
**RESTATED BYLAWS
of
SCHREINER UNIVERSITY**

A Non-Profit Corporation

Revised May 2016

Schreiner University
LEARNING BY HEART™

SCHREINER UNIVERSITY BYLAWS

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PHILOSOPHY OF GOVERNANCE

Schreiner University pursues the ideal and the practice of shared, or collegial, governance. Under its articles of incorporation and corporate bylaws, and of applicable statutes of the State of Texas, the board of trustees retains final and full responsibility for the sound management of the institution and its assets. As a matter of practice, the governing board ordinarily confines its concerns to the acquisition and oversight of University fiscal and physical assets, the development and institution of policies as to management, and the approval of administrative recommendations as to budgets, academic and other programs, faculty appointments and promotions and tenure, and similar matters.

The board charges the administration to implement its duly adopted policies, to attend to the ongoing and responsible management of University fiscal affairs, property maintenance, enrollment management (with faculty cooperation), staff recruitment and development, through the office of the president to assume the initiative in institutional planning, the maintenance of an environment supportive of collegiality and of student learning, to provide the board with information that it needs to perform its duties, and to accomplish such other tasks as may from time to time be assigned to it. In brief, the administration is responsible for the sound day-to-day operation, and for leading in planning for Schreiner University.

The board lodges in the faculty responsibility for developing and offering programs of instruction, the recommendation of academic policies, the conduct of scholarly activities, and the performance of such service responsibilities as are customary for faculty members. Faculty proposals as to academic policies, programs, faculty appointments and promotions and tenure, proceed to the board of trustees for approval, subject to administrative review and recommendation. Where the administration does not concur with the faculty it will report both its views and those of the faculty to the board, and its nonconcurrence to the faculty, with the reasons therefor.

-Adopted by faculty December 4, 1996

-Adopted by board of trustees February 20-21, 1997

-Revised by faculty August 2005

-Revised by board of trustees October 2005

RESTATED BYLAWS OF SCHREINER UNIVERSITY

ARTICLE 1

Governance

Schreiner University, a non-profit corporation chartered in the State of Texas, herein “the University,” is an independent, comprehensive University including undergraduate, graduate and certificate programs, governed by its board of trustees. By heritage the University is related to the Synod of the Sun, the Presbyterian Church (USA). The relationship between Schreiner University and the Synod of the Sun is governed by the Corporate Charters and the Bylaws of each institution, and by the Covenant to which both the Synod of the Sun and the trustees of the University give assent. Responsibility for the management of the University is vested in the Schreiner University board of trustees.

ARTICLE II

Membership

Section 2.1. Composition

(a) The Schreiner University board of trustees shall consist of thirty-six (36) trustees, not to include the president, who shall be an ex-officio member of the board.

(b) Reflecting our heritage and mission, The Board of Trustees of Schreiner University affirms its intention to have one-third of its trustees and advisory trustees as members of the Presbyterian Church (USA) and, consistent with its ecumenical commitment, broad representation of other denominations on the governing board.

Section 2.2. Terms

Trustees shall be elected for three-year terms, serving in three (3) classes with overlapping terms. A trustee shall serve no more than three consecutive terms. At least one year must follow the completion of the third consecutive term before a member may be elected again. The elected term of office will begin with the fall meeting of the board and extend until a successor is elected. The term of office will be denoted by the year in which the term ends.

Section 2.3. Election

Trustees shall be elected by the board of trustees at a regular or special meeting. The procedures set out in Sections 2.4 through 2.7 will guide the annual election of members of the board.

Section 2.4. Current Members

Prior to the regular May meeting, the executive committee shall review the activities of the board of trustees for the previous year and give particular attention to the interest and activities of the individual members of the board whose terms are being completed and any pertinent recommendations of the Trusteeship Committee. The chair of the board shall approach each trustee whose term of office is expiring and who is eligible for reelection, review with each his or her experience as a trustee, and ascertain willingness to stand for election to another term.

Section 2.5. New Members

At the regular May meeting the executive committee will place candidates in nomination for election by the board of trustees. Nominations will also be accepted from the floor. The board will then vote on the election of the desired number of new trustees.

Section 2.6. Alternates

The board may elect alternates to replace those elected who may be unwilling or unable to serve.

