compensation of all other officers of the University, provided that the compensation packages of all officers on the President's Executive Council and all employees whose compensation exceeds an amount to be determined by the Board of Regents must be approved by the Board.

## **4. BOARD OF TRUSTEES OF THE BAYLOR COLLEGE OF MEDICINE**

The Board of Regents of the University shall elect one-fourth of the Board of Trustees of the Baylor College of Medicine, a Texas nonprofit corporation.

- 4.1. Except for persons serving as Trustees on May 31, 2000, the terms of office of each Trustee shall be determined by class so that the trustee or trustees occupying the places in a single class will have terms ending on the same date; provided, however, a Trustee shall continue to serve until his or her successor in office is duly elected by the Baylor Board of Regents and is otherwise qualified. As a result of the division of Trustees in these nine classes, each year, the terms of each of the trustees holding the places in a single class will expire simultaneously.
- 4.2. Each Trustee shall be elected to the Board of Trustees by the Baylor Board of Regents for a term of office not to exceed three years. Except for persons serving as Trustees on May 31, 2000, no person may serve as a Trustee for more than nine consecutive years.
- 4.3. Persons wishing to make recommendations for membership on the Board of Trustees of Baylor College of Medicine shall submit such recommendations to the Nominating, Governance and Regent Leadership Committee to be considered by the Committee along with other persons for nomination for election by the Board of Regents.
- 4.4. The Nominating, Governance and Regent Leadership Committee shall ordinarily present to the Board of Regents in Executive Session the names, including biographical information, of the person or persons nominated by the Nominating, Governance and

Regent Leadership Committee for election to the Board of Trustees of Baylor College of Medicine.

- 4.5. The Board of Regents shall vote on the person or persons nominated for election during Executive Session at any regular meeting.

## 5. COMMITTEES

### 5.1 BOARD COMMITTEES.

- A. Executive Committee. The Board shall have an Executive Committee. The Executive Committee shall consist of the Chair, Vice Chairs, the chairs from among the Board's standing committees, the Emeriti Chair (subject to the requirements contained in Board Policy), and if still serving as a member of the Board, the immediate past Chair of the Board. The President shall also be a non-voting member of the Executive Committee. The Chair shall also serve as the Chair of the Executive Committee. This Committee shall have the full authority of the Board to act on corporate issues between meetings with the exception of the following matters, which matters are specifically reserved for the Board:
1. Any action regarding Baylor's mission, vision or strategic plans
  2. Amendment of the Certificate of Formation, Bylaws or Board Guidelines
  3. Conferral of degrees
  4. Selection, evaluation, or termination of the President
  5. Termination of a vice president or member of the President's Executive Council
  6. Election of Baylor University Regents and Board officers
  7. Removal of a Regent
  8. Election of Regents to affiliated organizations
  9. Any action increasing or decreasing the University's annual budget
  10. Any action using Baylor credit
  11. Determination of reasonableness of salaries, other compensation and benefits of disqualified or highly compensated persons
  12. Any matter in which any voting or *ex officio* member of the Executive Committee asks to be considered by the Board
  13. Capital projects and real property transactions
- B. Other Committees. The Board of Regents may establish such other standing, special, or ad hoc committees, as it deems necessary to carry out the responsibilities of the Board. No such committee has the full authority of the Board of Regents. Committee members and officers shall be determined according to the process set forth in the Board Guidelines.

## 5.2 COMMITTEE PROCEDURES.

Except as the Board of Regents may otherwise direct, each committee may adopt rules governing the date, time, and place of holding and the method of calling its meetings and the conduct of its proceedings.

## **6. MANAGEMENT OF UNIVERSITY FUNDS**

### 6.1 RESTRICTIONS ON USE OF FUNDS.

The Board of Regents shall sacredly keep, invest, or expend endowment funds exactly as donors may direct. No endowment fund or other fund may be used by the University or by any of its departments, contrary to the original provisions of the instrument of gift. No endowment, trust fund, or other money belonging to the University or any of its departments may be loaned to a Regent, officer, or employee of the University.

### 6.2 MANAGEMENT OF FUNDS.

Pursuant to written agreements between the University and fund and investment managers, the University may designate such entities to manage and invest the General Endowment Fund and other assets of the University. Management of the General Endowment Fund is delegated by the Board to the Baylor Endowment Investment Committee pursuant to a written policy adopted and overseen by the Board.

