

AMENDED AND RESTATED ALUMNI ASSOCIATION MISSION AND BYLAWS

Statement of Mission

The Penn State Alumni Association (the "Association") is organized exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and more specifically:

To connect alumni of the University ("Alumni") to the University and to each other, to provide valued service to members of the Association (each, an "Association Member"), and to support the University's mission of teaching, research, and service.

Notwithstanding any provisions of these bylaws, the Association shall not support or engage in any program or activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code.

In furtherance of the purposes set forth above, the Association shall have all of the powers created by law, so long as they are consistent with the requirements of Section 501(c)(3) of the Code, including but not limited to the power to accept gifts, grants, devises, bequests of funds, or any other property from any public or governmental bodies and any private persons who shall include but not be limited to private and public foundations, corporations, individuals, and members.

The Association does not contemplate pecuniary gain or profit, incidental or otherwise, and no part of the net earnings of the Association shall inure to the benefit of or be distributable to those persons who serve on its Alumni Council ("Council Members"), officers or other private persons except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code, or corresponding section of any future federal tax code.

Bylaws

Article I. Membership

SECTION 1: MEMBERSHIP AND QUALIFICATIONS

The following persons shall be eligible to become an Association Member:

- (a) All former students who have completed one semester or two terms of work in any University program requiring at least two years for completion;
- (b) All persons who have received an advanced degree from the University, including degrees awarded by academic units incorporated through merger or acquisition;
- (c) All interns, residents, and fellows of the University's Milton S. Hershey Medical Center (the "Medical Center");
- (d) All post-graduate fellows of the University's colleges (other than the Medical Center) who have completed the equivalent of one semester or two terms in an accredited program;
- (e) **Gratis Association members:** Each graduating University student, regardless of college, campus, or degree level, shall be inducted as a gratis member of the Association for a period of one year, with no dues being collected. At the expiration of that year, the gratis member shall be solicited to become a full dues-paying Association Member; and
- (f) **Student members:** Currently enrolled University students, whether full-time or part-time, shall be eligible to become an Association Member; however, such persons shall be classified as members of the Blue and White Society ("BWS"), the student membership of the Association, and not be eligible to vote in Council elections or hold office in the Association, except for those student organization representatives identified in Article II, Section 1 (a), until they graduate from the University with at least an associate degree.

To become an Association Member, an eligible person shall pay either an annual membership fee or purchase a life membership, the terms for each of which shall be established from time to time by the Executive Board, as hereinafter defined in Article II, of the Association.

SECTION 2: RIGHTS AND PRIVILEGES OF MEMBERSHIP

Association Members, with the exception of the Association Members who are members of the BWS, and Associate Members (as defined in Article I, Section 3), shall have the following rights and privileges:

- (a) to vote in all Association elections;
- (b) to hold office in the Association, except as provided in Article II, Section 1 (a) and Article V, Section 1(b) and (c); and
- (c) to be eligible to receive all official publications of the Association.

SECTION 3: ASSOCIATE MEMBERS

Non-alumni friends of the University, including faculty and staff members, parents of students or of Alumni, and others who wish to join in more formal relationships with the University and the Association shall be eligible to become Associate Members in this Association (each, an "Associate Member") upon payment of an annual-fee or associate life membership fee. Associate Members shall be accorded the privileges of membership in the Association except that they may not hold office in the Association or vote in Association elections.

Article II. Organization

SECTION 1: THE ALUMNI COUNCIL

- (a) The governing body of the Association shall be an Alumni Council (the "Council"), which shall consist of individuals who are (i) elected Council Members, (ii) appointed Council Members, and (iii) ex-officio Council Members as set forth in this Article II, Section 1. The Council shall be composed of: (i) thirty (30) Council Members elected in the manner provided in Article V of these bylaws ("Elected Council Members"); (ii) thirty (30) Council Members appointed by the Officers (as defined in Article II, Section 3 hereof) of the Association ("Appointed Council Members"), taking into consideration their commitment to the Association's mission, volunteer leadership experience and skills; (iii) such additional Council Members, if any, as may be required under the provision of Article II, Section 3 herein; (iv) the immediate past President of the Council ("Immediate Past President"); a representative from each of the duly constituted societies formed pursuant to Article XII herein which have been granted a charter by the Executive Board and the Council; the Chair of the University Faculty Senate; ; and (v) five (5) student representatives, who shall be the president of the University Park Undergraduate Association (UPUA), the president of the Council of Commonwealth Student Governments (CCSG), the president of the Graduate and Professional Student Association (GPSA), the president of the Lion Ambassadors, and the president of the Blue & White Society (the individuals described in this Section 1, clauses (iii), (iv) and (v) shall be collectively referred to herein as "Ex-Officio Members"). For purposes of increasing the number of Appointed Council Members to thirty (30) from nine (9) as of the date of these bylaws, as set forth in clause (ii) in the immediately preceding sentence, the number of Appointed Council Members seated on Alumni Council shall be increased to ten (10) Appointed Council Members as of July 1, 2015, be increased to twenty (20) Appointed Council Members as of July 1, 2016, and be increased to thirty (30) Appointed Council Members as of July 1, 2017. The increase in the number of Appointed Council Members is made to secure a more representative, diverse and inclusive representation of the Alumni as a whole. At any time, the Executive Board may, by majority vote of the Executive Board, increase or decrease the number of Council Members provided, however, any such decrease shall not eliminate any Council member then in office and all Council Members whose term of office is not otherwise expiring on such date shall be permitted to serve the balance of his/her unexpired term.

