



CORPORATE BYLAWS

OF

**UNIVERSIDAD CARLOS ALBIZU (CARLOS
ALBIZU UNIVERSITY), INC.**

**Revised on June 25, 2019
and amended on December 20, 2019**

CONTENT

ARTICLE AND SECTION	PAGE
ARTICLE I. NAME, GOVERNING BODY, LEGAL GROUNDS	1
Section 1.1 Corporate Name	1
Section 1.2 Governing Body	1
Section 1.3 Corporate Bylaws	1
Section 1.4 Legal Grounds	1
ARTICLE II. BOARD OF TRUSTEES	1
Section 2.1 Composition	1
Section 2.2 Emeriti Trustees	1
2.2.1 Selection Criteria	1
2.2.2 Privileges and duties associated with designation	2
2.2.3 Removal	2
Section 2.3 Powers Vested on the Board of Trustees	2
Section 2.4 Powers and Authority of the Board	2
Section 2.5 Legal Duties	4
Section 2.6 Qualifications	5
Section 2.7 Inspection of Books	5
Section 2.8 Votes	6
Section 2.9 Service without Compensation, nor Proprietary Interest	6

ARTICLE AND SECTION	PAGE
Section 2.10 Nominations	6
Section 2.11 Term of Office	6
Section 2.12 Elections	7
Section 2.13 Vacancies	7
Section 2.14 Resignation	7
2.14.1 Voluntary Resignation	7
2.14.3 Implicit Resignation	8
Section 2.15 Removal	8
 ARTICLE III. MEETINGS OF THE BOARD OF TRUSTEES	 8
Section 3.1 Annual Meeting	8
Section 3.2 Regular Meetings	8
Section 3.3 Special Meetings	8
Section 3.4 Executive Meetings or Sessions	9
Section 3.5 Meetings by Means of Remote Communication	9
Section 3.6 Quorum, Participation, and Decision Making	9
3.6.1 Quorum	9
3.6.2 Participation	9
3.6.3 Decisions	10
3.6.4 Secret Vote	10
Section 3.7 Notice of meetings	10
3.7.1 Regular meetings	10

ARTICLE AND SECTION	PAGE
3.7.1 Regular meetings	10
3.7.2 Special and Annual Meetings	10
3.7.3 Emergency Meetings	10
3.7.4 Waiver of Remittance of Supporting Documents	10
3.7.5 Meetings to Amend Bylaws	11
3.7.6 Waiver of Notice	11
Section 3.8 Minutes of Meetings	11
ARTICLE IV. OFFICERS OF THE BOARD OF TRUSTEES AND THEIR DUTIES	11
Section 4.1 Officers	11
Section 4.2 Elections	11
Section 4.3 Duties of Officers	12
4.3.1 Duties of the Board of Trustees Chair	12
4.3.2 Duties of the Board of Trustees Chair Elect	13
4.3.3 Duties of the Board of Trustees Secretary	13
4.3.4 Duties of the Board of Trustees Treasurer	14
Section 4.4 Board Officers' Vacancies	14
ARTICLE V. THE PRESIDENT	15
Section 5.1 Election of the President	15
Section 5.2 Hiring of the President	15

ARTICLE AND SECTION	PAGE
Section 5.3 Evaluation of the President	15
Section 5.4 Authority of the President	15
Section 5.5 Duties and Responsibilities of the President	16
ARTICLE VI. EXECUTIVE COMMITTEE	18
Section 6.1 Composition	18
Section 6.2 Regular meetings	18
Section 6.3 Special meetings	18
Section 6.4 Powers of the Executive Committee	18
ARTICLE VII. COMMITTEES AND TASK FORCES OF THE BOARD OF TRUSTEES	19
Section 7.1 Standing and Special Committees	19
Section 7.2 Composition of the Committees	19
Section 7.3 Task Forces	19
Section 7.4 Limitations	19
Section 7.5 General Responsibilities of the Committees	20
Section 7.6 Academic and Student Affairs Committee	20
Section 7.7 Audit, Compliance and Institutional Integrity Committee	21
Section 7.8 Capital Development and Institutional Advancement Committee	23
Section 7.9 Finance, Investments, Compensation, and Planning Committee	24
Section 7.10 Development and Conservation of Institutional Infrastructure Committee	26

ARTICLE AND SECTION	PAGE
Section 7.11 Nominations and Governance Committee	27
ARTICLE VIII. ADMINISTRATIVE OFFICER OF THE BOARD OF TRUSTEES	28
Section 8.1 Administrative Office of the Board of Trustees	28
Section 8.2 Duties of the Administrative Officer	28
ARTICLE IX. CONFLICT OF INTERESTS	29
Section 9.1 Institutional Policy	29
Section 9.2 Code of Ethics	30
Section 9.3 Applicability	30
ARTICLE X. INDEMNIFICATION, ADVANCES, EXPENSE PAYMENTS AND INSURANCE	30
Section 10.1	30
Section 10.2	30
Section 10.3	31
Section 10.4 Insurance	31
ARTICLE XI. MISCELLANEOUS PROVISIONS	32
Section 11.1 The Corporate Seal	32
Section 11.2 Fiscal Year	32
Section 11.3 Parliamentary Authority	32

ARTICLE AND SECTION	PAGE
ARTICLE XII. AMENDMENT, REPEAL OR ADOPTION OF CORPORATE BYLAWS	32
ARTICLE XIII. INTERPRETATION	32
ARTICLE XIV. SEVERABILITY CLAUSE	33
ARTICLE XV. EFFECTIVE DATE	33
ATTESTATION	34
APPENDIX	35
DEFINITIONS OF TERMS	35

ARTICLE I. NAME, GOVERNING BODY, LEGAL GROUNDS

Section 1.1 Corporate Name

The name of this corporation shall be Universidad Carlos Albizu (Carlos Albizu University), Inc., herewith CAU.

Section 1.2 Governing Body

The governing body of this corporation shall be known as Board of Trustees.

Section 1.3 Corporate Bylaws

This set of rules shall be known as CAU's Corporate Bylaws.

Section 1.4 Legal Grounds

These Bylaws are enacted by the powers conferred upon the University by Law No. 164 of December 16, 2009, also known as the General Corporation Law of Puerto Rico, all the applicable federal and state laws and regulations, and the university's Certificate of Incorporation.

ARTICLE II. BOARD OF TRUSTEES

Section 2.1 Composition

CAU's Board of Trustees shall be composed of no fewer than nine (9) members, nor more than eighteen (18), as determined by the Board itself. All members shall be external and independent.

One Board member shall be an alumnus of the University duly validated in the exercise of his or her profession, with a valid license, with no fewer than three (3) nor more than eight (8) years following graduation. This person shall have the same rights, powers/privileges and responsibilities as the other trustees, and in no way shall it be understood that he/she has any representative capacity for the university's alumni group, or that the person is a delegate of that body.

The President shall participate in the Board meetings, the meetings of the Executive Committee and executive meetings, and in the executive sessions that are a part of the annual, or special, meeting by invitation; and in the standing and special committees' meetings of the Board, with voice but not voting right and is not a member of the Board. See ARTICLE V, Section 5.5.1.

Section 2.2 Emeriti Trustees

The Board of Trustees, by recommendation of the Nominations and Governance Committee, may, by an affirmative vote of two-thirds (2/3) of the acting trustees, honor past members of this body by granting them the honorary title of Trustee Emerita of the Board. This title, which will be preserved for life, will be granted to honor an ongoing relationship of exceptional services to this body and the university for the advancement of its mission.

Section 2.2.1 Selection Criteria

The selection criteria will be the following:

- a minimum of nine consecutive years of service to the board,

-extraordinary contribution and achievements for the advancement of the mission of the university.

2.2.2 Privileges and duties associated with the designation

Trustees Emeriti, by invitation, may participate in meetings of the board, its committees and its working groups. If present, they will have the right to voice. They will not have the right to vote and will not count for a quorum. Their role or participation in these meetings will be as advisors or counselors according to their experience and professional profile. They may also participate in institutional philanthropic efforts.

As distinguished members of the university community, by formal invitation, they may participate in academic and other activities at the university.

They will be excused from the meetings of the Executive Committee, the executive sessions of the board and the committees, and the consideration of topics in which attorney-client privileged information is disclosed.

In their capacity as Trustees Emeriti, they shall be exempt from the fiduciary responsibility to which the regular members of the board are bound by law.

2.2.3 Removal

Section 2.15: Removal, shall apply to Emeriti Trustees.

Section 2.3 Powers Vested on the Board of Trustees

The Corporation shall not have members nor associates as defined in terms of the existing General Corporation Law or as it may be amended in the future. Any corporate decision, determination or action that requires the approval of its members or of a specific portion of the membership requires only the approval of the Board of Trustees. Any power, authority, right or privilege inherent to the members or associates or that the law confers upon them, including but not limited to the power to elect trustees or nominate officers and approve organic or special changes, shall be considered conferred to and vested upon the Board of Trustees. As such, the trustees have a dual capability as members the Board.

Section 2.4 Powers and Authority of the Board

The powers and authority of the Corporation that include but are not limited to those mentioned here shall be exercised by the Board of Trustees for the benefit of the University, education, and the community; and for promoting the institutional goals and objectives to fulfill such purposes.

The Board has, among others, the following powers and authorities:

2.4.1 Determine, review and periodically amend if necessary the Vision, Mission, and Values of the University and those of its academic units.

2.4.2 Nominate and hire the President, who shall perform his or her job at the will and discretion of the Board of Trustees. Any contract, terms and conditions of the nomination shall be subjected to the authority of the Board, as long as it is done in compliance with the applicable legal code. Nothing of what is here provided shall impede Indemnification to the

President as agreed in his or her contract if the Board exercises the power to remove from office without cause, before the end of his or her contract.

2.4.3 Delegate to the President, subject to supervision of the Board, the power to manage the institution and the responsibility for implementation and execution of institutional policies duly approved by the Board; and the promotion and disclosure of the institutional Mission.

2.4.4 Periodically support and evaluate the university president's fulfillment of his/her duties and responsibilities, in accordance with the performance evaluation criteria approved by the Board of Trustees for this purpose. Establish and review the president's compensation when deemed pertinent.

2.4.5 Delegate to the President the leadership of the University's strategic planning process which the Board will take part, approve and periodically evaluate its progress.