## **7. BAPTIST/CHURCH-RELATED**

### 7.1 AIMS AND IDEALS.

The University is operated within Christian-oriented aims and ideals of Baptists, including those contained in the Baptist Faith and Message of 1963.

### 7.2 RELIGIOUS QUALIFICATIONS OF REGENTS.

At least three-fourths of the At-Large Regents must be Baptist and active members of a Baptist church. The remaining At-Large Regents, not to exceed one-fourth of the Regents, must be Christian and active members of a local church from a historic Christian tradition. The three Alumni-Elected Regents elected by University Alumni under paragraph 1.2.B.4 and the Regents Honoris Causa must each be Christian and an active member of a local church from a historic Christian tradition, but shall otherwise be excluded from the calculations required under this paragraph.

### 7.3 TRANSFER OF ASSETS UPON DISSOLUTION.

On discontinuance of the University by dissolution and liquidation, the Board of Regents shall transfer its assets to The Baptist General Convention of Texas, if at such time The Baptist General Convention of Texas is qualified as an organization exempted from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 or its then counterpart.

## **8. BOOKS AND RECORDS**

### 8.1 AUDIT.

The Board of Regents shall select a national firm of independent certified public accountants to conduct an annual audit of the University's financial position and results of operations. The firm selected by the Board of Regents shall conduct an audit of the University's financial position and results of operations as of the end of the fiscal year of the University and shall submit its written report to the Audit Committee of the Board of Regents.

### 8.2 INSPECTION.

During reasonable business hours, a Regent may inspect the official minutes of the meetings of the Board of Regents and the other records of the University.

## **9. INDEMNIFICATION**

### 9.1 DEFINITION.

As used herein the term "Indemnified Person" refers to an individual who was a Trustee or a member of the Board of Trustees of the University, or who is or was a member of the Board of Regents of the University, an officer of the University (as defined in Section 2.1 of these Bylaws), an employee serving on a Baylor benefits plan committee, or an attorney in the Office of General Counsel.

### 9.2 INDEMNIFICATION.

The University shall, and by these Bylaws does hereby, indemnify each Indemnified Person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as defined in Chapter 8 of the Texas Business Organizations Code, as may be amended from time to time, hereinafter called the "Code") because the Indemnified Person was a Trustee or a member of the Board of Trustees of the University, or who is or was a member of the Board of Regents of the University, an officer of the University, an employee serving on a Baylor benefits plan committee or an attorney in the Office of



General Counsel against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the Indemnified Person in connection with said proceeding to the fullest extent allowed by applicable law, including but not limited to the Code. To the fullest extent allowed by law, this provision for indemnification shall be considered a contractual obligation between such Indemnified Person and the University, for enforcement of which the successful party shall be entitled to reasonable attorneys fees and expenses. Further, indemnification under this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested Regents or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and personal representatives of the Indemnified Person.

### 9.3 REIMBURSEMENT OR PAYMENT OF EXPENSES IN ADVANCE.

The University shall pay or reimburse, and hereby agrees to pay or reimburse, reasonable expenses incurred by the Indemnified Person who was, is, or is threatened to be a named defendant or respondent in such a proceeding because the Indemnified Person was a Trustee or a member of the Board of Trustees of the University, or who is or was a member of the Board of Regents of the University, an officer of the University, an employee serving on a Baylor benefits plan committee, or an attorney in the Office of General Counsel in advance of the final disposition of the proceeding to the fullest extent allowed by applicable law, in accordance with Chapter 8 of the Texas Business Organization Code.

### 9.4 REPEAL OR MODIFICATION.

The effect of a repeal or modification of this Article 9 of these Bylaws shall be prospective only. No such repeal or modification shall adversely affect indemnification or reimbursement or payment of expenses in advance for acts prior to the date of such repeal or modification.

## **10. FISCAL YEAR**

The University's fiscal year begins on June 1 of each year.

