



# **The University of Scranton**

## **ARTICLES OF INCORPORATION**

**and**

**BY - LAWS**

April 2007

**ARTICLES OF INCORPORATION**

**of the**

**UNIVERSITY OF SCRANTON**

Board of Trustees, The University of Scranton

Secretary of Education, Commonwealth of Pennsylvania

Department of State, Commonwealth of Pennsylvania

April 2007

**ARTICLES OF INCORPORATION  
of the  
UNIVERSITY OF SCRANTON**

- First:** The name of the Corporation is: University of Scranton
- Second:** The place where the business of the Corporation is to be transacted is the City of Scranton, County of Lackawanna, Commonwealth of Pennsylvania.
- Third:** The Corporation is to exist perpetually.
- Fourth:** The Corporation is nonprofit and charitable in character.
- Fifth:** No part of the net income of the Corporation shall be distributable to its members, trustees or officers. Officers, however, may be given reasonable compensation for services rendered.
- Sixth:** The University of Scranton is a community of scholars whose ministry of education is informed by the vision of life contained in both the Gospels and the Spiritual Exercises of Saint Ignatius Loyola. The purposes for which the Corporation is formed and organized are exclusively charitable and educational, and thereby contributory to the promotion of the general welfare. These purposes include, but are not limited to, the following:
- (1) a. to establish, conduct, and maintain an independent university or institution of higher learning for the education of students in all branches of the liberal arts, philosophy, the pure and applied sciences, and other appropriate areas of human knowledge.
  - b. to transmit knowledge, to pursue and augment the body of trust, to evaluate critically, and to foster creative capacities, attending to the interaction of truths and discoveries derivable from sources accessible to the human mind.
  - c. to provide for those formally associated with the work of the institution an educational setting which will be conducive to the fuller development of the human person.
  - (2) to offer educational programs leading to the granting of degrees, diplomas, or certificates, which programs either are now approved or may be hereinafter approved by the Secretary of Education of the Commonwealth of Pennsylvania or the duly authorized agent of the Commonwealth of Pennsylvania.

(3) to offer other programs of an educational nature on a credit or non-credit basis which do not lead to the granting of a degree, including but not limited to programs such as: institutes, workshops, programs of continuing education, programs preparing youths and others for college admission, and cooperative programs with other educational agencies and institutions.

(4) to operate as a tax exempt organization under Sec. 501(c)(3) of the Internal Revenue Code of 1954 or any amendment or successor thereto.

(5) to use its funds exclusively for charitable and educational purposes, provided that:

a. no part of the net earnings of this Corporation shall inure to the pecuniary profit, incidental or otherwise, of any of its members; and,

b. no substantial part of the activities of this Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation; and,

c. this Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

**Seventh:**

The Corporation possesses the power to perform such acts which may be necessary, useful, suitable or proper for the furtherance, accomplishment or attainment of any or all of the purposes for which it is organized and which are not repugnant to law, including but not limited to those powers enumerated in Article III of the Non-Profit Corporation Law, Act of May 5, 1933 (P.L. 289), as amended February 2, 1966. The Corporation also possesses any powers previously granted to it by its original Charter and all amendments thereto.

The Corporation has the power to confer associate, baccalaureate and masters degrees in the arts, sciences, business and education; to confer honorary degrees of doctor of laws and doctor of human letters; and to grant such other degrees, diplomas or certificates as may be now or hereafter authorized by the Secretary of Education or the duly authorized agent of the Commonwealth of Pennsylvania.

**Eighth:**

These powers duly vested by the Court in the Corporation, and the right to exercise them, reside in the Board of Trustees. The Trustees are to exercise them in a manner consistent with the purposes for which the Corporation is organized, with the legal enactments of the several civil jurisdictions in which the Corporation is situated, and with the By-Laws of the Corporation.

- Ninth:** The number of members of the Corporation shall be such as the By-Laws of the Corporation state. The members of the Corporation are the Trustees and collectively constitute the Board of Trustees. The functions, terms of office, and qualifications of members of the Board of Trustees are to be such as the By-Laws of the Corporation shall provide.
- Tenth:** The said Corporation shall have no capital stock.
- Eleventh:** The minimum number of persons which it is intended to employ regularly as full-time members of the faculty of the said Corporation is eight regular professors.
- Twelfth:** The qualifications for admission of a student to the various educational levels of the institution are those which are generally required in similar institutions, which provide sufficient evidence of previous attainment so as reasonably to indicate that the applicant will be able to profit from and complete successfully the educational program he desires to pursue, and which are in accordance with minimum standards promulgated by the State Board of Education, its successors, or the duly authorized agents of either in the Commonwealth of Pennsylvania.
- Thirteenth:** The courses of study to be pursued at the institution are those appropriate to the various educational programs offered. These include courses normally associated with a general or liberal arts program, and programs of concentrated studies in such areas as the liberal arts, the natural, social and applied sciences, business administration and teacher training; these also include those appropriate to graduate programs leading to masters degrees in the arts, true and applied sciences, business and education and to such other programs as may be now or hereafter approved by the Secretary of Education or the duly authorized agent of the Commonwealth of Pennsylvania.
- Fourteenth:** The Board of Trustees, or its legitimate delegates, may set such standards of academic performance and personal behavior as it judges to be reasonable, appropriate and relevant to the educational objectives of the institution.
- Fifteenth:** In the event of dissolution, after consultation with the local bishop and the cognizant Jesuit authority, the net assets of the Corporation are to be distributed to the Society of Jesus, or to some other institution of the Roman Catholic Church, or such charitable, scientific, educational or religious organization as the Church may choose, given the mission and purpose of the Corporation as stated in the sixth article of this charter, and in a manner consistent with the provisions of the By-Laws of the Corporation and existing statutory regulations.

