

THE WINTHROP UNIVERSITY FOUNDATION, INC.

BYLAWS

ARTICLE I

Section 1 NAME: The name of this organization shall be The Winthrop University Foundation, Inc. as incorporated under the laws of the State of South Carolina and is hereinafter referred to for convenience as the “Foundation.”

Section 2 LOCATION: The principal office of the Foundation is to be located in Rock Hill, South Carolina, in the County of York.

ARTICLE II

Section 1 NATURE: The form of this organization is an eleemosynary corporation, and it is organized exclusively for educational and scientific purposes benefiting Winthrop University within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986 and always consistent with the IRS Code.

Section 2 PURPOSE: The objective of the Foundation shall be:

- (a) To establish and implement a program in support of the expansion and improvement of the educational functions of Winthrop University.
- (b) To build an endowment fund to be managed and expended by the Foundation’s Board of Directors in cooperation with Winthrop University per the

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governing Memorandum of Understanding between the Winthrop University Foundation, Inc. and Winthrop University.

(c) To take title to, hold, invest and reinvest, and administer the assets owned by or assigned to the Foundation within the meaning of the IRS Code and to make distributions for the benefit of Winthrop University.

(d) To provide or make provision for the necessary requirements to accept, manage and maintain a prudent range of charitable vehicles within the meaning of the IRS Code.

Section 3 LIMITATIONS: Notwithstanding any provision of these Articles,

(a) The Foundation shall not carry on any activity prohibited by any provisions of the Internal Revenue Code pertaining to foundations exempt from Federal Income Tax or provisions governing contributions made to tax-exempt foundations.

(b) No part of the net earnings of the Foundation shall inure to the benefit of any private shareholder or individual, and no elected director or officer shall receive salary or other financial benefit from the funds of the Foundation except for (1) actual expenses for attending Board meetings if and as approved by the Board; (2) compensation paid solely for staff services to a Foundation employee who may be an ex-officio director.

(c) No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the

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Foundation shall neither participate nor intervene in any political campaign on behalf of any candidate for public office.

(d) The Winthrop University Foundation shall not discriminate among individuals in any way because of religion, race, sex or national origin.

Section 4 DISSOLUTION: In the event of dissolution, the residual assets of this Foundation will be turned over to one or more organizations described in Sections 501 (c) (3) and 170 (c) (2) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future Internal Revenue Code, or the Federal, State or Local government for exclusive public purposes.

ARTICLE III: BOARD OF DIRECTORS

Section 1 DIRECTORS: The Board of Directors (also referred to as “the Board”) shall have complete control of the management of the Foundation in the furtherance of the purpose as defined in these Articles.

Section 2 NUMBER: The Board of Directors shall be composed of at least 18 and no more than 30 voting members.

Section 3 METHOD OF SELECTION: The Board of Directors shall be composed as follows:

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(a) At least 18 and not more than 27 persons elected by the Board under provisions of Section 4 of this Article and ex-officio members, voting and non-voting, as hereinafter provided.

(b) VOTING EX-OFFICIO MEMBERS: Voting ex-officio directors' terms shall be co-terminus with the terms of office of the positions which they hold with the Alumni Association. The following positions are voting ex-officio on the Foundation Board:

- President of the Winthrop University Alumni Association
- President-Elect of the Winthrop University Alumni Association
- Treasurer of the Winthrop University Alumni Association

(c) NON-VOTING EX-OFFICIO MEMBERS: In addition to voting members as provided in Sections (a) and (b), the Board shall also include non-voting ex-officio directors. Non-voting ex-officio directors' terms shall be co-terminus with the terms of office of the positions which they hold with Winthrop University, the Winthrop University Board of Trustees, or other prescribed appointment. Persons holding the following positions are non-voting ex-officio members of the Foundation Board:

- President of Winthrop University
- Winthrop's Vice President for Institutional Advancement
- Executive Director of the Foundation
- Chair of the Board of Trustees (or his/her designee)
- Chair of the Board of Trustees' Committee on Institutional Advancement (or his/her designee)

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- Executive Director of Alumni Relations and Reunion Giving
- Up to three members selected annually by the President of Winthrop University in consultation with the President of the Foundation

Section 4 TERMS OF OFFICE:

- (a) Directors serving under the preceding Section 3(a) shall serve three-year terms. After completing four consecutive terms in office, a person may not be re-elected for a period of two years.
- (b) Elections shall be set up on a rotation system to ensure an equitable number of seats are filled on an annual basis.
- (c) Any vacancy may be filled by the Board at any duly scheduled meeting.
- (d) A director may be involuntarily removed from the Board during a term of office pursuant to rules adopted by the Board regarding attendance, participation and conduct.

Section 5 MEETINGS:

- (a) The Board shall have a minimum of two scheduled meetings per year. Additional Board meetings may be scheduled by the Executive Committee. At least one meeting shall be in the first six months of the year (a “spring” meeting) and at least one meeting shall be in the second six months of the year (a “fall” meeting). The Board may consider and act upon any matters properly brought before it at such scheduled meetings.

