

LOUISBURG COLLEGE, INCORPORATED
BYLAWS
19 NOVEMBER 1992

AMENDED OCTOBER 21, 1993
AMENDED OCTOBER 27, 1994
AMENDED APRIL 25, 1996
AMENDED SEPTEMBER 26, 1996
AMENDED APRIL 26, 2001
AMENDED SEPTEMBER 26, 2002
AMENDED DECEMBER 9, 2004
AMENDED AUGUST 5, 2005
AMENDED SEPTEMBER 28, 2006
AMENDED SEPTEMBER 27, 2007
AMENDED DECEMBER 4, 2008
AMENDED SEPTEMBER 23, 2010
AMENDED SEPTEMBER 25, 2015
AMENDED OCTOBER 12, 2017
AMENDED FEBRUARY 21, 2019

ARTICLE I
MISSION STATEMENT

Related by faith to The United Methodist Church, Louisburg College is committed to offering a supportive community which nurtures young men and women intellectually, culturally, socially, physically, and spiritually. As a two-year residential institution, we provide a bridge for students to make a successful transition from high school to senior colleges and universities

ARTICLE II
POWERS OF TRUSTEES

The Board of Trustees (“The Trustees”) shall have and exercise the corporate powers prescribed by law. The Trustees shall establish the general, educational, and financial policies of the College, and shall have the power to carry out any function permitted by these bylaws or by the articles of incorporation, except as limited by law. These powers shall include but shall not be limited to the following:

1. Establish and periodically review the purposes and the mission of the College.
2. Establish, review, and approve changes in the educational programs of the College consistent with its mission.
3. After considering the recommendations of the President, the Trustees shall establish procedures regarding the appointment, promotion, tenure and dismissal of faculty members.
4. After considering the recommendations of the President, the Trustees shall have the exclusive authority to confer, grant, or deny tenure.

5. Appoint the President of the College.
6. Approve and authorize all earned and honorary degrees.
7. Oversee and approve the budget of the College ensuring that the College has adequate financial resources to support its mission and goals.
8. Establish policy guidelines for the endowment and for all investments and major fund-raising efforts.
9. Authorize the purchase, management, and sale of all land, buildings, or major equipment for use of the College.
10. Authorize the construction of new buildings and major renovations of existing buildings.
11. Authorize the incurring of debt by the corporation and securing thereof by mortgage and pledge of real and personal property, tangible and intangible.
12. Authorize any changes in tuition and fees within the College.
13. Authorize officers or agents of the College to accept gifts or bequests on behalf of the College.
14. Evaluate the effectiveness of the President annually through a procedure approved by the Board.

The Board of Trustees shall not have the power to bind or create any obligation or liability on the part of the North Carolina Annual Conference, Southeastern Jurisdiction of The United Methodist Church, or any other unit or person of United Methodism other than itself.

ARTICLE III MEMBERSHIP OF BOARD OF TRUSTEES

Section 1. The Board of Trustees shall consist of not fewer than sixteen (16), nor more than thirty-two (32) persons.

Section 2. At least sixty percent of each class of new members of the Board of Trustees shall be selected by a majority of the Trustees then in office at the April meeting of the Board. Not more than forty percent of the persons to serve in each class shall be nominated and elected by the North Carolina Annual Conference Board of Institutions, Inc. Before the spring meeting of the Board of Institutions, the Board of Trustees shall prepare and furnish to the Board of Institutions and to the Commission on Higher Education and Campus Ministry of the North Carolina Annual Conference for their consideration a list of persons recommended to replace those forty percent of the class of voting members whose terms expire on May 31 of that year.

Notwithstanding any other provision in these bylaws, in the case of elections when the total number of Trustees or the number of persons to serve as successors in a class would make it impossible to ensure either (a) that the Board of Institutions will nominate and elect exactly forty percent of the persons to serve as successors in a class, or (b) that, following such election, the Board of Institutions will have nominated and elected exactly forty percent of the Trustees, the Board of Institutions will nominate and elect to serve as

successors in the class that number of persons that will ensure, following such election, that the Board of Institutions of the United Methodist Church will have nominated and elected a percentage of the Trustees as close to forty percent as possible. If pursuant to this paragraph the calculation of forty and sixty percent as a class of Trustees elected in a particular year, or of the entire Board of Trustees, results in a fraction rather than a whole number, then the fractional number shall be reduced to next lowest whole number. In no case may the Board of Institutions nominate and elect more than forty percent of the Board of Trustees.

The Trustees shall be divided into four, evenly distributed classes. Each class of trustees shall be elected to serve for terms of four years. In the event of any increase or decrease in the number of Trustees, the additional or eliminated Trusteeships shall be so classified or chosen that all classes of Trustees shall remain or become as nearly equal in number as may be.

Section 3. Trustees shall serve for the term for which they are elected and until their successors are elected and qualified. Filling an unexpired term of another trustee or filling the initial terms created to satisfy staggering, except such initial four-year terms, shall not be counted for any purposes in determining this provision of the bylaws.

Section 4. Any vacancy on the Board of Trustees may be filled by the remaining Trustees, through a special election at any regular meeting of the Board, provided persons so selected by the Board of Trustees to fill a vacancy to be elected by the Board of Institutions shall exercise all powers conferred under these by-laws until they have been elected or rejected by the Board of Institutions. Vacancies to be elected by the Board of Institutions are those vacancies where the vacating Trustee would be nominated and elected by the Board of Institutions pursuant to these bylaws.

