

**BYLAWS**  
**OF**  
**THE TEXAS AGGIE CORPS OF CADETS ASSOCIATION**

**ARTICLE I**  
**Offices**

1.1 The registered office of **THE TEXAS AGGIE CORPS OF CADETS ASSOCIATION** (the "**Corporation**") shall be located in the Bryan/College Station, Texas area.

1.2 The Corporation may also have offices at such other places, either within or without the State of Texas, as the Board of Directors of the Corporation (the "**Corporation Board**") may from time to time determine or as the business of the Corporation may require.

**ARTICLE II**  
**Members**

2.1 The following types of members of the Corporation shall be permitted:

(a) **Regular Members:** Regular members ("**Members**") of the Corporation shall be anyone who (i) was a member of the Texas Aggie Corps of Cadets (the "**Corps of Cadets**") at any time and (ii) has fulfilled his or her obligation to contribute to the Corporation for the applicable year of membership as specified in Section 2.4.

(b) **Other members:** Other members of the Corporation as determined by the Corporation Board, who will be all other individuals who wish to support the Corps of Cadets and the Corporation and who desire membership, who have made contributions to the Corporation during any annual period corresponding to the annual fiscal period of the Corporation.

(c) **Honorary members:** Honorary members may be named at the discretion of a two-thirds majority vote of the Corporation Board. The Corporation Board will determine and publish the qualifications for honorary member.

(d) **Surviving spouse:** The surviving spouse or children of any deceased Member, other member, or honorary member, may be a member of the Corporation upon making application to the Corporation and taking appropriate steps as specified in Section 2.4.

2.2 By making the required contribution, a Member will renew his or her membership in the Corporation. A Member may terminate his or her membership in the Corporation by failing to make the required contribution as specified in Section 2.4, or by filing a written resignation with the secretary. Any other type of member may terminate membership in the Corporation by filing a written resignation with the secretary.

2.3 The Corporation Board may, by a majority vote of those directors present at any regular or special meeting (i) suspend or expel any type of member for cause after an appropriate hearing, (ii) terminate the membership of any type of member who becomes ineligible for membership, or (iii) decline membership status to an individual if just cause is shown by the directors indicating behavior of the individual is not suitable for membership. No member whose membership is terminated will be entitled to a refund of any contributions paid to the Corporation.

### **Membership Contributions**

2.4 Contributions to the Corporation will be one of the fundamentals espoused by the Corporation's leadership. The required contributions by the Members will be determined in the Corporation Board's discretion.

### **Meetings of the Members**

2.5 An annual meeting of Members shall be held once a year, at such place as shall be fixed by notice from the chair of the Corporation Board, president or secretary. Where a vote of the Members is called for by the Corporation Board, each Member is entitled to one vote on each matter submitted to a vote of the Members. Except as otherwise specifically provided in the Certificate of Formation, the presence, either in person, by proxy, by absentee ballot, or by electronic ballot, at any meeting of Members of twenty-five (25) Members shall constitute a quorum for any action of the Members; however, an absentee or electronic ballot may be counted as a Member present and voting for the purpose of establishing a quorum only for items appearing on the ballot. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time no less than five (5) days or more than thirty (30) days from the meeting date.

2.6 The act of the majority of the Members present at a meeting duly held at which a quorum is present shall be the act of the Members.

2.7 An electronic ballot means a ballot (1) given by electronic mail, fax, or posting on an Internet website, (2) for which the identity of the Member submitting the ballot can be confirmed, and (3) for which the Member may receive a receipt of the electronic transmission of such Member's ballot. If an electronic ballot is posted on an Internet website, a notice of the posting will be sent to each Member with instructions on obtaining access to the posting on the website.

## **ARTICLE III**

### **Directors**

3.1

(a) The affairs of the Corporation shall be managed by the Corporation Board in accordance with these bylaws, the Texas Business Organizations Code, as amended and succeeded from time to time (the "TBOC") and the Corporation's Certificate of Formation, in each case as amended from time to time.

(b) The number of directors of the Corporation Board shall be fifteen (15). This number shall include (i) all elected or appointed directors (pursuant to Section 3.2), inclusive of the chair and chair-elect, and (ii) the immediate past chair of the Corporation Board.

(c) The directors, inclusive of the chair and chair-elect, shall be elected or appointed as provided in Section 3.2; provided, however that for the calendar year beginning on the Effective Date and ending on December 31 of such calendar year (the “**Transitional Year**”), any directors elected to serve during the Transitional Year pursuant to an election occurring prior to the Effective Date shall serve as directors during the Transitional Year without the need for an additional election of such directors during the Transitional Year.