2.4.6 Set goals, design strategies and adopt corporate policies to achieve sustainability and fiscal integrity for the University. Provide fiscal oversight and be directly involved in institutional activities for capital development through fund raising from external sources.

2.4.7 Establish the necessary policies to sustain the highest levels of academic quality and set standards for compliance and establish the systems for their supervision with the prior evaluation and recommendation(s) of the pertinent committee(s).

2.4.8 Authorize and award academic degrees, posthumous degrees and honorary doctoral degrees conferred by the university.

2.4.9 Establish and keep current the institutional policies for all University areas and order the implementation, through the respective committees, the internal control systems and the mechanisms to guarantee compliance with them to include, among others, an evaluation of the internal controls regarding financial reports and the specific programs they receive. Also, through the Audit, Compliance and Institutional Integrity Committee, evaluate jointly with the external auditors if it represents an audited institution that is at high or a low risk, to determine the degree of internal or external auditing necessary.

2.4.10 Establish policies to preserve and protect institutional autonomy and protect it from external intervention, and safeguard academic freedom in the context of the subjects being taught or researched at the University.

2.4.11 Shall have the power to borrow money when according to its judgment it is reasonably appropriate for managing the affairs of the University, for its own benefit, and in accordance with its purpose, Vision, Mission, and goals. In such cases, the Board of Trustees may authorize the officers specifically designated from time to time to sign checks, money orders or other forms of payment sign banker's acceptances, notes, bonds, securities, titles, or any other form of evidence of debt, on behalf of the University; sign contracts or execute and deliver other documents and instruments. The Board shall have full and exclusive power to mortgage University property or any portion of it as collateral to guarantee such debts.

2.4.12 In accordance with applicable law, with previous recommendation from the President of the University, in consultation with the pertinent committee, the nomination and conditions for employment of the institutional executive officers in charge of Finance, Human Resources, Academic Affairs and any other area within the institution to be determined in the future, approve their employment contracts before they are granted as well as the decision to not renew them, their removal or dismissal.

With regard to the officer who directs the office or the functions of internal auditing as with the compliance officer, the provisions in Article VII, Section 7.7 shall apply.

2.4.13 Work shall be conducted in an exemplary manner and with due transparency. Through the Nominations and Governance Committee and in coordination with the Chair of the Board, shall outline the selection and orientation of new trustees, provide continuing education for those in office, and periodically and independently from the Board collective assess its committees and its members individually, addressing effective performance of said capacities and the composition, structure, and corporate policies based upon compliance with the University's Vision, Mission, and Values.

2.4.14 In agreement with the University President, the Board shall keep open communication with the constituent groups of the University: Faculty, Administration, and Students. And will participate regularly in their activities.

2.4.15 Uphold a governance structure with a deliberate and systematic plan to assure continuity of leadership on the Board and in management.

2.4.16 Appoint an External Advisory Council to the Board of Trustees consisting of volunteers with recognized expertise, skills and experience to strategically complement the capabilities and qualifications of the Board of Trustees. The Council 's mission, function, structure, composition and the qualifications to become its member, among other things, shall be established in the bylaws of the Council.

In their capacity as voluntary advisors, the Council's members shall be immune from civil liability, subject to the provisions established in the above-mentioned bylaws, and shall not receive remuneration for their services.

2.4.17 According to the General Corporation Law of Puerto Rico it may delegate to standing and special committees the authority of the Board of Trustees, except for those specifically forbidden by Law.

2.4.18 It shall exercise any other power compatible with the laws of the Commonwealth of Puerto Rico, and with those of the United States of America that apply, as well as with provisions of regulatory or accrediting agencies paying attention to the specific cultural, social, economic and legal circumstances of the jurisdictions where the University operates.

Section 2.5 Legal Duties

2.5.1 The corporation's officers and other trustees, as well as the president and executive officers of the university, are obliged to dedicate to corporate affairs and to the performance of their duties the attention, care, loyalty, and compliance with applicable laws and regulations that under similar circumstances a trustee or capable responsible officer would perform in good faith using their best judgment when making decisions. All shall be liable if they incur in gross negligence when performing their obligations and duties of their positions, subject to the criteria that govern the granting of indemnification, reimbursement for expenses, and advanced expenses as per the General Corporation Law de Puerto Rico, by the Certificate of Incorporation, by these Bylaws and by policies adopted by the Board.

All corporate matters shall be managed under the supervision of the Board of Trustees and all delegation of authority to manage all University affairs shall be done under its supervision, primarily through its three (3) supervisory committees: Audit, Compliance and Institutional Integrity; Finance, Investment, Indemnification and Planning; and Nominations and Governance.

2.5.2 It is the duty of the Board, through its committees, to oversee, to make sure that the University is managed according to applicable federal and state laws, regulations, accreditation standards, and best academic, administrative, financial and corporate governance practices, as they are adopted by the Board following evaluation and recommendation of the respective Board committees.

Section 2.6 Qualifications

Each member of the Board of Trustees of CAU must be an honest citizen, of good reputation, competent, and with practical knowledge of all that entails the leadership and supervision of a corporation's affairs. Individual capability and availability for selfless service are two (2) of the minimum criteria for nomination, election and service on their respective offices. They must not be employees of the University, or have any other relationship that is to their benefit directly or indirectly. They must be willing to perform their duties and be fully disposed to learn in depth about the Institution. They must be willing, without reservations, to dedicate their efforts to fulfill the responsibilities that being trustees entail, by serving and participating actively in University affairs and making a commitment to its Mission. All according to sections 2.1 (Composition of the Board) and 2.9 (Service without Indemnification), with reference to the nature of external and independent members. Trustees must be sensitive to the needs and interests of Students, Faculty, and Administration; as well as the interests of education and the community in general and must be keenly aware of the special nature of the problems of education.

Trustees must be individuals with such attributes as: strength of character, independent judgment, inquisitive mind, maturity in judgment, imagination, leadership, initiative, and the capability to work in an environment of dialogical fluidity within a collegial framework. In addition, they must be willing to recognize the non-political, non-partisan nature of the University, have commitment to philanthropy and enthusiasm to show leadership through voluntary service.

It is the duty of the Board to periodically assess its own performance and that of the committees and its members. Ideally, said assessment must be carried out with the support of external advisors whenever possible.

Section 2.7 Inspections of Books

The members of the Board of Trustees may only inspect corporate books, records, and documents while being members of the Board of Trustees, and when there is an appropriate purpose related to the corporation's compliance of its purpose and objectives and with fulfilling a legal duty of a member of the Board of Trustees. Said inspection may not be related in any way to personal, pecuniary or interest of said member. It must not have the effect to interrupt an ongoing external or internal audit or external or internal investigation, nor the compliance with the duty to prepare and submit reports to the Board, its committees, accreditation entities, nor any state or federal agency or instrumentality. Thus, it may not interrupt the process of evaluation by any public agency or instrumentality, or the process of self-assessment of the Board of Trustees, its committees or of the President of the University. All books, information, records, communications or documents to which the trustee may gain access, as a consequence of an inspection or in the course of performing his or her job as trustee, is the property of the University and, also, of a confidential nature.

Section 2.8 Votes

Each member will be entitled to one (1) vote only. And no vote may be through proxy.

Section 2.9 Service without Compensation, nor Proprietary Interest

Board members shall have no proprietary interest by reason of being trustees, nor have vested rights of a contractual or of any other nature, except the right to indemnification, advances for expenses and other related expenses, subject to what is provided by these Bylaws, the Certificate of Incorporation, federal, state and applicable laws and regulations that determine and regulate its character as an exempt institution. Nor shall they have any right to the common use and benefit of the properties and assets of the Corporation. Membership on the Board of Trustees only carries the privilege and not the right, to serve for the general welfare, education, and the community as a member of the Board of Trustees, whose office is a relationship strictly of privilege subject to what is provided through the Certificate of Incorporation, these Bylaws and the laws and regulations that are legitimately applicable.

No member of the Board of Trustees, or of the committees will be compensated nor remunerated for performing his or her functions. However, the Board may reimburse reasonable expenses incurred by members of the Board and of its committees in the course of performing their duties as such when provided with documentary evidence and authorization. Such reimbursements will be subject to the principles set forth in the General Law of Corporations of Puerto Rico, in the state and federal Internal Revenue Codes, in any other body of law that governs exemptions in those places where the university is located, in the provisions of the Certificate of Incorporation, in these by-laws, and in any applicable policies.

Section 2.10 Nominations

Nominations to the Board shall be submitted by its members, guided by the qualifications stipulated in Sections 2.6 (Qualifications) and 2.9 (Service without Compensation) of these by-laws and by any applicable policies for the identification, recruitment and election of trustees.

Board members shall nominate candidates who can diversify the Board's current views and look after the best interests of the institution, while complying with the Board's Conflict of Interest Policy, as provided for in Article IX, Section 9.1.

Nominations shall be evaluated by the Nominations and Governance Committee, as provided for in Section 7.11. This Committee shall select the best candidates and submit their recommendation to the Board for its consideration.

Section 2.11 Election

Trustees shall be elected at an official board meeting (ordinary, extraordinary, or annual) by an affirmative vote of three quarters of the trustees present.

Section 2.12 Terms of Incumbency and Evaluation

The incumbency of regular trustees shall be three (3) years, and shall be limited to four (4) consecutive terms. They may be re-elected after one (1) year off the Board.

In order to address situations of an imperative nature, the Board, through an affirmative vote of 2/3 of the trustees present at an official meeting, and subject to the applicable regulatory framework, may extend the trustee's incumbency once the trustee has finished the maximum limit of consecutive terms of service.

The incumbency of the trustee who is an alumnus of the institution, and who fulfills the characteristics set forth in Section 2.1, shall be two (2) years. This trustee may be re-elected for an additional term of two (2) years. Once this second term has expired, and for reasons justified through prior performance evaluations by the Executive Committee, this trustee may be nominated and re-elected to serve as a regular trustee for a maximum of two additional three-year terms.

All trustees shall take office at any time of the year after their initial orientation and oath of office. The date of the meeting of the Board on which the third year of each term is fulfilled, in the case of regular trustees, or the second year, in the case of the alumnus trustee, shall mark the expiration of the terms.

Pursuant to Section 2.6 (Qualifications) the Board shall conduct a periodic analysis of its members' performance. This shall take place prior to the anniversary date of their periods of incumbency .