The terms of office of all members of the Board of Trustees holding office on the effective date of the Restated Charter shall expire on May 31, 2003. A new Board of Trustees, divided into four classes and nominated and elected in the manner set forth in this Article, shall be in place on June 1, 2003. Members of the current Board of Trustees are eligible to be chosen to serve as members of the new Board of Trustees.

Section 5. No person shall be eligible for election prior to attaining the age of 21 years.

Section 6. Ex-officio members of the Board shall include President of the College, SGA President, Alumni Association President, and the Superintendent of the Raleigh District of the North Carolina Annual Conference of The United Methodist Church. All ex-officio members except the President shall have the privilege of vote.

Section 7. The Board may remove a trustee with cause and upon recommendation by the Governance Committee and a vote of two-thirds of the trustees present and voting. Cause may include malfeasance, misfeasance, and any felonious conviction or any activity that undermines the mission of the College. In addition, unexcused absence from three (3) consecutive, regular meetings of the trustees may be deemed cause for removal and may cause the Governance Committee to consider removal.

The process for removal of a trustee includes the following:

- a. The Governance Committee presents the recommendation for trustee removal to the Board of Trustees.
- b. The Governance Committee notifies the trustee in writing of the Committee's recommendation to the Board of Trustees.

- c. Within 10 days of notification, the trustee may appeal in writing, requesting a review by the Board of Trustees.
- d. The action taken by the Board of Trustees, upon a two-thirds vote of the members present and voting, following the Governance Committee's recommendation or the trustee's written appeal, shall be considered final.
- e. Should no appeal be made within 10 days of committee action, and should the Board take no action contrary to the decision of the Governance Committee, the action of the Governance Committee shall stand as the action of the Board.

Section 8. The Resident Bishop of the North Carolina Annual Conference shall be an honorary member of the Board of Trustees with voice but no vote.

ARTICLE IV TRUSTEE EMERITI

Section 1. A Trustee who has served for a minimum of two terms may, upon recommendation of the Governance Committee, be elected by a majority of the Board as a Trustee Emeritus. This position shall be reserved for those Trustees with records of distinctive service. They shall be entitled to receive notices of all meetings of the Board and to attend and speak at all such meetings. A Trustee Emeritus shall not be counted as a member of the Board of Trustees for any purpose.

Section 2. Trustee EMERITI may also include such persons as to whom the Board deems it appropriate to award this distinction. However, as provided herein, such person shall not have any voting privileges on the board but shall have such voting privilege on any committee to which said trustee emeritus is appointed. Further, in the counting of the total membership of the duly constituted Trustees under this article, the emeritus members shall not be counted.

ARTICLE V OFFICERS OF THE BOARD OF TRUSTEES, OFFICERS OF THE CORPORATION, AND OFFICERS OF THE COLLEGE

Section 1. The officers of the Board shall be the Chairperson, one Vice Chairperson, and Secretary. The officers shall serve for a term of one year and until their successors are elected and qualified. Unless a vacancy occurs at another time, election of the officers shall be held at the annual meeting. A vacancy in any office may be filled at any time. The President of the College shall be ex officio member of the Board without power to vote and shall not be counted as a member of the Board or any committee for the purpose of determining a quorum.

Section 2. The officers of the corporation shall be elected by the Board of Trustees and the officers shall be a President, one Vice President, and a Secretary. The officers of the Board of Trustees shall also serve as officers of the corporation.

Section 3. The officers of the College shall be the President and other officers of the College shall be appointed by the President and approved by the Board of Trustees. The officers may be Vice President for Academic Life, Vice President for Finance, Vice President for Student Life, and Vice President for Institutional Advancement, and Vice President for Enrollment.

Section 4. The Board may approve the appointment of other officers of the College as it deems necessary. Such officers shall hold office at the pleasure of the Board of Trustees.

Section 5. In the event of a vacancy in the office of the President, the Board shall appoint a special Presidential Search Committee to submit nominations for candidates to the Office in line with standing board policy, which is separate from these bylaws. The Board shall name an Interim President until a President is appointed.

ARTICLE VI
POWERS AND DUTIES OF THE CHAIRPERSON
AND VICE CHAIRPERSONS OF THE BOARD OF TRUSTEES

The Chairperson shall preside at all meetings of the Board of Trustees, shall have a right to vote on all questions, shall appoint to all committees the members who are not appointed by the Board of Trustees, and shall have such other powers and duties as the Board from time to time may prescribe. In the absence of the Chairperson, the Vice Chairperson shall perform the duties of the office of the Chairperson and have such other powers and duties as the Board may from time to time prescribe.

ARTICLE VII
POWERS AND DUTIES OF THE SECRETARY, AND
RECORDING SECRETARY OF THE BOARD OF TRUSTEES

The Secretary of the Board shall give proper notice of all meetings of the Board of Trustees and shall keep a record of the appointment of all committees of the Board of Trustees. Furthermore, the Secretary shall keep or cause to be kept a record of the minutes of all meetings of the Board of Trustees and each of its committees and all documents and records of Board actions. At the discretion of the Board, a Recording Secretary may be named to assist the Secretary. The Recording Secretary does not have to be a member of the Board of Trustees.