Section 2.7. Vacancies/New Positions

For other vacancies or newly created positions, the board at any regular meeting will canvass among board members for candidates and place these before the executive committee, with any pertinent recommendations of the Trusteeship Committee, for election. The executive committee will place candidates in nomination for election by the board.

Section 2.8. Invitation to Serve

The chair of the board or the president or their delegate will approach persons elected inviting them to serve. Each shall be informed as to the philosophy and purpose of the University and the duties and other stipulations of the office of trustee.

Section 2.9. Orientation

Newly elected members will be invited to an orientation for new trustees to be planned and carried out by the chair of the board and the president or their delegates prior to the fall meeting. New members will be furnished with all documents pertinent to the office, including copies of minutes of the meeting of the board for the past year.

Section 2.10. Installation

Formal installations will take place at the fall board meeting following election. New members will be asked to affirm willingness to fulfill the duties of trustees, and other board members will be asked to reaffirm their individual and corporate commitments.

ARTICLE III

Duties of Trustees

Section 3.1. Acceptance

Trustees shall understand and accept the history and traditions of Schreiner University, the Covenant with the Presbyterian Church (USA), the mission of the University, and the duties of the office of trustee.

Section 3.2. Enumeration of Duties

The board of trustees shall determine the general purposes and mission of the University, shall generate the policies which implement those purposes, shall work to undergird the University financially to discharge those purposes and have oversight of the University's fiscal stability, shall elect the chair of the board, the vice chair of the board, the president and the secretary; shall give advice and give or withhold consent to the president's nomination of the provost and the vice presidents of the University, and shall at regular intervals examine and review the purposes, the policies, and the efforts of appointed officers. Each trustee will be expected to serve the University to the best of his or her ability; consistently to remember the University, its students and staff in personal prayers; to interpret the University to the public; to support the University financially, both personally and through encouragement to others; and to serve on committees and task forces of the board when elected or appointed.

ARTICLE IV

Meetings of the Board

Section 4.1. Regular Meetings

There shall be three regular meetings of the board each year, ordinarily convening on the third Thursday in October and February and on Thursday following Commencement in May. The May meeting will be considered the annual meeting of the board. Any changes in these dates shall be authorized by the chair or the executive committee.

Section 4.2. Special Meetings

A special meeting of the board of trustees may be held upon the call of the chair of the board or the president, and shall be held upon the request of any seven (7) members of the board, for the transaction of any business. The person or persons calling a special meeting will inform the secretary of the purpose of, and the information to be included in, the notice of the meeting.

Section 4.3. President's Report

At each meeting of the board, a report shall be made by the president on the general condition of the University, incorporating such statistical and other information as will fairly portray the life of the University. A report on the financial condition of the University shall also be made by the president. The vice president for administration and finance may make the report if so requested by the president.

Section 4.4. Location

All regular meetings shall be held at the University unless otherwise designated by the chair of the board and signified in the notice from the president. Special meetings may be held at the call of the chair of the board at such places as may be designated by him or her.

Section 4.5. Telephone Meetings

Subject to the notice provisions of Section 4.7 of these bylaws, the board of trustees may hold any annual, regular or special meeting by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting can hear and communicate with each other. Participation in any such meeting shall constitute presence in person at such meeting and waiver of notice of such meeting, except when a person participates in such meeting for the express

purpose of objecting to the transaction of any business thereat because such meeting is not lawfully called or convened. Any committee provided for in these bylaws or established by the board of trustees may also hold its meetings by means of such conference telephone or similar communications equipment.

Section 4.6. Action by Trustees Without a Meeting

Any action required by law to be taken at a meeting of trustees, or any action which may be taken at a meeting of trustees, may be taken without a meeting if a unanimous consent in writing setting forth the action so taken shall be signed by all of the trustees. Any action of the executive committee may also be taken by such a unanimous consent signed by all members of the committee.

Section 4.7. Notice

Notice of all meetings of the board of trustees, whether annual, regular or special, shall be given at least five (5) days prior to the meeting by written notice setting forth the time and place for holding such meeting and delivered personally or sent by mail or facsimile transmission to each trustee at his or her address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by facsimile transmission, such notice shall be deemed to be delivered when transmitted. Any trustee may waive notice of any meeting in writing. The attendance of a trustee at any meeting shall constitute a waiver of notice of such meeting, except when a trustee attends a meeting for the express purpose of objecting to the transaction of any business thereat because such meeting is not lawfully called or convened. The business to be transacted at any regular or special meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these bylaws.