(d) Directors need not be residents of the State of Texas. Each director on the Corporation Board shall hold office for a term of one (1) year, and shall serve until the end of his or her term of office and until his or her successor is elected and qualified or, if earlier, until his or her death, resignation, retirement, disqualification or removal from office. Directors may serve a maximum of four (4) consecutive terms, subject to the following exceptions.

(i) In an effort to achieve a Corporation Board with staggered maximum consecutive terms, the nominations committee, subject to the executive committee’s approval, shall have the power and discretion to further adjust the maximum number of consecutive terms that any director may serve.

(ii) If a director is elected or appointed as chair-elect, such director may serve one (1) additional consecutive year to allow for such person to serve his or her term as chair-elect, and if a director is selected as chair, such director may serve two (2) additional consecutive years to allow for such person to serve his or her terms as chair and immediate past chair of the Corporation Board.

(iii) Once a director has already served the maximum amount of consecutive terms permitted under Section 3.1(d), such director’s eligibility to serve as a director again shall commence one year after the expiration of his or her last-served term.

(iv) The term of each director shall coincide with the fiscal year of the Corporation, unless such director is fulfilling a vacancy on the Corporation Board.

### 3.2

(a) The procedure for the annual election of directors shall be as follows. At a meeting of the Corporation Board prior to the annual meeting of the Members, the nominating and governance committee shall provide the names of at least fourteen (14) Members to the Corporation Board for consideration as candidates for director, including one (1) candidate for chair and one (1) candidate for chair-elect, for the ensuing year. The Corporation Board shall vote to approve or deny the candidacy of such Members recommended by the nominating and governance committee. Thereafter, the Corporation

Board shall provide notice of the approved list of director candidates to the Members. At the annual meeting of the Members, the Members shall elect fourteen (14) of the director candidates as directors, including one director to serve as chair and one director to serve as chair-elect, of the Corporation Board for the ensuing year.

(b) Vacancies in the Corporation Board shall exist if a director dies, resigns or is removed from office or a director's term of office ends in accordance with Section 3.1(c). The Corporation Board may declare vacant the office of a director in either of the following cases: (a) if he or she is adjudged incompetent by an order of court, or finally convicted of a felony or (b) if within sixty (60) days after notice of his or her appointment, he or she does not accept the office either in writing or by attending a meeting of the Corporation Board.

(c) If a director dies, resigns or is removed from office as a director, such directorship may be filled by a majority vote of those directors present at any regular or special meeting. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

(d) If the Corporation Board accepts the resignation of a director tendered to take effect at a future time other than the time at which his or her term would otherwise expire, the successor to such director may be selected in accordance with above paragraph (b), to take office when the resignation becomes effective. A director appointed to fill a vacancy that exists for any reason other than the end of his or her predecessor's term of office in accordance with Section 3.2(b) shall be appointed to the unexpired term of his or her predecessor in office. Any director may resign by furnishing written notice of such resignation to the president or secretary of the Corporation.

3.3 Any director may be removed, at any time and with or without cause, by the affirmative vote of two-thirds (2/3) of all of the directors of the Corporation Board serving at the time.

3.4 The Corporation Board may require directors of the Corporation Board to make certain minimum contributions to the Corporation, as established by the Corporation Board from time to time, in its discretion.

### **Meetings of the Board of Directors**

3.5 Meetings of the Corporation Board, regular or special, may be held either within or without the State of Texas. Any regular or special meeting is valid, wherever held, if held on written consent signed by a sufficient number of the directors of the Corporation Board as would be necessary to hold that meeting if all of the directors of the Corporation Board were present and voted, given either before or after the meeting and filed with the secretary of the Corporation.

3.6 A regular meeting of the Corporation Board shall be held at least twice each year, at such place as shall be fixed by notice from the chair of the Corporation Board, president or secretary. Where a vote of the Corporation Board is called for, each director of the Corporation Board is entitled to one vote on each matter submitted to a vote of the

Corporation Board. Except as otherwise specifically provided in the Certificate of Formation, the presence, either in person, by proxy, by absentee ballot, or by electronic ballot, at any meeting of the Corporation Board of a majority of the directors shall constitute a quorum for any action of the Corporation Board; however, an absentee or electronic ballot may be counted as a director present and voting for the purpose of establishing a quorum only for items appearing on the ballot. In the absence of a quorum at a meeting of directors, a majority of those directors present in person or by proxy may adjourn the meeting to a time no less than five (5) days or more than thirty (30) days from the meeting date.

3.7 The act of the majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Corporation Board.

3.8 An electronic ballot means a ballot (1) given by electronic mail, fax, or posting on an Internet website, (2) for which the identity of the director submitting the ballot can be confirmed, and (3) for which the director may receive a receipt of the electronic transmission of such director's ballot. If an electronic ballot is posted on an Internet website, a notice of the posting will be sent to each director with instructions on obtaining access to the posting on the website.