In order to facilitate an orderly renewal of its members, the Board may stagger their departures using the evaluation of each trustee, made prior to the beginning of the person's latest allowed consecutive term.

The outcome of these evaluations shall be reported to the Board with the relevant recommendations.

The period of incumbency for the members of the Board of Trustees shall not be affected by an increase or decrease in the number of trustees.

Section 2.13 Vacancies

2.13.1 The term “vacancy” refers to the number of unoccupied seats or positions within the maximum number set out in Section 2.1 (Composition).

2.13.2 The Board of Trustees may hold elections of trustees to fill vacancies that arise at any moment, or to fill positions created as a result of an increase in the composition of the Board members, which shall not exceed the maximum amount established by Section 2.1 (Composition). Such elections shall be held in accordance with the procedures set out in Section 2.12 (Election) of this article.

2.13.3 Any trustee chosen to fill a seat or position as a regular member shall begin serving his or her first three-year term, while any person chosen to fill the seat of the alumnus trustee shall begin serving his or her first two-year term. In both cases, they may be re-elected for additional terms up to the maximum number of consecutive terms allowed.

2.13.3 When one or more vacancies occur, the remaining trustees may fill the same through a valid affirmative vote of the majority then in office, although this number may be less than the minimum of the trustees required for composition of the Board should be composed of and less than the number of trustees necessary to constitute quorum, according to the procedures established in Article III, Section 3.6.1 Quorum.

Section 2.14 Resignations

2.14.1 Voluntary Resignation

A trustee may resign at any time as long as she or he gives notice to the Chair of the Board, the Administrative Officer or the Nominations and Governance Committee, in writing or by electronic communication. Said resignation shall be effective on the date of the notice. Should the written notice not specify a date, the notification of acceptance shall not be necessary for it to be effective, regardless of any indication to the contrary.

In the event the resignation is not made in writing, the Executive Committee shall confirm the resignation by letter or electronic communication.

If a regular trustee resigns during his or her term of incumbency, he or she may be re-elected one year after the resignation. That person may serve full terms up to the maximum consecutive terms he or she would have been permitted in the original election.

2.14.2 The power to accept trustees’ resignations or to fill vacancies may not be delegated to any committee. Election of trustees is the sole prerogative of the Board, be it the instance of a regular election or to fill vacancies.

2.14.3 Implicit Resignation

When a trustee is absent for three (3) consecutive meetings, be they regular, special or the annual board meeting without due excuse the Board may consider it as having resigned and thus the position is vacant and may elect a substitute to fill it.

Section 2.15 Removal

The trustees shall serve at the sole discretion and will of the Board of Trustees, subject to the provisions in Section 2.6 (Qualifications) of this Article. This includes any relationship with the university in such capacity and in those that by virtue or by relation of their position were performing.

The trustees may be removed with or without just cause by the affirmative vote of two-thirds (2/3) of the total trustees of which the board is composed, excluding vacancies and the vote of the trustee whose removal is requested. As applicable, this provision shall be extended to those trustees who have been distinguished with the honorary title of Trustee Emeritus or Trustee Emerita.

ARTICLE III. MEETINGS OF THE BOARD OF TRUSTEES

Section 3.1 Annual meeting

The Board of Trustees shall hold an annual meeting to take place within four (4) months from the closing of the fiscal year, in or outside Puerto Rico, on the date, time and place determined by the Board.

The agenda, among other topics, shall every year include the following: (a) a report of the standing and special committees, including the Executive Committee, (b) a report from the university's president, and (c) an executive session. The reports shall include a summary of what took place during the year, as well as future projections.

Every two (2) years, the agenda will also include (a) the nomination and election of Board officers, (b) the nomination and election of the Nomination and Governance Committee, including the nomination and election of its president, and (c) the nomination to update the composition of standing and special committees and their chairs.

Section 3.2 Regular Meetings

The Board of Trustees shall hold a minimum of three (3) regular meetings per year at the date, time, and place set by the Board. The agenda of these meetings must include, among other topics, (a) reports from standing and special committees, including the Executive Committee, (b) the report of the president of the university, which shall indicate whether the university's strategic objectives are being met, in addition to any other matter the president or the Board of Trustees considers appropriate or necessary to submit, and (c) an executive session.

Section 3.3. Special Meetings

An Extraordinary Meeting is a meeting called to address one or more specific issues that, because of their urgency, cannot wait until the next regular board meeting. Extraordinary meetings shall be held to deal exclusively with organic or extraordinary changes, when necessary, as determined by the Board or its Executive Committee, or through a written request, submitted to the Chair of the Board, by no less than one-third of the total number of trustees that make up the Board. Such requests shall contain the specific reasons for the request. The Executive Committee shall set the date, time and place of such meetings, taking into account the urgency of the matter(s) requested to be considered. The meeting shall be held no later than fifteen (15) calendar days after the written request.

Section 3.4 Meeting in the Event of an Emergency or Catastrophic Situation

The Board of Trustees may hold emergency meetings at any time. An “emergency” is defined as an unforeseen circumstance that requires immediate attention and possible action by the Board to protect the interests of the university. The immediate need for a meeting makes regular notices and the delivery of support documents to the board members impractical or impossible.

In these cases, the Board Chair, the Chair-elect, or two members of the Board will give notice of the emergency meeting by telephone, remote means of communications, the university’s website, or through the public media providing notification services. The meeting may be held in person, by telephone, or by remote means of communication.

Board members considered to be present shall constitute a quorum. The agenda will deal with the emergency situation only.

A record of the meeting shall be drawn up, including (a) a list of the board members attempted to be notified, (b) the list of those who were able to come and considered present, and (c) any action taken. If possible, a copy of the minutes will be sent to the board members within ten (10) days.

Section 3.5 Executive Meetings or Sessions

In order to consider matters that deserve special and private treatment, the Board of Trustees may convene executive meetings, as well as executive sessions as part of each annual, ordinary or extraordinary meeting. These meetings or sessions shall be held exclusively with the participation of the members of the Board of Trustees.

Other persons, such as officers, management personnel, faculty or consultants, may be invited by the Board to all or part of an executive meeting or session, as necessary. Members of the External Advisory Council and emeritus trustees shall be excused from these executive meetings or sessions.

Section 3.6 Meetings, Attendance and Participation by Electronic Means

3.6.1 Meetings

In addition to the meetings described in the preceding paragraphs, the Board of Trustees may, at its discretion, decide that a meeting will not be held at a specific location, but will be held by electronic or remote means of communication.

3.6.2 Attendance and Participation

At any meeting of the Board, the Executive Committee, or other committees, held in whole or in part by electronic means of communication, Board members shall be deemed present and may vote, provided that:

- (a) those participating in the meeting can hear each other simultaneously, (b) the university establishes reasonable measures to verify the identity of each trustee considered present and who is allowed to vote at the meeting, (c) the university implements reasonable steps to provide such trustee(s) with a reasonable opportunity to participate in the meeting and to vote on matters submitted for consideration by the meeting, including an opportunity

to read or hear the meeting procedures substantially at the same time as such procedures are taking place and (d) if any trustee votes or exercises any other action, a record of such votes or actions is kept.

Any trustee who participates remotely in a meeting must exercise his or her good judgment and care to prevent unauthorized or improper disclosure of privileged and confidential information. For purposes of the record, the person shall certify that he or she is (a) at a private place and (b) alone, unless accompanied by another person who is needed or required. The person will also use an appropriate volume level.

Section 3.7 Quorum, Participation, and Decisions

3.7.1 Quorum

Two thirds (2/3) of the total membership of the Board, excluding vacancies, shall constitute quorum for regular, special or annual meetings. The quorum requirement shall also apply to the Executive Committee and to all committees, with the understanding that the calculations will be done on the basis of the total number of trustees that make up the governing body and the participation through all authorized media as the case may be. Once quorum is determined, the exit of any number of trustees from the meeting, shall not deprive the meeting from it.

3.7.2 Decisions

The aggregate vote of the majority of trustees considered present at a meeting where there is a quorum shall be sufficient to approve the Board's decisions, except in cases for which the Certificate of Incorporation or these by-laws establish a higher proportion. No agreement will be made for extraordinary decision-making, such as amendments to the Certificate of Incorporation or by-laws; the sale, lease, exchange or disposal of substantial assets; mergers or consolidations; recommendations of dissolution; recommendations for the revocation of a dissolution recommendation; authorization of the voluntary dissolution of the university; or the adoption of a plan for the distribution of the university's assets, unless there is an aggregate affirmative vote of two thirds (2/3) of the total number of members of the Board considered present at a meeting, except where a higher proportion is required under the provisions of the Certificate of Incorporation or these by-laws. Notices for this category of matters shall be given no less than ten (10) days before the date of the meeting.

3.7.3 Secret Voting

The secret voting procedure shall be used in cases where, in an election process, there is more than one candidate for a position. In addition, the request, in writing or electronically, by one trustee, shall suffice to decide any other type of vote.

Trustees shall exercise their right to a secret vote in writing or through the use of a computerized, electronic or similar mechanism, or based on technologies that may arise in the future. These systems shall be designed or programmed in such a way that the procedure for casting the vote is the simplest and most manageable for a person with limited knowledge of technological means, and where the trustee can check whether or not his or her vote

corresponds to his or her will, and the trustee is warned, prior to taking action, that his or her vote will be final.

In the event the secrecy of the voting procedure by electronic means cannot be guaranteed, board members may exercise this right through a representative.

Section 3.8 Notice of meetings

3.8.1 Ordinary, Extraordinary and Annual Meetings

The notices for ordinary, extraordinary or annual board meetings shall be sent by the Board Secretary or by delegation thereof, to all trustees entitled to vote, no fewer than ten (10) calendar days before the date of the meeting, to the known physical addresses of the trustees as they appear in the Board's records. Notices may be made by courier or mail system. In addition, notice may be made in the form of a fax or electronic transmission, if the trustee has consented to such an electronic transmission. Any consent for this purpose may be revoked or amended by a written notice from the trustee. The notices of meetings shall be sent together with the agenda and any supporting documents. Trustees shall have the duty to safeguard these documents due to their confidential and proprietary nature.

3.8.2 Emergency Meetings and Inability to Send Supporting Documents

Since it is impractical or impossible to send regular notices and deliver supporting documents to board members in case of emergency meetings, as described in Section 3.4, these meetings shall be exceptions to the regular provisions.