Section 4.8. Quorum

At all meetings of the board of trustees, the presence of a majority of the trustees shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the trustees present at any meeting at which there is a quorum shall be the act of the board of trustees, except as may otherwise specifically be provided by statute, the articles of incorporation or these bylaws. If a quorum shall not be present at any meeting of the trustees, the trustees present may adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum be present. Persons other than trustees shall be allowed to sit with the board upon invitation by the chair of the board of trustees. At the decision of the board, any meeting may on proper motion and action resolve to executive session.

Section 4.9. Indemnity of Trustees and Officers

To the fullest extent permitted by the Texas Non-Profit Corporation Act, Article 1396-2.22A, incorporated herein by reference and made a part hereof (herein special the "Indemnity Act"), as the same now exists or may hereafter be amended, and subject in all respects to the qualifications, conditions, and provisions set forth in the Indemnity Act, Schreiner University shall indemnify any and all present, former and future trustees and officers of Schreiner University against judgments, penalties (including excise and similar taxes), fines, settlements, court costs and reasonable attorney fees and expenses actually incurred by the person in connection with a proceeding in which the person was, is or is threatened to be made a named defendant or respondent because the person is or was a trustee or officer of Schreiner University. As used herein, a "proceeding" means any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative, arbitratative, or investigative, any appeal in any such action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 4.10. Removal of Trustees

At any meeting of the board, a trustee may be removed for cause by a two-thirds vote of the members present at such meeting. Removal may be proposed by either the Executive Committee or any ten members of the board, whether members of the Executive Committee or not. "Cause" shall include, but not be limited to, refusal or failure to discharge the duties of a trustee or engaging in conduct contrary to the interests or welfare of the University. The member subject to removal shall receive a notice ten days prior to the meeting which states: 1) the reason or reason(s) for the proposed removal, 2) the opportunity to be present and state the reasons why the trustee should not be removed, and 3) that written notice of the board's decision will be provided to the trustee within ten days of the meeting. Written notice that removal of such trustee will be considered at such a meeting, stating the reasons therefore, shall be given to each member of the board at least ten days prior to the date of the meeting. The board's decision shall be final.

ARTICLE V

Officers

Section 5.1. Officers

The officers of the corporation shall be a chair of the board, a vice chair of the board, a president, a provost, one or more vice presidents, a secretary, and such other officers as may be elected in accordance with the provisions of this article. The board of trustees may elect or appoint such other officers as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the board

of trustees. Except for the chair of the board and the vice chair of the board, an officer need not be a member of the board of trustees.

Section 5.2. Election and Term of Office

(a) The chair of the board, vice chair of the board, president and secretary shall be elected by the board of trustees at the annual meeting of the board and shall take office immediately following the meeting for the appropriate term or until a successor is elected. The president shall be elected for a term of one year. The other board officers shall be elected for a term of two years, with the possibility of reelection for a second two-year term.

(b) The provost and vice presidents shall be nominated and appointed by the president with the advice and consent of the board at the annual meeting of the board and shall take office immediately following the meeting, for a term of one year or until a successor is elected or the position is abolished.

Section 5.3. Removal

Any officer elected by the board of trustees or appointed by the president may be removed by the persons authorized to elect or appoint such officer whenever in their judgment the best interest of the University would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 5.4. Vacancies

A vacancy occurring in any office due to any cause may be filled by the persons authorized to elect or appoint the officer. If a vacancy occurs in the office of provost or vice president between meetings of the board of trustees, it may be filled by appointment by the president with the advice and consent of the executive committee. No person shall be elected as chair of the board unless he or she has served at least one year as a member of the executive committee.

Section 5.5. Chair of the Board

The chair of the board shall preside at all meetings of the board, enforcing the ordinary rules of parliamentary order, and shall require the strict observance and fulfillment of the bylaws. At the chair's option, the chair shall have a right to vote on all questions. The chair shall appoint all ad hoc committees and may invite chairpersons of ad hoc committees to serve as members of the Executive Committee during the discharge of such duties. The chair shall nominate officers of the standing committees for confirmation by the board. Committee officers will be formally confirmed by board action at the October meeting or at another meeting should changes so require. However, those officers nominated by the chair may function in their respective roles as necessary after nomination by the chair and before the meeting in which they are confirmed.