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(b) A special meeting may be called by the Foundation President or upon notice signed by any five directors. Such special meetings shall be held only upon notice to all voting directors forwarded not less than 48 hours before the meeting. The purpose of the meeting shall be stated in said notice and no matters other than those stated in the notice may be acted upon without the unanimous consent of the voting members of the Board.

(c) A copy of the minutes of any meeting shall be sent to each member of the Board of Directors by the Executive Director of the Foundation within ten days after that meeting.

Section 6 QUORUM/ATTENDANCE/VOTING: A quorum shall be one-third of the voting members of the Board of Directors. Proxy voting is not allowed. Attending and voting by conference call in which all attendees can hear and be heard simultaneously is permitted.

ARTICLE IV: OFFICERS

Section 1 OFFICERS: The officers of the Board of Directors shall consist of a President, Vice President, Secretary, Treasurer, and Executive Director of the Winthrop University Foundation, Inc.

Section 2 ELECTION OF OFFICERS: The President, Vice President, Secretary and Treasurer, shall be elected by the Board of Directors from its membership at a fall

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meeting and shall take office at the close of that meeting for a term of two years.

Officers will remain in their positions until their successors are elected and qualified. Elections to fill a vacancy may be held at any scheduled Board meeting or at any special meeting called for that purpose.

Section 3 DUTIES OF THE PRESIDENT: The President of the Foundation shall preside at all meetings of the Board of Directors and have all powers and duties incident to that office including, without limitation, the authority to execute deeds, mortgages, contracts and other legal documents on behalf of the Foundation. At each meeting, the President shall make a comprehensive report to the Board of Directors, including recommendations for conduct of the affairs of the Foundation. Additionally, the President, or his/her designee, will attend meetings of the Board of Trustees and its Committees pursuant to the invitation of such Board or Committee and make such reports as may be agreed to by the parties.

Section 4 DUTIES OF THE VICE PRESIDENT: In the absence of the President, the Vice President shall preside at any meeting and otherwise perform the duties of the President. In addition, the Vice President shall have signatory authority including, without limitation, the authority to execute deeds, mortgages, contracts and other legal documents on behalf of the Foundation. In the event that the office of President shall become vacant for any reason, the Vice President shall assume the duties of the office of President until the next regular or special

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meeting of the Board of Directors, at which time a successor President shall be elected to complete the unexpired term.

Section 5 DUTIES OF THE SECRETARY: The Secretary shall have general charge of the Foundation books and minutes, and of the Foundation seal, and shall affix the Foundation seal to any lawfully executed instrument requiring it.

Section 6 DUTIES OF THE TREASURER: The Treasurer, on behalf of the Board, shall oversee administration of the Foundation's financial affairs. The Treasurer shall give general oversight to the Executive Director's handling of day-to-day financial affairs, and shall coordinate interaction of the Executive Director, the standing committees involved with finances, and the Board as a whole. The Treasurer shall make regular detailed financial reports as directed by the Board.

Section 7 DUTIES OF THE EXECUTIVE DIRECTOR: The Board, in conjunction with the University President, shall appoint the Executive Director, who may be compensated for services in accordance with appropriate Board policies. He or she will be generally responsible for carrying out plans and purposes of the Foundation as directed by the Board, shall be responsible for the minutes of the meetings, for all correspondence and records, and for the continuing business of the Foundation. The Executive Director shall have signatory authority including, without limitation, the authority to execute deeds, mortgages, contracts and other legal documents on behalf of the Foundation. The Executive Director shall hire

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and supervise the work of any other employees in positions approved by the Board. The Executive Director shall be responsible for the day-to-day financial operations of the Foundation, and shall ensure that accurate accounts of receipts, disbursements, investments, and gift documentation are kept.

ARTICLE V: COMMITTEES

Section 1 EXECUTIVE COMMITTEE: There shall be an Executive Committee of the Foundation Board of Directors composed of the following:

- (a) President of the Foundation
- (b) Vice President of the Foundation
- (c) Secretary of the Foundation
- (d) Treasurer of the Foundation
- (e) Immediate past President of the Foundation (if (s)he is currently serving on the Foundation Board)

The Executive Committee's responsibilities include determining the most effective composition of the Board and developing policies and activities that attract, orient, educate, organize, motivate and assess the performance of directors.

The Executive Committee shall have all the powers of the Board of Directors during the interim between Board meetings, except that the Executive Committee shall not have or exercise the authority to:

- (a) Contravene any established policy or prior action by the Board;
- (b) Amend the Articles of Incorporation or the By Laws;
- (c) Authorize the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Foundation;
- (d) Adopt a plan for distribution of the assets of the Foundation; or
- (e) Fill vacancies on the Board of Directors.

Any Executive Committee action shall be reported to the Board of Directors within two weeks after the taking of such action.

