

# **BYLAWS OF CHAPMAN UNIVERSITY**



**January 2019**



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**Article I :****PURPOSE****Section 1: Purpose**

The purpose of Chapman University is to provide liberal and professional learning of distinction within an intellectually demanding, caring, and value-centered community, and without regard to sex, race, creed or national origin.

In order to fulfill its purpose, Chapman, in covenant with the Christian Church (*Disciples of Christ*), is dedicated to the following central commitments: to give primary attention to the education of each individual student; to provide opportunities for critical evaluation of the religious values of humanity, with special attention to the Judeo-Christian tradition; to promote the value of and provide opportunities for life-long learning; to foster an enterprising spirit among all members of the University community; to encourage a life of service to others.

**Article II:****FEES AND FUNDS****Section 1: Fees and Funds**

The corporation is not formed for pecuniary profit, yet it shall have power to receive any donation or bequest and use the same in harmony with the provisions of its charter, and may charge and collect such fees and dues and other charges from those who participate in its benefactions or make use of its facilities for learning and culture as its Trustees may from time to time prescribe.



**Article III:****BOARD OF TRUSTEES****Section 1: Membership**

- A. Chapman University shall be governed by a Board of forty-five (45) elected Trustees, not counting those named in C below. The Trustees shall be members of recognized religious bodies, and there shall be adequate representation, as determined by the Board of Trustees, from members of the Christian Church (*Disciples of Christ*).
- B. No paid employee of the corporation shall be an elected member of the Board of Trustees.
- C. The following persons shall be ex officio members of the Board of Trustees with power to vote on all matters presented to the Board of Trustees:
1. the President of the University;
  2.
    - a. the Regional Ministers of the Christian Church (*Disciples of Christ*) for each of the Pacific Southwest, Northern California/Northern Nevada and Arizona Regions, provided that the Board of Directors of any such region may annually designate an alternate Trustee to attend and vote at the meetings of the Board of Trustees in the absence of the respective Regional Minister;
    - b. the Conference Minister for the United Church of Christ (UCC) Southern California Conference, provided that the Conference may annually designate an alternate Trustee to attend and vote at the meetings of the Board of Trustees in the absence of the respective Conference Minister;
  3. the Emeritus Trustees;
  4. the Chairman of the Board of Governors;
  5. the President of Town and Gown;

6. the President and either the President Elect or the Immediate Past President of the Alumni Board;
7. the Senior Minister of the Orange First Christian Church; and
8. the President of Women of Chapman.

## **Section 2: Powers and Duties**

- A. The Board of Trustees shall have the power to manage and operate the University, including but not limited to the following:
  1. to exercise general oversight and direction of the policy, program and affairs of the University and corporation;
  2. to select, employ, appoint and elect the President and all officers and other employees of the corporation;
  3. to create such other offices and positions as the Board may deem advisable from time to time;
  4. to approve the appointment of the members of the faculty and to approve any faculty recommended for tenure, provided that the Board of Trustees may delegate to the officers of the University, or to a Committee of the Board, the power to approve the appointment of the members of the faculty, including initial faculty appointments with tenure, but shall not otherwise delegate the power to approve the faculty recommended for tenure;
  5. to fix all salaries for the above services;
  6. to delegate to the Board of Governors certain express powers; and
  7. to make all Bylaws and rules necessary and proper to carry on the organization and to govern, advance and conserve the interest of the corporation.
- B. The Board shall report regularly to each Christian Church Regional Assembly designated in Article III, Section 1-C-2 through its employees designated by the Board of Trustees.

**Section 3: Election and Term**

- A. The elected Trustees shall be elected for a term of three years, and shall be divided into three classes, each of a maximum of fifteen (15) Trustees, with one class to be elected each year. Each elected Trustee, including a Trustee elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and has qualified.
- B. At the last regular meeting of the Board of Trustees of each calendar year or at a special meeting called for the purpose of proposing persons for election as Trustees, the Trusteeship and Bylaws Committee shall present the names of the existing Trustees who are being nominated for reelection for an additional term and the names of persons nominated to fill any vacancies on the Board of Trustees.

At the first regular meeting of the Board of Trustees in the next calendar year the attending Trustees shall vote to elect Trustees from those nominated. To be elected the nominee must receive the vote of at least two thirds of the Trustees in attendance and eligible to vote.

The business of the Board of Trustees shall be managed by “officers of the Board” consisting of a Chairman and no more than four Vice Chairmen, each of whom shall be a member of the Board of Trustees and who shall be elected by the vote of a majority of the Trustees in attendance. The Chairman shall serve for two consecutive years, with the eligibility for one two-year extension, for a maximum tenure of four years. Vice Chairmen will serve for a term of two years, with the eligibility for two two-year extensions, for a maximum tenure of six years. Prior to the first regular meeting of the Board of Trustees in a calendar year the Trusteeship and Bylaws Committee shall submit to the Board of Trustees a proposed nominee for each office of the Board.