- (b) The term of office for each of the Elected Council Members and the Appointed Council Members shall be the longer of: (i) three (3) years, or (ii) until their successors shall be chosen and qualify. Council Members shall not be eligible to serve more than two (2) consecutive terms, but after a period of two (2) consecutive years after the two terms of service have expired, an Association Member shall again be eligible to serve as a Council Member. Society (as that term is defined in Article XI, Section 1) representatives to serve no more than two (2) three-year terms as a Council Member or six (6) consecutive years as a Council Member following completion of their term as a Society representative.

The term of each of the Council Members who are student representatives shall be the longer of (i) one (1) year, or (ii) until their respective successor shall be chosen and qualify.

- (c) Following the Annual Meeting, ten (10) Council Members shall be elected and ten (10) Council Members shall be appointed each year for a term which shall be the longer of (i) three-years, or (ii) the date on which their respective successor shall be chosen and qualify.

SECTION 2: THE EXECUTIVE BOARD

- (a) There shall be an Executive Board consisting of the President, the Immediate Past President, the Vice President, the Chair of the University Faculty Senate, the president of the University Park Undergraduate Association or the president of the Council of Commonwealth Students Governments (alternating year-to-year), and at least twelve (12) Council Members appointed annually by the President, including all chairs of the standing committees, a representative from the Campus alumni societies and a representative from the College alumni societies.
- (b) The Executive Director of the Association ("Executive Director") shall serve as an ex-officio Council Member of the Executive Board without voting privileges.

SECTION 3: OFFICERS

The officers of the Association shall be a President, a Vice President, who shall automatically succeed the President at the conclusion of his or her term, the Immediate Past President, and a Secretary-Treasurer (collectively, "Officers"). The term of office of the President, the Vice President and the Immediate Past President shall be two years. In odd-numbered years, the Vice President shall be elected from the Council Members at the Annual Meeting of the Council. Neither the President nor the Vice President shall succeed himself or herself for a full term. Any person who is elected to the office of President or Vice President of the Council shall continue as an additional Council Member of the Council if such person otherwise would be ineligible to continue as a Council Member. The Executive Director shall serve as the Secretary-Treasurer.

SECTION 4: EXECUTIVE DIRECTOR

The Executive Director shall be appointed by the Executive Board for such terms and under such conditions as the Executive Board may determine. Upon appointment, the Executive Director shall become a member of the Executive Board. His or her term of office may be terminated by a two-thirds

vote of the total membership of the Executive Board.

The Executive Director shall also serve as a full-time employee of the University, subject to the rights, responsibilities, and policies that pertain thereto, and reporting also to a senior officer of the University, who in consultation with the Executive Board may terminate the Executive Director's employment for cause.

Article III. Relationship with the Board of Trustees and the University

SECTION 1: BOARD OF TRUSTEES

The Association, with authorization from the University Board of Trustees ("BOT"), shall be accorded a seat to serve as an ex-officio, full voting member of the BOT. The seat shall be held by the Immediate Past President, who will relinquish the seat to his/her successor at the end of the two-year term of office. As an ex-officio member of the BOT, the Immediate Past President will exercise fiduciary responsibility to the University in accordance with BOT's policies and rules. As well, the Immediate Past President at all times will be cognizant of the Association's organizing principle as stated in its Articles of Incorporation: "The corporation is organized exclusively for educational and charitable purposes...for the specific purpose of promoting and enhancing the general welfare of The Pennsylvania State University as an agency for education, research, and public service and to encourage and stimulate interest among students, former students, and others in the programs, progress and welfare of The Pennsylvania State University."

SECTION 2: THE UNIVERSITY

Association staff are employees of the University, subject to all rights, privileges, responsibilities, and policies pertaining thereto. Accordingly, the Association staff are part of a University administrative unit, the Division of Development and Alumni Relations ("Division"). The Executive Director has a reporting line to the chief administrator of that Division. The Association staff report to the Executive Director and are responsible for supporting the Division and carrying out its strategic priorities, goals and objectives, and policies.

Article IV. Meetings

SECTION 1: THE COUNCIL

- (a) The Council shall normally meet at least twice each year, with the meeting in the spring to be known as the annual meeting (hereinafter referred to as the "Annual Meeting"). The time and place of the meetings shall be designated by the Executive Board.
- (b) Additional or special meetings of the Council may be called either by (i) the President, (ii) the Executive Board, or (iii) a petition to the President signed by at least a majority of Council Members.
- (c) Regular meetings of the Council may be held with three (3) weeks prior notice at such time and place as shall be determined by the Executive Director (or in his or her absence, by the

President). Special meetings of Council or the Executive Board may be called with a minimum of four (4) days prior written notice to each Council Member or Executive Board member, as applicable, and to such others as the President may deem necessary, either personally, by mail, by telephone, electronic mail, or any means of communications technology in which a recipient can receive such a message.

- (d) A majority of the Council Members currently in office shall constitute a quorum for the transaction of business at Council meetings. The approval by a majority of the Council Members at a duly convened Council meeting at which a quorum is present shall be considered to be the acts of the Council.
- (e) One or more Council Members may participate in any regular or special meetings of the Council, the Executive Board, or a committee of the Council by means of conference telephone or similar communications technology by means of which all persons participating in such meeting can hear each other. Participation in a meeting in this manner by a Council Member will be considered to be attendance in person for all purposes under these bylaws.
- (f) Meetings of the Council may be attended only by Council Members and those invited to attend and/or participate by the Executive Director or President and may, at the option of the President, be conducted in accordance with Robert's Rules of Order. The failure to follow such rules by Council Members or others shall be grounds for dismissal from any Council meeting.