The Board of Trustees Chair shall explain in writing the facts that amount to an extreme urgency or the circumstances that prevented the submission of the supporting documents.

3.8.3 Meetings to Amend Bylaws

Meetings called to amend, repeal or adopt new Bylaws shall comply with the provisions from Article XII.

3.8.4 Waiver of Notice

Whenever notice of a meeting must follow the provisions of this Article, it is understood that a written waiver, signed by the trustee entitled to notice, or a waiver by electronic transmission, shall be deemed equivalent to notice. Following attendance of a trustee or his or her participation in it through remote communication constitutes waiver of notice of said meeting, except when the trustee attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business, because the meeting is not lawfully called or convened according to these Bylaws.

Section 3.9 Minutes of Meetings

Minutes shall be taken at all Board of Trustee meetings, including those of the Executive Committee, as well as standing and special committees, and at executive meetings or sessions, and will be made available within a reasonable time for reading and review by any trustee, subject to the provisions of Section 2.6 (Inspection) of Books, of this article. This concept applies to the annual meeting, emergency meetings, and extraordinary meetings, whose minutes must be addressed at the next board meeting. In the case of executive meetings or sessions, the minutes shall indicate the start and

ending times of such session, as well as the agreements adopted. In the instances when no agreements are reached, the minutes shall reflect that there were no agreements.

The Board shall establish controls for the optimal protection of the minutes.

ARTICLE IV. OFFICERS OF THE BOARD OF TRUSTEES AND THEIR DUTIES

Section 4.1 Officers

The structure of officers of the Board of Trustees shall be a Chair, a Chair Elect, a Secretary, and a Treasurer.

Section 4.2 Elections and Terms

4.2.1 The officers of the Board of Trustee shall be elected by the trustees, from among themselves, and during the Board's annual meeting, for a term of two (2) years. They may serve three (3) consecutive terms in the same position, except in cases where their limit of consecutive terms of service as a trustee expires before the expiration of the term as an officer.

The election of officers shall take place during each alternate year, by secret ballot when there is more than one (1) candidate, and shall entail prior evaluations and recommendations by the Nominations and Governance Committee.

4.2.2 Officers shall serve at the discretion and will of the Board. This provision of the Bylaws (4.2.2.) may only be amended or repealed at the Annual Meeting, by affirmative vote of three-fourths (3/4) of the Board.

4.2.3 The election of a trustee as an officer of the Board is subject to the provisions of the Bylaws with regard to the non-proprietary or contractual character of the office and his or her duties with respect to University property.

Section 4.3 Duties of the Officers

4.3.1 Duties of the Board of Trustees Chair

4.3.1.1 The Chair shall preside all Board and Executive Committee meetings.

4.3.1.2 She or he shall be an ex-officio member, with the right to vote, of all the standing committees created by virtue of these Bylaws or of those special committees created by Board resolutions.

Nevertheless, his or her attendance shall not count for establishing quorum in meetings of said committees.

4.3.1.3 In consultation with the Nominations and Governance Committee, he or she shall designate or delegate to the standing committees the selection of its chair. He or she shall also appoint the chairs for the special committees. The Nominations and Governance Committee is excluded from this provision.

4.3.1.4 He or she shall sign diplomas, awards, proclamations and all contracts and documents on behalf of the University, as required.

4.3.1.5 She or he, jointly with the Board Secretary, shall sign the minutes of the Board and the Executive Committee meetings, once approved.

4.3.1.6 He or she shall coordinate with the Nominations and Governance Committee and shall participate as Board Chair in the performance evaluations of the president of the university.

4.3.1.7 Together with the Nominations and Governance Committee, shall coordinate and participate, as Board Chair, in the evaluation of the Board's collective performance, and of the performance of the each trustee individually. Shall periodically apprise the Board of the results of the evaluation process of the trustees, so that it can take any corresponding actions.

4.3.1.8 Coordinate with the Academic Affairs Committee and with the Nominations and Governance Committee the Board's participation in the evaluation, accreditation, and licensing procedures from any agency.

4.3.1.9 Coordinate with the committees and with the administration the planning, organization and implementation of efforts to identify sources of income, and shall carry out institutional efforts to raise funds.

4.3.1.10 Convene, in coordination with the Board Secretary, extraordinary or emergency board meetings, when necessary and feasible.

4.3.1.11 Facilitate: (a) the Board's decision-making process with the support of the office of the Board's administrative officer and in coordination with the committees, and (b) the Board's access to any information sources that are necessary for the Board to reach its own independent judgment.

4.3.1.12 Oversee, in coordination with the CNG, all search efforts for a new president for the institution, when the need arises. He or she may also designate Board members to form a Search Committee and define its tasks.

4.3.1.13 Be the spokesperson for the Board, inside and outside the university, within the scope of the representative capacity delegated by the Board.

4.3.1.14 Have the authority and duties generally associated with his or her office, and shall undertake all actions connected with his or her position as Board Chair.

4.3.2 Duties of the Board of Trustees Chair-elect

4.3.2.1 In the absence of the Board Chair, he or she shall preside over any Board or Executive Committee meeting, and shall perform other duties, as necessary, including what is provided for in Section 3.4 about emergency meetings.

In cases of incapacity, death, voluntary or implicit resignation, or removal of the Board Chair, the Chair-elect shall exercise all powers and assume all duties of Chair until the expiration of the term for which the officer he or she succeeds was elected. The person may be elected to the same position in the subsequent annual election for two additional terms.

4.3.2.2 Exercise the powers and assume the duties of the office of Chair upon the expiration of the first, second, or third term of the acting Chair, subject to the possible re-election of the acting Chair.

4.3.3 Duties of the Board of Trustees Secretary

4.3.3.1 Keep updated records with the election, swearing-in, and term expiration dates, as well as the performance evaluations and other details of each trustee. Every year, he or she shall work together with the Board Chair and the Nominations and Governance Committee, in order to identify the responsibilities related to these issues that are required in the work plans of the Chair and the Nominations and Governance Committee.

4.3.3.2 Keep an updated record of physical, postal and electronic addresses, or facsimile numbers to which the trustees have authorized notices of meetings, as well as revocations or substitutions of such addresses. If the university is unable to deliver, by electronic transmission, two consecutive notices in accordance with such authorizations, the authorization shall be deemed revoked and a record of the impossibility of delivery shall be filed. This action shall not invalidate any meetings.

4.3.3.3 Notify members of any board meetings or make arrangements for such notices, as determined by these by-laws.

4.3.3.4 Attend and keep an accurate record of each meeting, take attendance, prepare and preserve the minutes of the Board, the Executive Committee and the committees, including the executive sessions. In addition, he or she shall keep a faithful record of the votes in the elections and in any other session minutes. He or she shall safeguard any documents and evidence that was the subject of any resolution of these bodies or that comes into his or her possession.

Under his or her supervision, he or she may delegate the drafting of the minutes. Upon authorization from the Board, the delegation may be made to a person who is not a trustee.

4.3.3.5 Together with the Board Chair, he or she shall sign and certify the minutes of the Board and of the Executive Committee after their approval.

He or she shall verify the incorporation of amendments into the Board's regulations and policies within a reasonable period of time.

4.3.3.6 Provide safe custody of the Board's record books, policies and the university seal, which will he or she will stamp and authenticate when appropriate. .

4.3.3.7 Certify any document indicating actions taken by the Board of Trustees when necessary.

4.3.3.8 Perform any other duty assigned by the Board.

4.3.4 Duties of the Board of Trustees Treasurer

4.3.4.1 Shall chair the Finance, Investment, Compensation and Planning Committee. In that capacity shall report about the University's budgetary and financial situation at each meeting of the Board of Trustees, and about compliance with the policy on Compensation and the documentation of such process, to create a current rebuttable presumption of reasonableness under Section 4958 of the Federal Internal Revenue Code, the Law of Intermediate Sanctions.

4.3.4.2 Ensure that the officers and university employees in charge of the custody, disbursement and accounting of the funds have complied with the duly required fidelity bond, and certify this to the Board of Trustees.

4.3.4.3 The Treasurer shall have no inherent powers. He or she shall have no power to financially commit the university, nor, by reason of his or her position ,take money on loan, or issue securities, notes, promissory notes, or draw a check or similar instrument, nor give anyone authority to carry out such actions. All these transactions shall require specific authorization from the Board of Trustees.

Section 4.4 Board Officers' Vacancies

4.4.1 The word "vacant" includes, but is not limited to, instances of voluntary or implicit resignation, death, disability or express removal.

4.4.2 Any trustee may resign as officer prior to the end of his or her term. In such a case when a trustee resigns as officer before the end of his or her first term, or before his or her second term expires, and is elected again to the same position at the following annual election or at any meeting before the former, said terms are considered consecutive. In such cases, as in those where the resignation occurs during the second term, the limitation imposed by Article IV, Section 4.2 (Elections and Terms of Office) shall apply.

4.4.3 If the vacancy is for the office of Chair of the Board, the provisions in Section 4.3, Subsection 4.3.2.1 or Subsection 4.3.2.2, as the case may be, shall apply. When the vacancy is for the office of Chair Elect, Secretary or Treasurer, the Chair of the Board will call for a special meeting to, following prior evaluation and recommendation of the Nominations and

Governance Committee, elect a substitute who shall serve until the end of the term for which the officer being substituted was elected. This new incumbent may be elected to the same position in subsequent annual meetings for two additional terms, except when his or her limit of consecutive terms of service as a trustee expires before the expiration of the term as an officer.

ARTICLE V. THE PRESIDENT

Section 5.1 Election of the President

The Board of Trustees shall elect the President, who shall serve at the will and discretion of the Board of Trustees. The election shall be by secret ballot, at a special meeting following a search, evaluation, and recommendation by the Nominations and Governance Committee.

Election of the President and approval of his or her contract, terms and conditions shall require the affirmative vote of two-thirds (2/3) of the Board membership.

The Board shall delegate to the President, who is subject to supervision by the Board, the authority to manage the Institution, implement and execute corporate policies approved by the Board, following evaluation and recommendations from the corresponding committees.

Section 5.2 Hiring of the President

The Board of Trustees shall hire the President, subject to the terms and conditions established, by the affirmative vote of two-thirds (2/3) of the total membership of the Board.