**Sixteenth:**

Notwithstanding any other provisions of these articles, the organization is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1986, and shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under IRC 501(c)(3) or corresponding provisions of any subsequent tax laws.

No part of the net earnings of the organization shall inure to the benefit of any member, trustee, director, officer of the organization, or any private individual (except that reasonable compensation may be paid for services rendered to or for the organization), and no member, trustee, director, officer of the organization or any private individual shall be entitled to share in the distribution of any of the organization's assets on dissolution of the organization.

No substantial part of the activities of the organization shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by IRC 501(h) or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of or in opposition to any candidates for public office.

In the event of dissolution, all of the remaining assets and property of the organization shall after payment of necessary expenses thereof be distributed to such organizations as shall qualify under section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent Federal tax laws, or to the Federal government or State or local government for a public purpose, subject to the approval of the appropriate Court of the Commonwealth of Pennsylvania. It is the intention of the organization that upon dissolution its assets will devolve to either the Society of Jesus, or to some other institution of the Roman Catholic Church, or such charitable, scientific, educational or religious organization as shall qualify under Section 501(c)(3) of the Internal Revenue Code of 1986 and as the Church, and not a civil court, may choose.

In any taxable year in which the organization is a private foundation as described in IRC 509(a), the organization shall distribute its income for said period at such time and manner as not to subject it to tax under IRC 4942, and the organization shall not (a) engage in any act of self-dealing as defined in IRC 4941(d); (b) retain any excess business holdings as defined in IRC 4943(c); (c) make any investments in such a manner as to subject the organization to tax under IRC 4944; or (d) make any taxable expenditures as defined in IRC 4945(d) or corresponding provisions of any subsequent Federal tax laws.

**BY - LAWS**  
**of the**  
**UNIVERSITY OF SCRANTON**

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As of May 2007  
Having been Amended and Approved by the  
Board of Trustees

Deleted: April

**BY-LAWS**  
**UNIVERSITY OF SCRANTON**  
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## ARTICLE I

### Preamble

The University of Scranton is incorporated under the Laws of Lackawanna County and the Commonwealth of Pennsylvania. It is a non-profit, charitable corporation engaged primarily in higher education. The University of Scranton is a community of scholars whose ministry of education is informed by the vision of life contained in both the Gospel and the Spiritual Exercises of Saint Ignatius Loyola. The University is therefore dedicated to freedom of inquiry, the pursuit of wisdom, integrity and truth, and the personal growth and development of all who share in its life and ministry.

Such an approach to the enterprise of higher education has been the tradition of this Corporation since its inception and, as it faces the future, fully aware of its complete autonomy as an educational institution, it desires to reaffirm and to maintain the primary importance of Christian values in the educational process as these have been developed, integrated and applied according to the Jesuit tradition of liberal education. As a Jesuit institution, the University recognizes its obligation to abide by *ExCorde Ecclesiae* and other strictures of canon law as they relate to higher education. Furthermore, the Corporation firmly hopes that it will continue to enjoy the personal presence and influence of members of the Society of Jesus who, with others, have played such a prominent role in the history and development of the University of Scranton.

The University of Scranton does not discriminate on the basis of race, color, creed, national or ethnic origin, gender, religion, nondisqualifying handicap or disability, age, [sexual orientation](#), disabled veteran status, veteran of the Vietnam era status, or citizenship status (except in those special circumstances permitted or mandated by law). In making employment decisions the University may prefer or require candidates to be members of the Roman Catholic Church and/or the Society of Jesus. This nondiscrimination policy encompasses the operation of the University's educational programs and activities including admissions policies, scholarship and loan programs, athletics and other University-administered programs. It also encompasses the employment of the University personnel and contracting by the University of goods and services. The University is committed to taking affirmative action to employ and advance in employment qualified women and members of minority groups identified in state and federal Affirmative Action laws and executive orders, persons with disabilities (including qualified special disabled veterans), and veterans of the Vietnam era.

This statement of purposes and powers of the Corporation shall not be construed as restricting or limiting in any way the general powers of this Corporation, or their exercise or enjoyment, as they are expressly or implicitly granted by the laws of Lackawanna County and the Commonwealth of Pennsylvania.

## **ARTICLE II**

### **The Corporation**

Section 1. Name. The legal name of the Corporation is: University of Scranton, under which name its business and affairs are conducted.

Section 2. Location. The location of the principal office of the Corporation is Scranton, Pennsylvania.

Section 3. Purposes. The purposes of the Corporation shall be as set forth in the Articles of Incorporation, as amended, and as further specified in other documents duly approved by the Board of Trustees.

Section 4. Powers. The powers possessed by and vested in the Corporation are such as are stated in the Articles of Incorporation as amended. Included in these powers are those described in Article III, of the Non-Profit Corporation Law of the Commonwealth of Pennsylvania, Act of May 5, 1933 (P.L. 289), as amended February 2, 1966. Such powers reside in and shall be exercised by the Board of Trustees. The Board shall exercise such powers either directly or through delegation, as it may from time to time in its own discretion judge to be in the best interests of the University.

Section 5. Officers of the Corporation. The Corporation shall have as its corporate officers a President (who shall be President of the University), Vice Presidents (who shall be Vice Presidents of the University), a Treasurer (who shall be Treasurer of the University) and a Secretary (who shall be the Secretary of the University). The Board of Trustees may establish such other corporate offices as it may from time to time judge to be necessary or fitting for the proper conduct of corporate business.