ARTICLE VIII
MEETINGS

Section 1. There shall be at least three, regular meetings of the Board of Trustees annually, which shall be held on such date and place as may be designated by the Board. The meeting held in April of each year shall be considered to be the annual meeting of the Board.

Section 2. Special meetings may be held at the call of the Chairperson, or the Secretary of the Board of Trustees, or the President of the College; and it shall be the duty of the Chairperson or the Secretary to call such special meetings on the request of five Trustees, setting forth the purpose of the meeting.

Section 3. Written notice of all meetings of the Board of Trustees shall be sent by the Secretary to each Trustee at least ten days before the date of the meeting. In the case of special meetings, the notice shall state the purpose(s) of the meeting, and no business shall be transacted at such meeting that does not relate to the purpose(s) stated.

Section 4. Whenever notice is required to be given under the provisions of statutes, the articles of incorporation, or of the bylaws, a waiver in writing signed by the persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance at any meeting by a

Trustee shall be conclusively deemed a waiver of notice of that meeting, unless objection is made at the outset of such meeting of the failure to give proper notice.

Section 5. A majority of the Trustees shall be necessary and sufficient to constitute a quorum for the transaction of business; and the act of a majority of the Trustees present and voting at a duly called meeting of the Board or any committee, except as may be provided by statute, or by the articles of incorporation, or by these bylaws, shall constitute action by the Board.

Section 6. A two-thirds vote of the entire membership of the Board of Trustees shall be necessary for the corporation to sell, convey, mortgage, or otherwise dispose of any of the real estate owned by the corporation contiguous to or a part of the college campus; for corporate dissolution; to effect a major change in the corporation's mission or purpose; or to amend the articles of incorporation or bylaws to permit the selection of any members of the Board of Trustees by an entity not related to the North Carolina Annual Conference.

ARTICLE IX ACTION WITHOUT FORMAL MEETING

Any action required or permitted to be taken by the Board of Trustees or by any committee thereof may be taken without a formal meeting. Meetings may be conducted by mail, telegram, cable, telephone, electronic mail, facsimile, video conference, or in any other way the Trustees shall decide. Participation in such meetings shall be deemed presence in person at that meeting.

ARTICLE X COMMITTEES

Section 1. There may be such special or ad hoc committees as the Board of Trustees may from time to time establish for the discharge of particular duties.

Section 2. There shall be the standing committees specified in this Article. Members of standing committees, except the Executive Committee, shall be appointed by the Chairperson annually, after consultation with the Board, at or following the annual meeting of the Board of Trustees. The members of the Executive Committee shall be the officers of the Board and the Chairpersons of the standing committees. The Governance Committee may nominate additional members of the Board of Trustees to the Executive Committee, so long as the total number on the Executive Committee does not exceed 11 members. Members of the Executive Committee shall be elected after being nominated by the Governance Committee. Except as provided in these bylaws, the Chairperson of the Board (with voice and vote but not counted in quorum) and the President of the College shall be ex officio members of all standing committees; and each standing committee shall include at least three additional Trustees. The Chairperson of each standing committee and a majority of its members shall be Trustees.

Section 3. The Board of Trustees may at any time discontinue any of the standing committees for such time as may be determined, and the duties of any committee so discontinued shall be performed during such discontinuance by the Executive Committee.

Section 4. The President of the College shall appoint, with the consent of the Chairperson of the Board and the Chairperson of the respective committee, an Officer of the College or a member of the administrative staff to serve as a liaison between the committee and the Office of the President. Such liaison shall assist the committee in the carrying out of its duties.

Section 5. Executive Committee

a. The Executive Committee shall have a minimum of 7 and not more than 11 members, all of whom shall be Trustees. The Chairperson of the Board of Trustees shall be the Chairperson of the Executive Committee. The officers of the Board and the chairpersons of the standing committees shall be members of the Executive Committee. Other members may be elected annually by the Board. The President of the College shall be an ex officio member of the Executive Committee, without power to vote, and shall not be counted as a member of that committee for the purpose of determining a quorum.

b. Between meetings of the Board of Trustees, the Executive Committee shall have general supervision of the administration and property of the College, except that it may under no circumstances do any of the following: dissolve, merge, or consolidate the corporation; amend or alter the charter or bylaws; sell, lease, or exchange all or substantially all of the property of the corporation; designate the Executive Committee or the filling of vacancies on the Board of Trustees or on the Executive Committee; amend or repeal any resolution of the Board of Trustees which by its terms shall not be so amendable or repeal able; or fix compensation of the members of the Board of Trustees for serving on said Board or on the Executive Committee. In addition, the Executive Committee may not unless specifically empowered by the Board of Trustees to do so, award honorary degrees; locate permanent buildings on tax-exempt property held for College purposes; remove or appoint the President of the College; or take any action which has been reserved for the Board.

c. The Executive Committee shall meet three times a year with meeting dates determined between regular trustee meetings.

d. The Executive Committee shall meet additional times as required to transact business between regular meetings of the Board. Special meetings shall be called by the Secretary on the written request of the Chairperson or at least three of the members.

e. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business.

f. Minutes of the meetings of the Executive Committee shall be taken and shall be distributed promptly to each member of the Board following each Executive Committee meeting.