SECTION 2: THE EXECUTIVE BOARD

- (a) The Executive Board shall hold at least four (4) meetings a year.
- (b) The Executive Director, upon authorization of the President, shall send written notice of the regular meetings to reach the members of the Executive Board not less than ten (10) days prior to the time of the meeting.
- (c) Additional or special meetings of the Executive Board may be called by action of the Executive Board, by the President or by written request to the President by at least five (5) members of the Executive Board. Notice of such meetings shall be sent to reach the members not less than four days prior to the date of the meeting.
- (d) A majority of the members of the Executive Board shall constitute a quorum for the transaction of business. The approval of actions by a majority of members of the Executive Board at any duly convened meeting of the Executive Board shall be considered the actions of the Executive Board, with the exception of any actions by the Executive Board pursuant to Article XXII of these Bylaws.

Article V. Elections

SECTION 1: ELIGIBILITY

- (a) Only Association Members (subject to the exclusions set forth in Article V, Section 2 herein)

shall be eligible to serve as Council Members.

- (b) University Administrators (e.g., Vice Presidents, deans, chancellors, and the like), Administrators Emeriti, current members of the BOT ("Trustees"), and Trustees emeriti shall not be eligible to serve as Council Members with the exception of the Immediate Past President concurrently serving as an ex officio member of the BOT
- (c) Persons who are plaintiffs in lawsuits or any other legal actions against either the Association or the University are ineligible to serve as Council Members during the pendency of such lawsuits or any other legal actions.
- (d) Full-time, standing (regular) employees and part-time employees of the University, as defined by University Policy (HR06) or any applicable successor policy of the University, shall not serve as President or Vice President of the Association.
- (e) Solely for purposes of determining those nominees whose name shall appear on the ballot with respect to the election of Council Members whose term shall commence as of July 1, 2015 ("2015 Election") and for no other future election of Council Members following the 2015 Election, the Nominating Committee shall also consider those individuals who may be nominated from the floor during that portion of the Council meeting being held on the April 17, 2015 Council Meeting designated by the President for such purpose ("Floor Nominations") to be placed on the ballot for such election. To be eligible to be a Floor Nominee for these purposes, an individual shall (i) not have been previously nominated or self-nominated with respect to the 2015 Election, whether pursuant to Article IV, Sections 2, 3(a) or 3(b) of the previous Association bylaws in effect, (ii) be subject to each of the criteria for serving as a Council Member pursuant to Article V, Section 1 of these bylaws, and (iii) be subject to the review and approval of the Nominating Committee pursuant to Article V, Section 2 of these bylaws in order to have his/her name placed on the ballot for the 2015 Election.

SECTION 2: THE NOMINATING COMMITTEE

- (a) There shall be a nominating committee of the Association ("Nominating Committee") appointed by the President composed of Council Members who are not then candidates for re-election or election to office of Council under Article II, Section 1 or 3. The Nominating Committee shall present nominees to serve as Council Members and as its officers. The Nominating Committee shall be chaired by the Vice President.
- (b) In selecting nominees, the Nominating Committee shall give due consideration, among other factors, to their nominees' support of the Association's mission and programs, their history of volunteer service to the University, the Association and to their communities, their leadership experience, their diversity and representation by colleges, organized Alumni units (including service as a Council Member), graduation years, and geographical areas.

- (c) Societies, Affiliate Program Groups through Societies, Penn State Chapters, and Alumni Interest Groups are urged to recommend to the Nominating Committee persons to be nominated to serve as a Council Member. The Nominating Committee shall receive and give due consideration to such recommendations.
- (d) The Nominating Committee reserves the right to accept or reject nominations to be considered for election to Council, whether by self or by third-party nomination, based upon any of the criteria listed in Article V, Section 2 (b), as well as in the event such information submitted on behalf of such individual is deemed by the Nominating Committee to be incomplete. The actions of the Nominating Committee shall be deemed conclusive.

SECTION 3: THE COUNCIL

- (a) The Nominating Committee shall nominate one (1) or more candidates for each of the ten (10) elected Council Members positions to be filled each year. All nominations for election, whether by self-nomination or by a third party, must be submitted by January 15th of every year with respect to the term commencing as of July 1 of the same calendar year.
- (b) The Nominating Committee shall report a slate of candidates to the Council as soon as reasonably possible after its work is completed.
- (c) Upon delivery of the report of the Nominating Committee, the Executive Director will place the names of the nominees on a ballot to be distributed to all Association Members eligible to vote. The order in which candidates are listed shall be decided by a drawing. Pertinent biographical material regarding the nominees and a personal statement from the nominee shall be published.
- (d) The Executive Director shall retain a third-party election provider to execute the election process and count all legal ballots relating to any election for Council Members received on or before June 1 of each such year from Association Members.
- (e) The results of the election shall be publicized immediately following the official counting of the ballots.
- (f) All Council Members so elected shall take office on July 1 of the year in which they are elected.

SECTION 4: OFFICERS

- (a) The Nominating Committee shall present to the Council at its Fall meeting in even-numbered years a nominee for the office of Vice President who shall be determined by the Nominating Committee based upon, among other attributes, his/her commitment to the Association's mission and goals, as well as demonstrated volunteer and active leadership experience within the Association. At the Annual Meeting of the Council in odd-numbered years, the Council Members shall have the opportunity to make additional nominations from the floor for the

office of Vice President, after which the Vice President of the Association shall be elected at that Annual Meeting.

- (b) If there is more than one candidate for office, the vote shall be by secret ballot and the election shall be decided by majority vote. An ad hoc group of three (3) students currently serving as Council Members will count the ballots immediately following the vote and certify the results.

SECTION 5: PHILOSOPHY AND CONDUCT OF ELECTIONS

As stated in its "Policies for Trustee and Alumni Council Elections," the Association's policy is to refrain from publicly endorsing, supporting, or campaigning to elect individual candidates in any Association or BOT election. Accordingly, the Association shall not endorse, contribute to, work for, or otherwise support or oppose any electoral candidates or advocacy groups. Affiliate groups chartered by the Association are required to adhere to the Association's policy of political neutrality.