In addition, the Board of Trustees shall establish such other offices of University administration as may from time to time be required for the proper conduct of the business and operation of the institution. Pertinent prescriptions relating to corporate officers and officers of University administration are specified in Article V of these By-Laws.

## **ARTICLE III**

### **Board of Trustees**

Section 1. Members of the Board of Trustees.

a. Number. The number of Trustees shall not exceed 37, of whom a minimum of 4 shall be members of the Society of Jesus. Included in the

total number are the President of the University, who shall serve as an *ex officio* voting member.

b. Eligibility and Qualifications.

1) Desirable qualifications for eligibility to election to the Board of Trustees include: possession of the baccalaureate degree; a genuine interest in higher education and an understanding of educational processes and trends; a sincere interest in the institution; ability to attend Board meetings regularly and willingness to work actively on behalf of the University; leadership qualities as evidenced in business, professional, or civic life, and a good reputation for sound character and moral judgment. An essential qualification is stated sympathy for and support of the ideals of the University, including its religious mission.

2) No individual may serve as a Trustee who is not a natural person in full age or who, except in the case of the President of the University, is formally associated with the work of the University as an administrator, faculty member, staff member or student.

c. Election. Trustees are elected at meetings of the Board of Trustees by vote of a majority of the full Board of Trustees, not merely of a quorum. The Board is self-perpetuating.

d. Term.

1) Trustees elected subsequent to the adoption of these By-Laws shall be elected for a single three year term. However, for good cause, certain Trustees may be elected to a second three year term.

2) Each Trustee, upon election and written acceptance of trusteeship, shall hold office until the expiration of the term and until a successor shall be elected and, in writing, accept trusteeship, unless a vacancy be earlier created by death, written and accepted resignation, removal or otherwise.

3) Trustees, except for the President of the University, may not serve for more than six consecutive years without the lapse of one year before reelection. However, upon the recommendation of the President and for a specific reason related to the goals of the University, Trustees may be reelected by the Board of Trustees for a third consecutive term of one, two or three years without the lapse of one year before reelection.

e. Removal. Any Trustee may be removed or that trusteeship declared vacant, without the causes being assigned, by a majority vote of the entire number of Trustees then in office when, in their judgment, that Trustee shall be rendered incapable by age or otherwise of discharging suitably the duties of office, or shall neglect or refuse to do the same, or when in their judgment the best interests of the institution will be served thereby. A record of frequent absences from Board meetings shall be deemed sufficient reason for removal.

f. Compensation. Trustees serve in this capacity without compensation, except for travel remuneration and expenses incurred in official business as Trustee.

g. Trustees Emeriti. To honor those former Trustees who have provided extraordinary service to the University, the sitting Board of Trustees may elect Trustees Emeriti upon the recommendation of the President of the University and the Chairperson of the Board of Trustees. Such Trustees Emeriti shall be invited to all Board meetings and functions. They will be permitted to have an active voice in Board discussions and deliberations, but will not be entitled to vote. Trustees Emeriti shall serve for life. They shall not exceed five in number at any time. The number of Trustees Emeriti shall not be counted toward the maximum number of Trustees or the minimum number of Jesuit Trustees as stated in Section 1 of this Article. The presence or absence of Trustees Emeriti shall not be counted toward a quorum as defined in Section 3e of this Article.

## Section 2. Officers of the Board of Trustees.

a. Officers. The Board of Trustees shall have a Chair and a Vice Chair, who shall serve for a term of two years, as well as such other officers as the Board may from time to time designate for the conduct of Board affairs, including but not limited to the designation of acting officers. The President shall not be an officer of the Board.

b. Election. Board elections, as required, shall be held at the annual meeting. The Chair and Vice Chair must be elected from the Trustee membership. Under normal circumstances, the Vice Chair shall be the nominee to become the next Chair

c. Term. Such officers shall serve until their successors are elected and accept, or until their earlier death, resignation, or removal. In no case, however, shall the term of any officer extend beyond his term as a Trustee.

d. Vacancy. In case a vacancy occurs in any of the said elected offices, it may be filled by the Board of Trustees at a regular or special meeting.

### e. Duties.

1) Chair. The Chair of the Board of Trustees, with the assistance of the President, shall prepare the agenda for all meetings of the Board and of the Executive Committee and shall preside at all such meetings, shall call special meetings of the Board or Executive Committee at such times as the business of the institution shall require, or when requested to do so by a Trustee or the Executive Committee, respectively. The Chair shall *ex officio* be a member of all committees of the Board, and shall appoint all committees of the Board, unless it be otherwise provided in the resolution creating them.

To foster communication, the Chair should be assured that proper consultation with University constituencies on matters of interest to those concerned has been achieved prior to Board consultation. Ordinarily, this would be done through contact by the President with area Vice Presidents, each of whom should have his/her consulting methods. Actions taken by the Board in various areas should be communicated to the Vice Presidents and a general report on Board meetings should be distributed to the University community.

2) Vice Chair. In the absence or disability of the Chair of the Board of Trustees, that officer's duties shall be performed by the Vice Chair of the Board of Trustees. The Vice Chair shall perform such other duties as the Chair may from time to time assign.

f. Powers. Officers of the Board of Trustees shall have, in addition to the powers and duties herein specified, all other powers and duties ordinarily incidental to their offices and such other powers and duties as the Board of Trustees may from time to time determine.

### Section 3. Meetings of the Board of Trustees.

#### a. Time of Meetings.

1) The annual meeting of the Board of Trustees shall be the May meeting of the Board held on a date (except a Sunday or legal holiday) designated by the Chair and announced at least 30 days prior to the meeting. This meeting shall be regarded as the prescribed annual meeting of the Corporation.