At the first regular meeting of the Board of Trustees in each year the Trustees shall elect the officers of the Board who shall serve until the first regular meeting of the next year. Each officer shall be elected by a vote of the majority of Trustees in attendance.

- C. Any board member may be removed from the board by a two-thirds majority vote of the Trustees at any regular or special meeting of the board called expressly for that purpose. Any board member proposed to be removed shall be entitled to reasonable notice and an opportunity to be heard.

Any vacancy occurring in the Board of Trustees may be filled for the unexpired term by election by the Board of Trustees at any regular meeting upon nomination by the Trusteeship Committee.

- D. The Board may elect as Emeritus Trustee any person who has been elected to membership on the Board as Provided in Article III, Section 1-A and who has served with distinction not fewer than two full terms (a total of six years) or whose service as a member of the Board of Trustees terminates after his/her seventieth birthday, and shall be a Emeritus Trustee for life or until resignation. Trustees who do not meet the term requirements, but whose extraordinary and distinctive service to the University clearly merits exceptional recognition may also be elected as Emeriti Trustee. Recommendations shall be made to the Board by the Trusteeship and Bylaws Committee. An Emeritus Trustee shall receive all notices and minutes sent to other members and shall be invited to attend Board meetings as a voting member. An Emeritus Trustee shall be eligible to serve as a regular member of any committee of the Board.

The designation of Emeritus Trustee shall be reserved for those Trustees who meet the requirements of Article III, Section 3, Item D, and whose exemplary and distinguished service to the Board extends beyond the standard trustee requirements to a higher level of dedication. The Emeritus Trustee designation signifies a true and unwavering commitment to the University and its mission.

- E. The Board may elect as an Honorary Life Trustee any person whose extraordinary and distinctive service to the University clearly merits exceptional recognition. Recommendations shall be made to the Board by the Trusteeship and Bylaws Committee. Persons nominated for this position may or may not have been regularly elected members of the Board but shall not be persons eligible for the status of Life Trustee. An Honorary Life Trustee shall receive all notices and minutes sent to other members and shall be invited to attend Board meetings with voice but without vote. An Honorary Life Trustee shall be eligible to serve as a regular member of any committee of the Board except the Executive Committee.

#### **Section 4: Chairman**

- A. The Chairman of the Board shall preside at the meetings of the Board and of the Executive Committee, appoint committees as provided in the Bylaws and such other special committees as the Board may deem advisable, and attend to all other duties normally devolving upon a Chairman. The Chairman of the Board and the President of the University, and the Chairman of the Board of Governors shall sign all diplomas granted by the University.

The Chairman of the Board must have been elected to the Board of Trustees and served for five years; possess an understanding of and commitment to the University's culture; have shown financial commitment to the University; be well

- connected in the community; have proven abilities of leadership, communication, volunteer effectiveness, and management of large and complex activities; and possess a working knowledge of budgets and finance, higher education and the relevant campus activities areas and industries.
- B. The Board may elect as Emeritus Chair any person who has served and completed their term as the Chair of the Board of Trustees. An Emeritus Chair is a trustee who has served with distinction as the Chair of the Board of Trustees, and who has been voted by the full board as Emeritus Chair. The title is intended to express the gratitude of the board for his/her leadership, and as a way to indicate his/her contribution to the institution and to its board. The motion to induct a former Chair as Emeritus Chair should describe the major milestones achieved by Chapman University under the leadership of the member under consideration. An Emeritus Chair retains this title for life, and never needs to be reappointed. He/she will maintain all the rights and privileges of trustees, including all the voting rights. Emeriti Chairs are in addition to the number of trustees described in the bylaws.

### **Section 5: Vice Chairmen**

- A. The Vice Chairmen report to the Chairman of the Board and may perform responsibilities of the Chairman in his or her absence. The Vice Chairmen preferably attend all Board of Trustees meetings. In the absence of the Chairman, one of the Vice Chairmen shall be asked by the Chairman to act in his/her stead. In the event of an extended absence of the Chairman, one of the Vice Chairmen will be selected by the Trusteeship and Bylaws Committee as an appropriate replacement.

The Vice Chairmen of the Board must have been elected to the Board of Trustees and served for three years; possess an understanding of and commitment to the University's culture; have shown financial commitment to the University; and demonstrate proven abilities of leadership, communication, and volunteer effectiveness.

