



ITU

International Technological University

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Board of Trustees By-laws

Article 1 – The University

1.1 Name

The name of this corporation is "International Technological University," (the "University" or "ITU").

1.2 Corporate Seal

The corporate seal of International Technological University shall be of the following form and design:



1.3. Office

1.3.1 Principal Office: The principal site address for the transaction of the business of the institution of higher learning is hereby fixed and located as recorded in the ITU's State of California Business License. The Board of Trustees may change the location of this office by amendment of this section.

1.3.2 Other Offices: The Board of Trustees may establish other offices within or without California, as it deems advisable.

1.4 Purpose

The purpose of International Technological University is to foster excellence in education for students particularly interested in the high-tech entrepreneurial field. All programs have an applied nature, with an emphasis on specialty areas tailored to the market needs of Silicon Valley companies and/or other feasible areas. Students are actively encouraged to affiliate or intern with relevant local industry firms from the very beginning of their academic studies as an integral part of ITU's academic pedagogy.

1.5 Fiscal Year

The fiscal year of the University shall be July 1 through June 30.

Article 2 – Membership

2.1 Statutory Members

The University shall not have any members within the meaning of Section 5066 of the California Corporations Code.

2.2 Nonvoting Members

The University shall not have any nonvoting members, but the Board of Trustees (the “Board” or “Board of Trustees”) may, by resolution, establish one or more classes of nonvoting members and provide eligibility requirements for membership.

Article 3 – Board of Trustees

3.1 Powers

The directors of the University shall be known as “Trustees” and are so referred to herein. Subject to the provisions of the California Nonprofit Corporation Law, the activities and affairs of the University shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Trustees. These powers shall include but shall not be limited to the following:

- a) Determine and define the mission, purpose, and goals of the University;
- b) Have the responsibility to govern the University in accordance with the California Nonprofit Corporation Law and other relevant laws and statutes pertaining to a non-profit education institution;
- c) Demonstrate its responsibility for and involvement with strategic planning which informs and supports institutional decisions and actions that result in responsive growth and financial sustainability for long-term viability;
- d) Formulate, approve, and maintain general policies that govern University operations and shall be responsible for seeing that the affairs of the University are administered in accordance with these policies;
- e) Review and take appropriate action with respect to the budget, which shall be submitted to it upon recommendation of the President of the University;
- f) Have the role of mobilizing effort to secure necessary funds for the operation of the University and its programs;
- g) Retain an independent and reputable accounting firm to conduct a financial audit annually;
- h) Appoint such committees, education and auxiliary groups as may be deemed necessary to achieve University purposes and for accreditation compliance. At a

minimum, such committees should include: Audit Committee, Academic Committee, Finance Committee, Executive Committee, and Planning Committee;

- i) Have both the authority and responsibility to recruit and hire the University President, to evaluate the University President's performance, set and renew the terms of the University President's employment contract, and terminate the University President;
- j) Have the authority to hire support staff and/or consultant(s) to assist the Trustees in addressing legal, financial, educational, and accrediting matters when it is in the best interests of the University;
- k) Exercise fiduciary responsibility for the University and protect its assets for posterity, and engage in fundraising and philanthropy;
- l) Authorize any changes in tuition and fees within the University;
- m) Ensure the educational quality of the institution and its academic programs;
- n) Approve and adopt major changes in the educational programs of the University consistent with its mission;
- o) Authorize the construction of new buildings and major renovations of existing buildings;
- p) Authorize the sale and purchase of land or buildings for the use of the University; and
- q) Be an independent Board of Trustees for public endowed funds and conduct self-evaluation periodically to assess its effectiveness in accordance with accreditation standards.

The Board of Trustees may delegate the management of the day-to-day operation of the business of the University to a management company, committee (however composed), or other person, provided that the activities and affairs of the University shall be managed, and all corporate powers shall be exercised, under the ultimate direction of the Board of Trustees.

3.2 Composition

The authorized number of Trustees of the University shall be not more than thirty (30) members, including the President of the University, who shall be a Trustee Ex Officio, until changed by amendment of the Articles of Incorporation or by a bylaw amending this Section 3.2.

3.3 Restrictions on Membership

No more than forty-nine percent (49%) of the persons serving on the Board of Trustees at any time may be "interested persons" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law.

No member of the University administration or University faculty, other than the President of the University, shall be eligible for membership on the Board of Trustees.

3.4 Nomination and Elections

The Board of Trustees shall be self-perpetuating.

