

Caldwell University Bylaws - Final

1.3 Bylaws of Caldwell University

(As amended and approved by CU Board of Trustees June 8, 2021)

Article I - Name

The name of this institution, founded by the Congregation of the Sacred Heart of Jesus of the Third Order of Saint Dominic, a religious community of the Roman Catholic Church, the Sisters of Saint Dominic of Caldwell, New Jersey hereinafter “the Congregation” and incorporated by the State of New Jersey on the tenth (10th) day of August, Nineteen Hundred and Thirty-Nine (1939), shall be CALDWELL UNIVERSITY, hereinafter “the University.”

Article II – Purpose

The purpose for which the University exists is to advance higher education within a Catholic Dominican framework and to confer degrees upon those who successfully complete the prescribed courses of study. This purpose is attained by a commitment to the pursuit of truth in the arts and sciences, instruction in the principles of philosophy and Catholic theology, encouragement of ethical conduct, and development of the spiritual, social and intellectual capacities that characterize a well-rounded adult in an environment that is non-discriminatory and inclusive of all.

Article III – Members of the University

Section 1 – Members

The Members, hereinafter “Members of the University” shall be comprised of the Major Superior (Prioress) of the Congregation, hereinafter “the Prioress” and the Council of the Congregation, hereinafter “the Council.”

Section 2 – Powers of Members of the University

In addition to all the rights and privileges granted by law, the following powers are reserved exclusively for the Members of the University:

- A. To adopt or change the philosophy and mission of the University that underlie its religious, educational and charitable ministry
- B. To appoint or remove the President of the University, hereinafter “the President” upon the recommendation of the Board of Trustees hereinafter “the Board”

- C. To appoint or remove trustees of the Board, hereinafter “Trustees”, upon the recommendation of the Board
- D. To amend the Certificate of Incorporation
- E. To merge, consolidate, dissolve or otherwise change the corporate structure of the University
- F. To approve any and all acts relating to the sale, transfer, purchase, mortgage, subordination of interest or other conveyance of any real property of the University

The governance of the University shall be delegated by the Members of the University to the Board, each body having the duties and discretionary powers set forth in these Bylaws.

Section 3 – Meetings of Members of the University

- A. The annual meeting of the Members of the University shall be held during the month of February
- B. The purpose of the annual meeting of the Members of the University is to address corporate issues related to the powers of the Members of the University
- C. Special meetings of the Members of the University may be called by the Prioress
- D. Members of the University may act without a meeting if, prior to or subsequent to the action, each Member of the University who has been entitled to vote upon the action shall consent, in writing, including electronic communications, to the action. Such written consent(s) shall be filed in the minutes book of the Members of the University
- E. The majority vote of the Members of the University shall control except where a State or Federal statute requires otherwise

Article IV – The Board

Section 1 – Trustees

The Board shall consist of not fewer than fifteen (15) Trustees and not more than thirty-five (35) Trustees, including the President, the Prioress, and one other member of the Council. The Board shall also include at least two (2) and up to three (3) Trustees nominated from among the Congregation.

Section 2 – Trustee Appointment and Election Process

- A. Appointed Trustees:
 - ❖ The President and the Prioress who shall be *ex officio* Trustees

- ❖ A member of the Council who shall be appointed by a majority of the members of the Council

B. Elected Trustees:

The remaining Trustees, which shall include the two (2) to three (3) Sisters nominated from the Congregation as set forth in Article IV, Section 1, shall be elected by a majority of Trustees then in office with the approval of the Members of the University, from among a list of candidates proposed by the Governance Committee.

Section 3 – Term of Trusteeship and Reelection Process

Trustees' terms shall be for a period of three (3) years. Reelection may only occur upon the recommendation of the Governance Committee. Trustees may be reelected for multiple terms, but shall serve no more than three (3) consecutive terms. Following at least a one (1) year hiatus of membership, Trustees may be reelected for up to three (3) additional consecutive terms. Sisters of the Congregation are exempt from term limits. The Officers of the Board, as defined in Article VI, Section 1, are exempt from term limits while serving up to the maximum aggregate term as defined in Article VI, Sections 2, 3 and 4.