2) In addition to the annual meeting, not less than two (2) other regular meetings shall be held during the year at such times as are determined by the Executive Committee. A majority of all meetings shall be held at the University.

3) Special meetings shall be held as the business of the institution shall require, in accordance with Article III, Section 2, e.1.

b. Place of Meetings. All meetings of the Trustees shall be held at the University unless the prior notices designate another location; this may be inside or outside the Commonwealth of Pennsylvania.

c. Notice of Meetings. Written notice of all meetings shall be mailed, emailed, faxed or otherwise sent to each Trustee at least five days before the proposed meeting. The notice to be given for special meetings shall state the general nature of the business to be transacted.

d. Business of Meetings.

1) The business of the annual meeting shall include: an annual report of the President of the University; a review of progress being made towards the fulfillment of the long-range plans of the University; election of officers of the Board and members of the Executive Committee; transaction of any other business as appropriate.

2) The business of other regular meetings may be arranged by agreement of the Board's Executive Committee. The annual budget of the University is to be presented to the Board of Trustees for action during the Spring semester.

3) The business to be transacted at special meetings shall be confined to the stated purpose of the meeting.

4) At the annual meeting, the Religious Superior of the Jesuit Community at the University of Scranton shall be invited to present a report of Community activities during the preceding year and to propose a program for the Jesuit apostolate during the following year. The report shall deal with the religious, spiritual, and moral aspects of education which are traditional to this University by reason of its Jesuit tradition and which are not ordinarily presented to the Board through regular academic or administrative channels. The Board shall consider the proposals as part of its ongoing practice of ensuring a continued effective Jesuit presence at the University.

e. Quorum. The presence in person or by proxy of a majority of the Trustees then in office shall constitute a quorum for the transaction of business. If at any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting. The act of a majority of the Trustees present at any meeting, at which a quorum is present, shall be the act of the Board of Trustees, except as may be otherwise specifically provided by law, or by the Charter, or by these By-Laws. Any action which may be taken at a meeting of the Trustees may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the Trustees then in office and shall be filed with the Secretary of the University or designee.

Section 4. Powers and Duties of the Board of Trustees.

a. General Powers. All powers possessed by and vested in the Corporation reside in the Board of Trustees. The Board shall exercise these powers either directly or through delegation, as it may from time to time deem necessary, useful, fitting or proper.

b. Specific Powers and Duties. The Board of Trustees shall exercise its functions and powers principally in the following areas: the determination and establishment of the fundamental policies of the institution; the preservation of the capital assets and financial integrity of the institution; the selection and appointment of a competent chief administrative and executive officer

(the President), the delegation to him of powers commensurate with his responsibilities, and the establishment of adequate lines of communication with him.

Relative to fundamental institutional policy, the Board is charged with the responsibility of: declaring institutional objectives in the light of its founding purposes, tradition, and the future; clarifying, modifying and applying these objectives to present day conditions; drawing up and, from time to time, revising the basic operating policies of the institution which flow from these objectives; approving the role and function proper to the several chief administrative officers; periodically reviewing functions of major consulting bodies within the University.

Relative to financial matters, the Board exercises the responsibilities of managing the properties and assets of the Corporation.

1) Endowment Funds. The Board will husband endowment and other funds, being careful not to divert the purpose of, or expend the principal of, funds given for permanent investment. The President of the University shall report to the Board the receipt of significant gifts and, for Board approval prior to acceptance, any gifts to which an unusual restriction may be attached.

2) Long Range Planning. It shall cause to be developed and give final approbation to long range academic, financial, and physical plant plans.

3) Public Relations. The Board will interpret the institution to the public, and vice versa, cultivate appropriate sources of financial support for capital and operating funds, and establish and promote major fund-raising efforts of the institution.

4) Physical Plant. The Board will advise on and authorize the construction and major renovation of buildings and, through the President and his/her staff, care for the maintenance and repair of the physical plant.

5) Operational Budget. The Board will make recommendations on and approve the final operating budget, revise tuitional fees as appropriate, and allocate resources so as to provide for short- and long-range priorities;

c. Other Responsibilities. Other responsibilities of the Board of Trustees include but are not limited to the following:

1) approval by election of officers of the University, including vice presidents, to serve for a term coextensive with their employment at the University, after appointment by the President.

2) delegation to the President of the powers of making faculty appointments to rank; of the granting of promotions and of tenure; and of dismissing members of the faculty and staff;

3) approval and adoption of major revisions or innovations in the educational programs of the University;

4) approval of the awarding of degrees in course



on the recommendation of the faculty and the certification of respective Deans, and of the awarding of honorary degrees to appropriate candidates;

5) dealing with significant controversial questions as presented for discussion by the Chair or President.

6) reviewing the institution's legal affairs;

7) concern for student, faculty, administrative, institutional morale and welfare.

#### Section 5. Executive Committee of the Board of Trustees

a. Number. There shall be an Executive Committee comprised of the officers of the Board of Trustees, Chairs of all standing committees and the President of the University. The remaining members of the Executive Committee shall be elected by a majority vote of the whole Board then in office at the annual meeting of the Board of Trustees; vacancies occurring due to death, resignation, removal or otherwise may be filled at regular or special meetings of the Board of Trustees.

b. Chair. The Chair of the Board of Trustees shall be Chair of the Executive Committee. In the absence of the Chair, the Vice Chair, or an Acting Chair designated by the Executive Committee, shall preside.