Article VI: Powers and Duties

SECTION 1: THE COUNCIL

The Council shall be the governing body of the Association and shall be responsible for its management, control, and development in carrying out the mission of the Association as set forth in its Statement of Mission, assisting in the advancement of the mission of the University and increasing the interest and cooperation of University alumni in programs designed to be of service to the University.

SECTION 2: THE EXECUTIVE BOARD

- (a) The Association shall, at all times, have an executive committee of the Board ("Executive Board") which shall transact the business of the Association in the intervals between Council meetings and shall have all the powers of the Council, reporting all actions taken at the next meeting of Council or sooner as occasion warrants.
- (b) The Executive Board shall make and present to the Council an annual report and a budget of estimated revenue and expense, and shall direct the investment and care of all funds and monies of the Association.

SECTION 3: THE PRESIDENT

The President shall preside at all meetings of the Association, of the Council, and of the Executive Board, appoint committees, and perform such other duties as may pertain to the office. The President shall have the right to name a Council Member to preside at any meeting of the Association or of the Council at which neither the President nor the Vice President shall be present and shall have the right to name a Council Member who serves on the Executive Board to preside at any meetings of the Executive Board at which neither the President nor the Vice President shall be present.

SECTION 4: THE VICE PRESIDENT

In the absence of the President, the Vice President shall perform the duties of the President. The Vice President shall serve as chair of the Nominating Committee. In addition, the Vice President will be expected to represent the Association at various meetings, functions and events as requested by the President or Executive Director from time to time.

SECTION 5: THE IMMEDIATE PAST PRESIDENT

The Immediate Past President shall serve for a term of two (2) years immediately following the conclusion of such person's duties as President. The Immediate Past President shall serve as the Association's representative on the BOT concurrent with his or her term of office as Immediate Past President, to be succeeded on the BOT by the next Immediate Past President, and so on. In the absence of the President and the Vice President, the Immediate Past President shall perform the duties of the President.

SECTION 6: THE EXECUTIVE DIRECTOR/SECRETARY-TREASURER

The Executive Director/Secretary-Treasurer shall perform such duties and be under such corporate surety bond as the Executive Board may determine. He or she shall be the executive officer of the Association. Upon proper authorization, he or she shall attend all meetings of the Executive Board and Council and shall keep all the records and proceedings thereof. He or she shall, under the direction of the Executive Board, have charge of the books and accounts of the Association, conduct the correspondence, be responsible for the property of the Association, ensure that the Alumni database is accurate and up-to-date, be in full charge of all departments of the Association, cooperate with the University, and in general carry out such duties as may be assigned to him or her by the Executive Board. The Executive Director shall be responsible for the receipt, disbursement, and proper acknowledgement of all monies or other contributions applicable to the Life Membership Fund, the Margin of Excellence Fund, the Student Program Fund, and the Operating Fund of the Association; for the adequate accounting of the same; and for the prompt transfer of such contributions to the respective designated depositories as may be authorized by the Executive Board. He or she shall assist in the advancement of the missions of the Association and the University. In the absence or disability of the Executive Director to make disbursements and execute contracts on behalf of the Association, the Executive Board, by majority vote, shall have the ability to designate one or more employees of the University whose duties involve the Association to perform such actions on behalf of the Executive Director consistent with normal practices of the Association.

SECTION 7: INABILITY TO SERVE OUT A TERM AND NEWLY CREATED COUNCIL POSITIONS.

- (a) In the event of an officer's death, disability, or resignation, the following protocol shall be followed: 1) In the case of the President's inability to serve, the Vice President shall assume the office of President and fill the remainder of the term; 2) after the conclusion of that term, the vice president would serve as expected in the two-year term as President; and 3) a special

election of Council shall be held as soon as practicable to elect a new Vice President which process shall be conducted by the Nominating Committee, with the chair of the Nominating Committee being temporarily filled by the then President.

- (b) In the event that the Immediate Past President can no longer serve in that role and as the Association's ex officio member of the BOT, the President or Vice President would be appointed by the Executive Board as the Association ex officio member of the BOT for the remainder of that term.
- (c) With the exception of the Ex-Officio Members, vacancies in the membership of Council due to death, resignation, removal or other reasons and newly created Council Member positions may, at the option of the Executive Board, be filled by a vote of a majority of the members of the Executive Board, though less than a quorum, and each person so selected shall be a Council Member for the unexpired term.

Article VII: Duties of Council Members and Removal of Council Members

SECTION 1: Fiduciary Duty.

Members of Council shall at all times stand in a fiduciary relationship to the Association which reposes special confidence in each member. Members of Council shall act in good faith, with due regard to the interests of the Association, and shall comply with the fiduciary principles for conduct in addition to any other state or federal requirements. Council Members bring to their roles varied backgrounds and expertise, and they are selected in different ways, but they must keep the welfare of the Association, not just a particular constituency, at all times paramount.

SECTION 2: Misuse of Information.

No Council Member shall for personal gain or benefit or for the gain or benefit of others use any information not available to the public at large and obtained as a result of service to Council.

SECTION 3: Removal.

Any member of Council other than an Ex-Officio Member may be removed from his or her position as a Council Member in accordance with this Section 3.

- (a) If any Council Member misses two (2) consecutive regular meetings of the Council, unless extenuating circumstances exist, the Executive Board, by majority vote, may dismiss such Council Member and in such case, the President may appoint a successor for the unexpired term.
- (b) If the Executive Director or any Council Member believes that a Council Member has breached his or her fiduciary duty to the Association, the Executive Director shall raise the issue with the President.