Section 6. Governance Committee. The Governance Committee shall consist of no fewer than three (3) members exclusive of the Chairperson of the Board and President, who shall serve ex-officio. The committee shall develop a plan of Board composition made relevant to the strategic direction of the institution. It shall recruit trustees and recommend those candidates for election by the full Board. It shall develop and recommend the strategies, policies, and practices that orient, educate, organize, motivate, and assess the performance of trustees. The committee shall recommend changes in bylaws as shall be deemed necessary for the proper functioning of the Board. The committee shall assume such additional responsibilities as may from time to time be assigned by the Board's leadership with the approval of the full Board. The committee shall regularly inform the Board of its practices and priorities at all times, providing the Board with information that is complete and timely so as to encourage informed deliberation. The committee shall meet as necessary to fulfill its mandate, but no fewer than three (3) times per year.

Section 7. The Learning Enterprise Committee. The Learning Enterprise Committee shall, in cooperation with the President of the College, monitor the quality of the College's overall learning

enterprise, to include academics, athletics, and student life. The committee shall review short and long range goals; advise the Finance Committee on the requirements of the programs associated with student learning; and make such reports and recommendations to the Board of Trustees relative to the foregoing as may be required.

It shall review matters affecting the faculty of the College, including salary, pension, and other personnel policies.

It shall review matters relating to admissions and financial aid including but without limitation to, strategic marketing issues, recruitment, and pricing.

It shall review matters affecting all aspects of student life of the College, including residential policies, judicial and health services, food services, religious life, student development, security, campus activities, intramural activity, student government, and counseling.

It shall review matters affecting all aspects of athletics at the College including compliance with National Junior College Athletic Association bylaws, regulations, rules, and procedures; compliance with Title IX legislation; the division (level) of competition of each athletic program; the academic performance of student-athletes; cost effectiveness of each sport; facilities; summer sports camps; development activities; review the short and long-range goals of the Athletic Department; and the recruitment, retention, and placement of student-athletes.

It shall also consider proposals on such matters and report and make recommendations thereon to the Board of Trustees as may be required.

The Vice President for Academic Life of the College, The Vice President for Student Life, The Vice President for Enrollment Management, and the Athletic Director of the College shall be ex officio members of the Learning Enterprise Committee, without power to vote, and shall not be counted a member of the committee for any purpose.

Section 8. Finance Committee. The Finance Committee shall have a minimum of five trustee members and a maximum of nine trustee members. Trustees shall not simultaneously serve on the Audit Committee and Finance Committee. It shall review annual operating and capital budgets prepared and presented under the direction of the President of the College and make recommendations with respect to these matters to the Board of Trustees. It shall review major financial transactions not provided for in the budget and submit proposed variances with recommendations to the Board of Trustees or Executive Committee. It shall review at least annually the physical condition of all the physical assets of the corporation as presented under the direction of the President of the College. It shall make and review on a periodic basis all preventive and regular maintenance policies and procedures of the corporation for the care of the physical assets. The Committee shall be responsible for the establishment of guidelines for the authorization of employment of contractors and vendors for the purchase of services and supplies for regular maintenance. All policies and procedures promulgated by the Committee shall be consistent with the general policies of the Board of Trustees. The Committee shall be responsible for monitoring and reporting the status, need and progress for any major building; construction, restoration, renovation, development or repair of any of the physical assets of the corporation; and it shall also be responsible for any bidding, solicitation, or any other means to obtain contracts for the performance of service or materials in connection with said items mentioned herein. Major contracts as defined by the Board of Trustees shall be reported to the Board of Trustees, who shall approve such contracts before the letting of them for the purposes for which said contracts are made.

Prior to the acceptance of any physical assets as gifts devise, bequeaths, or in any other manner, it shall be the duty of the Committee to make such appraisals, cause such investigations, or make such inspections of the property, and to report said findings to the Board of Trustees.

Further, acting within the scope of investment policy guidelines established by the Board of Trustees, the Committee shall have charge of the investment of all funds of the corporation, including the power to effect purchases, sales, or exchanges of securities and other investment assets of the corporation. The Committee

may employ investment counsel and may delegate authority to purchase or sell securities for the account of the corporation to such investment counsel or to any officer of the corporation subject to limitations as the Committee may impose. The Committee shall report changes in investment policy to the Board of Trustees at each Board meeting as well as report to the Board of Trustees from time to time estimates of expected endowment income.

The Vice President for Finance of the College shall be an ex officio member of the Finance Committee, without power to vote, and shall not be counted as a member of the Committee for any purpose.

Section 9. Institutional Advancement Committee. The Institutional Advancement Committee shall have a minimum of three members and a maximum of seven members. It shall review and recommend fund raising and public relations programs which are necessary to enable the corporation to carry out its purpose. It shall regularly report on its activities to the Board of Trustees. The Vice President for Institutional Advancement of the College shall be an ex-officio member of the Institutional Advancement Committee, without power to vote, and shall not be counted as a member of the committee for any purpose.

Section 10 Audit and Risk Management Committee. The Board of Trustees (the "Board") of Louisburg College ("College") hereby establishes an Audit and Risk Management Committee (the "Committee"). The purpose of the Committee is to be an informed, vigilant, and effective overseer of the controlling processes of the College, consistent with risk mitigation appropriate in the circumstances. The Committee shall also assist the Board in providing factual and appropriate financial reporting. To achieve these objectives, the Committee shall be constituted and operated pursuant to the following requirements:

The Committee shall have a minimum of two members and a maximum of three members. Committee members and a Chair shall be designated by the Board Chair, consistent with the protocol for the appointment of other Board committees and chairs, and shall serve until their successors are appointed. The Board Chair shall have the power at any time to change the membership of the Committee and to fill vacancies in it, subject to the following eligibility requirements. Subject to such rules as the Board shall prescribe the Committee shall meet at such times, but not less than two times annually, and place as the members of the Committee shall deem necessary or desirable. Meetings of the Committee may be called at any time by the Chairman of the Committee with a minimum of a two-day notice.