Section 4 – Trustee Removal

Any Trustee may be removed for cause or if absent and not excused from two (2) regular meetings by the affirmative vote of two-thirds (2/3) of the Trustees then in office. Cause shall be determined by the Chair of the Board, hereinafter "the Chair," in consultation with the Vice Chair of the Board, hereinafter "the Vice Chair," and the President. Any Trustee may petition the Chair to have a Trustee removed. The Trustee shall be notified and given the opportunity to respond before the Board.

The Chair shall bring any action for removal to the Board for a vote. The action shall be presented to the Members of the University for approval.

Section 5 – Board Vacancies

A vacancy shall occur when a Trustee dies or resigns, or is removed by the Board upon approval by the Members of the University. A vacancy resulting in the number of Trustees falling below fifteen (15) requires the Board to fill the vacancy.

Article V – Trustees Emeriti

A Trustee who has served with distinction for a minimum of three (3) terms and remains committed to the University may, upon the recommendation of the Governance Committee, be

elected as a Trustee Emeritus by a majority of Trustees then in office. A Trustee Emeritus is a lifetime appointment.

Article VI – Officers of the Board

Section 1 – The Officers

The Officers of the Board, hereinafter “Officers” who must be Trustees, shall be the Chair, the Vice Chair, and the Secretary of the Board, hereinafter “the Secretary.” The Chair and Vice Chair shall be elected by a majority of Trustees then in office at the Annual Meeting as defined in Article VIII, Section 1. The Secretary shall be appointed by the Chair.

Section 2 – The Chair

The Chair shall preside at all Board meetings and supervise the preparation of all Board meeting agendas. The term of the Chair shall be three (3) years, annually renewable thereafter for an additional one (1) year, for up to a maximum aggregate term of five (5) years.

Section 3 – The Vice Chair

In the absence of the Chair, the Vice Chair shall preside at Board meetings. The term of the Vice Chair shall be three (3) years, annually renewable thereafter for an additional one (1) year, for up to a maximum aggregate term of five (5) years.

Section 4 – The Secretary

The Secretary shall work to ensure that the records of the Board are accurate and shall sign appropriate documents for the Board as necessary. The term of the Secretary shall be three (3) years, annually renewable thereafter for an additional one (1) year, for up to a maximum aggregate term of five (5) years.

Article VII – Selected Powers and Responsibilities of the Board

In addition to its overall fiduciary duty, the Board shall have the following **selected** powers and responsibilities, subject to the provisions of Article III, Section 2:

- A. Attend Board meetings regularly and participate through active membership on at least one (1) standing committee of the Board
- B. Elect the Chair and the Vice Chair
- C. Elect and/or remove Trustees, subject to approval by the Members of the University

- D. Appoint or remove the President subject to approval by the Members of the University
- E. Promote the mission of the University in the public forum and advocate on its behalf
- F. Contribute and obtain contributions to advance the success of the University's fundraising objectives, and promote and support major fundraising campaigns
- G. Approve the University's annual budget and work to ensure fiscal integrity
- H. Review revisions to University policy manuals when presented, and approve as necessary and appropriate
- I. Approve, modify and terminate departments, degree programs, and fields of concentration
- J. Grant promotions to positions of assistant, associate and full professors and tenure to faculty members
- K. Confer degrees on candidates
- L. Confer honorary and posthumous degrees and award citations for outstanding service to the University
- M. Select and terminate the University's independent auditor(s)
- N. Oversee the University's Endowment Fund, including the periodic approval of an asset allocation strategy and the selection and termination of investment manager(s)
- O. Approve the University's strategic plan and monitor its progress
- P. Periodically assess the performance of the Board
- Q. Amend these Bylaws subject to approval by the Members of the University as set forth in Article XXI

Article VIII – Board Meetings

Section 1 – Regular Board Meetings

Four (4) regular meetings of the Board shall be held during each academic year. The last meeting of the year shall be considered the “Annual Meeting”, at which time any necessary elections shall be held. A written notice of, and agenda for, each such regular meeting shall be sent to each Trustee at least one (1) week in advance of the meeting.