3.9 In the event of the failure to fix the time and place of such regular meetings of the newly elected Corporation Board, or in the event such meeting is not held at the time and place so fixed, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Corporation Board, or as shall be specified in a written waiver signed by all of the directors.

3.10 Except as otherwise provided in Section 3.6, regular meetings of the Corporation Board may be held at such time and at such place as specified in a notice given as hereinafter provided for special meetings of the Corporation Board, or as shall be specified in a written waiver signed by all of the directors.

3.11 Special meetings of the Corporation Board may be called by the chair of the Corporation Board or president, and shall be called by the secretary on the written request of either: the chair of the Corporation Board, the president or at least three (3) directors. Written notice of special meetings of the Corporation Board shall be given personally, or sent by mail or by other form of written communication (including E-mail or telecopies), to each director at least seven (7) days before the date of the meeting. Except as set forth in Article VI hereof, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Corporation Board need be specified in the notice or waiver of notice of such meeting.

3.12 A majority of the authorized number of directors shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Corporation Board, unless a greater number is required by law or the Certificate of Formation or as otherwise set forth in these bylaws. Each director present at a meeting will be deemed to have assented to any action taken at the meeting, unless his or her dissent to the action is

entered in the minutes of the meeting, or unless the director shall file his or her written dissent thereto with the secretary of the meeting or shall forward such dissent by certified mail to the secretary of the Corporation immediately after such meeting. If a quorum shall not be present at any meeting of the Corporation Board, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified and called.

3.13 Any action required or permitted to be taken at a meeting of the Corporation Board or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action taken, is signed by a sufficient number of the directors of the Corporation Board or the committee, as the case may be, as would be necessary to take that action at a meeting at which all of the directors of the Corporation Board or such committee, as the case may be, were present and voted. Prompt notice of the taking of any action by directors or a committee without a meeting by less than unanimous written consent shall be given to all directors or committee members who did not consent in writing to the action. Subject to the provisions required herein for notice of meetings, directors of the Corporation Board or of any committee designated by the Corporation Board may participate in and hold a meeting of such board or committee by means of conference by telephone or similar communications equipment such that all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.13 shall constitute presence in person at such meeting, except where a person participates in a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.14 An E-mail or telecopy communication shall be deemed to be in writing for purposes of these bylaws.

### **Committees**

#### 3.15

(a) The Corporation Board, may designate one or more committees, each consisting of two or more directors, and each of which shall have the specific authority delegated to such committee in such resolutions and shall have and may exercise all of the authority of the Corporation Board. Vacancies in the membership of any such committee shall be filled by the Corporation Board at a regular or special meeting thereof. Members of any such committee shall serve at the pleasure of the Corporation Board.

(b) The chair of the Corporation Board may designate one or more committees, each consisting of two or more directors, but any such committees shall only have the specific authority delegated to such committee by the Corporate Board. Vacancies in the membership of any such committee shall be filled by the chair of the Corporation Board. Members of any such committee shall serve at the pleasure of the chair of the Corporation Board.

(c) Any and all committees shall keep regular minutes of its proceedings and report the same to the Corporation Board when required. The designation of a committee and any delegation of authority by the Corporation Board to such a committee shall not operate to relieve the Corporation Board, or any director thereof, of any responsibility imposed by law.

### **Standing Committees**

3.16 The Corporation shall have the following standing committees:

(a) Executive Committee:

(i) The executive committee shall consist of the chair-elect, the chair and the past-chair. The president shall serve as an ex officio member of the executive committee and shall attend meetings of the executive committee and participate in its deliberations; however, the president shall have no vote and shall not be counted in computing a quorum at any executive committee meeting or in determining the total number of members of the executive committee required or permitted by the charter or the bylaws as constituting the executive committee. The president shall not be present during meetings wherein his or her compensation and/or performance are being evaluated by the executive committee.

(ii) The executive committee shall be a standing committee of the Corporation Board, and, except as limited by applicable law, may exercise all of the authority of the Corporation Board; except that no such committee shall have the authority of the Corporation Board in reference to: amending the Articles of Incorporation; approving a plan of merger, conversion or a plan of consolidation with another entity; authorizing the sale, lease or exchange of all or substantially all of the property and assets of the Corporation otherwise than in the usual and regular course of its business; authorizing a voluntary winding up and termination of the Corporation or a revocation thereof; adopting a plan for the distribution of the assets of the Corporation; amending, altering or repealing the bylaws of the Corporation or adopting new bylaws of the Corporation; filling vacancies in the Corporation Board or the executive committee; electing or removing members of the executive committee; altering or repealing any resolution of the Corporation Board that, by its terms, provides that it shall not be so amendable or repealable. The executive committee shall be considered a "management committee" of the Corporation in accordance with Section 22.218 of the TBOC.