**Article IV:****BOARD OF TRUSTEES MEETINGS****Section 1: Regular**

The Board of Trustees shall hold four regular meetings annually, at a day and time designated by the Chairman of the Board. The first meeting held in the calendar year shall be known as the Annual Meeting. Other meetings shall be held at a time and place voted by the then active members of the Board of Trustees.

**Section 2: Quorum**

Eighteen elected Trustees shall constitute a quorum.

**Section 3: Special Meetings**

Special meetings shall be called by the Secretary at the request of (1) the Chairman of the Board, (2) a Vice Chairman, or (3) five members of the Board. The notice of such a meeting shall be in writing and state its purpose and shall be communicated to each member of the Board at least two days prior to the time set for the meeting.

**Section 4: Place and Time**

All meetings shall be held on the University Campus unless otherwise directed by the Board of Trustees or its Chairman. The place and time shall be indicated in the notice of the meeting.

**Section 5: University Employees**

The Chairman at any meeting of the Board may call an executive session from which paid employees may be excluded.

**Article V:****OFFICERS****Section 1: Officers of the University**

The officers of the University shall be a President, a Secretary (who shall have the title “Secretary of the Board”), and a Chief Financial Officer. The University may also have, at the discretion of the Board of Trustees, one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Article V, Section 2 of these Bylaws. The President shall be an ex officio member of the Board of Trustees as provided by Article III, Section 1.C.1, and the Secretary of the Board must be a member of the Board of Trustees, but no other officers must be members of the Board of Trustees. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the President.

**Section 2: Election of Officers**

The officers of the University shall be chosen by the Board of Trustees and shall serve for one year or until their successors are elected (subject to the Board’s right to remove such officer under Section 4 below and subject to the rights, if any, of any officer under any contract of employment).

**Section 3: Subordinate Officers**

The Board of Trustees may appoint, and may authorize the Chairman of the Board or the President or another officer to appoint, any other officers that the business of the University may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined from time to time by the Board of Trustees.

**Section 4: Removal of Officers**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Trustees, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Trustees, by an officer on whom such power of removal may be conferred by the Board of Trustees.

**Section 5: Resignation of Officers**

Any officer may resign at any time by giving written notice to the University. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the University under any contract to which the officer is a party.

**Section 6: Vacancies in Offices**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these bylaws for regular appointments to that office.

**Section 7: Responsibilities of Officers**

- A. **President.** Subject to such supervisory powers as may be given by the Board of Trustees to the Chairman, the President shall, subject to the control of the Board of Trustees, generally supervise, direct, and control the business and the officers of the University. The President and any other officer specifically designated by the Board shall have the power and authority to execute, acknowledge and deliver all deeds to land, leases, notes and mortgages, when so authorized by the Board of Trustees or Executive Committee through budgetary approval or other specific authorization. The President shall have such other powers and duties as may be prescribed by the Board of Trustees or these Bylaws, including without limitation those set forth in Article VIII, Section 1.
- B. **Vice Presidents.** The Executive Vice President and the other Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the President, the Board of Trustees or the Chairman of the Board.



- C. **Secretary of the Board.** The Secretary of the Board shall attend to the following:
1. **Book of Minutes.** The Secretary of the Board shall keep or cause to be kept, at the principal executive office of the University or such other place as the Board of Trustees may direct, full and true minutes of all meetings of the Board, the Executive Committee and such special meetings as may be requested, and of all other actions of Trustees and committees of Trustees with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of trustees present or represented at Trustees' meetings, and the proceedings of such meetings. In the absence of the Secretary of the Board, an Assistant Secretary shall perform these duties.
  2. **Trustee's Records.** The Secretary of the Board shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board of Trustees, a record of the University's Trustees and members of all committees showing their names and addresses.
  3. **Notices and Other Duties.** The Secretary of the Board shall give, or cause to be given, notice of all meetings of the Board of Trustees required by the Bylaws to be given. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or these Bylaws.
- D. **Chief Financial Officer.** The Chief Financial Officer shall attend to the following:
1. **Books of Account.** The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the University, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Trustee at all reasonable times.
  2. **Deposit and Disbursement of Money and Valuables.** The Chief Financial Officer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of the University with such depositories as may be designated by the Board of Trustees; shall disburse the funds of the University as may be ordered by the President or the Board of Trustees; shall render to the President and Trustees, whenever they request it, an account of all of his/her transactions as Chief Financial Officer and of the financial condition of the University.
  3. **Financial Statements.** The Chief Financial Officer shall prepare or cause to be prepared the University's financial statements. These financial statements

shall be audited by an independent certified public accountant appointed by the Board of Trustees, who shall render an opinion in conformance with generally accepted auditing standards.