Section 2 – Special Board Meetings

Special meetings of the Board may be called by the Chair, the President, the Prioress, or at the written request of at least five (5) Trustees. The Chair or the Chair's designee shall endeavor to notify each Trustee at least forty-eight (48) hours in advance of the special meeting, stating the date, time and place of such meeting, the purpose(s) for which the meeting is being called, and providing instructions for remote participation. No business shall be transacted at a special meeting that does not relate to the purposes stated in the notice.

Section 3 – Board Quorum

A simple majority of Trustees then in office shall be necessary to constitute a quorum for the transaction of business. A simple majority vote of those present at a meeting for which there is a quorum shall be sufficient for any action, except as may be specifically provided otherwise by these Bylaws or the Articles of Incorporation.

Section 4 – Proxy

A Trustee may authorize the Chair or chair of a committee to vote on his or her behalf by proxy. A proxy shall be submitted in writing and the designated chair shall vote accordingly. The proxy shall be noted within the minutes of the meeting. A proxy shall be valid only for the issue(s) specified within the proxy and shall be revocable by the authorizing Trustee at will.

Section 5 – Participation in Meetings

Physical attendance at all meetings is preferred and encouraged. Trustees may participate in meetings remotely, by means of telephone, video conference, or any comparable mechanism that allows all meeting participants to hear each other simultaneously. Trustees participating remotely should ensure that they are fully engaged and that their remote location does not cause disruption to the meeting. Participation by such means shall constitute attendance at the meeting(s).

Article IX – Vote Without Formal Meeting

Any vote taken by the Board or any committee may be initiated without a formal meeting. Documentation of the vote must be recorded. Electronic consent shall be acceptable.

Article X – Committees

Section 1 – Nature of Committees, Committee Membership and Committee Vote

There shall be an Executive Committee and standing committees of the Board. Members and chairs of standing committees shall be designated annually by the Chair. Each standing committee shall include a chair and at least three (3) additional Trustees. Additional committee

members, including persons who are not Trustees, may be appointed as stipulated in the committee charter(s). The chair of each standing committee and a majority of its members shall be Trustees.

The Chair, the Vice Chair and the President shall be *ex officio* members of all standing committees except the Audit Committee, but shall not count towards a quorum. All committee members have voice; only Trustees, with the exception of the Vice Chair in the capacity of *ex officio*, may vote.

Charters for all standing committees and the Executive Committee are contained in the Board Manual.

Section 2 – Committee Liaisons

The President shall appoint liaison(s) to serve between the Executive and standing committees and the President. Liaison(s) shall assist their respective committee(s) in carrying out its duties.

Section 3 – Committee Meetings, Reports and Quorums

All standing committees shall endeavor to meet prior to each Board meeting, except as otherwise stipulated in the committee charter(s). Minutes shall be recorded and approved, and subsequently provided to the Board. A simple majority of any committee shall constitute a quorum of that committee for the transaction of business. A simple majority of voting members of those present at a meeting for which there is a quorum shall be sufficient for any action.

Section 4 – Executive Committee

The purpose of the Executive Committee is to support the leadership of the University.

Section 5 – Audit Committee

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the University's financial reporting process, the system of internal accounting controls, the audit process, and the process(es) for monitoring compliance with laws and regulations and the code of ethics.

Section 6 – Finance Committee

The purpose of the Finance Committee is to oversee the University's efforts to ensure fiscal stability and long-term economic health.

Section 7 – Governance Committee

The purpose of the Governance Committee is to oversee overall Board governance and work to ensure that Trustees are prepared to exercise their fiduciary duties.

Section 8 -Compensation Committee

The purpose of the Compensation Committee is to evaluate the performance of and establish compensation for the President.

Section 9 – Other Committees

The Chair may create and establish such other standing committees of the Board along with *ad hoc* committees, as the Chair shall, from time to time, determine and, in his/her discretion, may discontinue any standing or *ad hoc* committee(s).

Article XI – Officers of the University

The Officers of the University shall be the President, the Vice President for Finance, the Vice President for Operations, the Vice President for Development and Alumni Affairs, the Vice President for Student Life, the Vice President for Academic Affairs, and the Vice President for Enrollment Management and Communications.