- (c) Removal of a Council Member shall require a proposal to the Executive Board by the President and the Executive Director in order to take action to remove a Council Member on the basis that the Council Member has breached his or her fiduciary duty to the Association. Removal shall require the determination of not less than two-thirds of the Executive Board present at a duly called meeting of the Executive Board that the Council Member has breached his or her fiduciary duty and as such Council Member shall be so notified pursuant to written notice and upon such notice, the termination of such Council Member shall be effective. The Council Member in question shall be permitted to present his or her case for non-removal as part of the Executive Board's deliberation on the matter.

Article VIII: Committees

SECTION 1: The Executive Board or President shall authorize the appointment of such standing or special committees and task forces as may be appropriate.

SECTION 2: STANDING COMMITTEES

The standing committees shall be the Alumni and Student Engagement Committee, the Awards Committee, the Budget and Finance Committee, the Communications Committee, the Development and Fundraising Committee, the Diversity and Inclusion Committee, the Legislative Education and Advocacy Committee, the Membership Committee, the Nominating Committee, the Volunteer Support Committee, and such other committees as the Executive Board or President may from time to time authorize.

Article IX: Official Publications

SECTION 1: PURPOSE

The official publications of this Association shall be known as *The Penn Stater*, *AlumniInsider*, *The Football Letter*, and such other publications as are designated by the Council, each to be issued periodically for the purpose of keeping the Alumni informed of University affairs and Alumni activities.

SECTION 2: DIRECTION AND CONTROL

The officers of the Association shall be the publisher of the official publications and the Association staff shall be responsible for editing, publication, and distribution.

SECTION 3: CIRCULATION

Association Members and Associate Members and such others as may be determined by the Executive Board, shall be eligible to receive all official publications.

Article X: Funds

SECTION 1: THE ASSOCIATION FUNDS

The Association funds shall be:

- (a) the Penn State Alumni Association Life Membership Fund, hereinafter referred to as the "Life Membership Fund,"
- (b) the Penn State Alumni Association Margin of Excellence Fund, hereinafter referred to as the "Margin of Excellence Fund,"
- (c) the Penn State Alumni Association Operating Fund, hereinafter referred to as the "Operating Fund," and
- (d) the Penn State Alumni Association Student Program Fund, hereinafter referred to as the "Student Program Fund."

SECTION 2: THE LIFE MEMBERSHIP FUND

- (a) The Life Membership Fund shall include all monies and securities now in possession of the Association and previously designated as the Penn State Alumni Association Endowment Fund, together with such additions to the principal of the Fund as are received from Life Membership fees.
- (b) The Executive Board shall make suitable provision for the investment of the Life Membership Fund with due regard to safeguarding the principal and providing adequate income and capital appreciation for servicing Life Members.

SECTION 3: THE MARGIN OF EXCELLENCE FUND

- (a) The Executive Board shall make suitable provision for the investment of the Margin of Excellence Fund together with or separate from other funds of the Association.
- (b) Disbursements from the Margin of Excellence Fund shall be as authorized by the Executive Board for the support of the mission of the University in accordance with the mission, values, and strategic goals of the Association. The Executive Board shall report to Council the disbursements that have been authorized since the last such report.
- (c) Transfers from this fund to operating funds may be made at the discretion of the Executive Board.

SECTION 4: THE OPERATING FUND

- (a) The Operating Fund shall include all money received by the Association from annual membership dues, dividends and interest income, transfers from Life Membership Fund principal as prescribed by Article X, Section 2(c), transfers from Margin of Excellence Fund principal as prescribed by Article X, Section 3(c), advertising, and other miscellaneous sources

not including funds received for Life Memberships.

- (b) The Executive Board shall make suitable provisions for the investment of any amount in excess of operational needs.
- (c) Transfers from the Operating Fund may be made at the discretion of the Executive Board for operational or other related Association expenses, such as capital expenditures.

SECTION 5: THE STUDENT PROGRAM FUND

- (a) The Student Program Fund shall include all money received by the Association from Association license plate fees, Alumni Walk and Alumni Courtyard sales revenue, and other miscellaneous sources.
- (b) The Executive Board shall make suitable provisions for the investment of the Student Program Fund.
- (c) Transfers from the Student Program Fund shall be used to support the student organizations affiliated with the Association and any other programs designed to introduce students to the Association.

Article XI: Penn State Chapters

SECTION 1: PURPOSES

The purposes of a Penn State Chapter are:

- (a) To assist the University in promoting its programs under the direction of the Association;
- (b) To promote the fellowship and welfare of Alumni, students, parents of students, and other friends of the University residing in the chapter area by providing information and services to them;
- (c) To recruit volunteer assistance for the various programs of the Association and the University;

SECTION 2: ORGANIZATION

- (a) A Penn State Chapter may be formed in any convenient geographical area with boundaries established by agreement among the Association, the organizers of the Chapter, and any Penn State Chapter already in existence, which may be affected thereby. It is desirable to cover a territory including the residences of 200 or more Alumni.
- (b) Applications for new Chapter charters must be made to the Association by filing a petition and proposed bylaws with the Association.