4. **Securities.** Unless otherwise authorized by the Board, any rights with respect to any securities owned by the University (including any purchase, sale, pledge, vote, or grant of an option with respect to any such securities) shall be exercised only if jointly approved (as evidenced by a written instrument) by the Chief Financial Officer and either (1) the Chairman of the Investment Committee or (2) the Chairman of the Board of Trustees.
  5. **Other Duties.** The Chief Financial Officer shall in general perform all duties as may be required by law, by the Articles of Incorporation of this University, or by these Bylaws, or which may be assigned from time to time by the Board of Trustees.
- E. **Staff.** The Board may employ, and the officers may delegate, such functions, as they deem appropriate to a paid staff.

**Article VI:****EXECUTIVE COMMITTEE****Section 1: Members**

The Executive Committee of the Board of Trustees shall be composed of the following board members: the Chairman of the Board of Trustees; the Vice Chairmen (maximum of four); the immediate past Chairman of the Board of Trustees; the President of the University; the Secretary of the Board; the Chairmen of the Academic Committee, the Audit Committee, the Finance and Budget Committee, the Investment Committee, the Student Life Committee, and the University Advancement Committee, and such other Trustees as may be named by the Chairman of the Board of Trustees with its approval.

**Section 2: Powers and Duties**

- A. The Executive Committee shall have and may execute to the fullest extent permissible by law all of the powers of the Board of Trustees of Chapman University, provided, however, that the Executive Committee shall not have the right:
1. to incur obligations binding upon Chapman University in the aggregate in excess of \$500,000 until the next meeting of the Board of Trustees;
  2. to adopt, amend, or repeal Bylaws;
  3. to dispose of real property;
  4. to determine the general policies of the University;
  5. to elect or remove the President of the University;
  6. to elect members of the Board of Trustees or of any committee of the Board;
  7. to fix any compensation of the Trustees for serving on the Board of Trustees or on any committee of the Board of Trustees;
  8. to amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

9. to appoint committees of the Board or the members thereof;
  10. to approve the expenditure of funds of the University to support any nominee for Trusteeship of the University; or
  11. to approve any transaction in which any member of such Committee has any financial interest, except in compliance with California Corporations Code Section 5233 (d) (3).
- B. Minutes of Executive Committee meetings shall be submitted to the next meeting of the Board of Trustees. The acts of the Executive Committee shall be the acts of the Board of Trustees when approved by said Board, provided that the failure of the Board to approve the acts of the Executive Committee shall not affect the validity of such acts unless such approval is expressly required hereunder or by applicable law.
- C. Officers, faculty members, employees, students and all Standing and Special Committees shall make reports to the Executive Committee when requested to do so.

### **Section 3: Meetings**

- A. The Executive Committee shall meet on call by the Chairman.
- B. The Chairman at any meeting of the Executive Committee may call an executive session from which paid employees may be excluded.

### **Section 4: Quorum**

Seven members of the Executive Committee shall constitute a quorum.

**Article VII:****STANDING COMMITTEES****Section 1: Standing Committees**

- A. The Standing Committees shall be divided into three classes as follows:  
Class I: Student Life Committee; University Advancement Committee; Audit Committee  
Class II: Investment Committee; Academic Committee, Digital Resources  
Class III: Interfaith and Church Relations Committee; Finance and Budget Committee; Real Estate, Building and Grounds Committee; Trusteeship and Bylaws Committee
- B. At the first meeting of each calendar year, the Chairman of the Board of Trustees, with the approval of the Board, shall appoint to three-year terms the Chair, Co-chair and Membership of the committees, one class to be appointed each year.
- C. The Chairman of each Committee shall be limited to two consecutive terms of service. If unusual circumstances present themselves, the appointment of any committee chairman may be extended beyond this limit if approved by a two-thirds vote of all elected Trustees.
- D. Each Committee shall consist of at least three members. Any vacancy occurring in the Committees may be filled for the unexpired term by appointment by the Chairman of the Board of Trustees, with approval by the Board, at any regular meeting.
- E. The Chairman of each Committee shall be a member of the Board of Trustees but any or all of the Committee members may be members of the Board of Trustees or the Board of Governors.
- F. The Chairman of the Board of Trustees shall be member ex-officio of all Standing Committees.
- G. The Compensation and Presidential Assessment Committee shall be comprised of the Chairman of the Board of Trustees and the Chairs of the Academic Committee; Student Life Committee; Finance and Budget Committee; Audit Committee; Real Estate, Building and Grounds Committee and University Advancement Committee.