Article XII – Selection, Term, and Powers and Duties of the President

When a vacancy occurs in the office of the President, the Chair shall appoint a presidential search committee. The presidential search committee shall include representatives from the Board, the Congregation, and the University community. The Board shall authorize the presidential search committee to move forward with the search. First consideration for the position of President shall be given to a Sister of the Congregation. If there is no such qualified Sister of the Congregation, the presidential search committee shall include as candidates for the position of President qualified applicants who have demonstrated a commitment to the mission of Catholic higher education. The recommendation of the Board is subject to approval by the Members of the University.

The President shall serve for a term not to exceed five (5) years, which may be renewed for up to five (5) years at the end of the first or successive terms.

The President shall be the Chief Executive Officer of the University and the official advisor to the Board. The President shall serve as the educational and administrative head of the University, and bring appropriate matters to the attention of the Board in order to keep the Board fully informed and able to meet its fiduciary responsibilities. The President shall have the power, on behalf of the Trustees, to perform all acts and execute all documents to make effective the actions of the Board. In the event the President is unable to perform her/his duties for an extended period of time as determined by the Board, the Board shall have the authority to appoint an acting president.

Article XIII – Fiscal Year

The fiscal year of the University shall begin on July 1 and end on June 30 of the following year.

Article XIV – Governance of University Organizations

Organized bodies recognized within the structure of the University shall function under a constitution, bylaws, and/or other organizational document(s) consistent with these Bylaws and shall be subject to the approval of the Board when so requested by the President.

Article XV – Indemnification

Each Trustee and Officer of the University shall be indemnified by the University to the extent permitted by Section 3-4 of Title 15A of the New Jersey Statutes as the same may be amended from time to time, against all liability, costs and expenses actually and necessarily incurred by such Trustee or Officer of the University in connection with the defense of any action, suit, or other proceeding, to which the Trustee or Officer of the University has been made a party by reason of having been a Trustee or Officer of the University, except that no indemnification shall be made in relation to matters as to which a Trustee or Officer of the University shall be adjudicated in an action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of duty.

Article XVI – Conflict of Interest

Each Trustee is required to read, sign, and be bound by a Conflict of Interest Policy as part of the Trustee's orientation, and annually thereafter. A copy of the Conflict of Interest Policy and form for Trustee signature is contained in the Board Manual.

Article XVII – Discrimination Prohibited

The Board and the University shall adhere to the discrimination policy contained in Volume II of the University Policy Manual.

Article XVIII – Dissolution of the University

The University, recognizing its debt and obligation to the Congregation, as the source of its institution in 1939 and the grantor by gift of its original and present major campus in Caldwell, New Jersey, its initial financial support, and the services rendered, and to be rendered, by the Prioress and significant numbers of Sisters of the Congregation, specifically and forever directs that, upon dissolution of the University for any reason, the assets of this University, being rendered free and clear of all debts and obligations, shall be distributed to the Congregation to use as it sees fit. The Members of the University shall seek a Court Order directing that all assets of the University shall be distributed to the Congregation, which qualifies under provisions of Section 501(c) (2) and 501 (c) (3) of the Internal Revenue Code, as they now exist, or as they may be later amended.

Upon dissolution, no individual in any capacity in the University shall have any interest in, nor be entitled to any share of distribution of, any remaining assets of the University available after payment of all debts.

In the event that the Congregation merges with another religious congregation or ceases to exist, the Members of the University, after consultation with the Board and the University administration, shall determine the status of the University.

Article XIX – Books and Records

The University shall keep books and records of account and minutes of the proceedings of the Board.

Article XX – Remuneration

Trustees and Officers shall serve without remuneration for their services as Trustees and Officers, but may receive reimbursement for reasonable expenses incurred on behalf of the Board as determined by the Chair in consultation with the President.

Article XXI – Review and Amendment

Section 1 – Review of Bylaws

Periodically, but at least every five (5) years, a committee of Trustees shall review these Bylaws and suggest any necessary changes.

Section 2 – Amendment of Bylaws

These Bylaws may be changed or amended at any meeting of the Board, provided that a copy of each proposed amendment or change is sent to each Trustee at least one (1) week in advance of the meeting at which the proposed amendment or change shall be moved for adoption. Notwithstanding the foregoing, no change may be made to these Bylaws which would affect the rights and privileges of the Members of the University, as set forth in Articles III and IV, without the affirmative vote of two-thirds (2/3) of the Members of the University.