## **11. AMENDMENT OF THE BYLAWS**

Neither the provisions of Article 7, BAPTIST/CHURCH-RELATED, or any part thereof, nor any of the provisions of this Article 11, AMENDMENT OF THE BYLAWS, may be amended, modified or repealed except by the affirmative vote of at least three-fourths of the Baptist Regents in office who have a vote at a regular or special meeting, if the proposed amendment has been mailed to each Regent at least ten days prior to the regular or special meeting at which the amendment is to be considered for adoption. The definition of "cause" in Article 1.11(A)(2) may

not be amended, modified or repealed unless the proposed amendment has been mailed to each Regent at least ninety days prior to the regular or special meeting at which the amendment is to be considered for adoption. Any other provisions of these Bylaws may be amended by the affirmative vote of a majority in office of the Board of Regents who have a vote at a regular or special meeting, if the proposed amendment has been mailed to each Regent at least ten days prior to the regular or special meeting at which the amendment is to be considered for adoption. A proposed amendment is deemed mailed when deposited in the United States mail, (a) Express or (b) Certified Mail, Return Receipt Requested, postage prepaid, addressed to each Regent's last known address. In case of extreme emergency, the Board of Regents may amend these Bylaws by the affirmative vote of four-fifths of the Regents in office at a regular or special meeting without notice as otherwise required herein.

## Appendix A

Bylaw 1.2.B.3 currently authorizes the Convention to elect up to 25% of Baylor Directors, which authorization, while in effect,<sup>1</sup> shall be subject to the following:

1. Those Directors who Baylor currently authorizes the BGCT to elect shall be elected, subject to confirmation as stated below, following the BGCT's usual committee process for bringing nominations of institutional directors, trustees and regents to the annual meeting of the BGCT, other than as set forth in this Appendix A.<sup>2</sup>
2. The BGCT nominating process for Baylor Directors shall commence with nominations presented by a sub-committee composed of: (i) two BGCT designees, (ii) the President of Baylor (or his or her designee), and (iii) the Chair of the Baylor Board of Regents (Directors) (or his or her designee) and one additional designee by the Baylor Board Chair, provided that any Regent (Director) designee shall be a member of a BGCT Church. A "BGCT Church" is a church that identifies itself with, aligns itself with, and endorses, generally, the purposes and work of the BGCT, and is otherwise eligible to send messengers to the BGCT annual meeting and that cooperates in BGCT ministries by contributing financially to the BGCT.
3. The purpose of the BGCT process is to ensure that Baylor receives qualified Directors. Persons nominated by the BGCT process will be persons who can fulfill important moral, legal and technical commitments to Baylor. They must be persons who possess talents and perspective, as well as general qualifications for Baylor Board membership. The BGCT will cooperate with Baylor in developing a Board representative of various backgrounds and experiences. The BGCT will also consider in the nomination process issues relating to Baylor's accreditation. Because the BGCT's authority is a delegation of authority from Baylor and because of issues relating to Baylor's accreditation, the BGCT agrees that it will consider Baylor's best interests as the only criterion in the selection of Baylor Directors, subject to a requirement that the individual person elected shall be a member of a BGCT Church.<sup>3</sup> Potential conflicts of interest or other qualification issues (other than the qualifications set out in this paragraph) identified will not be a barrier to election if waived by Baylor.
4. Baylor shall have the right to confirm (or not to confirm with good cause) the Directors elected by the BGCT as set forth in this Appendix A after the BGCT's annual meeting at which a Baylor Director is elected by the BGCT. Good cause is defined to mean that confirmation would not be in Baylor's best interest as determined in the sole discretion of the Board of Directors upon a majority vote of Directors present at a special or regular meeting.<sup>4</sup>

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<sup>1</sup> The Convention recognizes that Baylor is an independent, nonprofit, nonmember corporation under the laws of the State of Texas with the full right, power and authority to amend or rescind its certificate of formation, bylaws, or other governing documents without approval or consent of the BGCT or any other party, notwithstanding any terms and conditions of any Relationship Agreement.

<sup>2</sup> If the Convention does not choose to follow the process set forth in Paragraphs 1 through 5 of this Appendix A, the Baylor Board of Directors may terminate the authorization and directly elect the regents that it currently authorizes the Convention to elect.

<sup>3</sup> Such membership is not considered to be a qualification for continued service once elected. See Section 1.1.