(iii) The executive committee, by majority vote of the executive committee serving at the time, may appoint any person serving in a leadership role in the Corps of Cadets or Texas A&M University as an advisory member of (i) the Corporation Board, (ii) any standing committee, or (iii) any other committee formed pursuant to Section 3.15; however, such appointee shall have no vote and shall not be counted in computing a quorum at any Corporation Board or committee meeting or in determining the total number of directors of any Corporation Board

or members of any committee required or permitted by the charter or the bylaws as constituting the Corporation Board or a committee.

(iv) Members of the standing committees outlined in Section 3.16(b)-(d) shall be appointed by the executive committee, and the chair of the Corporation Board shall appoint the chair of the standing committees:

(b) Audit and Finance Committee: The audit and finance committee shall be appointed by the executive committee and shall be responsible for all auditing of the Corporation's books and records and supervision of all financial assets and financial records of the Corporation.

(c) Compensation Committee: The compensation committee shall be responsible for (i) supervising and recommending the salary of the president of the Corporation to the Corporation Board for approval; and (ii) such other responsibilities as set forth in a compensation committee charter approved by the Corporation Board, from time to time.

(d) Nominating and Governance Committee: The nominating and governance committee shall be responsible for receiving nominations for candidates to the Corporation Board, vetting all such candidates and making recommendations for selection of directors to the Corporation Board. The nominating and governance committee does not have the power to appoint a director of the Corporation Board.

3.17 Each standing committee or other committee shall prepare a committee charter, which the Corporation Board shall review and either approve or deny.

### **Advisory Council**

3.18 An advisory council may be established to provide advice, guidance, service and expertise to the Corporation Board. The advisory council and its members shall have no power to govern the Corporation.

3.19 The Corporation Board may receive candidates for advisory council from any director.

3.20 Advisory council members need not be Members in good standing of the Corporation. No advisory council member shall serve as a director of the Corporation Board while serving on the advisory council.

3.21 Once properly nominated, the Corporation Board shall vote on members to the advisory council at the Corporation Board's next meeting or in accordance with Section 3.13.

3.22 Advisory council members shall serve for a term of one (1) year and may be re-elected for any number of terms.

3.23 Advisory council members shall be goodwill ambassadors for the Corporation, for the Corps of Cadets and for Texas A&M University. They may be appointed to standing or special committees by the chair and/or the Corporation Board. All advisory council members shall be entitled to attend any regular meeting of the Corporation Board and may have speaking privileges. No advisory council member shall be entitled to vote on any matter brought before the Corporation Board.

3.24 Advisory council members may resign at any time or may be removed by a majority vote of the Corporation Board with or without cause. The advisory council may be dissolved at any time by a majority vote of the Corporation Board.

### **Compensation of Directors**

3.25 Directors may not receive any compensation for their services, but nothing herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

### **Chair, Chair-Elect, and Immediate Past Chair**

3.26 Roles of Chair, Chair-Elect, and Immediate Past Chair

(a) Upon the election of a new chair, the outgoing chair shall then automatically become the immediate past chair.

(b) The chair, chair-elect, and immediate past chair shall each serve for a one (1)-year term. If an elected chair resigns or otherwise fails or ceases to serve during his or her elected term, the chair-elect shall serve as chair for the balance of such year. If no such person is available to serve, a new chair shall be appointed by the Corporation Board to serve as chair for the balance of such year.

(c) The chair or chair-elect may be removed with or without cause by the affirmative vote of two-thirds (2/3) of all of the directors of the Corporation Board at the time in question. If the Corporation Board removes a chair or chair-elect from his or her office, such removed person shall continue to serve as a director for the remainder of his or her term.

### **Chair of the Corporation Board**

3.27 The chair of the Corporation Board shall preside at meetings of the directors and shall serve as an ex officio member of all standing committees and may attend meetings of such committees and participate in their deliberations; however, except as otherwise provided in these bylaws, the chair of the Corporation Board shall have no vote and shall not be counted in computing a quorum at any standing committee meeting or in determining the total number of members of the standing committee required or permitted by the charter or the bylaws as constituting the standing committee. The chair of the Corporation Board shall have such other powers and shall perform such other duties as shall be designated by the Corporation Board.

### **Chair-elect**

3.28 The chair-elect of the Corporation Board shall, in the absence of the chair, perform the duties of the chair, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the chair. The chair-elect shall have such other powers and duties as may be prescribed from time to time by the Corporation Board, these bylaws or as may be delegated from time to time by the chair.