- H. Trustees, Trustees Emeriti, and Ex Officio Trustees appointed to a committee shall be the voting members of that committee. Governors, university representatives and guests of a committee are not voting members of the committee. A majority of the voting members of a committee shall constitute a quorum, and action by the committee requires the vote of a majority of the voting members of the committee present at the meeting in which the action is taken. Any action required or permitted to be taken by a committee may be taken without a meeting if all voting members of the committee shall consent in writing to such action. Such consent shall have the same effect as a unanimous vote of the committee and shall be filed with the minutes of the committee. Voting members of a committee may consent by a signed document transmitted by mail, messenger, courier, email, facsimile, or any other reasonable method satisfactory to the Chairman of the Committee.

Academic Committee (*Section 2*)  
Real Estate, Building and Grounds Committee (*Section 3*)  
Finance and Budget Committee (*Section 4*)  
Investment Committee (*Section 5*)  
University Advancement Committee (*Section 6*)  
Interfaith and Church Relations Committee (*Section 7*)  
Trusteeship and Bylaws Committee (*Section 8*)  
Compensation and Presidential Assessment Committee (*Section 9*)  
Student Life Committee (*Section 10*)  
Audit Committee (*Section 11*)  
Digital Resources (*Section 12*)

## **Section 2: Academic Committee**

- A. The Committee shall be responsible for recommending policies to the Board of Trustees regarding the academic programs for both the Orange campus and the Academic Centers. The Committee shall review recommendations of the President regarding any substantive academic program changes and make recommendations to the Board of Trustees.
- B. The Committee shall review recommendations of the President regarding faculty tenure matters and make recommendations to the Board of Trustees.
- C. The Committee shall make recommendations to the Board of Trustees regarding the adoption or modification of the Faculty Manual, which defines the terms of employment of the faculty.
- D. The Committee shall be responsible for making recommendations to the Board of Trustees for awarding honorary degrees and other University honors as determined by

- the Committee. Nominations of individuals for honorary degrees shall be made on the basis of three criteria: service to the University, service to humanity and distinction in the individual's personal achievements. Honorary degrees shall be awarded on the basis of nomination by the Committee after approval by the faculty and Board of Trustees.
- E. The Committee shall study and discuss demographic trends and other issues that affect enrollment and apprise the Board of Trustees how those issues may affect Chapman University.
  - F. The Committee shall solicit Trustee opinion and advice/guidance in regard to future enrollment policies and programs.
  - G. The Committee shall regularly review enrollment marketing strategy.

### **Section 3: Real Estate, Building and Grounds Committee**

- A. The Committee shall recommend to the Board of Trustees policies governing the acquisition, management and sale of all real property. The Committee shall monitor and review the implementation of these policies, requesting reports from the President and administration as necessary.
- B. The Committee shall review changes recommended by the administration in the Master Plan for the campus and shall make appropriate recommendations to the Board of Trustees. The Committee shall review all architectural plans for new construction as well as plans for renovation of the existing University physical plant and make appropriate recommendations to the Board of Trustees. It shall receive timely reports from the administration on the care and maintenance of the buildings and grounds and shall make appropriate recommendations to the Board of Trustees.

### **Section 4: Finance and Budget Committee**

- A. The Committee shall review, approve and recommend to the Board of Trustees management's proposed annual budgets for operations, capital expenditures, and financial management. Submission shall be to the Board of Trustees by the May meeting each year.
- B. The Committee shall monitor on a continuing basis through appropriate control reports and meetings, management's performance against the approved plans for operating performance, cash management, and capital expenditures.

- C. No loans shall be made to any Trustee, member of the Board of Governors, officer, or employee of the University or to any religious, fraternal or charitable organization, unless expressly approved by a vote of the Board of Trustees.

### **Section 5: Investment Committee**

The Investment Committee shall recommend an investment policy to the Board of Trustees, supervise the investment of all endowment and special funds of the corporation and determine that funds given for a specified purpose are kept separate and are used only for the purpose for which they are given. The endowment funds shall not be expended for current expenses but shall be retained and preserved inviolate, except that they may be used for collateral. The Committee's membership shall be a nucleus of Trustees complimented by professionals in investment management. Trustees shall always be a majority of the Committee and all members shall be appointed by the Chairman of the Board of Trustees.

### **Section 6: University Advancement Committee**

The Committee shall be responsible for a program that will provide an ever-increasing acceptance of the institution, with an emphasis on obtaining financial support for current operational needs, endowment and capital growth. The Committee shall give attention to different areas of the university life such as media and public relations, alumni and parent activities, church related programs, giving through estate and trust planning vehicles, and all other types of fund raising. It will suggest development goals and policies/procedures aligned with and in support of the institutional mission and strategic priorities. Members of the Committee must themselves be participants in the advancement process and shall seek and encourage board member giving. The committee must examine trends and analyze implications for the future, and will annually participate in the performance evaluation of advancement staff. Its Chairman shall be a member of the Finance and Budget Committee.