- a) The Chairperson or any member of the Board of Trustees, and the President of the University shall screen potential nominees, investigate and assess their suitability for consideration as Trustees, and determine whether to recommend to the Board of Trustees an individual for nomination as a Trustee.
- b) A biographical summary and such other information as the Board may deem useful of any nominee shall be submitted to the Board of Trustees for recommendation.
- c) Upon submission of the nomination to the Board of Trustees, and if the nominee has expressed a willingness to serve, the Chairperson of the Board of Trustees shall conduct a vote.
- d) The Chairperson shall declare that an individual has been duly elected, if, with a majority of the eligible Trustees voting, two-thirds (2/3) of the votes cast are affirmative. The Chairperson of the Board of Trustees shall thereupon notify the individual.

3.5 Terms and Renewal of Term by Re-election

The term of elected Trustees shall be two (2) years. Each Trustee, including a Trustee elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until a successor has been elected and qualified. There shall be no limit to the number of terms to which a Trustee may be elected. A Trustee term may be renewed by re-election by a majority vote of two-thirds (2/3) to serve, which vote may occur at the end of the two-year term.

3.6 Vacancies

A vacancy in the Board of Trustees shall be deemed to exist on the resignation, inability or unwillingness to serve, or by the removal, as defined in Section 3.8 herein, or death of any Trustee or Trustees. Vacancies in the Board of Trustees shall be filled by the affirmative vote of a majority of the Trustees present at a meeting at which a quorum is present, or if the number of Trustees then in office is less than a quorum, (a) by the unanimous written consent of the Trustees then in office, (b) by the vote of a majority of the Trustees then in office at a meeting held pursuant to notice or waivers of notice in compliance with these by-laws, or (c) by a sole remaining Trustee, and the Trustee so elected shall serve for the remainder of the term of the Trustee being replaced.

3.7 Resignation

Any Trustee may resign at any time by giving written notice to the Chairperson or Secretary of the Board. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect on the date of receipt of the notice or at any later time specified therein. If the resignation is effective at a future time, the successor may be elected to take office when the resignation becomes effective. Unless the

California Attorney General is first notified, no Trustee may resign when the University would then be left without a duly elected Trustee or Trustees in charge of its affairs.

3.8 Removal

The Board may remove any Trustee who is declared of unsound mind by a court order, is convicted of a felony, fails without good cause acceptable to the Board to meet the attendance requirements adopted by the Board, fails to fulfill the responsibilities for Trustees specified in these by-laws or required by law or for any other reason, in the Board's judgment, such removal would be in the best interests of the University. The Board may also remove any Trustee for fraudulent or dishonest acts, or for gross abuse of authority or discretion with reference to the University, or for any other acts or statements that may reflect adversely on the University's standing in the community. A Trustee may only be removed from the Board upon the affirmative vote of two-thirds (2/3) of the members of the Board present and entitled to vote at any meeting of the Board, and provided that at least ten (10) days' prior written notice is given to the Board, including said Trustee, of the intention to propose such action.

3.9 Officers of the Board of Trustees

The Officers of the Board shall be a Chairperson, one or more Vice Chairs, a Secretary, a Treasurer, and Immediate Past Chairperson. The order of seniority of the Vice Chairs shall be in the order of their nomination, unless otherwise determined by the Board. Any two or more offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chairperson of the Board. The Board of Trustees may appoint, and may empower the Chairperson or another officer to appoint, such other officers as the activities of the University may require, each of whom shall have such authority and perform such duties as are provided in these by-laws or as the Board may from time to time determine.

3.9.1 Chairperson: Shall be the Chairperson of the Board of Trustees of the University, and serve as Chair of the Executive Committee. He or she shall coordinate all Board activities and preside at all meetings of the Board, and perform all the duties commonly incident to that office. The Chair shall appoint all committees of the Board, including the Chairs of each committee, unless it is otherwise provided in the resolution creating them. As the authoritative head of the Board, the Chair shall represent the Board at the public meetings of the University.

3.9.2 Vice Chair(s) of the Board of Trustees: Shall assume the duties of the Chair in his/her absence or disability and, in the event of a vacancy of the Chair of the Board of Trustees, until the election of a new Chair.

3.9.3 Secretary and Administrative Support Staff: The Secretary shall oversee the preparation of minutes for Board meetings and Executive Committee meetings and distribute them at the next meeting. The Secretary shall manage and attend to correspondence as necessary. He or she shall also serve as a member of the Executive Committee. The Secretary shall maintain an active roster of Trustees, their seat terms, and the renewal schedule of term of service. The Secretary may hire an Administrative

Support staff person to provide administrative and supportive functions to assist the Board of Trustees with clerical work and is accountable to the Board of Trustees. It shall be noted that this administrative staff position is subjective to availability of funding and is an at-will employment subject to California Labor Law and is not an elected position.