<sup>4</sup> Pursuant to the Relationship Agreement, Baylor University unilaterally establishes the right to confirm or not to confirm in Baylor's governing documents. The standard not to confirm is a low threshold because it is an election standard, not a standard for removal addressed at Section 1.11. Under Baylor's accreditation standards, the Baylor Board of Directors has an obligation to protect Baylor from inappropriate outside influence. Accordingly, the Baylor Board of Directors applies its own independent judgment to whether service by such Directors is in Baylor's best

5. If a Director elected by the BGCT is not confirmed by Baylor, then a replacement nominee shall be selected by the BGCT subcommittee as set forth in this Appendix A and then presented to the BGCT Executive Board for consideration and election in accordance with the BGCT process for filling vacancies between annual BGCT meetings. Baylor shall have the right to confirm (or not confirm with good cause) the Director elected by the BGCT Executive Board as set forth in this Appendix A. If that BGCT-elected Director is also not confirmed, then the Baylor Board of Directors may directly elect the Director and that Director shall be considered as elected by the BGCT, provided, however, that such Director shall be a member of a BGCT Church.

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interest. The authorization for BGCT to elect any Director is a non-binding delegation of authority that the Board of Directors ultimately retains.

## Appendix B<sup>5</sup>

Bylaw 1.2.B.4 currently authorizes alumni of the University to elect Regents, which authorization, while in effect, shall be subject to the following:

1. **Authorization of Alumni-Elected Regents.** For a term of twenty (20) years, the Bylaws of Baylor University (“Bylaws”) and the Guidelines for Board Operations of the Baylor University Board of Regents (“Guidelines”) will allow for the election of at least three (3) and not less than 10% of all voting seats in the manner described herein. The 10% minimum will be determined by rounding the number of total voting regents to the nearest multiple of 10, with the multiple of 5 rounded down. For example, if the Baylor University Board of Regents consists of 26 to 35 voting Regents, then at least 3 must be Alumni-Elected Regents. If the Baylor University Board of Regents consists of 36 to 45 voting regents, then at least 4 must be Alumni-Elected Regents.
2. **Rights and Responsibilities of Alumni-Elected Regents.** The individuals elected through this process will be referred to as “Alumni-Elected Regents,” The seats to be held by the Alumni-Elected Regents will be referred to as the “Alumni-Elected Regent seats”. The Alumni-Elected Regents serve as voting members of the Board of Regents, subject to the same rights, privileges, duties and obligations of any other voting Regent. Candidates have to agree to abide by the rules of the Board of Regents, including its rules pertaining to confidentiality.
3. **Limitations on Alumni-Elected Regents.** The Alumni-Elected Regents are not allowed to serve on the board of another BGCT institution of higher education or the Baptist Foundation of Texas. The Alumni-Elected Regents will not be included in any calculation of Baptist (or non-Baptist) Regents, the percentage of voting Regents elected by the BGCT, or the residency requirements under the Bylaws.
4. **Initial Appointments.** There shall be three initial appointments by the Board of Regents to Alumni-Elected Regents, with initial appointed staggered terms (expiring 5/31/17, 5/31/18 and 5/31/19). Upon completion of their initial term(s), the initial three Alumni-Elected Regents who are appointed will be eligible to seek re-election by the alumni for two additional three-year terms following the process for subsequent elections of Alumni-Elected Regents as set forth below. The first such election for Alumni-Elected Regents will take place in 2017, with the first such Alumni-Elected Regent taking office on June 1, 2017, and the remainder in a like manner as their terms expire and subsequent elections are held in 2018, and 2019.
5. **Procedures for Subsequent Elections of Alumni-Elected Regents.** Candidates for subsequent elections of Alumni-Elected Regents will be nominated by a committee composed of four members: two members appointed by the Chairman of the Baylor University Board of Regents and the two Alumni-Elected Regents not currently standing for re-election or their designees (the “Nominating Committee”). In the absence of any other agreement, as described in this

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<sup>5</sup> Required by the March 7, 2016 Settlement Agreement with the Baylor Alumni Association, for a period of 20 years from and after the Effective Date thereof.

Agreement, the Nominating Committee would follow Robert's Rules of Order Newly Revised.