Section 2 STANDING COMMITTEES: Unless noted elsewhere in this article, membership in standing committees, including the committee chairpersons, will be appointed by the Foundation President. The President of Winthrop University and the Executive Director of the Foundation shall be ex officio non-voting members of the standing committees and all other committees. On approval of the Executive Committee, persons other than directors may be appointed to committees. There shall be four (4) standing committees:

(a) Investment Committee

The Investment Committee's principal responsibilities include developing and maintaining the investment policy, selection and rigorous oversight of the investment managers and their performance and overall management of the Foundation's endowment to insure maximum possible return on Foundation assets consistent with reasonable standards of responsible financial management

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and investment. This Committee may utilize outside financial services organizations, although the full Board must approve any agreement creating an ongoing relationship or financial commitment. The Committee's membership shall include the Foundation's President and Treasurer, and the Treasurer of the Winthrop University Alumni Association, along with other Foundation Directors appointed by the President.

(b) Development Committee

The Development Committee works in concert with the Foundation's executive staff and the University's executive leadership to determine fundraising goals, priorities and timetables. This Committee shall, in cooperation with the University's Office of Institutional Advancement, recommend policies, procedures and programs for solicitation of major and deferred gifts, including recognition of donors; develop plans for major fund raising campaigns and initiatives; and coordinate Foundation activities with the fund raising activities of the Foundation and the University, including engaging the members of the Board in pacesetter giving, and actively identifying major prospects and soliciting gifts.

(c) Operations Committee

This Committee shall oversee the operations and administrative functions of the Foundation and its liaison with Winthrop University. Specifically, the committee shall review the following items and recommend action to the Board of Directors:

- (1) General oversight of professional staff positions.

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- (2) Proposals for the Foundation's grants to Winthrop University.
- (3) The annual operating budget.
- (4) Gift acceptance procedures and accounting policies.
- (5) Other issues of liaison with Winthrop University not within the purview of other committees.

The Committee will oversee the Foundation's conflict-of-interest policy, monitor travel and entertainment expense policies, and ensure that existing policies comply with IRS requirements.

(d) Audit Committee

The responsibilities of the Audit Committee shall include oversight of the annual audit process, including the accounting, financial, and internal control processes of the Winthrop University Foundation. The Committee shall appoint the Foundation's external auditor firm, ensure its independence, review the terms of the engagement and the scope of the audit and set the compensation. The Committee shall also review the Foundation's annual audit reports prepared in accordance with generally accepted accounting principles. The Committee shall meet with the auditors at least twice annually; once in the planning phase and again to review the audit report. The Committee shall bring to the attention of the Board, any noteworthy findings, material or non-material, which could potentially adversely affect the reputation or financial condition of the Foundation.

Section 3 SPECIAL COMMITTEES: The Board of Directors may authorize special committees as needed. Unless the Board decides otherwise in a specific situation, the President shall appoint members of such committees. The President shall appoint from among the voting members of the Board the members of a committee on nominations, subject to the consent of the Board. Its membership will not exceed five but may be as few as three. The committee on nominations shall prepare a slate of nominees for the positions of President, Vice President, Secretary, Treasurer, and Directors to be presented for election at a fall meeting of the Board when the terms of office of these positions is to conclude or in the event of a vacancy.

ARTICLE VI: OPERATING PROCEDURES

Section 1 CONTRIBUTIONS: All contributions shall be made payable to The Winthrop University Foundation, Inc. and shall be deposited in the name of the Foundation in such financial institutions as may be designated by the Board for prudent management and investment effectiveness.

Section 2 EXPENDITURES: All expenses of the Foundation shall be defrayed by appropriation of the Board of Directors from resources of the Foundation. Disbursement will be made only for the purposes designated by the Board in accordance with the purposes and limitations of Article II of these Bylaws. The Board shall prescribe appropriate rules authorizing and designating those persons

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who may sign, on behalf of the Foundation, checks, drafts, or other orders for the payment of money.

Section 3 FISCAL YEAR: The Foundation shall operate on a calendar year basis beginning January 1 and ending December 31 of each year.

Section 4 AUDIT AND BONDING: The Board shall authorize and provide funds for an annual audit, and provide for fidelity insurance and/or bonding for specific Board members and employees as deemed advisable.

Section 5 INDEMNIFICATION: Each director and officer of the Board shall be indemnified by the Foundation against any and all claims and liabilities arising by reason of serving or having served as a director or officer of the Board, or by reason of any action alleged to have been taken, admitted or neglected. Any director or officer shall be reimbursed for all expenses reasonably incurred in connection with any such claim or liability; provided, however, that no such person shall be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence.

Section 6 PLANNING: The Foundation shall achieve the purposes of Article II, Section 2 through use of ongoing planning, including preparation of an operating plan and budget, for submission at a fall meeting.

ARTICLE VII

Section 1 AMENDMENTS: Any amendments to these Bylaws shall be adopted by two-thirds vote of voting members present at any meeting provided written notice of the proposed amendment has been sent to each voting member of the Board of Directors at least 10 days prior to the meeting.

Section 2 RATIFICATION: These Bylaws and any amendments become effective when they have been adopted by the Board of Directors. When adopted, any amendments shall supercede any previous Bylaws and override any operating policies which may be in conflict therewith.