### **Section 7: Interfaith and Church Relations Committee**

The Committee shall assume responsibility for promoting good relations between the University and the supporting communion of the Christian Church (Disciples of Christ) and the United Church of Christ, as well as interfaith communities identified by the work of the Fish Interfaith Center. It shall also promote through suggestions and information given to the proper University administrative officers, fellowship and involvement with other religious bodies in recognition of the non-denominational, ecumenical, and interfaith spirit, which has been characteristic of the University.



**Section 8: Trusteeship and Bylaws Committee**

- A. The Committee shall advise the Board of Trustees regarding the desired Board composition in terms of influence, diversity and talents.
- B. The Committee shall select nominees for the Board of Trustees and may select nominees for the Board of Governors. The Committee shall seek recommendations from all Committees of the Board.
- C. The Committee shall present nominations for the officers of the Board of Trustees at the Board's last regular meeting of the calendar year.
- D. The Committee shall oversee the orientation of new Trustees.
- E. The Committee shall periodically present to the Board evaluative criteria and measures relating to the Board's performance.
- F. The Committee shall be responsible for considering and recommending any proposed changes in the Bylaws.

**Section 9: Compensation and Presidential Assessment Committee**

The Committee shall be responsible for reviewing the performance and compensation of the President and of the executive officers who report to the President. The Committee shall have the duty to review and the authority, without further action of the Board of Trustees, to approve the compensation arrangements for the President and such executive officers, including any transaction that may be deemed to have a compensatory effect.

A majority of the members of the Committee shall constitute a quorum. The affirmative vote of a majority of a quorum shall constitute a decision of the Committee.

**Section 10: Student Life Committee**

- A. The Committee shall solicit Trustee opinion and advice/guidance in regard to future enrollment and student life issues, policies and programs.
- B. The Committee shall review recommendations of the President regarding substantive changes in student life and make recommendations to the Board of Trustees.
- C. The Committee shall regularly review enrollment marketing strategy and regularly evaluate the quality of student life programs and activities.

- D. The Committee shall recommend policy for the intercollegiate athletic program and budget and provide oversight for continuing the improvement of this program.
- E. The Committee shall provide leadership for developing and sustaining athletic facilities and resources and conduct periodic review of them.
- F. The Committee shall monitor compliance with NCAA and Southern California Intercollegiate Athletic Conference regulations.

### **Section 11: Audit Committee**

- A. The Committee shall be responsible for having an annual audit of the University's financial statements performed by a firm of independent Certified Public Accountants. The Committee shall review and approve the scope of the audit, the fee, the annual report, the management letter and follow-up corrective actions. It shall meet privately with the auditors concerning the quality of financial personnel, the adequacy of internal controls, any auditors' concerns or other matters the auditors feel should be brought to the attention of the Committee and to answer any questions the Committee may have.
- B. The Committee's duties, powers and procedures shall be further specified in an Audit Committee Charter, which shall be approved by, and may be amended from time to time by, the full Board of Trustees.
- C. At the time of his or her appointment to the Committee, each member of the Committee shall be able to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement.

### **Section 12: Digital Resources**

The Digital Resources Committee shall be responsible for guiding programs that provide electronic resources in support of the university's mission. The Committee shall give attention to different areas in service of the University's mission such as Data management, CyberSecurity, Library Resources, Administrative Information Systems, Research Systems and Instructional Support Systems. The committee will use their subject matter expertise to guide discussion and will annually participate in the performance evaluation of Library and IT staff. The Chairman of the Committee will attend the Finance & Budget Committee meeting where the annual IT budget is discussed, and the Audit Committee meeting where Information Security is discussed.

**Article VIII:****ADMINISTRATIVE OFFICERS  
AND FACULTY****Section 1: President of the University**

- A. The President of the University shall be appointed by the Board of Trustees and shall be considered the official head of the institution subject to the direction of the Board of Trustees. He or she shall be a voting member of the Board of Trustees, the Board of Governors, and all committees of these Boards except the Compensation and Presidential Assessment Committee; shall not participate in meetings of the Finance, Budget and Audit Committee or Compensation Committee when the President's compensation is being considered; shall be responsible for directing the affairs of the University and for implementing the academic policies and shall perform all other duties common to this office.
- B. In case of a temporary vacancy in this office if the President is absent or unable to serve for an extended period of time, the Board of Trustees shall appoint an Acting President. In case of a vacancy, the Board of Trustees shall appoint an Acting President until the vacancy is permanently filled.

**Section 2: Faculty**

The faculty shall consist of the Deans and other persons as members of the faculty. These, under the direction of the President of the University, shall have the supervision of the educational program of the University.