### **Immediate Past Chair**

3.29 An outgoing chair shall serve as immediate past chair until a new chair is elected and the former chair transitions to immediate past chair. Upon the election of a new chair, the outgoing chair shall then automatically become the immediate past chair. The immediate past chair shall serve as a voting member of the Corporation Board, shall be a Member of the Corporation and shall have such powers and duties as may be prescribed from time to time by the Corporation Board, these bylaws or the chair. The immediate past chair of the Corporation Board shall, in the absence of the chair and chair-elect, perform the duties of the chair, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the chair.

### **Restrictions on Disbursements**

3.30 Neither the Corporation Board nor any committee thereof shall approve a disbursement of any funds that is not in furtherance of and in accord with the purposes of the Corporation as described in the Corporation's Certificate of Formation and these bylaws.

### **Investment Policy**

3.31 The Corporation Board, in investing the assets of the Corporation, shall exercise the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income from as well as the probable increase in value and safety of their capital. In determining whether an investment decision is prudent, such determination shall be made taking into consideration the investment of all of the assets of the Corporation over which the Corporation Board exercises management and control, rather than a consideration as to the prudence of the single investment.

## **ARTICLE IV**

### **Notices and Requests**

4.1 Notices and requests to advisors, directors, members, or officers shall be in writing and (i) published in a Corporation periodical delivered to Members; (ii) delivered personally or by telecopy or E-mail; or (iii) mailed to the advisors, directors, members, or officers at their addresses appearing on the books of the Corporation. Notice or request published in a Corporation periodical shall be deemed to be given and received when the periodical is deposited in the United States mail, addressed to the addressee at his or her

address as it appears on the records of the Corporation, with adequate postage thereon prepaid. Notice or request by mail shall be deemed to be given and received when deposited in the United States mail, addressed to the addressee at his or her address as it appears on the records of the Corporation, with adequate postage thereon prepaid. Notice or request by personal delivery shall be deemed to be given and received at the time when same shall be actually received by the person to whom addressed. Notice by telecopy or E-mail shall be deemed delivered when same shall be transmitted to the recipient's proper number or address and confirmation of successful transmission received.

4.2 Whenever any notice is required to be given to any director under the provisions of any statute or of the Certificate of Formation or of these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

4.3 Attendance in person, by proxy or electronically of an advisor, director, member, or officer at a meeting shall constitute a waiver of notice of such meeting, except where an advisor, director, member, or officer attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## **ARTICLE V**

### **Officers**

5.1 The officers of the Corporation shall consist of a president and a secretary, and may also consist of one or more vice-presidents, treasurers and such other officers as may be elected or appointed as provided in Section 5.2. Any two or more offices may be held by the same person, except the offices of president and secretary.

5.2 The officers of the Corporation shall be appointed by the Corporation Board. Each officer shall serve until a successor is elected and qualified or until the earlier death, resignation, or removal of that officer. Vacancies or new offices shall be filled at the next regular or special meeting of the Corporation Board. The officers of the Corporation shall not be permitted to simultaneously serve as directors of the Corporation Board.

5.3 Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Corporation Board to hold office for such period, have such authority and perform such duties as are provided by the bylaws or as the Corporation Board may determine.

5.4 The officers of the Corporation shall be employees of the Corporation. The salaries of all officers (except the salary of the president, which is fixed by the Corporation Board) and (if any) agents of the Corporation shall be fixed from time to time by the president of the Corporation.

5.5 Each officer of the Corporation shall hold office until the end of his or her term of office, or, if earlier, until he or she shall resign or shall be removed from office or otherwise disqualified to serve. Each officer shall hold office until his or her successor is

elected and qualified. Any officer or agent may be removed by the Corporation Board, with or without cause, whenever in its judgment the best interest of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Corporation Board.

### **The President**

5.6 The president shall be the chief executive officer of the Corporation, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Corporation Board are carried into effect. The president is an ex officio member of the Corporation Board and all committees without vote or inclusion in the required quorum. Except as otherwise provided in these bylaws, in the absence of a member of the executive committee, the president shall preside at meetings of the Corporation Board. The president shall not be present during meetings wherein his or her compensation and/or performance are being evaluated by the Corporation Board.

5.7 The president shall execute bonds, mortgages and other contracts, except where the execution thereof shall be expressly delegated by the Corporation Board to some other officer or agent of the Corporation.

### **The Vice Presidents**

5.8 The vice presidents, if any, in the order of their seniority, or otherwise, as determined by the Corporation Board, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such other duties and have such other powers as the Corporation Board shall prescribe.

### **The Secretary and Assistant Secretaries**

5.9 The secretary shall attend all meetings of the Corporation Board and record all the proceedings of the meetings of the Corporation Board in a book or other electronic record to be kept for that purpose and shall perform like duties for the standing committees, when required. The secretary shall give, or cause to be given, notice of special meetings of the Corporation Board, and shall perform such other duties as may be prescribed by the Corporation Board or president, under whose supervision the secretary shall serve.