Section 5.6. Vice Chair of the Board

In the absence of the chair of the board, the vice chair shall preside and shall be vested with all powers and perform all duties of the chair.

Section 5.7. Secretary

The secretary, with such assistance as needed, shall keep the minutes of the board; shall see to it that proper notice is given for all meetings; shall see that all bonds required of officers and employees of the school are current and in order. The secretary shall perform such other duties as the board may from time to time prescribe or require. Any duty of the secretary may be performed by an assistant secretary, duly elected by the board.

Section 5.8. President

(a) The president of the University shall be elected by the board of trustees, shall hold office at the pleasure of the board, and shall be responsible to the board. The president shall be the principal executive officer of the corporation, shall have general supervision and direction of all other officers and agents of the school, shall see that all orders and regulations of the board are carried into effect, and shall exercise such supervision and direction as shall promote the usefulness and development of the institution. In the president's absence, his or her duties shall be discharged by the person designated by the board of trustees. The president shall report to the board the appointment of all members of the faculty and such officers as may be deemed appropriate on faculty level. The president shall be responsible for the development of task descriptions for the provost, vice-presidents, and deans. Prior to the annual meeting in May, the president shall review with the executive committee of the board of trustees the tasks assigned the provost and vice presidents.

(b) To the president shall be committed the religious interests of the institution. The president shall conduct the exercises of public worship to make such provision for these as is believed will contribute to the spiritual welfare of the institution. The president shall represent the school before the public, shall announce and confer certificates authorized by the board, shall approve the disbursement of all funds to meet the obligations of the school and shall sign all agreements and contracts entered into or on behalf of the board unless otherwise provided by these bylaws or by motion or resolution of the board. The president shall submit the annual budget to the board and shall prepare and present at each meeting of the board a report on the work and needs of the University.

(c) In consultation with the provost and the faculty the president shall appoint the standing committees of the faculty, shall supervise in general the work of the faculty, the officers, the conduct and character of the student body and its organization. The president may vote as a member of the faculty, and shall be the final authority in cases of discipline.

(d) After consultation with the vice president for administration and finance, the president shall make decisions regarding all room, board, tuition or miscellaneous student fees and charges in cases where circumstances make it necessary to vary from the fees and charges as set forth in the budget.

(e) The president may recommend to the board of trustees the appointment of such consultants to the president as may be needed to discharge properly the duties of the office.

Section 5.9. Provost and Vice President for Academic Affairs

As principal academic and student affairs officer, the provost shall be vice president of academic affairs and dean of faculty. The provost shall have oversight over academic, student and institutional support services, responsible for the formal and co-curricular learning experience. He or she shall be directly responsible to the president and perform such duties as specified and as otherwise prescribed by the president or the board of trustees. The provost will be the officer in charge in the absence of the president.

Section 5.10. Vice President for Administration and Finance

The vice president for administration and finance shall be the custodian of all funds and properties of the corporation and of all books and records pertaining to such funds and properties. He or she shall receive and give receipts for funds due to the corporation from any source. He or she shall be responsible for making such financial reports to the president and to the board of trustees, in such form and containing such information as they may prescribe. He or she shall be authorized to disburse funds to meet the obligations of the corporation, to sign agreements and contracts on behalf, and to buy and sell assets on its behalf as authorized by the board of trustees. He or she shall perform such other duties as may be prescribed by the president or the board of trustees.

Section 5.11. Vice President for University Advancement

The vice president for University advancement shall organize and supervise the work of the University in the area fund raising and building relationships with current and potential donors, alumni and former students, current and potential volunteers, and Presbyterian churches within the Synod of the Sun and local churches regardless of denomination. He or she shall perform such other duties as may be prescribed by the president or the board of trustees.

Section 5.12. Vice President for Enrollment

As principal enrollment management officer, the vice president shall be responsible for supervision of admissions and financial aid services. The vice president

shall be responsible for providing a coherent, effective enrollment management program consistent with university goals. He or she shall perform such other duties as may be prescribed by the president or board of trustees.