The exercise of the power to remove the president without cause will be subject to the approval, by affirmative vote, of the majority of the total number of trustees comprising the Board, excluding vacancies. This Section 5.2 of the by-laws may only be amended or repealed by the affirmative vote of three-quarters (3/4) of the total number of members comprising the Board. If there were any provision in the bylaws that conflicts or is incompatible with this provision, this provision shall prevail.

The separation of the university president from his or her office will result in the termination of his or her contract as president.

Section 5.3 Evaluation of the President

The Board shall evaluate annually the performance of the president of the university, as pertains to his or her duties and responsibilities, in accordance with the established evaluation criteria.

These shall include, but are not limited to, adherence to the Certificate of Incorporation; the by-laws; the institutional vision, mission and values; and the strategic plan, as well as compliance with the requirements of accrediting, licensing and regulatory institutions. The reports which the president of the university is required to submit to the Board may be used in the course of this evaluation. These reports shall include the performance, on a comparative basis, of the academic, financial and operational indicators that have been adopted by the Board on the recommendation of the relevant committee.

Section 5.4 Authority of the President

The President is the chief academic and administrative executive officer at the University and she or he shall act according to the applicable laws and regulations, the Certificate of Incorporation, the Bylaws, the Vision, Mission, and Values statements, and the Institutional Strategic Plan, as well as the practices, policies and limitations that, from time to time, the Board of Trustees determines through resolution, in addition to those provided herein.

Through delegation from the Board, the President shall be the person responsible for the administration of the University and for the correctness and truthfulness of all reports and certifications submitted to any department, agency or government instrumentality, external auditors, the committees, and the Board of Trustees.

He or she shall represent the University before organizations, accrediting and licensing bodies, individuals and the general public, in accordance with the provisions within these Bylaws.

Section 5.5 Duties and Responsibilities of the President

5.5.1 The President may participate, by invitation, but not vote, in meetings of the Board of Trustees, the Executive Committee, the executive meetings and in those executive sessions that may be part of each meeting—annual, regular or special—as well as in those of the Board’s standing and special committees. She or he shall deliver reports about each regular or special meeting of the Board he is invited to attend, about the University’s academic, operational, administrative and financial situations, as well as about matters related to judicial and extrajudicial claims, the performance of the indicators from these areas, and any other special report or material that, in her or his view or that of the Board of Trustees, is convenient or necessary to submit.

5.5.2 He or she shall be responsible for certifying the truthfulness and correctness of all University reports to accrediting, licensing, and regulatory entities as well as to any department, agency or instrumentality of the Federal Government and the Government of Puerto Rico, including but not limited to filling the forms required by the federal and the Puerto Rico Internal Revenue codes. In addition, he or she shall certify the truthfulness and delivery of all reports submitted by the University to any creditor, donor, and general public; and to external auditors, the Board of Trustees or any of its committees.

5.5.3 The President has the authority to execute or process any contract, on behalf of the Institution, or process any application, document or lease of real estate property used or to be used by the University for which authorization is hereby granted up to the amount of \$50,000.00 without previous approval from the Board or the Executive Committee. Any obligation amounts in excess of \$50,000.00, not contemplated in the budget approved by the Board of Trustees, must be requested from the Board or the Executive Committee, with the details of each contract, the dates, amounts, and terms at the meeting held previous to the perfection of each contract.

5.5.4 With the previous consent of the Board of Trustees, the President may delegate authority to any appropriate institutional executive officer to execute contracts for

purchasing, leasing or sale and maintenance of personal property that is used or is to be used for ordinary University operations, subject to the provisions of these Bylaws.

5.5.5 Subject to approval by the Board of Trustees, he or she shall designate and set the conditions for employment and salary of the executive officers in charge of Finance, Human Resources, and Academic Affairs at the Institution, and of any other Institutional area to be determined in the future, where each of whom shall serve at the will of the contracting authority (the University). The President shall submit recommendations to the Board regarding any decision of renewal, reemployment, or dismissal of each Institutional executive, for approval. These provisions apply to any permanent appointment. The appointments of director of the Audit Office and the Compliance Officer shall follow the procedure outlined in these Bylaws under the responsibility of the Audit, Compliance, and Institutional Committee.

5.5.6 In accordance with Board policy, the [President] shall establish a program for continuity of institutional leadership in key positions, with the purpose to promote retention, development, and individual training of properly identified in-house leaders. He or she shall inform of the program's progress in his annual report to the Board, as stipulated in Subsection

5.5.7 Said report shall include also, an evaluation of the capabilities, strengths, and weaknesses of his management group, in keeping with CAU's Vision, Mission, and Values, and with future plans for the Institution.

5.5.8 He or she shall co-sign with the Chair of the Board of Trustees, all diplomas, degrees, and any certificate granted or conferred by the Board of Trustees.

5.5.9 He or she shall submit annually to the Board of Trustees, for its approval, the annual budget and operational plan, as well as the revised strategic institutional development plan for the development of the university system. These documents shall be submitted on dates previously coordinated with the committees that are responsible for the prior review of these documents.

5.5.10 He or she shall deliver a written annual report regarding the general condition of each phase and activity of the University that is his or her responsibility, including the fiscal, academic and administrative phases and the program to develop institutional leadership, with comments, suggestions and projected activities for the following year.

5.5.11 He or she shall certify all final reports from the University addressed to the accrediting, licensing, and regulatory entities as well as to any agency or instrumentality of the Federal Government or the Government of Puerto Rico. In addition, he or she shall approve and certify all final reports that the University must submit to bondholders and creditors and those that must be submitted to insurance companies with the purpose of obtaining or renewing institutional insurance.

5.5.12 She or he shall ascertain that the books and records of academic, administrative, and financial operations of the University are complete, correct and current such that the Board

of Trustees and the external auditors receive all required and necessary information, in order to meet their responsibilities and obtain any information they wish, as well as about the good functioning of the internal control systems.

5.5.13 Process all communications addressed to the Board of Trustees by the faculty, administrative or executive personnel, except for confidential communications of situations that may involve violations of laws, regulations, Bylaws, the Certificate of Incorporation, internal controls, and contracts.

5.5.14 He or she shall promote a positive image of the University in the community through an effective public relations program.

5.5.15 He or she shall direct all institutional efforts to raise funds.

5.5.16 Assume other duties and powers, as assigned by the Board of Trustees.

ARTICLE VI. THE EXECUTIVE COMMITTEE

Section 6.1 Composition

The Executive Committee shall be composed of all Board officers and shall be presided by its Chair.

Section 6.2 Regular Meetings

The Executive Committee shall hold at least six (6) meetings per year.

Section 6.3 Special Meetings

The Committee may hold as many special meetings as necessary.

Section 6.4 Powers of the Executive Committee

6.4.1 Between meetings of the Board of Trustees the Executive Committee shall have and exercise all ordinary powers and duties of the Board, except those expressly prohibited in Section 7.4 of these Bylaws, including that it may not modify nor make changes to any interpretive circular letter issued or authorized by the President to put into effect any of the policies, guidelines, Board resolutions or these Bylaws. Also excluded from the powers of the Executive Committee are those that would be implicitly excluded due to their special character, although their exclusion is not expressly mentioned in the Bylaws, as part of the limitations expressly provided regarding powers that may not be delegated.

6.4.2 The Executive Committee may carry out activities that the Board delegates upon it, subject to the limitations provided in these Bylaws, regarding the delegation of powers to the committees.

6.4.3 The Executive Committee shall keep minutes of its proceedings in the manner specified by these Bylaws for Board meetings, and subject to the same signature requirements and the policies for the handling, management, protection, integrity and disposal of documents,

records and documentary and electronic information to include the use of emails, computers and, in general, technological information systems.

6.4.4 The Executive Committee shall report to the Board regarding the work done within its powers and authority and about that which it recommends or came to its attention since their latest meeting.

6.4.5 Nevertheless, with the exception otherwise provided, the Committee may not exercise the powers delegated upon it by these Bylaws or by resolution of the Board, for a period that exceeds that within which a regular meeting of the Board should be held, and was postponed for lack of quorum. The effect of a notice to attend a meeting of the Board is to suspend the powers of the Executive Committee until that meeting is held.

ARTICLE VII. COMMITTEES AND TASK FORCES OF THE BOARD OF TRUSTEES

Section 7.1 Standing and Special Committees

In the discharge of its duties, the Board of Trustees shall have the standing committees that this Article establishes in addition to others, as needed. The composition and their purpose and responsibilities will be defined in the resolutions that create them.

In addition, the Chair of the Board, at any time, may designate special committees that will help to improve the Board's functioning. Their powers and duties and the term to fulfill their assigned tasks shall be set when they are formed. All special committee designations shall be informed to the Board at the meeting following said appointments.

Section 7.2 Composition of the Committees

The committees shall be made up of no less than three (3) Board members, as determined by this body. Subject to approval by the Board and by invitation, they may complement their composition with emeriti trustees or external advisors for specific terms. These persons shall serve as advisors with voice but not vote at the meetings. The number of invited external advisors to these committees shall never be greater than that of its members, and none shall have a contract with the University.

Section 7.3 Task Forces

The Board may establish small groups known as task forces appointed by its Chair that will be entrusted with studying a specific topic and then report about it and make recommendations to the Board within a given time frame. Their work shall be complementary to the work of the committees. This provision excludes the appointment of work groups whose task is in any way related to the tasks of the Nominations and Governance Committee.

Section 7.4 Limitations

In accordance with these Bylaws, no standing or special committee appointed by the Board of Trustees or its Chair or the Executive Committee shall have the authority to:

- (a) amend, alter or repeal the Certificate of Incorporation;
- (b) elect, appoint or remove any member of a committee, or any trustee or officer of the University;
- (c) appoint or remove the President of the University;

- (d) approve the University's annual budget;
- (e) authorize loans on behalf of the University;
- (f) authorize the voluntary dissolution of the University; delegate either partially or totally their functions to another committee, or to a member or group of members or to an officer of the Board or of the University;
- (g) adopt a plan for the distribution University assets;
- (h) delegate some of their duties or powers to another committee or to a trustee, an officer or a person;
- (i) amend, alter or repeal a Board of Trustees' resolution;
- (j) take actions regarding the consolidation, merger, dissolution, sale, lease or exchange of all or part of the University's assets;
- (k) amend or repeal these Bylaws.