3.9.4 Treasurer: The Treasurer shall supervise handling of University funds, ensure that keeping of proper financial records, report regularly to the Board and Finance Committee, and serve as a member of the Finance Committee. The Treasurer shall prepare an expense budget to sustain the functions of the Board of Trustees. Such expense budget shall be approved by the Board of the Trustees annually by a majority vote of two-thirds (2/3). All expenses shall be approved the Chief Financial Officer of the University, and be processed for payment or reimbursement according to the University policy and procedure.

3.9.5 Immediate Past Chairperson: The immediate past chairperson shall serve as an advisor to the Chairperson of the Board of Trustees and the President of the university, as a member of the Executive Committee. He or she shall be an ex officio voting member of the Executive Committee.

3.9.6 Trustee Ex Officio: An ex-officio Trustee will serve so long as he or she holds the office or the position. The ex-officio Trustee is also a voting Trustee of the Board of Trustees or the committee.

3.9.7 Term and Election: Officers of the Board of Trustees shall be elected by a majority of the Board members at the annual meeting of the Board and shall serve for a term of one (1) year, which term shall begin July 1; provided that all officers, as well as any other employee or agent of the University, may, subject to any claim for breach of contract based on any contractual arrangements between any such person and the University, be removed at any time at the pleasure of the Board of Trustees, or, except in the case of an officer chosen by the Board of Trustees, by any officer upon whom such power of removal may be conferred by the Board of Trustees, or the Chairperson of the Board or another officer in cases where the Chairperson of the Board or the other officer has been vested by the Board of Trustees with power to appoint may declare such office vacant and fill such vacancy.

Any officer may resign at any time by giving written notice to the Board of Trustees, the Chairperson, or the Secretary, without prejudice, however, to the rights, if any, of the University under any contract to which such officer is a party. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective.

The salary and other compensation of the officers shall be fixed from time to time by resolution of, or in the manner determined by, the Board of Trustees. The Board of Trustees or an authorized committee of the Board of Trustees shall, in compliance with Section 12586(g) of the California Government Code, review and approve the

compensation, including benefits, of the President or Chief Executive Officer and the Treasurer or Chief Financial Officer to ensure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees. If the University is affiliated with other charitable corporations, review and approval may be obtained from the Board, or an authorized committee of the Board, of the charitable corporation that makes retention and compensation decisions regarding a particular individual.

3.9.8 Vacancies: Any vacancy shall be filled by the Board.

3.10 Board Meetings

3.10.1 Regular Meeting: The Board of Trustees shall meet at least two (2) times each year on such dates and times as shall be specified by the Board. At such meetings, any business related to the authority of the Board may be discussed and transacted.

3.10.2 Annual Meeting: The annual meeting shall be held during the month of June on a date specified by the Board for presentation of Annual Reports, election of officers and members, and adoption of the budget for the coming year.

3.10.3 Special Meeting: Special meetings may be called at any time for any purpose or purposes by the Board Liaison at the direction of the Chairperson of the Board or President of the University, or any four members of the Board. Notice of the time, place, and agenda thereof shall be given by email to each Board member at least fourteen (14) days before the time appointed for such meeting, except in extraordinary situations where a fourteen-day notice is impractical. However, short-notice Special Meetings should be kept to a minimum.

3.10.4 Quorum: A quorum shall consist of a simple majority of the current Board. Voting by proxy is not permitted.

3.10.5 Telephonic and Video Meetings: Any and all Trustees may participate in a meeting of the Board or a committee of the Board by means of a telephone or video conference or by any other means of communication by which all persons participating in the meeting are able to communicate with one another, and such participation shall constitute presence at the meeting and such Trustees may vote as if they were physically present.

3.10.6 Action Without a Meeting: Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action upon a duly initiated motion in writing (by mail, facsimile or email) which is seconded by another member of the Board in writing (by mail, facsimile, or email) The motion, the seconding of the motion, and the consent are transmitted to all members of the Board in writing by

the sender(s) in writing (by mail, facsimile or email). The Secretary shall have the responsibility of counting the votes and communicating the result of the voting in writing (by mail, facsimile or email) to all members of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Trustees. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the California Corporations Code.

3.10.7 Absence: Any member of the Board of Trustees who is absent from three (3) consecutive meetings shall be regarded as having resigned from the Board.

3.10.8 Conduct of Meetings: Meetings of Members shall be presided over by the Chairperson of the Board of Trustees or, if he or she is not present, by the Vice Chair of the Board of Trustees or, if none of said officers is present, by a Chair to be elected at the meeting.

3.10.9 Notice of Meetings: Written notice of each annual and regular meeting shall be given to each member of the Board stating the time and place of all meetings and the purpose of the meeting at least thirty (30) days before the meeting. Meetings may be held without regular notice if each board member signs a statement waiving notice or if members attend the meeting without objection to lack of notice. In the event of a dispute concerning proper notice of a special meeting, a majority of board members may sign a written or electronic statement waiving the legally required notice without objecting to the lack of such notice.