Section 5.13. Vice President for Marketing

The vice president for Marketing shall provide strategic leadership and vision for the University's integrated marketing and communication functions, ensuring fidelity to Schreiner's mission, vision, values and goals, and consistency in key messaging. The VPM shall coordinate with other University departments on strategic and tactical levels, providing centralized agency marketing services. He or she shall perform such other duties as may be prescribed by the president or the board of trustees.

Section 5.14. Faculty

The faculty consists of the president, the academic deans and officers of instruction and such other officers as the faculty may designate. The faculty shall organize itself in such manner as is needed for the accomplishment of its assigned responsibilities. All members of the faculty shall attend the regular faculty meetings unless excused from attendance by the provost. Policies of the school not otherwise specified by the board in respect to the requirements for admission, the courses of study, or the conditions of graduation shall be made by the faculty with the concurrence of the president. At meetings of the faculty, the provost shall preside, and in the absence of the provost, the senior professor.

ARTICLE VI

Committees

Section 6.1. Standing Committees

The standing committees of the board of trustees are an executive committee, an educational program committee, a finance committee, an assets committee, an audit committee, a university advancement committee, a student life committee, an enrollment management committee, and a trusteeship committee. Expenses of all duly elected or appointed committees shall be paid by the University.

Section 6.2. Executive Committee

(a) The executive committee is composed of the chair of the board, the vice chair of the board, the secretary (if a member of the board), and chair of each of the other standing committees. The chair of the board may invite his or her immediate predecessor as chair to serve as a member of the executive committee. The chair of the board may invite chairpersons of ad hoc committees of the board of trustees to serve as members of the executive committee during the discharge of the duties of such committees. The chair

of the board and the vice chair of the board are the chair and vice chair, respectively, of the executive committee. The executive committee will meet at the call of the chair, or in the absence of the chair, the vice chair.

(b) The executive committee shall have full authority to advise with the president, execute orders and/or specific assignments of the board, and to transact such emergency business as in its opinion may demand action between board meetings. The executive committee may consult with the president to coordinate the work of the board, plan all general meetings of the board, maintain the covenant relationship with the Synod of the Sun, Presbyterian Church (USA), and perform such other duties as shall be assigned by the chair of the board or the board itself. The executive committee shall act as a nominating committee for the board of trustees. The executive committee shall be responsible for strategic planning and marketing.

(c) The executive committee will consult with the president to establish particular objectives for the conduct of the office of the president and to review the accomplishment of these objectives, reporting to the board at least as often as the annual meeting. The executive committee will lead the board annually in its review of the relationship between the board and the president and the performance of the president, and will review annually the compensation of the president, making recommendations at the winter meeting of the board concerning compensation. The executive committee will consult with the president concerning other personnel.

(d) Any actions of the executive committee shall be reported to the board and shall be included in the official minutes of the board.

Section 6.3. Education Committee

The committee will review the academic programs of the University with the president and the provost; will receive and evaluate proposed experimental programs; will review the records of Schreiner graduates as they continue in the job market or in graduate schools; and will review and recommend to the board administrative recommendations concerning tenure, rank and salary levels for faculty. The committee will consider and recommend to the board final action concerning the addition and/or deletion of degree plans and majors recommended by the faculty. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.4. Finance Committee

The committee will review the fiscal affairs, investments and physical assets of the University with the president and the vice-president for administration and finance, will consider the annual preliminary and final University budgets and will make recommendations to the board. The board may authorize the committee to effect specific short-term or long-term borrowing. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.5. Assets Committee

The committee will monitor for the board the investment of all endowment funds. It will review and recommend, and also in its discretion, make and execute investment decisions in accordance with the investment policy approved by the board of trustees. It will periodically evaluate the performance of the persons and firms holding and/or managing these investments and review and recommend, or if so authorized by the board, make changes and substitutions in custodial or management persons or firms. It will report to the board, concerning investment results and matters relating thereto. In addition, it will review with the buildings and grounds staff and University building superintendent any new construction of buildings, landscaping, and infrastructure, and will review any planned major reconstruction or repair of existing facilities, report and recommend action to the board on all such matters. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.6. Audit Committee

The audit committee will oversee the selection of the independent external auditors, ensuring their independence and qualifications, and determining the scope of the engagement; the review of the external auditors' findings, including the audited financial statements, review of internal controls and compliance reviews, and the management letter; and management's annual plans and reports of both enterprise and operational risk management priorities and mitigation actions, including an annual review of insurance programs. Additionally, the audit committee will review periodic and ad hoc management reports on compliance with government regulations, including but not limited to EEOC, EPA, Title IV, Title IX, as well as ED, and grant-related regulation and required reporting.

