

The Lutheran University Association, Inc., Bylaws



The Lutheran University Association, Inc.
(d/b/a Valparaiso University)

Board of Directors Bylaws
(Revised January 26, 2018)

ARTICLE I

Board Authority and Responsibilities

Section 1. The Board of Directors (the “Board”) of The Lutheran University Association, Inc. (the “Association”), d/b/a Valparaiso University (the “University”), shall have and exercise those corporate powers prescribed by law. Its ultimate authority is affirmed through its general, academic, and financial policy-making functions and its responsibility for the Association’s financial health and welfare. The Board shall exercise ultimate institutional authority as set forth in the Indiana Nonprofit Corporate Act (the “Act”) and these Bylaws and in such other policy documents as it deems to be appropriate. These Bylaws and other Board policy statements shall, except for the Restated Articles of Incorporation, take precedence over all other institutional statements, documents, and policies, including the respective student and faculty handbooks.

Section 2. The Board shall have the authority to carry out all lawful functions which are permitted by the Act, these Bylaws, or by the Restated Articles of Incorporation of the Association. This authority shall include but shall not be limited to these illustrative functions:

1. Establish and periodically review the Vision, Mission, and Purpose of the University, in consultation with the President of the University (the “President”), and support the University and the President in accomplishing them.
2. Oversee governance of the University and establish effective processes for governance, while respecting the culture of decision making in academia.
3. Appoint the President to serve as the chief executive officer; establish the President’s conditions of employment; approve performance evaluation criteria; and provide input to the Executive Committee of the Board on the President’s performance.
4. Determine compensation levels for existing University officers who serve at the pleasure of the President.
5. Exercise fiduciary responsibility, approve the budget and tuition and fee levels, and establish guidelines for resource allocation in accordance with strategic priorities.
6. Authorize debt financing, the granting of security for loans, major construction and renovation, as well as the purchase, lease, and sale of land, buildings, and major equipment.
7. Establish Bylaws, policies, and criteria for Board membership; elect Board officers; and authorize assessment of Board performance.
8. Ensure, with the President, the development and systematic review of institutional policies that may have a significant effect on the University’s mission, strategic plan, and financial resources, including policies related to tenured faculty employment, assurance of academic freedom, changes in programs and curriculum, and personnel policies.
9. Approve the granting of earned and honorary degrees as recommended by the faculty and President.
10. Oversee the University’s asset management and fund-raising; approve fundraising campaigns and gift acceptance policies; and enhance the relationship between the University and the communities it serves.
11. Assure policies to support accountability, transparency, and open communication with campus constituencies, and represent the broader public interest in higher education.

ARTICLE II

Membership of Board of Directors

Section 1. The Board shall consist of up to forty-five (45) persons.

Section 2. New Directors and incumbent members of the Board who are eligible for reelection normally shall be elected at the Board's Annual Meeting. Any unfulfilled term may be filled through a special election.

Section 3. Directors shall serve for three-year terms and shall be eligible for reelection. Director's terms shall begin on the first day of January following their election unless otherwise determined by the Board. The President, the Chair of the Valparaiso University Guild Board of Directors, and the President of the Valparaiso University Alumni Association, shall be members of the Board during their respective term of office and shall be entitled to all of the privileges of Board membership during such term. The remaining members of the Board shall be elected in staggered terms so that approximately one-third (1/3) of said members will stand for election each year. At least seventy-five (75) percent of the elected members of the Board shall be members of a Lutheran congregation.

Section 4. All Directors serve at the pleasure of the Board. A Director may be removed from office with or without cause by an affirmative vote of two-thirds (2/3) of the Directors.

Section 5. The Governance Committee shall recommend candidates for election or reelection to the Board.

Section 6. The officers of the Board shall be the Chair and Vice Chair who shall serve at the pleasure of the Board. The Chair and Vice Chair shall be selected from among the existing directors. The Chair and the Vice Chair shall be elected, upon nomination by the Governance Committee, and shall serve for one year, or until a successor has been elected. The Chair and Vice Chair's term shall begin on the first day of January following election or immediately if filling a vacancy. Vacancies may be filled at any time by a vote of the Directors. Election or reelection shall take place at the designated Annual Meeting.