**Section 3: Retirement**

The University shall have a written personnel policy regarding retirement of employees and shall comply with all applicable federal and state laws.

**Section 4: Equal Employment Opportunity**

The University is committed to a policy of equal employment opportunity and affirmative action. Employment decisions shall comply with all applicable state and federal laws prohibiting discrimination in employment.

**Article IX:****BOARD OF GOVERNORS****Section 1: Membership**

Board of Governors shall be composed of no more than 36 regular members and certain members ex-officio, who shall include the President and the chief development officer of the University. Subject to the maximum number specified above, the number of members of the Board of Governors shall be determined by vote of the Board of Governors from time to time, provided that no reduction in the number of members shall be made if it reduces the size of the Board of Governors to a number that is less than the number of members then acting.

**Section 2: Election**

- A. The regular members shall be nominated by the Trusteeship and Bylaws Committee and the President of the University and shall be elected for a term of three years, and shall be divided into three equal classes, with one class to be elected each year at the Annual Meeting of the Board of Trustees by a majority vote of those present. Each elected Governor, including a Governor elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and has qualified..
- B. All candidates for membership on the Board of Governors, whether on initial election or to fill a vacancy, shall be approved by the Board of Trustees.
- C. The Board of Trustees may elect as Emeritus Governor any person who has been elected to membership on the Board of Governors as provided in Article IX, Section 2-A and who has served with distinction not fewer than two full terms (a total of six years) or whose service as a member of the Board of Governors terminates after his/her seventieth birthday, and shall be a Governor for life or until resignation. Governors who do not meet the term requirements, but whose extraordinary and distinctive service to the University clearly merits exceptional recognition may also be elected as Emeriti Governor. Recommendations shall be made by the Governorship Committee, with final approval by the Trusteeship and Bylaws Committee of the Board of Trustees. An Emeritus Governor shall receive all notices and minutes sent to other members and shall be invited to attend Board meetings as a voting member. An

Emeritus Governor shall be eligible to serve as a regular member of any committee of the Board of Trustees or Board of Governors.

### **Section 3: Vacancies**

Any board member may be recommended for removal from the board by a two-thirds majority vote of the governors at any regular or special meeting of the board called expressly for that purpose. The removal of the board member needs to then be approved by the Board of Trustees. Any board member proposed to be removed shall be entitled to reasonable notice and an opportunity to be heard.

Any vacancies occurring in the Board of Governors may be filled for the unexpired term by the Board of Trustees at any meeting.

### **Section 4: Powers and Duties**

The Board of Governors shall be responsible for advising the President of the University and the Board of Trustees regarding strategic planning, academic programs and the external relations of the University.

**Article X:****BOARD OF GOVERNORS MEETINGS****Section 1: Regular Meetings**

The Board of Governors shall meet at least three times per academic year. These meetings may be held in conjunction with regular or special programs featuring one or more of the University's academic programs.

**Section 2: Special Meetings**

Special meetings shall be called by the Secretary at the request of (1) the Chairman of the Board, (2) a Vice Chairman, or (3) five members of the Board. The notice of such a meeting shall be in writing and state its purpose and shall be communicated to each member of the Board at least two days prior to the time set for the meeting.

**Section 3: Quorum**

One more than one-third of the regular membership of the Board of Governors shall constitute a quorum.

**Article XI:****OFFICERS OF  
THE BOARD OF GOVERNORS****Section 1: Officers of the Board of Governors**

- A. The officers of the Board of Governors shall be a Chairman, an Executive Vice Chairman, a Vice Chairman, and a Secretary. The officers shall hold office for one year and until their successors are elected and qualified.
- B. The officers of the Board of Governors shall be nominated by a Nominating Committee of Governors and elected by its board.
- C. Vacancy in any office shall be filled by the Board of Governors.

**Section 2: Duties**

- A. The Chairman of the Board of Governors shall preside at all meetings of the Board of Governors and shall act as executive head of the Board when it is not in session and shall represent it officially on public occasions. He or she shall be an ex-officio member of the Board of Trustees.
- B. The Vice Chairman shall act in the absence of the Chairman.
- C. The Secretary shall keep the minutes and manage the correspondence of the Board of Governors and perform other such duties as assigned by the officers of the Board of Governors.



**Article XII:****INDEMNIFICATION OF  
TRUSTEES, OFFICERS, EMPLOYEES  
AND OTHER AGENTS****Section 1: Definitions for the Purpose of This Article**

- A. Agent. “Agent” means any person who is or was a trustee, ex-officio trustee, governor, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a trustee, ex-officio trustee, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a trustee, ex-officio trustee, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation;
- B. Proceeding. “Proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and
- C. Expenses. “Expenses” includes, without limitation, all attorneys’ fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of the agent’s position or relationship as agent and all attorneys’ fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

**Section 2: Successful Defense by Agent**

To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claims or sustains a judgment rendered against the agent, then the provisions of Sections 3 through 5 below shall determine whether the agent is entitled to indemnification.