- a. All undergraduate and graduate alumni of Baylor are eligible for election as Alumni-Elected Regents, with the following exceptions:
    1. Members of the faculty or staff of the University and members of their immediate families are not eligible;
    2. An individual who had previously been nominated for election but not elected by alumni may be nominated a second time, but an interval of five years must elapse before the second nomination;
    3. Members of the immediate family of the President, the President's Executive Council, or any other Regent are not eligible;
    4. Members of the Nominating Committee and their immediate family are not eligible.
  - b. In the event the Nominating Committee is unable to agree on three candidates, then there will be four candidates on the ballot for that election. In such event, each member of the Nominating Committee shall select one candidate.
  - c. The Nominating Committee will solicit nominations from the various advisory and advocacy boards and groups associated with Baylor University, including but not limited to the academic school advisory groups, the student life advisory group, and the endowment investment committee. Any alumnus who submits a nomination supported by the signatures of at least 50 other Baylor graduates will also be considered by the Nominating Committee. The Nominating Committee will also be allowed to self-generate nominees.
  - d. The Nominating Committee will meet with candidates, review applications, decide whether candidates meet the qualifications set forth herein and select the three best candidates to appear on the ballot for an open Alumni-Elected Regent seat.
6. **Qualifications for Alumni-Elected Regents.** Candidates must meet the qualifications established in the Certificate of Formation, Bylaws and Guidelines for all members of the Baylor University Board of Regents, as amended from time to time by Baylor, including the following:
- a. Candidates must be Baylor graduates and committed Christians who have accepted Jesus Christ as both Lord and Savior, active members of a Baptist church or a local church from a historic Christian tradition, and living in a manner that demonstrates their commitment to Him;
  - b. Candidates will be required to have actively demonstrated their deep appreciation for Baylor, its unique role in higher education and Baptist life, and its indebtedness to its Baptist founders and Texas Baptist churches;

- c. Candidates must be willing and able to contribute their time, talent, and financial means to strengthen and move Baylor forward;
- d. Candidates must be supported by a nomination from one of the various advisory or advocacy boards and groups associated with Baylor (e.g., academic school advisory groups, student life advisory group, endowment investment committee, etc.), a petition signed by at least fifty (50) other Baylor graduates, or be appointed by the Committee;
- e. Candidates must complete an application including the following:
  - 1. A personal statement of faith;
  - 2. A letter of recommendation from a minister at the candidate's local church, preferably the senior minister, discussing the candidate's faith commitment and addressing whether the candidate is an active and faithful member and other matters discussed in this section, or submit a similar letter of recommendation from another minister or person in full-time Christian service who is familiar with the candidate;
  - 3. A statement certifying his or her willingness to support Baylor's mission and core values, including shared governance, academic freedom, and the integration of academic excellence with Christian commitment;
- f. Candidates for the election will certify before their name is selected by the Committee the following:
  - 1. Candidates will not run on specific issues, but on their accomplishments and experiences, and their interest in serving Baylor. Candidates will not engage in campaign activity outside of the communication efforts established and supported by the University.
  - 2. Candidates will not solicit, use or publicize, any endorsement from Baylor, any advisory and advocacy boards and groups associated with Baylor, or any boards or groups independent of Baylor.
  - 3. Candidates will not solicit or use third party funds, resources, contact or mailing lists, or other aide or assistance in the election process. Candidates will discourage third parties from engaging in campaign activities on their behalf.
  - 4. Candidates understand the University, the President of Baylor and the members of the President's Executive Council are not permitted to participate in funding, endorsing or opposing any candidate.