Section 6.7. University Advancement Committee

The committee will review with the president and the vice-president for University advancement and plans for the development and fund raising efforts of the University, priorities for the use of gifts to the University, capital campaigns and annual gift funds, former student activities, publicity and public relations, proposals to foundations, and proposals for gifts from individuals and corporations. The committee will monitor on-going efforts in each of these areas and report and make recommendations on them to the board. The committee will develop and enhance community and church relations and will lead the board in reviewing the Covenant with the Synod of the Sun, Presbyterian Church (USA); monitor the efforts of the University to provide resources to congregations, presbyteries, and the Synod; consult with related staff members concerning relationships between the University and the church. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.8. Student Life Committee

The committee will be responsible for the oversight of student services, including campus ministry and athletics. The committee will review with the dean of students the non-academic elements of the life of Schreiner students including, but not limited to, dormitory life, extra-curricular activities, intramural athletics, religious activities, health services, and discipline among students and recommend action to the Board. The committee will receive reports from the campus minister regarding the spiritual atmosphere and growth in the campus community. The committee will review with the athletic director the intercollegiate programs, including such matters as facilities, conference rules and policies, expenditures for coaches, equipment, and transportation of teams, and shall make recommendations to the board concerning these matters. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.9. Enrollment Management Committee

The committee shall be responsible for the oversight of admission, financial aid, and other elements of identifying, recruiting and retaining an appropriate student body. The committee will review reports from appropriate university officers regarding financial aid, admission and retention efforts of the University and recommend action to the board. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.10. Trusteeship Committee

The committee will recommend to the board appropriate guidelines for board composition based on personal influence, diversity, geography, talents and potential financial support, and construct and maintain lists of qualified people to serve as trustees. Each year, prior to the May meeting of the board, the committee will recommend to the executive committee candidates for nomination and election as trustees or advisory trustees or reelection. Along with the chair of the board and the president, it will make plans for the orientation and development of new trustees, and to the extent required, assist in the execution of such plans. It will develop and coordinate a system of self-evaluation for trustees, with emphasis on those who are up for reelection. It will, when so directed by the executive committee, recommend to officers of the board and advise the executive committee on plans for succession of such officers. It shall perform such other duties as may, from time to time, be assigned to it by the board of trustees.

Section 6.11. Executive Assessment and Compensation Committee

The committee will conduct an annual performance review of the president in January of each year. The evaluation will be based upon previously established areas for assessment. The evaluation will be presented in writing and discussed with the president in January of each year, and to record receipt of the evaluation it will be signed and dated by the president.

The committee is responsible for recommending annually to the board a compensation package for the president that is competitive relative to Schreiner University's peer institutions, recognizes performance, and allows the university to retain highly capable presidential leadership. The comparative data will be obtained from salary and benefit compensation surveys, and will provide data from nonprofits of similar mission focus, budget size, and total enrollment. The committee's recommendations will be submitted for review and action by the executive committee not later than its January meeting, with final action by the board in executive session in February.

Regarding other key employees, as defined in the IRS form 990, the president similarly will conduct annual performance reviews of each of these individuals, and will recommend annually to the committee compensation adjustments for these employees. His recommendations will also be based on comparative data obtained from salary and benefit compensation surveys, and will provide data from universities of similar mission focus, budget size, and total enrollment. The committee will review, and ratify or modify these recommendations.

Finally, the board will document how it reached its decisions, including data on which it relied, in minutes of the meeting during which the compensation was approved.

The committee shall be chaired by the chair of the board and members shall include the immediate past chair of the board (when still a member of the board), vice chair of the board, the secretary of the board, the chair of the finance committee, and, when the past chair is not a member of the board, one additional member selected by the chair.

Section 6.12. Ad Hoc Committees

Ad hoc committees may be appointed by the chair in his or her discretion or at the direction of the board to perform studies or investigation and reports to the board or executive committee. Unless otherwise provided by the board, the authority of such committees extends only to making studies and reports for the board and to making recommendations to the board or executive committee.