- (c) Chapters shall be governed by a board of directors, the number of which shall be determined by the Chapter bylaws. If not already a member, all Chapter directors shall be Members or Associate Members before they begin their term of service as such.
- (d) The application and bylaws of the proposed Chapter shall be considered at a meeting of the Executive Board to determine whether they fulfill the conditions of Article XI, Section 2(a) and (b). If the Executive Board approves the application and bylaws of the proposed Chapter, upon the recommendation of the Volunteer Support Committee after the successful completion of its probationary period, the application shall be forwarded to the Council, which shall take final action on the application of the proposed Chapter.
- (e) A charter entitles the Chapter to obtain advice, counsel, and assistance from the Association staff for such services as research, membership growth activities, programs and events, etc. Such assistance may be subsidized in part by the Association for organizational purposes, but otherwise the Chapter shall be responsible for the costs incurred.
- (f) In order to retain its charter, a Chapter must fulfill the following obligations:
 1. Hold at least one general meeting each year at which business is transacted;
 2. Comply with the provisions of these bylaws and its own bylaws;
 3. Complete an Annual Report as required by Article XVI of these bylaws.

SECTION 3: CHARTER REVOCATION

When the requirements of Article XI, Section 2 have not been met by any Chapter, the Executive Board, one year after notice to such Chapter of its intention to do so and with the approval of the Council, shall revoke the Charter of such Chapter unless the Executive Board determines that the Chapter has resumed compliance with the requirements of Article XI, Section 2.

If a Chapter charter is revoked, the Association shall notify Chapter officers in writing of the revocation

SECTION 4: REINSTATEMENT

Reinstatement of a revoked charter may be obtained only by fulfilling the original requirements under Article X, Section 2.

Article XII: Constituent Societies

SECTION 1: PURPOSE AND CLASSIFICATION

- (a) The purposes of Constituent Societies (each, a "Society") shall be to (1) stimulate the continued interest of all graduates and former students of each College and Campus of the University (hereinafter referred to as "College(s)" and "Campus(es)"); (2) act as an informal advisory board to the chief administrative officer of the respective Colleges and Campuses; (3) provide additional avenues for identification, contact, and representation of University

alumni within the Association and each Society; (4) provide a means whereby Alumni may join together for the enrichment of their respective Colleges and Campuses and the University as a whole.

- (b) Societies shall be divided into two categories: College and Campus. They are defined as follows:
 - 1. A College is any degree-granting academic unit administered through a University deanship.
 - 2. A Campus is any University campus, excepting the University Park campus, which does not fulfill the definition of "College" set forth above and which is administered through a campus chancellor.

SECTION 2: ORGANIZATION

- (a) Societies are to be formed as part of the Association. Application to form a Society may be made to the Executive Board by filing a petition signed by at least fifty (50) Association Members who are Alumni of a particular College or Campus and proposed bylaws for the Society. The application must have the approval of the dean of such College or the campus executive officer of such Campus.
- (b) The application of the proposed Society shall be considered at a meeting of the Executive Board to determine whether the application and bylaws fulfill the conditions of Article XII, Sections 1(a) and 2(a). If the Executive Board approves the application and bylaws of the proposed Society, upon the recommendation of the Volunteer Support Committee after the successful completion of the probationary period, the application shall be forwarded to the Council, which shall take final action on the application of the proposed Society.
- (c) If the proposed Society's application is approved by the Executive Board and the Council, an official charter shall be granted by the Association to the proposed Society.
- (d) Each member of a Society shall be required to be a Member or an Associate Member. An Association Member shall automatically be a member of his or her College or Campus Society, or both.
- (e) Societies shall be governed by a board of directors, the number of which shall be determined by the Society's bylaws. All Society directors shall be Members or Associate Members.
- (f) Funds to assist in operating each officially chartered Society shall be secured annually from the Association, during the first quarter of the fiscal year.
- (g) In order to retain its charter, a Society must:

1. Comply with the provisions of these bylaws and its own bylaws;
2. Complete an Annual Report as required by Article XVI of these bylaws;
3. Hold at least one general meeting each year at which business is transacted.

SECTION 3: CHARTER REVOCATION

When the requirements of Article XII, Section 2 have not been met by any Society, the Executive Board, one year after notice to such Society of its intention to do so and with the approval of the Council, shall revoke the Charter of such Society unless the Executive Board determines that the Society has resumed compliance with the requirements of said provisions. If a Society charter is revoked, the Association shall notify Society officers in writing of the revocation.

SECTION 4: REINSTATEMENT

Reinstatement of a revoked charter may be obtained only by fulfilling the original requirements under Article XII, Section 2.

SECTION 5: THE DICKINSON SCHOOL OF LAW GENERAL ALUMNI ASSOCIATION

The Dickinson General Alumni Association of the DSL (Dickinson GAA) is a Society of the Association notwithstanding non-compliance by the Dickinson GAA with Article XII, Section 2 or any other provision of these bylaws, it being the intention of this Section 5 that it supersedes any provision of these bylaws to the contrary. Moreover, the Dickinson GAA shall have a representative on the Council, and that representative may serve on the Executive Board or as an officer of the Association notwithstanding any language in Article II, Sections 1, 2, or 3 or Article V, Sections 1, 2, 3, or 4 that may be to the contrary, except that such representative must be an Association Member.

Article XIII: Affiliate Program Groups (APGs)

SECTION 1: DEFINITION

An Affiliate Program Group (APG) shall consist of Alumni or friends of the University who have a common interest in a particular academic, professional, or extra-curricular activity which is related to a specific College or Campus program.

SECTION 2: PURPOSE

The purpose of APGs shall be to (a) provide means whereby its members may join together for the enrichment of their respective interest groups and the University as a whole, (b) provide additional avenues for identification and contact within the Association, and (c) stimulate the continued interest in the University of all of its graduates and former students.

SECTION 3: ORGANIZATION

- (a) A proposed APG must meet the definition set forth in Article XIII, Section 1 of these bylaws.