5. Baylor will publish candidate profiles to present comparable information about each candidate, approved by the candidates, and included with the ballot material.
  - g. Amendments to the qualifications for Alumni-Elected Regents will be applicable to all voting Regents. Amendments to the qualifications cannot be made to give the Baylor University Board of Regents a right to pre-approve or veto Alumni-Elected Regent candidates in a manner inconsistent with these procedures. By way of example and not limitation, the qualifications could not be amended to include a requirement that a candidate receive the approval of the Baylor University Board of Regents, any committee of the Baylor University Board of Regents, or the Chair of the Baylor University Board of Regents, other than the Nominating Committee, as set out herein.
7. **Rules Governing Elections for Alumni-Elected Regents.** The following rules are intended to ensure fairness and an independent election process designed to effectuate alumni choice.
- a. Alumni-Elected Regent candidates will not run on platforms but on their accomplishments and experiences and their interest in serving Baylor.
  - b. Baylor is not permitted to endorse or oppose any candidate, or use or provide funds, resources, contact or mailing lists, or other aide or assistance in support of, or in opposition to any candidate unless all candidates are afforded the same advantages.
  - c. The President of Baylor and the members of the President's Executive Council are not permitted to participate in funding, endorsing or opposing any candidate.
  - d. All of the candidates will be eminently qualified to serve as an Alumni-Elected Regent. Profiles will be written to present comparable information about each candidate. These profiles will be approved by the candidates and included with the ballot material. Candidates will agree to refrain from campaigning. Friends of candidates will also be requested to refrain from campaigning on behalf of any of the candidates.
  - e. Baylor will utilize Baylor Magazine, the Baylor website and social media channels to introduce candidates to alumni.
  - f. Baylor will retain a third-party firm to monitor and conduct Alumni Elected-Regent elections in accordance with these procedures. All recipients of a Baylor undergraduate or graduate degree are eligible to vote in the election.
8. **Other Provisions Regarding Alumni-Elected Regents.**
- a. **Term Limits.** Any limitation on the number of terms a Regent can serve that are applicable to all other Regent seats would also apply to the



Alumni-Elected Regent seats (currently three (3) year terms, with a three (3) consecutive term limit).

- b. **Re-election.** Alumni-Elected Regents will be required to run for re-election by alumni according to the procedures set forth above. The goal for Alumni-Elected Regents would be to make them as similar to other voting Regents as possible. To that end, Alumni-Elected Regents other than those who are elected in the initial elections as set forth in section 4, above, would serve a three-year term, and be eligible for re-election by alumni for two additional three-year terms.
  - c. **No Recall.** Alumni-Elected Regents will not be subject to recall elections.
9. These provisions of the Bylaws allowing for Alumni-Elected Regent seats will not be changed for at least twenty (20) years after the effective date of the Settlement Agreement with the Baylor Alumni Association.

## Appendix C

Bylaw 1.2.B.5 currently authorizes members of the Baylor Bear Foundation and Baylor B Association to be nominated by their respective organizations for election by the Board of Regents to serve as Regents. This authorization, while in effect, shall be subject to the following:

Each organization's board shall forward the names of four nominees to the Baylor Athletic Director prior to February 1 of the year of nomination. The Board of Regents committee responsible for nominations of new Regents, will, select one nominee from each organization for election by the Board of Regents. The nominees selected by the Board of Regents will be from either (1) the nominees or, if one of the nominees is not selected, (2) another qualified member of the organization approved by the organization's Board of Directors.

Any Regent elected through this process shall in this role serve and act solely for the best interests of Baylor University, but shall be expected to facilitate and communicate the views and interests of their organization. All nominees must meet criteria applicable to Regents generally, and agree to adhere to all policies adopted by the Board applicable to Regent conflicts, behavior and actions, including maintaining confidentiality.

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## **HISTORY**

Originally adopted October 31, 1997  
First Amendment April 30, 1999  
Second Amendment July 15, 2000  
Third Amendment May 16, 2003  
Fourth Amendment February 26, 2004  
Fifth Amendment October 28, 2005  
Sixth Amendment February 3, 2006  
Seventh Amendment April 21, 2006  
Eighth Amendment July 25, 2008  
Ninth Amendment October 31, 2008

Tenth Amendment May 15, 2009  
Eleventh Amendment February 11, 2011  
Twelfth Amendment March 20, 2012  
Thirteenth Amendment May 11, 2012  
Fourteenth Amendment February 8, 2013  
Fifteenth Amendment May 16, 2014  
Sixteenth Amendment May 15, 2015  
Seventeenth Amendment May 13, 2016  
Eighteenth Amendment February 17, 2017  
Nineteenth Amendment July 21, 2017

## **SECRETARY'S CERTIFICATE**

THE STATE OF TEXAS           §  
  §  
COUNTY OF McLENNAN       §

I, Marsha J. Duckworth, Assistant Secretary of Baylor University, a Texas Non-Profit Corporation, do hereby certify that the preceding is a true, complete, and correct copy of the Bylaws of said corporation as of July 21, 2017.

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Marsha J. Duckworth