The Committee shall make regular reports to the Board of its activities, and the Committee shall make at least one annual report to the Board. The Vice President of Finance of the College shall be an ex officio member of the Audit Committee, without power to vote, and shall not be counted as a member of the Committee for any purpose.

A majority of the members of the Committee shall constitute a quorum for the transaction of business and the action of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. The Committee shall fix its own rules of procedure except as expressly provided for in the Committee's Charter.

All members must be current members of the Board of Trustees of Louisburg College who are financially knowledgeable, and one member must have accounting or financial management expertise, all as determined by the Board in its reasonable judgment. Board members shall not simultaneously serve on the Audit Committee and Finance and Endowment Committee. Each member must be independent of management and the College, free of any circumstances or relationship that would interfere with the exercise of his or her duties.

No Board member may be a member of the Committee who:

- Has been employed by the College or its affiliates during the last three years
- Is a partner in, or a stockholder (excluding a less than 2% interest in a publicly-traded corporation) or executive officer of, any enterprise that has a business relationship with the College or who personally has direct business relationship with the College; provided that such director may be a member if the Board determines in its business judgment that the relationship does not interfere with the director's exercise of independent judgment
- Is employed as an executive at another entity in which any of the College's administrators serve on that entity's compensation committee
- Has an immediate family member who has been employed by the College or any affiliate as an executive officer during the last three years.

The Committee shall be responsible for the following matters:

Oversight of Financial Reporting

- a) Discuss with the independent auditors the quality of the College's financial reporting;

Monitoring Choice of Accounting Policies and Principles

- a) Review of major changes to auditing and accounting principles suggested by the independent auditors or management;

Monitoring the System of Internal Controls

- a) Review and approve the annual audit plan and receive reports on progress and results;
- b) Review internal financial control systems and procedures;
- c) Review policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets;
- d) Review material legal and regulatory matters, including reports received from regulators;
- e) Solicit recommendations from the College's independent auditors for the improvement of internal control processes;
- f) Review and approve the College's annual tax return;
- g) Review the College's financial aid audit;
- h) Review any internal audits;
- i) Review non-recurring contracts over \$100,000;
- j) Review the College's risk management program (including, but not limited to, commercial insurance).

Ensuring Open Communication with Management and External Auditors

- a) Make its Chair or the Committee as a whole available, upon request, to the independent auditors and management to review interim and annual financial statements and tax returns prior to filing or release;
- b) Meet with the independent auditors as often as necessary to review the College's financial reporting, the internal controls of the College, the nature of any disagreements or major issues with management, the nature and resolution of any significant or unusual accounting issues, any auditing problems, and such other matters as the Committee deems appropriate;

Oversight of the Relationship with and Performance of the Independent Auditor

- a) Select, evaluate, and replace independent auditors for the College, based upon such factors as the Committee and the Board deem relevant, which independent auditors shall be ultimately accountable to the Board and the Committee;
- b) Review and approve the independent accountants' service and compensation arrangements and the independence of such accountants;
- c) Receive periodic reports from the independent auditors regarding all relationships between the auditors and the College, discuss with the independent auditors any disclosed relationships or services that may affect their objectivity and independence and recommend that the Board take appropriate action to satisfy itself of the independence of the independent auditors; and consider the impact of any non-audit services provided by the independent auditors on their independence;

Management of Committee Business

- a) Review and reassess, annually, the Committee's Charter in light of current circumstances of the College and changes in regulations;

With reasonable advance notice, the Committee may request any officer of the College to attend any meeting of the Committee or to otherwise provide assistance to the Committee in fulfilling its responsibilities. In such circumstances as it deems appropriate the Committee shall recommend to the Board the engagement of outside legal counsel or other experts as it deems necessary to assist in

The Committee shall request the independent auditors to meet with the members of the Committee without members of management present to discuss such topics as the Committee deems appropriate.

Presented to the Board:	September 24, 2009
Approved by the Board:	September 24, 2009
Revised:	September 28, 2017
Approved:	October 12, 2017

Section 11 Investment Committee. The Investment Committee shall have a minimum of three members and a maximum of five members. The Investment Committee is responsible for the investing, sale, and reinvesting of all funds of the College and all funds held and administered by the College as fiduciary, in conformity with investment policies reviewed and approved by the Board at least annually, and in strict accordance with the terms of any trust, will, deed, or gift or other instrument under which funds have been donated or entrusted to the College. With respect to the endowment, the Committee recommends investment policies for the endowment to the Board; selects investment managers, investment partnerships, and consultants, bank custodians, and other experts, as appropriate; and makes direct investments in cases in which an investment manager is not used. Additionally, the committee works to ensure that the endowment investments are in line with the investment policies and objectives. In conjunction with the Finance Committee, the Investment Committee recommends guidelines for spending endowment returns.