5.10 The (i) secretary and (ii) assistant secretaries, if any, shall perform such other duties and have such other powers as the Corporation Board may from time to time prescribe.

### **The Treasurer and Assistant Treasurers**

5.11 The (i) treasurer, if any, and (ii) assistant treasurers, if any, shall perform such duties and have such powers as the Corporation Board may from time to time prescribe.

## **ARTICLE VI**

### **General Provisions**

6.1 The Corporation Board may authorize and make distributions, subject to any restrictions in these bylaws or the Certificate of Formation and limitations set forth in the TBOC. Except as otherwise provided in Section 3.25, the Corporation Board shall make no distribution that inures to the benefit of any member of the Corporation Board or any member of any such director's family. For purposes of this Section 6.1, a director's family shall include his or her spouse, ancestors, children, grandchildren, great-grandchildren and spouses of the director's children, grandchildren or great-grandchildren.

6.2 The Corporation Board may make gifts and give charitable contributions in accordance with the stated purposes of the Corporation as set forth in the Certificate of Formation and that are not prohibited by statute, these bylaws, the Certificate of Formation and any requirements for maintaining the Corporation's federal and state tax status.

6.3 The Corporation Board may authorize any officer or officers, or agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances, including, without limitation, contracts for administrative and other services in furtherance of the exempt purposes of the Corporation.

6.4 All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by either the president or treasurer of the Corporation. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness payable to the Corporation shall be endorsed by such officer or officers or other person or persons as the Corporation Board may from time to time designate.

6.5 All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Corporation Board may select.

6.6 The fiscal year of the Corporation shall the calendar year unless otherwise fixed by resolution of the Corporation Board.

6.7 The corporate seal, if any, shall have inscribed thereon the name of the Corporation, and be in a form approved by the Corporation Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

6.8 The Corporation shall keep correct and complete books and records of account and shall also keep at the registered or principal office of the Corporation a record giving the names and addresses of the directors entitled to vote. All books and records of

the Corporation may be inspected by any director, or his or her agent, accountant or attorney, for any proper purpose at any reasonable time.

6.9 The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code.

6.10 The Corporation shall not engage in any act of self-dealing as defined in section 4941(d) of the Internal Revenue Code.

6.11 The Corporation shall not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code except as may be proper under section 4943(c)(6) and (7) of that Code.

6.12 The Corporation shall not make any investments in such manner as to subject it to tax under section 4944 of the Internal Revenue Code.

6.13 The Corporation shall not make any taxable expenditures as defined in section 4945(d) of the Internal Revenue Code.

## **ARTICLE VII** **Amendment of Bylaws**

7.1 These bylaws may be amended or repealed, or new bylaws adopted, only by the affirmative vote of two-thirds (2/3) of all of the directors of the Corporation Board at the time in question; provided, no amendment may be made to these bylaws which would alter the Corporation's purposes as stated in the Certificate of Formation, as amended from time to time, or that would cause any benefit, other than reasonable compensation as determined under Section 3.25 or Section 3.16(c), to inure to any person who has a personal or private interest in the activities of the Corporation. Any proposed amendment to these bylaws must be included in the notice of the meeting at which such amendment is to be considered.

## **ARTICLE VIII** **Corporate Indemnification**

8.1 As utilized in this Article, the following terms shall have the meanings indicated:

(a) **"Advisor"** means any person who is or was a member of the advisory council of the Corporation and any person who, while a member of the advisory council of the Corporation, is or was serving at the request of the Corporation as a partner, director, officer, venturer, proprietor, trustee, employee, administrator, agent or similar functionary at another foreign or domestic Corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. A person represents the Corporation at an employee benefit plan if the performance of the person's official duties to the Corporation also imposes duties on or

otherwise involves service by the person to the plan, participants in, or beneficiaries of the plan.

(b) “**Corporation**” includes any domestic or foreign predecessor entity of the Corporation in a merger, conversion, consolidation, or other transaction in which the liabilities of the predecessor are transferred or allocated to the Corporation by operation of law and any other transaction in which the Corporation assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

(c) “**Director**” means any person who is or was a director of the Corporation and any person who, while a director of the Corporation, is or was serving at the request of the Corporation as a partner, director, officer, venturer, proprietor, trustee, employee, administrator, agent or similar functionary at another foreign or domestic Corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. A person represents the Corporation at an employee benefit plan if the performance of the person’s official duties to the Corporation also imposes duties on or otherwise involves service by the person to the plan, participants in, or beneficiaries of the plan.