- (b) Application to form an APG shall be made to the Society of the related College or Campus by filing a petition signed by no fewer than twenty-five (25) Alumni or friends of the University who propose to join the APG.
- (c) Formal recognition of the APG shall be granted by the Society of the related College or Campus upon its approval of the petition of the proposed APG. Such recognition entitles a representative of the APG to membership on the board of directors of the Society only where provisions for such representation are stated in the Society's bylaws. This representative must be an Association Member or Associate Member.
- (d) Societies shall have the authority to require and approve a constitution and bylaws for any recognized APG.
- (e) An APG shall operate as an official organization of the Society of the related College or Campus and of the Association. The APG shall conform to all rules and regulations set forth by the constitution of the related Society, and shall take no action in conflict with said constitution or with the articles of incorporation and bylaws of the Association.

SECTION 4: REVOCATION OF RECOGNIZED STATUS

- (a) In order to retain its recognized status, each APG must comply with applicable provisions set forth in the constitution of the related Society.
- (b) The related Society shall have the authority to revoke recognized status to any APG by action of the Society's Board of Directors with the written approval of the Executive Director.

SECTION 5: REINSTATEMENT

Reinstatement of an APG's recognized status may be obtained only by fulfilling the original requirements under Article XIII, Section 3.

Article XIV: Alumni Interest Groups (AIGs)

SECTION 1: DEFINITION

An Alumni Interest Group (AIG) is defined as a group of Alumni and friends of the University who have common interests arising out of their University recognized co-curricular activities or common cultural or professional interests and who relate to and support the mission of the University and the Association.

SECTION 2: PURPOSE

The purpose of AIGs shall be to (1) provide a means whereby Alumni and friends of the University may join together for the enrichment of their respective interest groups and the University as a whole, (2) provide additional avenues for identification and contact within the Association; and (3) stimulate the continued interest in the University of all of its graduate and former students.

SECTION 3: ORGANIZATION

- (a) Application to form an AIG shall be made by filing a petition with the Association signed by at least (50) persons who are Association Members or Associate Members who propose to join the AIG. The petition must be accompanied by proposed bylaws for the AIG, and the names and addresses of the members of the interim Board of Directors of the proposed AIG.
- (b) The application of and bylaws for the proposed AIG shall be considered by a designated committee of the Association (the "Committee") to determine whether the application and bylaws have fulfilled the conditions of Article XIV, Sections 1 and 2. After the Committee considers the application and bylaws of the proposed AIG, the application shall be forwarded to the Executive Board, with the recommendation of the Committee for approval or disapproval.
- (c) The Executive Board shall review the application, bylaws, and recommendation of the Committee and the Executive Board shall determine if the proposed AIG should be granted a probationary period or disapproved.
- (d) The Committee shall review the operation of the proposed AIG so that upon completion of the probationary period, it shall recommend to the Executive Board that the proposed AIG shall or shall not be issued a charter of formal recognition. If the Executive Board approves the issuance of a charter of formal recognition to the proposed AIG, the matter shall be forwarded to the Council, which shall take final action on the application and issuance of a charter of formal recognition of the proposed AIG.
- (e) An AIG shall operate as an official organization of the Association. The AIG shall conform to all rules and regulations promulgated by the Association and shall take no action in conflict with its own bylaws or with the articles of incorporation, bylaws, or mission of the Association.
- (f) In order to obtain and retain its recognized status, an AIG must:
 - 1. comply with the provisions of these bylaws and its own bylaws;
 - 2. maintain a membership of at least fifty (50) persons who are Association Members or Associate Members or a number of such Members equal to fifty (50%) percent of its total membership, whichever is greater;
 - 3. complete an Annual Report as required by Article XVI of these bylaws;
 - 4. hold at least one general meeting each year at which business is transacted.

SECTION 4: CHANGE OF STATUS

- (a) When the requirements of Article XIV, Sections 1, 2, or 3, Article XV, Article XVI, or Article XVII of the Bylaws have not been met by an AIG, the Executive Board, after notice to such

AIG of its intention to do so, shall revoke the recognition of such AIG unless the Executive Board determines that the AIG has resumed compliance with the requirements of said provisions.

- (b) The Executive Board may grant inactive status upon written request of an AIG. The Executive Board may grant resumption of active status upon written request of an inactive AIG.

SECTION 5: REINSTATEMENT

Reinstatement of the recognized status of an AIG whose charter has been revoked may be obtained only by fulfilling the original requirements under Article XIV, Section 3.

Article XV: Relations with the University

- (a) No Chapter, Society, APG, or AIG shall publish, release, or endorse to the public any statement, complaint, or recommendation that conflicts in any way with the policies and administration of the University or of the Association without first having obtained the approval of the Executive Board.
- (b) In the interest of orderly procedure, communications from Penn State Chapters, Societies, APGs, or AIGs to the University shall be forwarded through the Executive Director.

Article XVI: Annual Report

Each Chapter, Society, APG, and AIG shall submit an annual report to the Association on or before September 1 of each year. The Annual Report shall be in a form prescribed by the Association and shall contain financial and such other information as is from time to time requested by the Association.

Article XVII: Fundraising

Fundraising activities of all Chapters, Societies, APGs, and AIGs shall not be in conflict with the University's development efforts. The Association shall be informed of all fundraising activities of Chapters, Societies, APGs and AIGs.

Article XVIII: Fiscal Year

The fiscal year of the Association, Chapters, Societies, APGs, and AIGs shall terminate on June 30.

Article XIX: Indemnification

SECTION 1: LIMITATION OF DIRECTORS' LIABILITY

No Council Member or member of the Executive Board (referred to in this Article collectively as "Director" or "Directors") shall be personally liable for monetary damages as such for any action taken or any failure to take any action to the fullest extent of the law of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, unless:

- (a) the Director has breached or failed to perform the duties of his or her office under Section 8363 of the Pennsylvania Directors' Liability Act (relating to standard of care and justifiable reliance), and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the provisions of this paragraph shall not apply to the responsibility or liability of a Director pursuant to any criminal statute, or to the liability of a Director for the payment of taxes pursuant to local, state or federal law.