ARTICLE XI INDEMNIFICATION

Section 1. Officer and Trustee Indemnification. Each person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereinafter, a "proceeding" and including without limitation, a proceeding brought by or on behalf of the College itself), by reason that he is or was a Trustee, officer, employee, or agent of the College, or is or was serving at the request of the College as a Trustee, officer, partner, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under an employee benefit plan, where the basis of such proceeding is alleged action in an official capacity as a Trustee, officer, director, employee, or agent, or in any other capacity while serving as a Trustee, officer, partner, employee, agent, or administrator, shall be indemnified and held harmless by the College to the fullest extent authorized by the North Carolina Nonprofit Corporation Act ("the Act"). As the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the College to provide broader indemnification rights than the Act permitted the College to provide prior to such amendment) against all expense, liability, and loss (including attorneys' fees, judgments, fines, excise taxes or penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to serve in the capacity that initially entitled such person to indemnification hereunder and shall inure to the benefit of his heirs, executors, and administrators provided, however, that the College shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Trustees.

The right to indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the College the expenses incurred in defending any such proceeding in advance of its final disposition provided, however, that, if the Act so requires, the payment of expenses incurred by a Trustee, officer, employee, or agent in his capacity as such (and not in any other capacity in which service was or is rendered by such person while a Trustee, officer, employee, or agent including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the College of an undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified under this Section or otherwise.

Section 2. Right of Claimant to Bring Suit. If a claim under Section 1 hereof is not paid in full by the College within ninety (90) days after a written claim has been received by the College, the claimant may at any time thereafter bring suit against the College to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the College) that the claimant has not met the standards of conduct which make it permissible under the Act for the College to indemnify the claimant for the amount claimed; but the burden of proving such defense shall be on the College. Neither the failure of the College (including its Board of Trustees or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Act nor an actual determination by the College (including its Board of Trustees or independent legal counsel) that the claimant has not met the applicable standard of conduct shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), the Articles of Incorporation, these by-laws, any agreement, the vote of disinterested Trustees, or otherwise.

Section 4. Insurance. The College may maintain insurance, at its expense, to protect itself and any person who is or was serving as a Trustee, officer, employee, or agent of the College or is or was serving at the request of the College as a Trustee, officer, partner, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against and incurred by that person in any such capacity, or arising out of his status as such, whether or not the College would have the power to indemnify that person against such liability under the Act.

Section 5. Savings Clause. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the College shall nevertheless indemnify and hold harmless each Trustee, officer, employee, and agent of the College, as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative, or investigative to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE XII CONFLICTS OF INTEREST

As a tax-exempt organization, Louisburg College is required to have a conflict of interest policy and a procedure for disclosure. All Trustees shall disclose to the Board Chair any possible conflict of interest at the earliest practicable time and the Board Chair shall notify the full board, following the procedures outlined in the Conflict of Interest Policy. (See Appendix I "Conflict of Interest") All Trustees shall complete and sign a Conflict of Interest Disclosure Statement each year at the first fall meeting of the Board. (See Appendix II "Conflict of Interest Disclosure Statement".) Copies of the Disclosure Statements shall remain on file in the College President's Office with other board materials.

ARTICLE XIII POWERS AND DUTIES OF THE PRESIDENT OF THE COLLEGE

The President of the College shall be the Chief Executive Officer of the College and the official advisor to and executive agent of the Board of Trustees and its Executive Committee. The President shall, as educational and administrative head of the College, exercise a general superintendence over all the affairs of the institution, and bring such matters to the attention of the Board as are appropriate to keep the Board fully informed in meeting its policy-making responsibilities. Furthermore, the President shall have power, on behalf of the Trustees, to perform all acts and execute all documents to make effective the actions of the Board or its Executive Committee, and except as otherwise determined by the Board of Trustees, shall be an ex officio member of all committees of the Board without power to vote. The President of the College may call and preside at meetings of the faculty, may appoint all committees of the faculty, and shall appoint new or continuing faculty, and shall have final authority over all aspects of intercollegiate athletics. These duties may be delegated by the President but must remain under his/her control and responsibility.

ARTICLE XIV
POWERS AND DUTIES OF THE OFFICERS OF THE COLLEGE

Each officer of the College shall have such powers and shall perform such duties as may be assigned by these bylaws or by the President of the College with the approval of the Trustees. In case of the absence or disability of the President of the College, the duties of that officer shall be performed by the Vice President for Academic Life. If the Vice President for Academic Life is, for any reason, absent or unable to serve, the duties of the office of President shall be performed by the Vice President for Finance. If the Vice President for Finance is, for any reason, absent or unable to serve, the duties of the Office of President shall be performed by the Vice President for Student Life. If the Vice President for Student Life is, for any reason, absent or unable to serve, the duties of the Office of the President shall be performed by the officer of the College with the greatest length of service to the College. If there is no other officer of the College, the duties of the Office of President shall be performed by the Officer of the corporation with the greatest length of service.

ARTICLE XV
VICE PRESIDENT FOR ACADEMIC LIFE

The Vice President for Academic Life shall have oversight of the academic program of the College of the College and shall be Vice Chairperson of the Faculty. He/she shall advise the President of the College of all his/her acts, which acts shall always be subject to approval by the President.