#### c. Powers and Duties.

1) The Executive Committee shall be subordinate and responsible to the Board of Trustees and subject to its control and direction. Its general function shall be to execute the policy of the Board of Trustees in routine matters, to oversee and manage ordinary business of the institution, and to take such extraordinary action as may from time to time be necessary during intervals between Board meetings. Between meetings of the Board of Trustees, the Executive Committee shall have and exercise the above prescribed authority in the management and affairs of the corporation. However, no such Committee will have the authority of the Board of Trustees with respect to the following:

(a) submission to members of any action requiring approval of members under the Non-Profit Corporation Law of 1972;

(b) fill vacancies on the Board of Trustees, remove or elect Trustees or officers of the Corporation or its own members;

(c) adoption, amendment or repeal of By-Laws or changes in the Articles of Incorporation;

(d) amendment or repeal of any resolutions of the Board of Trustees, or reversing any action of the Board of Trustees;

(e) action on matters committed by By-

Laws or resolution of the Board of Trustees to another Committee of the Board;

(f) action on matters not previously approved by the Board which would involve an expenditure in excess of \$500,000.

2) Any act or authorization of an act by the Executive Committee within the authority delegated to it shall be effective for all purposes as the act or authorization of the Board of Trustees, provided, however, that the Board of Trustees shall not be bound by an act or authorization of an act of such Committee not within the delegated authority and shall have power to rescind said act or authorization of an act by such Committee.

3) The minutes of the meetings of the Executive Committee shall be distributed regularly to each member of the Board of Trustees. The minutes of the Executive Committee and the proceedings and actions taken by the Executive Committee since the last meeting of the Board shall be reported to the Trustees and approval sought of the minutes and of proceedings and actions, as necessary.

d. Meetings. The Executive Committee may make appropriate rules with respect to calling, notice, place, time, regularity and conduct of its meetings. It may hold special meetings on call of its Chair.

e. Notice of Meetings. Notice of Executive Committee meetings shall be given to all Trustees, when practical, and any Trustee may attend such meetings, but only members of the Committee shall be entitled to vote.

f. Quorum. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and at any meeting at which a quorum is present, a majority of those present shall transact all matters brought before the meeting.

Section 6. Governance and Nominating Committee. A Governance and Nominating Committee, consisting of the Vice Chair and as least four (4) Trustees shall be appointed by the Chair. It shall have as its principal responsibility the recruitment, education and maintenance of the Board. It shall recommend to the Board for approval, at least three (3) days prior to the annual meeting, a list of names of Trustees to be proposed at the annual meeting, as well as a slate of nominees for officers, after having obtained consent from the nominees to serve. The Committee shall also recommend, if it desires, or is asked to do so by the Board, persons to fill vacancies on the Board of Trustees.

Section 7. Other Committees.

The Board of Trustees may create and establish such other Committees of the Board as the Board shall from time to time determine; and in its discretion may discontinue any such Committee. The duties and functions of such Committees shall be defined and determined by the Board of Trustees.

A majority of any Committee shall constitute a quorum for the transaction of business and at any meeting at which a quorum is present, a majority

of those present shall determine all matters brought before the meeting.

#### **Article IV**

##### **Trustee Liability**

To the fullest extent that the law of the Commonwealth of Pennsylvania as it exists on January 27, 1987, or as it may thereafter be amended, permits the elimination of the liability of trustees, no Trustee of the Corporation shall be liable for monetary damages for any action taken, or any failure to take any action. This Article shall not apply to any breach of performance of duty or any failure of performance of duty by any Trustee occurring prior to January 27, 1987. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any trustee of the Corporation for or with respect to any act or failure to act on the part of such Trustee occurring prior to such amendment or repeal.

#### **ARTICLE V**

##### **Officers of University Administration**

Section 1. General. The Board of Trustees shall establish principal offices of academic, educational, financial and other aspects of University administration as the proper conduct of its affairs may from time to time require. It shall cause descriptions to be prepared further specifying and describing the functions, responsibilities and inter-relationships of these offices.

a. Titles. Among these offices there shall be a President of the University, one Vice President or several, a Secretary, and a Treasurer. Any two or more of these offices, except those of President and Vice President, or President and Secretary, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law or by these By-Laws, to be executed, acknowledged or verified by any two or more officers.

b. Eligibility. Except for the President, officers of University administration may not be members of the Board of Trustees.

c. Election. The Officers of the University shall be elected to their respective positions, to serve for a term coextensive with their employment at the University, by a majority vote of the full Board of Trustees, not merely of a quorum. Upon election and acceptance, the President is *ex officio* a voting member of the Board of Trustees and the Executive Committee. The officers of the University are the President, the Secretary, the Assistant Secretary, if any, the Treasurer, the Assistant Treasurer, if any, and the Vice Presidents.

d. General Powers and Duties. The officers and employees of the University, except where otherwise expressly provided in these By-Laws, shall have such powers and shall perform such duties as are ordinarily incidental to their work, and such other powers and duties as may be prescribed in these By-Laws, the Statutes of the University, or as the President of the University may direct, subject to the general control of the Board of Trustees.