ARTICLE III

Directors Emeriti

Upon recommendation of the Governance Committee, any elected Director who has served with distinction may be elected by the Board as "Director Emeritus" or "Director Emerita." Directors Emeriti are not subject to the provisions of Sections 1, 2, and 3 of Article II of these Bylaws. The term for such Directors Emeriti shall be for life, except that Directors Emeriti serve at the pleasure of the Board and may be removed from office, with or without cause, by an affirmative vote of two-thirds (2/3) of the Directors. Directors Emeriti may attend all plenary sessions of the Board and social events during Board meetings. Directors Emeriti shall be eligible to serve on Board Committees as appointed by the Board Chair, except the Executive and Governance Committees, and may participate in discussion and be eligible to vote at any Board Committee meetings to which they have been so appointed. They shall not have voting privileges at Board meetings and shall not be counted as part of quorum determinations. Directors Emeriti shall be entitled to receive notices and minutes of all Board meetings, except executive sessions, and are encouraged to attend plenary sessions or otherwise accept special assignments that are helpful to the Board and the University.

ARTICLE IV

Officers of the Association

Section 1. The officers of the Association shall be the Chair, Vice Chair, President, Provost, Secretary, Treasurer, and one or more officers with other titles, including but not limited to the title of Vice President. The President shall serve at the pleasure of the Board. The Provost and the officers with other titles, including but not limited to the title of Vice President, shall serve at the pleasure of the President in consultation with the Chair.

Section 2. The President shall be a Director. The other officers shall not be members of the Board.

Section 3. The Board may, but need not, approve the appointment of other officers who serve at the pleasure of the President upon recommendation of the President.

ARTICLE V

Responsibilities of the Chair and Vice Chair of the Board of Directors

Section 1. The Chair shall preside at all Board and Executive Committee meetings, have the right to vote on all questions, and otherwise serve as spokesperson for the Board. He or she shall, upon consultation with the Chair of the Governance Committee and the President, appoint committee chairs and vice-chairs. He or she shall also serve as Chair of the Executive Committee, as an *ex-officio* member of all committees of the Board, and have other duties as the Board may prescribe from time to time.

Section 2. In the absence of the Chair, the Vice Chair shall perform the duties of the Chair as described in Section 2 of this Article.

ARTICLE VI

Responsibilities of the Secretary

Section 1. The Secretary shall be the University's Vice President and General Counsel or another legal counselor serving as the Association's General Counsel.

Section 2. The Secretary shall ensure that the Board is acting in accordance with the Restated Articles of Incorporation and these Bylaws, Bylaw amendments are promptly made as necessary, minutes of Board meetings are accurate, Board minutes are and promptly distributed to all Directors, meetings are properly scheduled and Directors notified, records of the Association are authenticated as required, and Board policy statements and other official records are properly maintained. The Secretary shall perform other duties as prescribed from time to time by the Board and may be assisted in all duties by University personnel designated by the President.

ARTICLE VII

Responsibilities of the Treasurer

Section 1. The Treasurer shall be the University's Vice President for Finance or the person otherwise known as the University's chief financial officer.

Section 2. The Treasurer shall be a staff representative to the Audit Committee of the Board, at least one other financial oversight committee, and otherwise serve as the Board's key leader on all financial management policy matters. He or she shall ensure that all Directors regularly receive appropriate financial statements that include comparisons of revenue and expenditures with the approved annual budget and the

preceding fiscal year for the same time periods. The Treasurer shall ensure that other financial reports including those for special or major Board-approved expenditures, University investments, and annual or special audits are provided to all Directors in a timely manner. He or she shall work closely with the independent auditors, and any other financial oversight committee of the Board.

ARTICLE VIII

Term, Authority, and Responsibilities of the President of the University

Section 1. The President shall be the chief executive officer of the Association and the University. His or her authority is vested through the Board and includes responsibilities for all University educational and managerial affairs. The President is responsible for leading the University, implementing all Board policies, keeping the Board informed on appropriate matters, consulting with the Board in a timely manner on matters appropriate to its policy-making and fiduciary functions, and serving as the University's key spokesperson. He or she has the authority to execute all documents on behalf of the University and the Board consistent with Board policies and the best interests of the University. The President serves *ex-officio* as a member of all Board committees.

Section 2. The President serves at the pleasure of the Board for such term, compensation, and with such conditions of employment as the Board shall determine.

ARTICLE IX

Term, Authority, and Responsibilities of the Provost and Vice Presidents

The Provost and any other officers, including Vice Presidents, shall serve for such term and have such authority and responsibilities as the President shall determine in consultation with the Board. In the event the President becomes incapacitated or otherwise unable to perform his or her duties for an indefinite period of time the Chair, in consultation with the Executive Committee, shall appoint a temporary successor until the President is able to resume his or her duties or is subsequently replaced.