ARTICLE XVI
VICE PRESIDENT FOR FINANCE

The Vice President for Finance shall keep the financial records of the College. S/he shall have immediate responsibility of all collections and disbursements under the budget and for all securities and financial records. S/he shall be required to make monthly reports to the President of the College, quarterly reports to the Executive committee and annual reports to the Trustees concerning his/her accounts and the property in his/her charge. His/her acts shall always be subject to the approval of the President of the College. For the faithful performance of his/her duties, the Vice President for Finance shall be required to give such bond as the Executive Committee may deem advisable; and his/her books shall be audited annually by an independent certified public accountant.

The Vice President for Finance shall have general supervision of buildings and grounds, supervision of general campus employees, including student labor. He/she shall be in charge of College purchasing and approve purchases for the various departments. He/she shall be responsible for the collection of student loans. In cooperation with the President, He/she shall prepare the annual operating budget of the College.

ARTICLE XVII
VICE PRESIDENT FOR STUDENT LIFE

The Vice President for Student Life shall have oversight of the general campus life and conduct of the students of the College. He/she shall advise the President of the College of all his/her acts, which acts shall always be subject to approval by the President.

ARTICLE XVIII
VICE PRESIDENT FOR ENROLLMENT

The Vice President for Enrollment shall have oversight of recruitment, admissions, financial aid, and the enrollment and retention of students. He/she shall advise the President of the College of all his/her acts, which acts shall always be subject to approval by the President.

ARTICLE XIX
VICE PRESIDENT FOR INSTITUTIONAL ADVANCEMENT

The Vice President for Institutional Advancement shall have oversight over programs that promote the financial development and marketing of the College, within the college's marketing plan, foster activities and college-related affairs of its alumni, and have oversight over the College's cultural and public relations programs. He/she shall advise the President of the College of all his/her acts, which acts shall always be subject to approval by the President.

ARTICLE XX
FACULTY

Section 1. The College faculty shall be composed of (a) the President of the College and such other officers designated by the President as are primarily responsible for instruction and research; (b) all persons of the rank of full instructor or above who are engaged in work from which recognized college degrees are awarded; and (c) members of the faculty EMERITI.

Section 2. The College faculty, in cooperation with the President and officers of the College, is responsible for the conduct of instruction and research in the various departments of the College.

In furtherance thereof the faculty:

- a. Shall enact such regulations as it deems necessary to carry on instruction and research, promote faculty and student welfare, advance the standard of work, and otherwise further the aims of the College.
- b. Shall recommend to the Board of Trustees:
 - i. Such persons as it deems fit to receive degrees or other marks of distinction
 - ii. The establishment of new degrees or diplomas
 - iii. New Programs
 - iv. Changes in the Faculty and Employee Handbooks
- c. Shall receive such information on the affairs of the College as is necessary for the exercise of its functions.
- d. Subject to the power of the Trustees and the President of the College, shall determine policies to which the faculty of any department of the College and all committees and councils thereof are expected to conform.

- e. Shall recognize the President of the College as the liaison officer between the College faculty and the Board of Trustees and the committees thereof.
- f. Shall elect its Chairperson and elect its own Secretary, who shall file with the President of the College a signed official copy of all minutes within 10 days of the conclusion of any meeting.
- g. May exercise its functions through such committees as it chooses to constitute.

ARTICLE XXI
DISCRIMINATION PROHIBITED

In administering its affairs, the corporation shall not discriminate against any person on the basis of race, creed, color, national or ethnic origin, sexual orientation, gender, age, or disability.

ARTICLE XXII
FISCAL YEAR

Section 1. The fiscal year of the corporation shall begin on June 1 and end on May 31.

Section 2. There shall be an annual audit of all funds of the corporation to be conducted by a certified public accountant firm selected by the Audit Committee and approved by the Trustees.

Section 3. All officers and employees of the corporation or College who shall have any corporation funds under their control shall be duly bonded in an amount to be fixed by the Board of Trustees.

ARTICLE XXIII
REVIEW AND AMENDMENT OF BYLAWS

Section 1. Except as may be provided by statute or by the articles of incorporation, or by these bylaws, these bylaws may be changed or amended at any meeting of the Trustees by a two-thirds vote of those present, provided notice of the substance of the proposed amendment is sent to all Trustees at least 10 days before the meeting.

Section 2. Periodically, the Executive Committee shall review these bylaws and suggest any necessary changes thereto.

Appendix I – Conflict of Interest Policy

Appendix II – Conflict of Interest Disclosure Statement

Final Bylaws (approved September 2010)

LOUISBURG COLLEGE
APPENDIX I - CONFLICT OF INTEREST POLICY

The purpose of the following policy and procedures is to complement the bylaws of Louisburg College, a tax-exempt organization, to prevent the personal interest of staff members, board members, and volunteers from interfering with the performance of their duties to Louisburg College, or result in personal financial, professional, or political gain on the part of such persons at the expense of Louisburg College or its board members, supporters, and other stakeholders. This policy is not intended to replace any applicable state and federal laws governing conflict of interest applicable to non-profit and charitable organizations.

Definitions:

-Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust included staff members, officers and board members of Louisburg College.

-Board means the Board of Trustees.

-Officer means an officer of the Board of Trustees.

-Volunteer means a person – other than a board member – who does not receive compensation for services and expertise provided to Louisburg College and retains a significant independent decision-making authority to commit resources of the organization.

-Staff Member means a person who receives all or part of her/his income from the payroll of Louisburg College.