Section 2. Powers and Duties of the President.

a. The President shall, in behalf of the Corporation and its Board, be the chief executive officer of the institution.

b. The President shall have the general powers and duties of supervision and management usually vested in the office of President of a university.

c. The President may participate in meetings of standing committees of the Board of Trustees.

d. The President shall have the authority to sign and execute contracts and other written instruments in the name of the Corporation, and to delegate more limited authority to the Vice Presidents within the areas of their authority.

e. The President shall annually make a report to the Board of Trustees on the affairs of the University.

f. All officers of the University shall be responsible to the President and, unless expressly directed otherwise, shall report to him. All communications from any faculty member, officer, or other employee of the University, addressed to the Board of Trustees of the University or to any committee thereof, shall be transmitted through the President of the University, or by a Vice President, as delegated by the President.

g. All rules, regulations, directions, orders, or instructions of the Board of Trustees, or any committee or member thereof, addressed to any faculty member, officer, or other employee of the University shall be transmitted through the President of the University.

h. The President is fully authorized and empowered to approve officially in the name of the Board of Trustees and in behalf of the Corporation the awarding of degrees earned in course to those individuals who have successfully completed the various quantitative and qualitative requirements prescribed for the appropriate curriculum, have submitted and received approval of a thesis where such is required, whose credentials have been certified and who have been recommended for the awarding of the degree by the respective Academic Deans. The President is to inform the Board of Trustees at its next meeting of any such approval given, the degrees received and the effective date of the degrees. The names of those receiving the degrees will be made an official part of the minutes of that meeting and preserved on file in the official books of the Corporation.

i. Absence of President. The President may delegate such duties as may be deemed appropriate to any officer of the University. The President may designate in writing an administrative officer of the University to perform some or all of the duties when the President expects to be absent from the University for an extended period of time. If the intention is to delegate all of the duties of the President, approval must be received from the Executive Committee of the Board.

j. Death or Disability of President. In case of the death or disability of the President, the Provost/Academic Vice President shall become Acting President and shall perform the duties of the President until further action of the Board of Trustees to select a new President or an alternate Acting President.

Section 3. Powers and Duties of Vice-Presidents. Vice Presidents may sign and execute all authorized contracts or other written instruments in the name of the Corporation within the areas of their authority, within the limits delegated to them by the President, and may delegate authority to execute contracts to subordinates. Each Vice President shall have such other powers and shall perform such other duties as may be assigned by the President.

Section 4. Powers and Duties of the Secretary.

a. The Secretary shall attend all meetings of the Board of Trustees and of the Executive Committee, and shall preserve in books of the Corporation true minutes of the proceedings of all meetings.

b. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Trustees and, if necessary, of the Executive Committee, and all other notices required by law or by these By-Laws.

c. The Secretary has custody of the seal of the Corporation and has authority to affix the seal to all instruments where its use is required.

d. The Secretary shall make certifications of Board actions, By-Laws and all organizational documents, and shall perform such other duties as may be required by these By-Laws or as may be assigned by the Board of Trustees or the President.

Section 5. Powers and Duties of the Assistant Secretary. The President may appoint an Assistant Secretary or more than one Assistant Secretary and the Board shall approve by election. The Assistant Secretary shall have power to perform all duties of the Secretary in the absence or disability of the Secretary and shall have such other powers and shall perform such other duties as may be assigned by the Secretary.

Section 6. Powers and Duties of the Treasurer. The Treasurer shall have the custody of all the funds and securities of the Corporation, and shall be responsible for arranging an annual audit of Corporation receipts and disbursements.

a. The Treasurer shall arrange the collection of all moneys

due to the University, and shall deposit all moneys and valuables in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Trustees.

b. The Treasurer shall disburse the funds of the Corporation as directed by the President of the University in processing the general business of the University.

c. The Treasurer shall render to the Board of Trustees and the President, whenever either of them so requests, an account of all transactions taken as Treasurer and of the financial condition of the Corporation.

d. The Treasurer is empowered to sign contracts and other written instruments in the name of the Corporation.

e. The Treasurer arranges for the proper management of University investments and assures that the University is adequately insured against all risks to which it may be exposed.

Section 7. Powers and Duties of the Assistant Treasurer. The President may appoint an Assistant Treasurer or more than one Assistant Treasurer, and the Board shall approve by election. The Assistant Treasurer shall have power to perform all duties of the Treasurer in the absence or disability of the Treasurer and shall have such other powers and shall perform such other duties as may be assigned by the Treasurer.

Section 8. Termination. The appointment of the President of the University may be terminated for cause by resolution of a duly called meeting and upon a two-thirds (2/3) vote of the entire Board of Trustees.

## **ARTICLE VI**

### **Indemnification**

#### **Section 1. Right to Indemnification; Effect of Amendments.**

a. Right to Indemnification. The Corporation, unless prohibited by applicable law, shall indemnify any person who is or was a Trustee or Officer of the Corporation and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (whether or not the indemnified liability arises or arose from any threatened, pending or completed Proceeding by or in the right of the Corporation) by reason of the fact that such person is or was a Trustee, Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a trustee, director or officer of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) (a "Covered Entity") against all expenses (including attorneys' fees), judgments, fines and amount paid in settlement actually and reasonably incurred by such person in connection with such Proceeding; provided, however, that except as provided in Section 4c of this Article the foregoing shall not apply to a Trustee or Officer of the Corporation with respect to a Proceeding that was commenced by such trustee or officer. Any trustee or officer of the Corporation entitled to indemnification as provided in this Section 1, is hereinafter called an "Indemnitee." Any right of an Indemnitee to indemnification shall be a contract right and shall include the right to receive, prior to the conclusion of any Proceeding, payment of any reasonable expenses incurred by the Indemnitee in connection with such Proceeding, consistent with the provisions of applicable law as then in effect and the other provisions of this Article.

b. Effect of Amendments. Neither the alteration, amendment or repeal of, nor the adoption of a provision inconsistent with, any provision of this Article (including, without limitation, this Section 1b) shall adversely affect the rights of any Trustee or Officer under this Article with respect to any Proceeding commenced or threatened, or any alleged act or omission, prior to such alteration, amendment, repeal or adoption of an inconsistent provision, without the written consent of such Trustee or Officer.