(d) “**Expenses**” include court costs and reasonable attorney’s fees.

(e) “**Official Capacity**” means (i) when used with respect to a director, the office of director in the Corporation or the exercise of authority by or on behalf of the director under the TBOC or the governing documents of the Corporation, and (ii) when used with respect to a person other than a director, the elective or appointive office in the Corporation held by the officer, or the employment or agency relationship undertaken by the employee or agent on behalf of the Corporation; however, notwithstanding any contrary provision of this section 8.1(e), “Official Capacity” as defined in both (i) and (ii) above does not include service for any other foreign or domestic Corporation or any partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

(f) “**Proceeding**” means any threatened, pending, or completed action, suit or other proceeding, whether civil, criminal, administrative, arbitative, or investigative, any appeal in such an action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

8.2 The Corporation shall indemnify an Advisor, Director, or officer of the Corporation in connection with a Proceeding in which he or she is a named defendant or respondent because he or she is or was an Advisor, Director, or officer if the Advisor, Director, or officer has been wholly successful, on the merits or otherwise, in the defense of the Proceeding.

8.3 The Corporation shall indemnify a person who was, is or is threatened to be made a named defendant or respondent in a Proceeding because the person is or was an Advisor, Director, or officer only if it is determined in accordance with section 8.8 that,

with respect to amounts described in section 8.7(a), the amounts actually incurred by the person in connection with the Proceeding (other than a judgment) are reasonable, and that the person:

- (a) conducted himself or herself in good faith;
- (b) reasonably believed (i) in the case of conduct in his or her Official Capacity as an Advisor, Director, or officer of the Corporation, that his or her conduct was in the Corporation's best interests, and (ii) in all other cases, that his or her conduct was at least not opposed to the Corporation's best interests; and
- (c) in the case of any criminal Proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

This bylaw provision shall be deemed to be the requisite determination that indemnification should be paid to persons who meet the above standards contemplated in TBOC section 8.103(c).

8.4 Except as may otherwise be permitted in section 8.6(b), an Advisor, Director, or officer shall not be indemnified by the Corporation as provided in section 8.3 for obligations resulting from a Proceeding:

- (a) (a) in which the director is found liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in the person's Official Capacity, or
- (b) in which the person is found liable to the Corporation.

8.5 Action taken or omitted by a director with respect to an employee benefit plan in the performance of the person's duties for a purpose reasonably believed by the person to be in the interest of the participants and beneficiaries of the plan is for a purpose that is not opposed to the best interests of the Corporation. Action taken or omitted by a director serving the Corporation for another enterprise described in section 8.1(b) for a purpose reasonably believed by the director to be in the interest of the other enterprise or its owners or members is for a purpose that is not opposed to the best interests of the Corporation. The termination of a Proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent is not of itself determinative that the person did not meet the requirements set forth in section 8.3 person shall be deemed to have been found liable in respect of any claim, issue, or matter only if the liability is established by an order, including a judgment or decree of a court, and all appeals of the order are exhausted or foreclosed by law.

## 8.6

(a) Subject to section 8.6(b), a person shall be indemnified by the Corporation as provided in section 8.3 against judgments (including arbitration awards), penalties, settlements, fines, and excise or similar taxes (except as expressly excluded in this Article), including an excise tax assessed against the person with respect to an employee

benefit plan, and reasonable Expenses actually incurred by the person in connection with the Proceeding.

(b) Notwithstanding any contrary provision of section 8.6, if the person to be indemnified with respect to a Proceeding is found liable to the Corporation or is found liable on the basis that personal benefit was improperly received by the person, the indemnification described in section 8.3 and 8.6:

(i) is limited to reasonable Expenses actually incurred by the person in connection with the Proceeding;

(ii) shall not include a judgment, a penalty, a fine, and an excise or similar tax, including an excise tax assessed against the person with respect to an employee benefit plan; and

(iii) shall may not be made in relation to a Proceeding in which the person has been found liable for: (A) willful or intentional misconduct in the performance of the person's duty to the Corporation; (B) breach of the person's duty of loyalty owed to the Corporation; or (C) an act or omission not committed in good faith that constitutes a breach of a duty owed by the person to the Corporation.

8.7 Determination of the permissibility of indemnification under section 8.3, and the reasonableness of amounts (other than judgments) actually incurred, must be made:

(a) by a majority vote of directors who at the time of the vote are disinterested and independent, regardless of whether the directors who are disinterested and independent constitute a quorum;

(b) by a majority vote of a committee of the Corporation Board, designated to act in the matter by a majority vote of directors who at the time of the vote are disinterested and independent, regardless of whether the directors who are disinterested and independent constitute a quorum, and consisting solely of one or more directors who at the time of the vote are disinterested and independent; or

(c) by special legal counsel selected by the Corporation Board.