-*Supporter* means corporations, foundations, individuals, 501(c)(3) nonprofits, and other non-profit organizations who contribute to Louisburg College.

-*Financial Interest* – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which Louisburg College has a transaction or arrangement,
- b. A compensation arrangement with Louisburg College or with any entity or individual with which Louisburg College has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Louisburg College is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favours that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Trustees or one of its committees decides that a conflict of interest exists.

POLICY AND PRACTICES

AREAS IN WHICH CONFLICT MAY ARISE

Conflicts of interest may arise in the relations of board members, officers, management, staff, or volunteers of Louisburg College. Some areas in which conflicts may arise include, but are not limited to:

- a. A board member is related to another board member or staff member by blood, marriage or domestic partnership.
- b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
- c. A board member or their organization or family member has a financial interest in Louisburg College or stands to benefit from a Louisburg College transaction involving the supplying of goods and services; leases of property and equipment; purchasing real estate, securities, or other property.
- d. A staff member of Louisburg College or her/his family member receives payment from Louisburg College for any subcontract, goods, or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
- e. A board member or staff member receives personal gifts or loans from third parties dealing or competing with Louisburg College. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

- f. A board member or staff member uses Louisburg College's time, personnel, equipment, supplies, or good will for other than Louisburg College approved activities, programs, and purposes.
- g. A volunteer working on behalf of Louisburg College who meets any of the situations or criteria listed above.

The areas of conflicting interest listed above and the relations in those areas which may give rise to conflict are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the trustees, officers, staff, and volunteers will recognize such areas and relations by analogy.

The fact that one of the interests described above exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of Louisburg College.

PROCEDURES

1. Full written disclosure in connection with any actual or possible conflict of interest by staff members within Louisburg College must be made to the President of the College (or if she/he is the one with the conflict, then to the Board Chair). The President of the College will forward the disclosure to the Board Chair. Full written disclosure in connection with any actual or possible conflict of interest involving board members should be made directly to the Board Chair (or if she or he is the one with the conflict, then to the Board Vice-Chair). The existence of any potential conflicts of interest must be disclosed as soon as the conflict arises or is apparent and before any pending transaction is consummated.
2. Following full disclosure of a possible conflict of interest, the Board Chair shall bring the matter to the attention to the full Board of Trustees for consideration and determination as to whether a conflict of interest exists.
3. The interested person should be given the opportunity to disclose all material facts to the board or members of committees with governing board delegated powers considering the proposed transaction or arrangement.
4. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, she/he shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon. Any other interested board member, officer, or staff member shall not participate in any discussion or debate of the Board.
5. The remaining board members shall exercise due diligence in determining whether a conflict of interest exists and whether Louisburg College can obtain with reasonable efforts a more

advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

6. The Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect Louisburg College's best interests. Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
 - a. The conflicting interest is fully disclosed.
 - b. The person with the conflict of interest is excluded from the discussion and approval of such transaction.
 - c. A competitive bid or comparable valuation exists.
 - d. The Board or duly constituted committee has determined that the transaction is in the best interest of the organization.
7. Votes shall be by a majority vote without counting the vote of any interested director, even if the disinterested directors are less than a quorum.

8. The minutes of the Board and all committees with board delegated powers shall contain:
 - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest is fact existed.
 - b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

VIOLATIONS

If the Board of Trustees has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ANNUAL DISCLOSURE STATEMENTS

Each Board member shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy
- b. Has read and understands the policy

- c. Has agreed to comply with the policy
- d. Understands that Louisburg College is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The annual disclosure statements of Board members shall be maintained in the President’s Office with other Board materials and minutes.

Each staff member shall sign a statement affirming the same policy statements when hired. Those statements shall be maintained in the Human Resources Office in the individual personnel files.

Conflict of Interest Policy – Appendix I

LOUISBURG COLLEGE
APPENDIX II - CONFLICT OF INTEREST DISCLOSURE STATEMENT

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed “affiliated persons” and include the following:

- a. your spouse, domestic partner, child, mother, father, brother or sister, or relative by marriage;
- b. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- c. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

NAME OF BOARD MEMBER OR EMPLOYEE: (Please print)

CAPACITY: ___ Board of Trustees member
 ___ Executive Committee

Officer

Committee Member

Staff Member (Position: _____)

Have you or any of your affiliated persons provided services or property to Louisburg College in the past year? YES NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

Have you or any of your affiliated persons purchased services or property from Louisburg College in the past year? YES NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which Louisburg College was or is a party?

YES NO

If yes, describe the transactions(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

Were you or any of your affiliated persons indebted to pay money to Louisburg College at any time in the past year (other than travel advances or the like)? YES NO

If yes, please describe the indebtedness and if an affiliated person is involve, the identity of the affiliated person and your relationship with that person.

In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from Louisburg College or as a result of your relationship with Louisburg College, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to Louisburg College?

YES NO

If yes, please describe the benefits(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving Louisburg College? YES NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by Louisburg College's Board of Trustees (or other duly constituted committee thereof) in accordance with the terms and intent of Louisburg College's conflict of interest policy? YES NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I HEREBY CONFIRM that I have read and understand Louisburg College's Conflict of Interest Policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify Louisburg College's Board of Trustees Chair, or in the case of an employee of Louisburg College, the President of Louisburg College, immediately.

Signature: _____

Date: _____

Conflict of Interest Disclosure Statement (Appendix II)