SECTION 2: INDEMNIFICATION AND INSURANCE

(a) Indemnification of Directors and Officers

1. Except as prohibited by law, each Indemnitee (as defined below) shall be entitled as a matter of right to be indemnified and held harmless by the Association for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability, and loss (including without limitation attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this paragraph shall be made, however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.
2. The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Association in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law; provided that, if Pennsylvania law continues so to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Association of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this paragraph or otherwise.
3. Indemnification pursuant to this paragraph shall continue as to an Indemnitee who has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, and administrators.
4. For purposes of this Article, (A) "Indemnitee" shall mean each Director or Officer or University employee who was or is a party to, or is threatened to be made a party to, or

is otherwise involved in, any Proceeding by reason of the fact that he or she is or was a Director or Officer or is or was serving in any capacity at the request or for the benefit of the Association as a Director, officer, employee, agent, partner, or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise; and (B) "Proceeding" shall mean any threatened, pending or completed action, suit, or proceeding (including without limitation an action, suit or proceeding by or in the right of the Association), whether civil, criminal, administrative, or investigative to which such person (i) is a party, or (ii) in connection with which such person is not a party but is a witness, subject to investigation or otherwise involved, in either case by reason of such person being a Council Member.

(b) Indemnification of Employees and Other Persons

The Association may, by action of the Council or Executive Board and to the extent provided in such action, indemnify employees of the University who work with the Association and other persons as though they were Indemnitees. To the extent that an employee or agent of the Association has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Association shall indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(c) Nonexclusivity of Rights

The rights to indemnification and to the advancement of expenses provided in this Article shall not be exclusive of any other rights that any person may have or hereafter acquire under any statute, provision of the Association's Articles of Incorporation or Bylaws, agreement, vote of the Executive Board, Council, or otherwise.

(d) Insurance

The Association may purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the Association would have the power to indemnify such person under Pennsylvania or other law. The Association or the University may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

(e) Fund for Payment of Expenses

The Association or the University may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, under the Articles of Incorporation, by agreement, Executive Board, Council, or otherwise.

SECTION 3: AMENDMENT

The provisions of this Article XX relating to the limitation of Directors' and Officers' liability, to indemnification and to the advancement of expenses shall constitute a contract between the Association and each of its Directors and Officers which may be modified as to any Director or Officer

only with that person's consent or as specifically provided in this paragraph. Notwithstanding any other provision of these bylaws relating to their amendment generally, any repeal or amendment of this Article which is adverse to any Director or Officer shall apply to such Director or Officer only on a prospective basis, and shall not reduce any limitation on the personal liability of a Director of the Association, or limit the rights of an Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment. Notwithstanding any other provision of these bylaws, no repeal or amendment of these bylaws shall affect any or all of this Article so as either to reduce the limitation of Directors' liability or limit indemnification or the advancement of expenses in any manner unless adopted by the unanimous vote of the Directors then serving; provided that no such amendment shall have retroactive effect inconsistent with the preceding sentence.

SECTION 4: CHANGES IN PENNSYLVANIA LAW

References in this Article to Pennsylvania law or to any provision thereof shall be to such law (including without limitation to the Directors' Liability Act) as it existed on the date this Article was adopted or as such law thereafter may be changed; provided that

- (a) in the case of any change which expands the liability of Directors or limits the indemnification rights or the rights to advancement of expenses which the Association may provide, the rights to limited liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law; and
- (b) if such change permits the Association without the requirement of any further action by Council Members or Directors to limit further the liability of Directors or limit the liability of officers or to provide broader indemnification rights or rights to the advancement of expenses then the Association was permitted to provide prior to such change, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be so broadened to the extent permitted by law.

Article XX: Dissolution

Should there be a dissolution of the Association, the Council shall, after paying and making provision for the payment of all liabilities of the Association, distribute all of its remaining assets to the University or its successor.

Article XXI: Conflicts of Interest and Responsibilities of Council Members

SECTION 1. A "conflict of interest" exists when a reasonable observer, having knowledge of all of the relevant facts and circumstances, would conclude that a Council Member or an individual whose name has been submitted to Council to serve as a Council Member ("Proposed Council Member") has an actual or apparent conflict of interest in one or more matters related to the Association. In addition to financial conflicts of interest, a conflict of interest shall include a situation in which a Council Member or Proposed Council Member, or related entity has an interest that may lead such individual to act in a way that is incompatible with or a breach of such individual's fiduciary duty to the Association and/or the University or use such role to achieve personal gain or benefit or gain or benefit to family, friends, associates or related entity.

SECTION 2. DISCLOSURE OF CONFLICTS

Any Council Member, the Executive Director and/or any Associate or Assistant Director shall disclose any relationship which such person may have with any person, corporation, or other entity with whom or with which the Association proposes to enter into any contract or other transaction which will or may result in his or her financial gain or personal advantage. Such persons shall not be present at meetings at which such proposed contracts or other transactions are discussed and further, shall abstain from voting upon such proposed contracts or transactions. If any such person shall fail to make the appropriate disclosure before the Association enters into such contract or transaction, the Executive Board may remove such person from the office or position held in the Association.

Article XXII: Amendments

These bylaws may be amended, changed, or repealed by a simple majority vote of the Alumni Council after providing twenty (20) days prior written notice to Council before taking such action. Bylaws should be reviewed by an ad hoc committee appointed by the President every five years, or sooner as circumstances warrant.

Adopted by the Alumni Council on April 17, 2015.