Section 7.5 General Responsibilities of the Committees

7.5.1 At the beginning of each year, the committees shall make a working plan to comply with the delegation of powers made through these Bylaws, in particular that which is relevant to the Institutional Strategic Plan, to include the identification of indicators to be used as tools to measure performance and assess tendencies.

7.5.2 All committees shall adopt internal guidelines and shall keep minutes of each of their meetings, which must be submitted to the Board and shall be incorporated to those of the Board and University records, as per the policy for retention of documents. The meetings of the committees shall take place subject to the same rules regarding notice, quorum and voting applicable to the meetings of the Board.

7.5.3 They shall ascertain that the policies and guidelines submitted for Board approval are consistent with the Certificate of Incorporation, the University Corporate Bylaws, the Vision, Mission, and Values statements, and existing policies, considering the exempt nature of the University, for which they may consult the Nominations and Governance Committee.

7.5.3 At the Board's annual meeting, they shall report regarding the work accomplished during the year.

7.5.4 They shall conduct a periodic self-assessment regarding the fulfillment of their duties and powers, and shall submit a report to the Board, preferably at the Board's annual meeting.

Section 7.6 Academic and Student Affairs Committee

This committee was established to make sure that the educational program is consistent with the institutional Mission, is appropriate to the strategic priorities of the Institution and the indicators established by the Board, and in keeping with the projected level of educational excellence and student satisfaction.

Shall collaborate closely with the Institution's President and with any other member of Administration, designated by him or her, considering recommendations from official academic structures.

To fulfill the delegated responsibilities, the Committee shall study and evaluate the documentation and recommend actions or policies to the Board about the following:

7.6.1 Make recommendations regarding amendment projects submitted by the University's Administration of the Vision statement, as well as those from each respective campus. Also, evaluate and act appropriately regarding proposed projects to amend the Institution's Mission statement.

For such a task, the Chair of the Board, in coordination with the members, may strengthen the composition of the committee with members from other committees, as deemed necessary.

7.6.2 The quality of new programs, development or discontinuance of academic offerings and programs, including on-line offerings and the student practice clinics, as per the Institutional Mission, and their sustainability.

7.6.3 The quality of student learning as measured by professional personnel through the institutional procedures designed to assess student learning. Reports to the Board, should they be necessary, shall include recommendations to improve the results obtained through the key performance indicators chosen by the Committee.

7.6.4 Plans to improve the quality of student life and the development of services for the students to be provided by the Institution.

7.6.5 Compliance with the demands of regulatory and accrediting agencies, necessary to validate academic offerings particular to the different areas where the Institution has campuses; to include the student practice clinics and follow up reports related to the former and the academic programs.

7.6.6 Proposals for amendments to the administrative manuals concerning professional personnel and students, to assure that said documents comply with the University Bylaws, the Certificate of Incorporation and the Vision, Mission, and Values statements, as well as with applicable laws and regulations.

7.6.7 The evaluation of candidates for the awarding of posthumous degrees and for the title of professor emeritus.

7.6.8 Identify performance indicators and evaluate periodically the results as a resource to (a) measure student satisfaction with the academic offerings, services and attention to their concerns; (b) matters related to professional personnel; and (c) follow up of fulfillment of academic and student goals, as well as of those outlined in the Institutional Development Plan.

7.6.9 Any additional responsibility related to academic and student affairs that, from time to time, the Board might assign.

Section 7.7 Audit, Compliance and Institutional Integrity Committee

The primary obligation of this committee, as delegated by the Board, is to oversee directly the auditing and compliance practices, assure the integrity of financial statements and recommend the standards of conduct for the University. It is responsible for making recommendations to the Board about the following:

7.7.1 Ascertain the qualifications, independence, hiring, supervision and evaluation of performance of the firm that will conduct the Institution's external audit.

7.7.2 Verify that the financial statements in accordance with the generally accepted accounting principles in a reasonable and full manner, including necessary disclosure and adequacy of the internal control and risk assessment systems.

7.7.3 Perform a joint evaluation with the external auditors, to determine if the institution is of high or low risk, in order to lay out the auditing scope for the external and internal auditors.

7.7.4 Verify federal programs' audits and related internal controls.

7.7.5 Ascertain the qualifications, independence, designation and evaluation of performance of the internal auditor and of the Compliance Officer, as well as their promotion, transfer or removal.

Both institutional functions shall operate independently under the supervision of the Board of Trustees and also the direct supervision of the Audit, Compliance and Institutional Integrity Committee. The internal audit and the compliance functions of may be carried through the hiring of an independent contractor.

7.7.6 Ascertain the scope and scheduling of the internal auditor's activities, to include areas at risk and the procedures employed to intervene, the findings, and its recommendations.

7.7.7 Ascertain the scope and scheduling of the compliance officer's activities.

7.7.8 Carry out the study and review of the Office for Internal Audits' Annual Work Plan, the Annual Report of Achievements for that office, the Rules for Internal Audits and Charters, the Procedures Manuals, and any other matter or document relevant to the responsibilities assigned to the Audit, Compliance and Institutional Integrity Committee.

7.7.9 Verify the quality and integrity of the Institution's compliance with the Vision, Mission, and Values, corporate documents, legal requirements according to regulations, including the federal funds received, corporate policies, conduct according to ethical standards, theft of intellectual property, embezzlement, and utilization of donations in ways not intended expressly by the donors.

7.7.10 Assign funds for the offices should there be any, for contracted auditing and compliance functions.

7.7.11 Receive internal audit reports and reports from the Compliance Officer, accompanied by recommendations and plans for corrective actions proposed by the President of the University.

7.7.12 It is also responsible for:

a. Ascertaining, through the President of the University, the implementation of the Corrective Action Plans approved by the Board of Trustees, based on the recommendations from the internal and external audits, as well as on those done and contained in the reports submitted by the Compliance Officer, and report the results of this endeavor to the Board of Trustees.

b. Serve as liaison between the Board and President of the University in order to ensure and protect objectivity and independence of the external, internal and compliance functions.

c. Retain when necessary, through the Office of the Administrative Officer of the Board, external advisors needed to fulfill the delegated responsibilities.

d. Design and use performance indicators to assess, continuously, its responsibilities.

e. Continuously monitor the performance of goals of the tasks of auditing, compliance and integrity within the Strategic Plan for institutional development, should such goals exist.

f. Assume any additional responsibility that, from time to time, the Board may assign.

7.7.13 This Committee has the authority, through its Chair and, with the majority of affirmative votes from its members, to request from Administration to address specific matters within its scope of responsibility, and is also authorized to retain legal advice and independent professional consultants in order to accomplish its tasks.

Section 7.8 Capital Development and Institutional Advancement Committee

This committee is primarily responsible for educating the Board of Trustees about the importance of financial support for the Institution, coordinating with Administration the establishment of strategic goals with the purpose of raising funds, address its efforts to protect and strengthen the public image of the University and engage its graduates and the community.

The Board of Trustees may invite to participate, without vote, administrative and professional personnel, students, graduates, parents, friends, volunteers and other persons that, in its opinion, may contribute significantly to the fulfillment of the Mission through this Committee.

The Committee is responsible for studying, assessing and, in collaboration with Administration, make recommendations to the Board about the following:

7.8.1 The setting of strategic goals for fund raising.

7.8.2 The development and periodic review of institutional policies and procedures related to fund raising, receiving them and their use.

7.8.3 Setting new strategies in the field of fund raising.

7.8.4 Establishing goals for the Board members' participation in fund raising activities.

7.8.5 Following up the resulting performance of the Board's search for donations.

7.8.6 Participation of the Board in identifying, cultivating and approaching major donors and maintaining these relationships.

7.8.7 Lending support to the Development Office or institutional department assigned to capital resource development.

7.8.8 Following up on the efforts to protect and strengthen the Institutions' public image while assuring that the criteria for social responsibility are met.

7.8.9 Widening and strengthening the relationships with alumni and the community through specific plans that lend support to the Administration's efforts in this regard.

7.8.10 Using indicators to assess the responsibilities of the Committee.

7.8.11 The continuous performance of the objectives for managing capital resource development and marketing within the parameters of the Strategic Plan of the University.

7.8.12 Requirements of personnel for support and budgeting to meet the expectations set by the management of capital resource development.

7.8.13 Assume any additional responsibility that, from time to time, the Board may assign.

Section 7.9 Finance, Investments, Compensation, and Planning Committee

This Committee is primarily responsible for: (a) ascertaining the integrity of the institution's financial operations, including short, medium, and long terms economic health, and the adequate distribution of resources; (b) the indemnification of executives and employees; the policies on compensation and salary scales; and (c) return on assets, inclusive of investments. Is also responsible of assuring strategic planning in accordance with the Vision, Mission, and Values of the Institution. It may have a subcommittee in charge of investments in which an expert in said field will participate.

Any action having to do with faculty and students shall be shared in due time with the Academic and Student Affairs Committee.

The Board of Trustees Treasurer shall chair this committee.

The Chair of the Audit, Compliance and Institutional Integrity Committee shall not be a member of the Finance, Investments, Compensation, and Planning Committee.

With reference to finance, and in collaboration and coordination with Administration, the Committee is responsible for studying, assessing, and recommending the following to the Board:

7.9.1 The Institution's financial performance.

7.9.2 Applicability and date an increase in tuition and fees will go into effect.

7.9.3 The proposed University's annual budget presented by Administration and periodic follow up of the operational results.

7.9.4 The long-term institutional reserves.

7.9.5 Financing plans adequate for the institution.

7.9.6 Verification of accounting systems in order that the Institution maintains correct, complete and timely information.

7.9.7 Verification of adequate flow of information in order that the Board receives the information needed to make decisions regarding institutional finances.

7.9.8 Design strategies to manage and mitigate risks, inclusive of cybernetic risks.

7.9.9 Draft policy to prudently and diligently manage productive and non-productive assets, and develop a supervisory system that is adequate to comply with the policy.

7.9.10 The nature and level of fidelity bonds required of board members and institution officials.

With reference to compensation, in collaboration with Administration, the Committee is responsible for studying, assessing, and recommending the following to the Board:

7.9.11 Design policy on the philosophy of compensation that makes evident the exempt feature of the University and the Vision, Mission, and Values. Define that which constitutes compensation, and in addition, the Committee is duty bound to assure that any compensation or arrangement plan is specifically supported with a description that shows how such an arrangement, plan or agreement contributes to the Mission and the exempt purposes of the University, as stated in the documentation submitted to obtain an exempt status and maintain it.