Section 2. Insurance, Contracts and Funding. The Corporation may purchase and maintain insurance to protect itself and any indemnified person against any expenses, judgments, fines and amounts paid in settlement as specified in

Section 1 or Section 5 of this Article, or incurred by any indemnified person in connection with any Proceeding referred to in such Sections, to the fullest extent permitted by applicable law as then in effect. The Corporation may enter into contracts with any Trustee, Officer, employee or agent of the Corporation or of any Covered Entity in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 3. Indemnification; Not Exclusive Right. The right of indemnification provided in this Article shall not be exclusive of any other rights to which any indemnified person may otherwise be entitled, and the provisions of this Article shall inure to the benefit of the heirs and legal representatives of any indemnified person under this Article and shall be applicable to Proceedings arising from acts or omissions occurring on or after January 27, 1987.

Section 4. Advancement of Expenses; Request for Indemnification; Remedies. In furtherance, but not in limitation of the foregoing provisions, the following procedures, presumptions and remedies shall apply with respect to advancement of expenses and the right to indemnification under this Article:

a. Advancement of Expenses. All reasonable expenses incurred by or on behalf of the Indemnatee in connection with any Proceeding (including any Proceeding commenced by the Indemnatee under Section 4c but excluding any other Proceeding commenced by the Indemnatee) shall be advanced to the Indemnatee by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the expenses incurred by the Indemnatee and, if required by law at the time of such advance, shall include or be accompanied by an undertaking by or on behalf of the Indemnatee to repay the amounts advanced if it should ultimately be determined that the Indemnatee is not entitled to be indemnified against such expenses pursuant to this Article.

b. Request for Indemnification. To obtain indemnification under this Article, an Indemnatee shall submit to the Secretary of the Corporation a written request, including such documentation and information as is reasonably available to the Indemnatee and reasonably necessary to determine whether and to what extent the Indemnatee is entitled to indemnification (the "Supporting Documentation").

c. Remedies of Indemnatee; Presumptions; Defenses. If (i) expenses are not advanced in full within 20 days after receipt by the Corporation of the statement or statements and the undertaking (if an undertaking is required by law, By-Laws, agreement or otherwise at the time of such advance) required by Section 4a of this Article, or (ii) indemnification is not paid in full within 60 days after receipt by the Corporation of the written request for indemnification and Supporting Documentation required by Section 4b of this Article, then the person claiming advancement of expenses or indemnification shall be entitled to seek



judicial enforcement of the Corporation's obligation to such advancement of expenses or indemnification. It shall be a defense to any proceeding seeking judicial enforcement of the Corporation's obligation to pay indemnification that the conduct of the person claiming indemnification was such that under Pennsylvania law the Corporation is prohibited from indemnifying such person for the amount claimed. The Corporation shall have the burden of proving such defense. Neither the failure of the Corporation (including its Board of Trustees and independent legal counsel) to have made a determination prior to the commencement of such proceeding that indemnification is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Trustees and independent legal counsel) that such indemnification is prohibited by law, shall be a defense to a proceeding seeking enforcement of the provisions of this Article or create a presumption that such indemnification is prohibited by law. The only defense to any such proceeding to receive payment of expenses in advance shall be failure to make an undertaking to reimburse, if such an undertaking is required by law, By-Laws, agreement or otherwise. Notwithstanding the foregoing, the Corporation may bring an action, in an appropriate court in the Commonwealth of Pennsylvania or any other court of competent jurisdiction, contesting the right of a person claiming advancement of expenses or indemnification to receive such advancement or indemnification hereunder because such advancement or indemnification is prohibited by law; provided, however, that in any such action the Corporation shall have the burden of proving that such advancement or indemnification is prohibited by law.

The Corporation shall be precluded from asserting in any action or proceeding commenced pursuant to this Section 4c that the procedure and presumptions of this Article are not valid, binding and enforceable and shall stipulate in any such court that the Corporation is bound by all the provisions of this Article.

If the person claiming advancement of expenses or indemnification, pursuant to this Section 4c, seeks to enforce his rights under, or to recover damages for breach of this Article, that person shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any expenses actually and reasonably incurred by such person if such person prevails in such proceeding. If it shall be determined in such proceeding that such person is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by such person in connection with such proceeding shall be prorated accordingly.

Section 5. Indemnification of Employees and Agents. Notwithstanding any other provision or provisions of this Article, the Corporation, unless prohibited by applicable law, may indemnify any person other than a Trustee or Officer of the Corporation who is or was an employee or agent of the Corporation and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed, Proceeding by reason of the fact that such person is or was a Trustee, Director, Officer, employee or agent of the Corporation or such other Covered Entity against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding. The Corporation may also advance expenses incurred by such

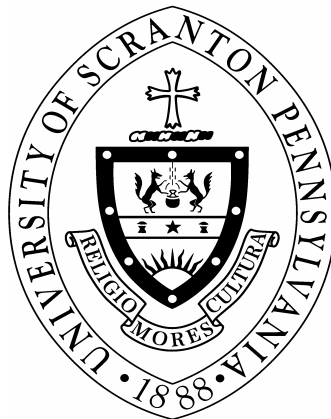
employee or agent in connection with any such Proceeding, consistent with the provisions of applicable law as then in effect.

Section 6. Severability. If any provision or provisions of this Article shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article (including, without limitation, all portions of any Section of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article (including, without limitation, all portions of any Section of this Article containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

## **ARTICLE VII**

### **Seal of the University**

Section 1. There shall be a seal of the University of Scranton in the form and appearance impressed herewith. This seal shall be used by the Secretary in the authentication of deeds, contracts and other legal instruments in the formal conduct of the corporate business of the University. It shall also be attached by the Treasurer to diplomas, transcripts, and other like instruments requiring authentication in the conduct of academic affairs of the University.