ARTICLE VII

Special Status Trustees

Section 7.1. Advisory Trustees

(a) Advisory trustees may be elected by the board of trustees at any meeting, will ordinarily serve for three years, and may be reelected without limit.

(b) Advisory trustees shall be persons who have a continuing interest in the university and who, by virtue of such factors as (i) relationship to the Presbyterian Church, (ii) ability and inclination of financial support, (iii) enhancement of student enrollment, (iv) active or potential employment of graduates, (v) expertise in higher education, (vi) other helpful life experience or motivation are deemed by the board to be capable of making a significant positive contribution to the board's deliberations and decisions. They may be former trustees or potential candidates to become trustees. They may choose to be designated as active or inactive, depending upon their ability and desire to attend board meetings or participate as committee members.

(c) Active advisory trustees will be invited to all meetings of the board, will have the privilege of the floor at board meetings, but will not have the right at such meetings to make or second motions or to vote. They may be appointed to standing or ad hoc committees and participate in committee meetings to the full extent of all committee members. All advisory trustees will be available to the board, its committees and officers, and the president to give advice concerning the policies and practices of the university, to participate in the task of relating the university to the public, and give help in recruiting and advancement efforts.

(d) The board may from time to time invite any or all advisory trustees to assume other specific responsibilities.

Section 7.2. Trustee Emeritus

A trustee emeritus may be elected by the board at any regular meeting. The trustee emeritus shall have served the University with special distinction and shall be accorded such designation for life. Trustees emeriti will be elected on nomination by the executive committee or from the floor. The trustee emeritus designation will be bestowed by the board of trustees and the University at a suitable public function of the University. Trustees emeriti will be invited to all meetings of the board, will have the privilege of the floor, but will not have the right to vote or second motions or the responsibility of the vote.

Section 7.3. Former Trustees

All those who have served as trustees of the institute, college or university remain a part of the larger college of trustees. Although they do not attend and participate in meetings, the university will continue to communicate with them regularly by a variety of means as appropriate to those who have served as members of the governing board of the institution.

ARTICLE VIII

Finances

It is the general responsibility of the board to see that the University is properly undergirded financially. The board shall from time to time review, affirm or amend the recommendations of the president concerning charges for tuition and fees, fines and other necessary and contingent charges in the University and in its several departments. No student shall be advanced in class standing or transferred to another institution or be eligible for a degree until he or she shall have settled in full all indebtedness to the University or until the president and the executive committee of the board are satisfied that the obligation will be settled.

ARTICLE IX

Parliamentary Rules

The meetings of the board shall be conducted in accordance with the parliamentary procedure prescribed in the manual known as "Robert's Rules of Order."

ARTICLE X

The Covenant between Schreiner University and the Synod of the Sun

The Covenant will be established for a five-year period. During each period, the board and the administration shall expect and welcome a team of visitors appointed by the Council of the Synod of the Sun or its successor for the following purposes:

- a) to review with University officials the Covenant relationship;

b) to evaluate the actions of the University and the Synod to implement the Covenant; and,

c) to propose to the Synod and the board such changes in subsequent Covenants as are deemed advisable.

ARTICLE XI

Nondiscrimination

Schreiner University admits male and female students of any race, color, national or ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the University. Schreiner University does not discriminate on the basis of age, sex, race, color, national or ethnic origin in administration of its educational policies, admission policies, scholarship and loan programs, athletic and other school administered programs. Schreiner University is, and will be, an equal opportunity employer and will not discriminate in employment on the basis of age, sex, race, color, national or ethnic origin.

ARTICLE XII

Employment of Relatives

Section 12.1. Policy

Schreiner University's policy is designed to permit the employment of relatives under such conditions as will prevent the existence or the reasonable perception of conflicts of interest, discrimination or favoritism. The policy is flexible, and it relies upon discretion and common sense for its implementation.

Section 12.2. Definitions

For the purposes of this article, the following words have the following meanings:

(a) "Relative" means a spouse, child, parent, brother, sister, grandparent, grandchild, aunt, uncle, first cousin, corresponding in-law, or step relationship. The term also includes any person living in the household of an employee in a relationship that lacks one or more elements of a legal marriage.