ARTICLE X

Meetings

Section 1. The Board shall have four regular meetings annually to be held during January, April, July, and October on such dates and at such places (including by virtual or telephonic medium) as the Board shall determine. The Annual Meeting for the purpose of electing Directors and Officers shall be the Board regular meeting in October of each year. Written notice of such meetings shall be sent to all Directors by the Chair or Secretary, with access to an agenda and supporting documents (if applicable), stating the place (including by virtual or telephonic medium) of the meeting at least ten (10) days in advance. Written notice may be sent in a generally accepted electronic format to a Director's last known e-mail address, cell phone number, or other electronic medium known to be regularly accessed by the Director.

Section 2. Special meetings may be held at the call of the Chair, the President, or upon written petition of five (5) members of the Board filed with the Secretary. Written notice of such special meetings shall be sent to all Directors by the Chair or Secretary with a clear statement of purpose(s) and place (including by virtual or telephonic medium) of the meeting at least two (2) days in advance unless any two of the President, Chair, or Vice Chair determine the matter is urgent and should be addressed in less than two (2) days. Written notice may be sent in a generally accepted electronic format to a Director's last known e-mail address, cell phone

number, or other electronic medium known to be regularly accessed by the Director. Business at such special meetings shall be confined to the stated purpose(s).

Section 3. A quorum for the transaction of business at meetings of the Board shall consist of one-third (1/3) of the members of the Board as defined in Article II, Section 3. Except as otherwise provided in these Bylaws or the Restated Articles of Incorporation, a majority vote of those Directors present with a proper quorum shall be sufficient to approve any actions at such meeting.

ARTICLE XI

Action Without a Formal Meeting

Any action required or permitted to be taken at a meeting of the Board or any committee thereof may be taken without a meeting if the action is taken by eighty (80) percent or more of the members of the Board or committee. Such action must be evidenced by a written document:

- (1) describing the action taken;
- (2) in which eighty (80) percent or more of the Directors consent to the action taken by signing their approval on the written document or as otherwise allowed herein; and
- (3) included in the minutes or filed with the Association's records reflecting the action taken.

Action taken in this manner is effective when the last necessary Director consents, unless the written document specifies a prior or subsequent effective date. For purposes of this Article, a written document may be an electronic document in a generally accepted format describing the proposed action to be taken, sent to a Director's last known e-mail address, cell phone number, or other electronic medium known to be regularly accessed by the Director. A Director may consent or disapprove by responding to such a written document clearly articulating approval or disapproval of the action taken. For purposes of this Article, failure to receive a Director's response shall be deemed as his or her abstention.

ARTICLE XII

Committees

Section 1. The Board shall establish such standing and ad hoc committees as it deems appropriate for the discharge of the Board's responsibilities. The Board, upon recommendation of the Chair, shall appoint all committee members who shall serve for one year, or until their successor has been appointed or until the committee has completed its charge. Each committee member's term shall begin at their appointment at the January meeting or their appointment by the Chair, whichever comes first. Vacancies may be filled at any time by the Chair, but appointment or reappointment of standing committee members shall take place at the January meeting. The Chair may temporarily appoint committee members from the first day after an October meeting until they are formally appointed by the Board at the subsequent January meeting. Each committee shall have a written charter that sets forth a statement of purpose and responsibilities as approved by the Board, and may have policy guidelines approved by the Board, as appropriate. The charters shall be reviewed annually by each committee. A majority of any standing committee shall consist of members of the Board defined in Article II, Section 3.

Section 2. The Chair of the Board shall have the responsibility of appointing the chairs and vice chairs of all Board Committees who shall serve for one year, or until their successors shall have been appointed or until the committee has completed its charge. Each chair and vice chair's term shall begin upon their appointment by the Chair of the Board or immediately if they are filling a vacancy or being appointed to an ad hoc committee. Vacancies may be filled at any time by the Chair, but appointment or reappointment of standing committee chairs and vice chairs normally takes place between the October and January Board meetings. All committee chairs and vice chairs shall be Directors.

Section 3. Each committee shall have designated University personnel as determined by the President to assist it with its work. Each committee shall meet (in person or through a virtual or telephonic medium) at least two times annually and regularly report on its work and recommendations to the Board. All Committees shall maintain written minutes of any meeting and, with the exception of the Executive and Governance Committee, distribute them to the Directors. A majority of each committee's voting members shall constitute a quorum and a majority vote of those members present with a proper quorum shall be sufficient to approve any actions at such meeting.

ARTICLE XIII

Composition, Purposes, and Responsibilities of the Executive Committee

Section 1. The Executive Committee shall consist of the following Directors: Chair, Vice Chair, President, the chairs of all standing committees of the Board, and four at-large members.