8.8 Notwithstanding any contrary provision of section 8.7, if the determination that indemnification is permissible is made by special legal counsel described in section 8.7(c), determination as to reasonableness of Expenses must be made by special legal counsel described in section 8.7(c).

8.9 Reasonable Expenses incurred by a currently serving director who was, is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid or reimbursed by the Corporation in advance of the final disposition of the Proceeding and without the determinations specified in section 8.3 or section 8.8, after the Corporation receives:

(a) a written affirmation by the director of the director's good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article; and

(b) a written undertaking by or on behalf of the director to repay the amount paid or reimbursed if it is ultimately determined that the director has not met that standard or it is ultimately determined that indemnification of the director against Expenses incurred by him or her in connection with that Proceeding is prohibited by section 8.6(b).

The written undertaking required by section 8.9(b) must be an unlimited general obligation of the director, and may but need not be secured. It may be accepted by the Corporation without regard to the director's ability to make repayment.

8.10 Reasonable Expenses incurred by a former director, or a current or former officer, employee or agent who was, is or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the Proceeding on terms the Corporation considers appropriate.

8.11 Notwithstanding any other provision of this Article, the Corporation shall pay or reimburse reasonable Expenses incurred by a director in connection with his or her appearance as a witness or other participation in a Proceeding relating to the Corporation at a time when the director is not a named defendant or respondent in the Proceeding.

8.12 In addition to the required indemnification of officers provided in this Article, the Corporation may indemnify, advance and reimburse Expenses to an officer, employee or agent of the Corporation to the same extent and in the same manner that it may indemnify, advance and reimburse expenses to directors under this Article, and such a person may seek such indemnification, advancement or reimbursement to the same extent as could a director of the Corporation.

8.13 The Corporation may indemnify and advance Expenses to an officer, employee or agent who is not a director to such further extent, consistent with law, as may be provided by general or specific action of the Corporation Board, contract or as permitted or required by common law.

#### 8.14

(a) The Corporation may purchase or procure, or establish and maintain insurance or another arrangement to indemnify or hold harmless any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, manager, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic Corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify the person against that liability under other provisions of this Article. This bylaw provision shall be

deemed to be the requisite approval for such insurance contemplated in TBOC section 8.151(c).

8.15 No purchase of insurance, indemnification or other action contemplated or allowed by this Article shall be construed to allow or permit any such purchase, indemnification or action, except as such is within any limitations placed on the Corporation as a tax exempt organization under the provisions of the Code, the TBOC or other laws of the State of Texas, or any other applicable rule or regulation.

## **ARTICLE IX** **Conflicts of Interest**

9.1 The purpose of this conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

(a) **"Interested Person"**. Any director, principal officer, Advisor, or member of a committee with Corporation Board delegated powers, who has a direct or indirect financial interest, as defined below, in a contemplated or completed transaction is an Interested Person.

(b) **"Financial Interest"**. A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or family:

(i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

(ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

(iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest disclosed under Section 9.2(a) may have a conflict of interest only if the appropriate Corporation Board or committee decides that a conflict of interest exists.

### 9.2 Procedures

(a) In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity

to disclose all material facts to the directors and members of committees with Corporation Board delegated powers considering the proposed transaction or arrangement.

(b) After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the Corporation Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members, as the case may be, shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) An Interested Person may make a presentation at the Corporation Board or committee meeting, but after the presentation, that person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chair of the Corporation Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Corporation Board or committee shall determine whether the Corporation 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.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Corporation Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

(i) If the Corporation Board or committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Corporation Board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

9.3 The minutes of the Corporation 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 Corporation Board's or committee's decision as to whether a conflict of interest in 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.

#### 9.4 Compensation.

(a) A voting member of the Corporation Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the Corporation Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

9.5 Each director, principal officer and member of a committee with Corporation Board delegated powers 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; and

(d) Understands the Corporation 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.

9.6 To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining;

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in private inurement, impermissible private benefit or in an excess benefit transaction.

9.7 When conducting the periodic reviews as provided for in Section 9.6, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Corporation Board of its responsibility for ensuring periodic reviews are conducted.

*[Intentionally left blank]*

## CERTIFICATE OF SECRETARY

The undersigned does hereby certify that (i) the undersigned is the duly elected and qualified Secretary of **THE TEXAS AGGIE CORPS OF CADETS ASSOCIATION**, a Texas corporation (the "**Corporation**"), and (ii) the foregoing is a true and correct copy of the Bylaws of the Corporation adopted by the Board of Directors on 24th day of October, 2022, to be effective on the 1st day of January, 2023 (the "**Effective Date**").



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Andrea A. Abat Secretary