## **ARTICLE VIII**

### **Administration of Property**

Section 1. Bank Accounts. The Treasurer, or such Officers or agents of the Corporation as from time to time shall be designated by the Board of Trustees, shall have the authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to time be designated by the Board of Trustees, shall have authority to withdraw from time to time any or all of the funds of the Corporation so deposited in any bank or trust company, upon checks, drafts, or other instruments or orders for the payment of money, drawn against the account of or in the name or on behalf of the Corporation and made or signed by such officers or agents; and each Bank or Trust Company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money when drawn, made or signed by officers or agents as designated by the Board of Trustees until written notice of the revocation of the authority of such officers or agents by the Board of Trustees shall have been received by such bank or trust company.

a. There shall from time to time be certified to the banks or trust companies in which funds of the Corporation are deposited the signature of the Officers or agents of the Corporation so authorized to draw against the same.

b. In the event that the Board of Trustees shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this Section, all of such checks, drafts, and other instruments or orders for the payment of money shall be signed by the President or a Vice President and countersigned by the Secretary or Treasurer or an Assistant Secretary or an Assistant Treasurer.

Section 2. General. The Corporation, under the direction of the Board of Trustees, shall have the power to sue and be sued, to own, take, hold, lease, pledge, mortgage, sell, resell, transfer, assign and convey, invest and reinvest, and in general fully and completely manage funds or property of the Corporation for the purposes for which this Corporation is organized. The Board of Trustees shall have the power to manage the affairs of this Corporation, including all of its property, income, disbursements and expenditures.

a. The Board of Trustees shall have full power to establish policy and make such rules and regulations as they deem proper for the disposition and management of the property, investments, income, estate, effects and affairs of the Corporation not contrary to the Charter and these By-Laws, the laws of the United States, the Commonwealth of Pennsylvania, or other applicable statutes.

b. The Corporation shall have power to hold as investments any securities transferred to the Corporation and to take advantage of corporate mergers, reorganizations, stock splits, purchase of securities and bonds, or as permitted to corporations organized for similar purposes under applicable laws.

c. The Corporation shall have authority to encumber property by mortgage, deed of trust, pledge or otherwise, to borrow money and secure payment of same by lien or liens on the realty or personal property of the Corporation (including, but not limited to, student fees, building fees, or other types of fees or charges); to lease, build, erect, remodel, repair, construct and/or reconstruct any and all buildings, houses or other structures, necessary, proper or incident to the furtherance of the needs and purposes for which this Corporation is organized; and to do any and all things incident to the carrying out of the objects and purposes stated herein. There shall be no liability on the part of any purchaser, lenders, or others to see to the application of any purchase money, money lent or rents.

d. If required pursuant to provisions of any loan agreement entered into with any agency or official of the United States Government, including but not limited to the U.S. Commissioner of Education, the Board of Trustees may enter into an arrangement with a trustee bank for the setting up of certain funds under a trust indenture and for the care and custody of various moneys, securities and other assets.

## **ARTICLE IX**

### **Miscellaneous Provisions**

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin the first day of June and end the last day of May in each year.

Section 2. Notice. Whenever notice is required to be given by law, by the Articles of Incorporation, or by these By-Laws it shall be construed to mean written, not oral, notice.

The notice will be deemed to have been given to the person entitled thereto when deposited in the United States or campus mail or sent by fax or email to such person. Such notice will specify the place, day and hour of the meeting and, in the case of special meetings of the Board of Trustees and of the Executive Committee, the general nature of the business to be transacted.

Section 3. Waiver of Notice. Whenever any written notice is required to be given by law, by the Articles of Incorporation or by these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a person either in person or by proxy at any meeting shall constitute a waiver of notice of such meeting.

Section 4. Proxy. Voting at a regular or special meeting of the Board or of a Board Committee by a member of the Board of Trustees may be personal or by proxy. A proxy is valid only if communicated in writing to the Chair or Secretary of the Board, or in the case of a Committee meeting, the Committee Chair, prior to the meeting and only if it clearly specifies the decision of the Trustee on a particular matter. Proxy votes shall be made a matter of record and preserved in the files of the Secretary.

Section 5. Adjournment. When a meeting is adjourned to a specified time, it shall not be necessary to give any notice of the time or of the business to be transacted at the adjourned meeting other than by announcement at the meeting at which such adjournment is taken. Upon failure to have a quorum in attendance within one hour of the scheduled hour of any meeting, the Trustees in attendance may adjourn said meeting to a date and hour which they may, by resolution, specify.

Section 6. Removal. Except where otherwise expressly provided in a contract duly authorized by the Board of Trustees or its delegated agents, all institutional Officers, agents and employees of the University shall be subject to removal at any time by the affirmative vote of a majority of the entire Board of Trustees, when in the Board's judgment the best interests of the institution will be served thereby.

Any Officer, agent or employee of the University shall hold office at the discretion either of the Board of Trustees or of the Officers appointing them. However, an employee who has received a grant of academic tenure or has a length of service specified by a duly authorized contract may be removed by the Trustees only for just cause and after due institutional process.

## **ARTICLE X**

### **Amendment of By-Laws**

Section 1. Amendment of By-Laws. These By-Laws may be altered, amended or repealed, and new By-Laws may be adopted, by a two-third vote of the entire number of Trustees then in office, at any meeting of the Board of Trustees.