7.9.12 Conditions for employment and basic compensation, included market comparables, bonuses and additional compensation, if any, for institutional university executives, taking into account the University's exempt status.

7.9.13 Conditions for employment and establishment and periodic review and updating of the policies for compensation and salary scales, for faculty and non-professional personnel at

the University, as well as the guidelines for the concession of any bonus or additional compensation.

With reference to investments, in collaboration with Administration, it is responsible for studying, assessing, and recommending the following to the Board:

7.9.14 The periodic return on investments of the endowment fund and of funds of another kind, including capital assets.

7.9.15 Selecting the investment managers.

7.9.16 Design and periodic review and updating of investment policy.

7.9.17 Assess productive and non-productive assets.

With reference to Strategic Planning, in collaboration with Administration, it is responsible for studying, assessing, and recommending the following to the Board:

7.9.18 Institutional Strategic Planning pursuant to the purposes of the Vision, Mission, and Values of the University in the areas within the powers and scope of its authority, duties and competence, while considering the institution's exempt feature.

7.9.19 Verify compliance with the strategic goals of compensation, planning and finances, such as: (a) strengthening of operational funds through the increase in total enrollment in full-time and part-time degree and certificate programs; and (b) identification of the direct and indirect costs of the programs in order to reduce the dependency on tuition by increasing proposals, donations and investment income.

In general, it is responsible for the following:

7.9.20 Recommend, together with the President of the University, policies and strategies, and in its judgment, in order to attain financial goals and objectives, in the best interests of the University, make the institution sustainable in the short, medium and long term; and include an adequate supervisory system to meet the goals and objectives of the plan.

7.9.21 Use performance indicators as a resource to continuously assess its responsibilities focusing on parameters of profitability and risk management pertinent to the nature of CAU.

7.9.22 Review continuously the performance of the institutional Strategic Plan on the basis of the information submitted by the President of the University and strategic objectives that shall serve as foundation, to assess the Plan.

7.9.23 Assume any additional responsibility that, from time to time, the Board may assign.

Section 7.10 Institutional Infrastructure Committee

This Committee is primarily responsible for recommending institutional policies to the Board, to guarantee an infrastructure that is adequate to the educational and research goals and objectives of the institution, and that the adequate conditions of the mentioned assets is compatible with the ecosystem that it is a part of. It is responsible for studying, assessing, and recommending the following to the Board:

7.10.1 A strategy for University development, operation and maintenance of facilities and equipment, having previously taken inventory of the facilities and equipment, and followed up the fulfillment of this strategy.

7.10.2 Annual budget (maintenance, operational expenses, rehabilitation of the physical plant, and its adaptation) as support of said strategy, and control of acquired debt, if any.

7.10.3 Periodic design and review of institutional policies regarding development and maintenance of capital assets such as buildings, land and equipment.

7.10.4 Use performance indicators as a resource to continuously assess its responsibilities.

7.10.5 Evaluate the continuous performance of the objectives of the Administration related to the development of infrastructure within the Institutional Strategic Plan.

7.10.6 Assume any additional responsibility that, from time to time, the Board may assign.

Section 7.11 Nominations and Governance Committee

This committee was established with the purpose of studying and recommending the most effective composition of the Board and of its External Advisory Council, to develop practices and policies that enhance its performance, to assure compliance with the Certificate of Incorporation and Corporate Bylaws, to recommend policies and practices for institutional governance, and to evaluate and recommend candidates for those degrees, honors, and distinctions for which the Board is responsible.

It shall consist of no less than three external trustees, as determined every two years at the annual Board meeting. There will be a secret vote for the committee members and for the committee chair.

It is responsible for studying, assessing, and recommending the following to the Board:

7.11.1 Identifying, cultivating, recruiting, orienting, involving, educating, and evaluating the individual performance of, the trustees, as well as the periodic assessment of the Board as a body.

7.11.2 Board size, the terms and the limits to the terms of office of trustees in accordance with prior analysis.

7.11.3 The number of committees, their structure and their composition.

7.11.4 Updating the standards to qualify for membership on the Board of Trustees and its committees, as well as those for electing members for the committees.

7.11.5 Develop and review of policies that establish and maintain ethical behavior standards for the Board.

7.11.6 Evaluation of candidates to receive honors and distinctions for which the Board is responsible, such as Emeriti Trustees and Doctorate Honoris Causa degrees.

7.11.7 The list of Board officers and the composition of the standing committees to be presented at the annual board meeting, with the exception of the Nominations and Governance Committee. The nomination of the members of the Nominations and Governance Committee and of its officers shall emerge from the full board.

7.11.8 The orientation program for new trustees and for the members of committees and their officers.

7.11.9 The development of policies and implementation of procedures relating to the succession of the President, in coordination with the Chair of the Board.

7.11.10 The annual evaluations of the president of the university in connection with his or her performance in the management of the university, based on how effective such performance has been in enforcing the vision, mission, values and strategic objectives, as well as the duties and functions assigned to him or her by the Board. For this purpose, the Committee shall also use the performance of academic, financial and operational indicators and the input and recommendations of the standing committees. The Committee shall submit a report to the Board through the Board Chair.

7.11.11 The periodic updating of documents concerning the incorporation of the university, its bylaws and regulations, including the bylaws of the Board's External Advisory Council, in accordance with the mission of the university and its exempt nature.

7.11.12 The identification, recruitment, orientation, education and performance evaluation of the Board's External Advisory Council, as well as the regular evaluation of the Council's objectives and performance.

7.11.13 Initial and periodic review of the regulatory mechanisms of the Institution such as those related to education, administration, and services, as well as policies and procedures that affect faculty, administrative personnel, and students, including without limit, handbooks, regulations and other regulatory instruments concerning the organization of academic offerings and students, and any other regulation pertinent to approval by the Board to ensure that they are consistent with the Certificate of Incorporation and the University Bylaws.

7.11.14 The action to proceed in case of any dispute or conflict when interpreting documents pertinent to the Board, and other policies and procedures for corporate governance

associated with the Certificate of Incorporation, these Bylaws, the Vision, Mission, and Values.

7.11.15 Initial and periodic review of documents associated with alliances and consortia at the University to ensure that they are consistent with the Certificate of Incorporation and the University Bylaws.

7.11.16 Follow up fulfillment of objectives, if any, that may be considered in the Institutional Development Strategic Plan, regarding governance.

ARTICLE VIII. BOARD OF TRUSTEES ADMINISTRATIVE OFFICE

The Board of Trustees shall carry out its functions through an administrative office, which shall be headed by an administrative officer appointed by the Board, who shall serve at the full will and discretion of the Board.

Section 8.1 Duties of the Administrative Officer

8.1.1 Direct and administer the executive office of the Board of Trustees.

8.1.2 Together with the Board Chair and Treasurer, the Administrative Officer shall prepare an annual budget for the Board of Trustees. This project shall be submitted for the consideration of the Finance, Investment, Compensation and Planning Committee, and subsequently to the Executive Committee or Board of Trustees for final approval. Once approved, the Administrative Officer shall be in charge of its implementation. Any revision or amendment to that budget shall be subject to the same process followed for its initial approval. Adjustments among line items may be made with the approval of the Board Chair.

8.1.3 Recommend to the Chair of the Board all the needs for personnel at the Board Office.

8.1.4 Recruit, as authorized by the Board, supervise and evaluate performance of personnel under his or her charge.

8.1.5 Identify external resources for the support that the Board and its committees may need to carry out their functions.

8.1.6 Negotiate and retain services for Board activities in and outside of Puerto Rico.

8.2.6 Supervise or coordinate the logistics of the Board's operations, its committees and the representation of the trustees, individually or collectively in and outside of Puerto Rico.

8.1.7 Collaborate with the Board Secretary in the discharge of his or her duties, as described in Section 4.3.3 of these by-laws. To aid the Board Secretary, the Administrative Officer shall keep records of the minutes of the Board, the Executive Committee, and of the standing and special committees. The Administrative Officer shall also keep records of the trustees'

meeting attendances, excuses and absences, and shall periodically submit a report to the Board.

8.1.8 Collaborate with the Board Chair and the standing and special committee chairs in preparing the agenda and support material to be considered during the meetings of the Board, the Executive Committee, and of the standing and special committees.

8.1.9 Work with the chairs of the standing and special committees in the elaboration of their work plans.

8.1.10 As a general rule, shall prepare all preliminary reports of the board committees, the Executive Committee or the Board, for the signature of the Board Chair and/or the chair of the standing and special committees, except those that are the product of an executive session. These reports can be prepared in English or Spanish.

8.1.11 As a general rule, coordinate and, by invitation, attend all the meetings of the Board of Trustees, the Executive Committee and the standing and special committees.

8.1.12 Prepare, when necessary, the certificate of corporative resolutions adopted by the Board or the Executive Committee for signature by the Board Secretary.

8.1.13 Be in charge of initiating, reviewing and amending the Board's policies on the service platform used for that purpose .

8.1.14 Hold in custody the Institution's corporate seal, as delegated by the Board Secretary.

8.2.15 Hold regular meetings with the university's external auditors to provide them with any information they need concerning Board agreements and/or allocations of approved funds.

8.1.16 Oversee or coordinate the logistics of the operations of the Board and its committees, and the representation of trustees, individually or collectively, within and outside Puerto Rico.

8.1.17 Provide material for historians of the Institution.

8.1.18 Appear in any legal proceedings when required as custodian of Board documents.

8.2.19 Collaborate with the Board Chair and the Chair of the Nominations and Governance Committee to identify the need for trustees on the Board so that a more suitable composition, for the good of the University, may be achieved.

8.1.20 Collaborate in coordinating and creating a format for periodic self-studies of the Board of Trustees, trustees, and committees.

8.1.21 Provide support to the Board of Trustees in preparation for accrediting and licensing visits.

8.2.22 Assume any additional duties the Board may assign.

ARTICLE IX. CONFLICT OF INTERESTS, ETHICAL CONDUCT

Section 9.1 Institutional Policy on Conflicts of Interest

The University shall have an institutional policy regarding conflict of interests that covers all matters related to this topic and complies with applicable laws and regulations.