(b) "Employment" means and includes any and all remunerative positions of work for Schreiner, including, without limitation, all offices of the corporation, all faculty and staff positions, hourly paid work and contracts for sale or for work.

(c) "Nepotism" means granting favored treatment or indulging in discrimination in favor of a relative in employment.

Section 12.3. Nepotism Prohibited

Nepotism in the hiring, contracting, supervision, or any form of dealing with employees is prohibited.

Section 12.4. Permitted Relationships and Conduct

Subject to the prohibition of Section 3, the following employment relationships are permitted:

(a) Relatives of trustees or advisory trustees may be employed in any capacity, subject to a majority vote of approval by the board. The related trustee shall abstain from discussion and voting on the question of such employment. Approval of the board is not required for the engagement of students in the ordinary course of work-study programs.

(b) Relatives of the president may be employed by the provost, any vice president or dean, subject to a majority vote of approval by the board, or between meetings of the board, the executive committee. The president shall not participate in the hiring, promotion, fixing of compensation, job assignment or discipline of such relative. All such actions shall be taken by the person having immediate supervision of the relative, subject to normal reporting through normal reporting channels (excluding the president.)

(c) Relatives of other officers may be employed in positions not subject to supervision by the related officer.

(d) Relatives of other employees may be employed to work in the same Schreiner University facility, provided that no direct reporting or supervisory relationship exists between them. In general, no employee is to be permitted to work in the chain of command of a relative, in such manner that one relative's responsibilities, salary, or career progress could be influenced by the other relative.

Section 12.5. Exceptions

If and when the best interests of Schreiner may be served by making an exception to the conditions set out in Section 12.4, the board of trustees may approve such exceptions, by majority vote. Otherwise, exceptions to the rules set out herein are not permitted.

ARTICLE XIII

Conflicts of Interest

Section 13.1. Purpose

Members of the board of trustees of Schreiner University ("Schreiner" herein) are fiduciaries, and therefore owe a duty of loyalty to the institution. It is recognized that board members have other interests, in business and other types of endeavors, which from time to time may conflict with their duty to Schreiner. This conflict of interest policy is designed to provide guidelines which will assist trustees to avoid breaches of their duty to protect the interest of Schreiner when conflicts arise.

Section 13.2. Conflicts Defined

A conflict arises when the exercise of a trustee's rights or powers presents an opportunity for personal gain, or when a trustee's personal interests could or would influence the trustee's action. A potential conflict is always present when the trustee owns any financial interest in a privately held company that seeks to do business or is doing business with Schreiner. On the other hand, an interest as a security holder in a corporation whose securities are listed on any national or regional securities exchange or traded over the counter by members of the National Association of Securities Dealers is unlikely to present a material conflict of interest. In a situation where the trustee has a doubt whether a conflict of interest exists, the trustee should disclose the facts to the board and request it to decide the question.

Section 13.3. Disclosure and Recusal

When it becomes apparent to a trustee that a matter pending before the board gives rise to a conflict of interest, the trustee shall immediately disclose his conflicting interest to the board. He shall thereafter take no part in the deliberations on the matter, and shall refrain from voting thereon. In order to avoid the improper disclosure to the conflicted trustee of sensitive information, he shall, on the request of the chair of the board or a majority vote of the board, absent himself from the board room while the matter is under deliberation.

Section 13.4. Other Matters

A trustee must not use information acquired in the performance of his or her duties as a member of the board to obtain a personal financial benefit. A trustee must not attempt to influence a decision or action by any officer, employee, or agent of Schreiner in order to obtain a personal financial or other benefit.

Section 13.5. Certification

Every member of the board of trustees shall execute and deliver to the office of the president annually, on a form to be provided by Schreiner, a certification that he or she has read the conflict of interests policy, understands it, to the best of his knowledge and belief has complied with it fully in the past, and will in the future comply fully with it.

ARTICLE XIV

Amendments and Adoption

These bylaws were adopted by the board of trustees at its meeting on October 20, 2000. These bylaws shall supersede all other bylaws, all other bylaws being hereby repealed. These bylaws may be amended or repealed at a regular or special meeting by two-thirds vote of the trustees in attendance at such meeting, provided notice of the proposed amendment or repeal has been submitted in writing to each board member thirty (30) days prior to the meeting.