**Section 3: Actions Brought by Persons Other Than the Corporation**

The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under California Corporations Code Section 5233 concerning self-dealing transactions, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to the assets held in charitable trust) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful. The determination of the agent's conduct shall be made in accordance with Section 5.

**Section 4: Action Brought by or on Behalf of the Corporation**

The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the corporation, or brought under California Corporations Code Section 5233 concerning self-dealing transactions, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The determination of the agent's shall be made in accordance with Section 5. No indemnification shall be made under this Section 4:

- A. In respect of any claim, issue or manner as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

- B. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- C. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

### **Section 5: Determination of Agent's Good Faith Conduct**

Except as provided in Section 2, any indemnification under this Article shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in subdivision Section 3 or 4, as applicable, by:

- A. A majority vote of a quorum consisting of Trustees who are not parties to such proceeding; or
- B. The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this corporation.

### **Section 6: Limitations**

No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5-A, in any circumstances when it appears:

- A. That the indemnification or advance would be inconsistent with a provision of the articles, bylaws, a resolution of the Trustees, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- B. That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**Section 7: Advance of Expenses**

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

**Section 8: Contractual Rights of Non-Directors and Non-Officers**

Nothing contained in this Article shall affect any right to indemnification to which persons other than Trustees and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

**Section 9: Insurance**

The Board of Trustees may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent under Corporations Code Section 5238; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of California Corporations Code Section 5233 concerning self-dealing transactions.

**Section 10: Fiduciaries of Corporate Employee Benefit Plan**

This Article does not apply to any proceeding against any Trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may be an agent of the corporation as defined in Section 1 of this Article. Nothing contained in this Article shall limit any right to indemnification to which such a Trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law.

**Article XIII:**

**RULES OF PROCEDURE**

**Section 1: Rules of Procedure**

*Robert's Rules of Order, Revised*, shall be the parliamentary authority for all matters of procedure not specifically covered in these Bylaws.

**Article XIV:****CONFLICTS OF INTEREST****Section 1: Conflicts of Interest**

It is the policy of Chapman University to conduct its affairs, and to require its Personnel (as defined below) to conduct their affairs, so as to avoid all conflicts of interest between the University and such Personnel or, in the case where a conflict of interest cannot be avoided, to require that the transaction or matter that is the subject of the conflict of interest be approved by an independent body of representatives of the University. For these purposes, the term "Personnel" means the members of the Board of Trustees (the "Board") and the Board of Governors of the University, the officers of the University identified in Article V, Section 1 of these Bylaws, and any Vice President of the University, and the term "Person" means any one of the Personnel. A "conflict of interest" shall be deemed to exist when a Person, either directly or indirectly through affiliated parties, has an economic or legal interest that is adverse to the economic or legal interests of the University; provided, however, that a Person shall not be deemed to have a conflict of interest with the University solely due to such Person's employment by the University. In addition, the policy set forth herein shall be interpreted so as to be consistent with other policies of the University encouraging and protecting freedom of expression.

Accordingly, no Person shall engage in any transaction or voluntarily adopt any position in which he, she or any of his or her affiliates has a conflict of interest with the University, unless: (1) the transaction or matter shall have been fully disclosed to and approved in writing in advance by a committee consisting of the President of the University, the Chairman of the Finance, Budget and Audit Committee of the Board, and the Chairman of the Academic Committee of the Board (provided that if any of such persons is the Person having the conflict of interest, the Chairman of the Board shall take the place of such Person on such committee) or (2) such transaction or position is otherwise in strict accordance with other written University policies.

**Article XV:****AMENDMENTS****Section 1: Amendments**

These Bylaws may be amended at any regular meeting of the Board of Trustees by a vote of three-fourths of all members present, provided a majority of the elected Trustees shall be present and participating in the meeting, and further provided that the proposed amendment shall have been read at a regular or special meeting of the Board at least thirty days prior to the meeting taking action thereon and that a copy thereof shall have been distributed to each Trustee at least seven days prior to the meeting taking action thereon.

**Article XVI:****MISCELLANEOUS PROVISIONS****Section 1: Fiscal Year**

The fiscal year of the institution begins on June 1 of each year and ends on May 31 of the succeeding year.

**Section 2: Nondiscrimination**

The institution does not discriminate in its educational and employment policies against any person on the basis of gender, race, color, religion, age, disability, sexual orientation, national or ethnic origin, or on any other basis proscribed by federal, state, or local law.