For a member of the Board of Trustees, it shall constitute a conflict of interest any situation that involves personal, family, business or relationship between a member of the Board and the University that will expose it to legal claims in connection with such personal, family or business relationships, in which the position of Trustee has been used for the personal economic benefit of the Trustee or to benefit a family member or business associate, or one in which independence of judgment of the Trustee has been compromised or created the perception of having been compromised due to such personal, family or business relationship.

Relations of employment and transactions in the normal course of work in the Institution that meet disclosure requirements and any other legal requirement or of the federal or state Internal Revenue codes, are excluded.

Section 9.2 Institutional Policy on Values and Ethical Conduct Standards

UCA's conflict-of-interest policy shall be complementary to Ethical Conduct Standards. The Board shall also adopt, upon recommendation of the Audit, Compliance and Institutional Integrity Committee, a policy on values and ethical conduct standards.

Section 9.3 Applicability

The rules included in the institutional policy regarding conflicts of interests, as well as those included in the policy on values and ethical conduct standards shall apply to the election of trustees, members of standing committees, and board committee officers, as well as to the appointments of external persons to special committees, to the members of the External Advisory Council, and to the members of any support group.

ARTICLE X. INDEMNIFICATION, ADVANCES, EXPENSE PAYMENTS AND INSURANCE

Section 10.1

The provisions for compensation, advances, and payment of expenses contained in the Certificate of Incorporation are hereby made part of this provision as if they had been included here, and are hereby granted to the persons referred to in the Certificate of Incorporation as a contractual right, in order to encourage them to serve as board members and executive officers of the UCA.

Section 10.2

The right of every Trustee and Officer of the University to indemnification, and advancement of necessary or appropriate expenses, or to reimbursement of such expenses in connection with any action, suit (whether civil, criminal, administrative or investigative) or (i) is a contractual right based in sufficient valid mutual considerations, as a consequence of which those persons to whom such right is considered herein may claim it judicially as if such provisions or any provision related to the same contained in the Certificate of Incorporation would be part of a separate contract between such persons and the University; and (ii) such rights shall be considered extended retroactively to events that occur prior to the approval of this or any other similar provision in the Certificate of Incorporation, and, (iii) the contractual right hereby conceded shall remain in effect and survive any modification, amendment or repeal of this or other similar provision in the Certificate of Incorporation.

Section 10.3

Nothing herein provided shall be construed as conferring a contractual or proprietary nature to the office of the trustee. Membership as a Trustee only carries the privilege to serve education. These provisions shall be construed and understood to be subject to their conformity with the requirements provided for by the applicable federal and state laws and regulations related to the exempt status of the Institution. Any part of the provisions contained herein that conflicts with such laws and regulations shall be treated as if never included.

Section 10.4 Insurance

UCA, following the recommendations of the Finance, Investment, Compensation and Planning Committee, shall have the power to provide the members of the Board of Trustees, the president and other university executives, with professional liability insurance for directors and officers, for life, and any other insurance this Committee recommends, up to the maximum limit allowed, and compatible with the presumption of reasonableness provided by the Law of Intermediate Sanctions and its regulations, and in accordance with the policy adopted by the Board on the recommendation of this Committee.

The insurance policies provided shall also cover fiduciary liability, errors or omissions as educators, crimes (employee dishonesty) and cybercrime.

The Board, after the evaluation of the Finance, Compensation, Investment and Planning Committee, may authorize the purchase of such insurance on behalf of any person who is a trustee, committee member, officer, employee or agent of the corporation, or who is or had been serving at the request of the corporation as director, trustee, officer, employee or agent of another corporation, partnership, joint venture, consortium, trust or, any other entity, in order to protect such person from any liability claim against him or her, for any act performed or sanctioned by such person in any such capacity, or arising out of the status of such person as director, member, officer, employee or agent, regardless of the company's power to provide compensation to them against responsibilities under the law.

However, under no circumstances shall the corporation indemnify, reimburse or assign to any person any tax payment levied on such individuals under the provisions of the federal or the state Internal Revenue Code and its regulations, as they may be amended in the future. If at any time the corporation (UCA) is considered a private foundation within the meaning of this term under the

federal Internal Revenue Code, as it stands now or is amended in the future, no payment shall be made under this article or any provision of the Certificate of Incorporation or these by-laws during the period of time when it is considered a private foundation, if such payment constitutes an act of self-dealing or a taxable expense, as defined in the federal or Puerto Rico Internal Revenue Code.

The benefit of compensation, reimbursement of expenses or advancements and insurance policies provided for in these by-laws will continue for the term of one (1) year, or during the statute of limitations for the exercise of any actions, claims or procedures covered by such compensation, expenses, advances or insurance policies, starting from the date on which such actions, claims or proceedings are notified. These benefits of compensation, reimbursement of expenses, advancement of expenses and insurance coverage, up to the maximum limit allowed and as are consistent with the corporation's tax exemption (UCA), shall also be for the benefit of the successors, executors or administrators of such trustees.

If any of the provisions in these by-laws, in the Certificate of Incorporation, or in the policies adopted by the Board, concerning the matters addressed by this article, are challenged or found to be contrary to law, public order or any public policy, such provisions shall be regarded as nonexistent, as if they had never been approved.

ARTICLE XI. MISCELLANEOUS PROVISIONS

Section 11.1 The Corporate Seal

The Corporate Seal of the University shall consist of a circle that will print CAU's corporate name, Carlos Albizu University, Inc., in upper case letters, in the upper space and around the circumference within two concentric circles. Inside the smaller circle, on the upper portion, is the State Department registration number 6,237; in the center the year 1972, which is the year when the Centro Caribeño de Estudios Postgraduados (original name) was approved and registered as a not-for-profit corporation; at the bottom appears the place where registered, Puerto Rico.

This seal was adopted by the Board of Trustees as the official seal and shall be used to authenticate the corporation's official documents.

Section 11.2 Fiscal Year

The University's Fiscal Year begins on July 1 and end on June 30 of the following year.

Section 11.3 Parliamentary Authority

The meetings of the Board of Trustees and of all its committees shall follow Robert's Rules of Order Manual, Eleventh Edition or its future revisions.

ARTICLE XII. AMENDMENT, REPEAL AND ADOPTION OF CORPORATE BY-LAWS

Section 12.1

These by-laws or any of their articles may be adopted, amended or repealed, and new by-laws may be adopted, by the vote of two thirds (2/3) of the total number of members of the Board, except as pertains to amendments or repeals of Section 4.2, Part 4.2.2 regarding the election of Board officials,

and Section 5.2 on the hiring of the president of the university, which shall require the affirmative vote of three quarters (3/4) of the total number of members of the Board.

Section 12.2

Notice of the meeting [to amend] these Bylaws and copy of the proposed amendments shall be issued by the Secretary of the Board no less than ten (10) days before final action may be taken by the Board of Trustees.

ARTICLE XIII. INTERPRETATION

Both, the Certificate of Incorporation and these Bylaws shall be interpreted according to the University's Vision, Mission, and Values, and must agree with the applicable provisions of the federal Internal Revenue Code and the homologous Code of Puerto Rico, presently and as they may be amended in the future. Any language contained in the definition of the Vision and the Mission, inconsistent or incompatible with the condition of exempt institution under both laws and their respective regulations shall be considered not written.

Should there be doubts or conflicts about the language in the text of these Bylaws and the texts of other University and corporate regulations, the printed version, in Spanish, duly signed and sealed by the Secretary of the Board shall prevail.

ARTICLE XIV. SEVERABILITY CLAUSE

Should any portion or provision of these Bylaws, of the Certificate of Incorporation, of Board policy or of any contract arising from them, be determined as null or inoperative, regarding any action, court claim or procedure, including any arbitration procedure, the validity and operability of the remaining portions shall not be affected.

ARTICLE XV. EFFECTIVE DATE

These by-laws, as amended, will enter into force on the date of their approval on December 20, 2019.

ATTESTATION

I, Annette Montoto, in the capacity of Secretary of the Board of Trustees of the University Carlos Albizu, Inc.,

CERTIFY

FIRST: that the preceding text of the corporate bylaws of the UNIVERSIDAD CARLOS ALBIZU, INC., corresponds to the one reviewed by the Board of Trustees on June 25, 2019 and subsequently amended by this body in a duly convened meeting and in which a quorum was held, held on December 20, 2019, and that this text includes all the changes approved on that date.

SECOND: That on December 20, 2019 I was the sitting Secretary of the Board of Trustees of the Carlos Albizu University, Inc., and that at the meeting held on that date I served as such.



Annette Montoto
Interim Secretary
Board of Trustees

APPENDIX

DEFINITION OF TERMS

Special Committees	Deliberative bodies that function temporarily until and assigned task is accomplished.
Standing Committees	Deliberative bodies permanently established in the bylaws. They are designed to study, evaluate and make recommendations to the Board regarding institutional actions or policy.
Dismissal	The discharge of a person from office by a competent authority.
Executive	Any designated individual who holds a position of authority and trust in the organization, which position entails the power to exercise judgment and discretion, and who is vested with the authority and duties to carry out his or her functions. .
Management	A set of employees responsible for directing and managing the affairs of an organization or company.
GCL	General Corporations Law of Puerto Rico, or Law No. 164 of December 16, 2009.
Law of Intermediate Sanctions	Refers to Section 4958 of the Internal Revenue Code of the Federal Government. It constitutes an alternative to revoking the not-for-profit status of exempt institutions so private individuals benefit of transactions with said corporations. Non-compliance with their requirements entails harsh penalties to individuals who benefit from corporations.
Legal Supervisory Model	This means that the corporation affairs shall be managed by Administration with supervision from the Board. It is a system of checks and balances where delegation is greater and so is the level of supervision of the internal control systems.
Officer (of the Board)	Individuals elected to positions as members of the Board of Trustees or a committee.
Compliance Officer	Refers to a person under contract who shall respond to the Board of Trustees through the Audit, Compliance and

	Institutional Integrity Committee to verify institutional compliance.
Institutional Executive Officials	Refers to those executives whose role, authority and responsibility cover the entire system.
Removal	Involuntary termination of any person in a position of officer, of member of the Board of Trustees, or in both situations.
Trustee	Member of the collegial body that manages the university.
External Trustee	Any member of the Board who does not have an employment, economic or contractual relationship with the university. He or she is willing to take office without any reservations.
Aggregate Vote	The sum of the votes cast in person and the votes cast by electronic communication means.