Section 2. The purpose of this Committee is to serve at the pleasure of the Board as its agent in helping the President to address business between regular Board meetings. The Committee shall have authority to act for the Board on all matters except for those actions prohibited by the Act and also except for the following which shall be reserved for the Board: Presidential selection and termination; Director and Board officer selection and termination; changes in institutional mission and purposes; changes to the Restated Articles of Incorporation and Bylaws; incurring of corporate indebtedness; sale or lease of substantial University assets or tangible property; adoption of the annual budget; and conferral of any honorary degrees.

The Executive Committee shall oversee the work of Board committees, the University's planning process or progress on planning goals, the Board's responsibility to support the President and assess his or her performance, and review annually the method for determining the compensation and conditions of employment of the President, officers, and key employees of the University.

Section 3. The Committee shall meet as often as necessary to conduct its business as the Chair and President shall determine, and ensure that minutes are taken and distributed to the members of the Committee for subsequent ratification on or before its next regular meeting.

ARTICLE XIV

Composition, Purposes, and Responsibilities of the Governance Committee

Section 1. The Governance Committee shall consist of at least six (6) members of the Board, the Chair, and the President.

Section 2. The purpose of the Governance Committee is to ensure that the Board's membership and leadership consists of highly qualified and committed individuals; ensure that regular programs for new Directors and in-service education are provided; assist the Chair and the President in their joint responsibility to help the Board to function effectively and efficiently by suggesting Board meeting agenda items; periodically recommend and implement processes by which the Board shall assess the performance of incumbent Directors and Board Officers who are eligible for reelection; maintain a list of qualified candidates for possible nomination; consider cultivation strategies for promising Director candidates; and propose and periodically review the adequacy of a statement of Director responsibilities as adopted by the Board. It shall establish its own rules of procedure in consultation with the Board Chair, President, and the Board.

Section 3. The Committee shall meet as often as necessary to conduct its business. It shall seek the assistance of all Directors in the course of meeting its responsibilities in accordance with these Bylaws and policy guidelines as adopted by the Board.

ARTICLE XV

Indemnification

In accordance with and to the fullest extent permitted by the laws of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a Director, officer, or employee of the Association (including Directors Emeriti) shall not be liable and shall be indemnified, held harmless, and defended by the Association for any claim brought against such person, including any action, suit or proceeding, whether criminal or civil in nature, that results from the exercise of acts of judgment, discretion, or omissions in connection with the duties or responsibilities of such person unless the act or omission constituted willful or wanton conduct. "Willful or wanton" conduct means committing any intentionally dishonest or fraudulent act or omission, committing any willful violation of any statute, rule, or law, or gaining any profit, remuneration, or advantage to which such insured was not legally entitled. Indemnification hereunder includes indemnification for expenses that result from damages, judgments, court costs, attorney fees, fines and amounts paid in settlement, actually and reasonably incurred in connection with such claim.

The indemnification provided for herein shall not be deemed to restrict the power of the Association (i) to indemnify employees, agents and others as allowed by law or to the extent not prohibited by law, (ii) to purchase and maintain insurance not required by this Article or furnish similar protection on behalf of or for any person who is or was a director, officer or employee of the Association, against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such and (iii) to enter into agreements with persons of the class identified in clause (ii) indemnifying them against any and all liabilities (or such lesser indemnification as may be provided in such agreements) asserted or incurred by them in such capacities.

The Association shall maintain reasonably appropriate Director and Officer liability insurance coverage for the liability protection and indemnification purposes set forth in this Article.

ARTICLE XVI

Conflict of Interest

All Directors shall strictly comply with the Act's duties and requirements relating to a Director's standard of care to the Association and the manner in which conflicts of interest must be addressed. Any conflict of interest must be disclosed at the earliest possible time. In addition, each Director shall execute a disclosure form provided annually by the Secretary of the Board.

ARTICLE XVII

Review and Amendment of Bylaws

Section 1. These Bylaws may be changed or amended at any meeting of the Directors by a majority vote of those present, provided notice of the substance of the proposed amendment is sent to all Directors at least thirty (30) days prior to the meeting. Notice may be sent in a generally accepted electronic format to a Director's last known e-mail address, cell phone number, or other electronic medium known to be regularly accessed by the Director.

Section 2. These Bylaws, and the Association's policy guidelines, shall be reviewed periodically by the Secretary of the Board and the Governance Committee who shall recommend any necessary changes to the Board.