3.10.10 Executive Sessions / Closed Sessions: Subject to the requirements of state law, the Board may hold any regular or special meeting, or any part thereof, in executive session with participation limited to voting Board members. Other individuals may be invited to attend all or portions of an executive session as deemed necessary by the Board chair.

3.11 Standard of Care

A Trustee shall perform the duties of a Trustee, including duties as a member of any Board committee on which the Trustee may serve, in good faith, in a manner such Trustee believes to be in the best interests of the University and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Trustee, a Trustee shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- a) one or more officers or employees of the University whom the Trustee believes to be reliable and competent as to the matters presented;

- b) counsel, independent accountants, or other persons as to matters which the Trustee believes to be within such person's professional or expert competence; or
- c) a Board committee upon which the Trustee does not serve, as to matters within its designated authority, provided that the Trustee believes such committee merits confidence; so long as in any such case, the Trustee acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Article 4 – Committees of the Board

The Board may appoint committees and prescribe their duties and functions. All committees shall keep a record of their proceedings and report to the Board as required. Each committee shall have a chair. The chair of each standing committee, except the executive committee, shall be recommended by the chair of the Board and approved by the Board. Each committee shall have an officer of the institution or administrative staff member, designated by the Board, report to the committee to assist its work.

Any such committee, to the extent provided in the resolution of the Board of Trustees or in these by-laws, shall have all the authority of the Board of Trustees, except that no committee, regardless of Board resolution, may:

- a) approve any action that, under the California Nonprofit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation;
- b) fill vacancies on the Board of Trustees or in any committee that has the authority of the Board;
- c) fix compensation of the Trustees for serving on the Board or on any committee;
- d) amend or repeal by-laws or adopt new by-laws;
- e) amend or repeal any resolution of the Board of Trustees that by its express terms is not so amendable or repealable;
- f) appoint any other committees of the Board of Trustees or the members of such committees;
- g) expend corporate funds to support a nominee for Trustee after there are more people nominated for Trustee than can be elected; or
- h) approve any transaction between the University and one or more of its Trustees in which the Trustee or Trustees have a material financial interest, except as provided by Section 5233 of the California Corporations Code.

The Board carries out its responsibilities and discharges its duties in part through committees that include:

4.1. The Executive Committee

The Executive Committee shall have general charge of the affairs of the University; shall carry out any directions or resolutions of the Board of Trustees. It shall be the duty of this committee to evaluate Trustee actions involving potential conflict of interest, and annually evaluate the CEO's performance and executive compensation (including salary, benefits, and other remuneration), subject to the approval of the Board of Trustees.

4.1.1 The President of the University is reported to this committee to assist its work.

4.2 The Academic Committee

The purpose of the Academic Committee is to oversee all activities that support the academic mission of the University, including significant modifications in existing academic programs, creation of new academic programs, and matters related to accreditation. The committee is responsible for monitoring learning goals and outcomes, program quality, program review, student retention, graduation rates, and job placement. It shall be the duty of this committee to set the structure of the academic programs and budgets for academic programs and services. This committee is charged with the university's academic and admissions policies development. Any exceptions to these policies must be approved in writing by the Academic Committee.

4.2.1 The Provost, Accreditation Liaison Officer, and Director of Academic & Student Services are reported to this committee to assist its work.

4.3 The Planning Committee

The purpose of the Planning Committee is to oversee and facilitate Board and Board member participation in the University's strategic planning process. It shall be the duty of this committee to review and make recommendations to the Board on the strategic framework – Vision, Mission & Values – for the University, and determine the desired, long-range strategic position for the University. This Committee is also responsible for oversight of real estate management activities, identifying future development projects, and other related development matters. - The Planning Committee is also responsible for determining the most effective composition of the Board and developing practices and policies that enhance Board performance. The committee is responsible for establishing and maintaining standards of Board conduct, developing and facilitating Board member recruitment, and recommending a slate of officers for Board approval. It shall be the duty of this committee to periodically review and ensure compliance with these by-laws and other Board policies and ensure that Board members have adequate orientation and ongoing education, periodic self-assessment of the effectiveness of the Board of Trustees. The frequency shall be determined by the Planning Committee, but may not be less frequent than every six years.

4.3.1 The Director of University Affairs is reported to this committee to assist its work.

4.4 The Finance Committee

The purpose of the Finance Committee is to oversee the integrity of the institution's financial operations and allocation of resources. This committee shall collaborate with the President of the University in the preparation of the annual budget of the University. The proposed annual budget for the ensuing fiscal year shall be submitted to the Board of Trustees by the President of the University for approval. The Finance Committee shall also review and make recommendations regarding proposals for funding capital projects or other major expenditures not included in the annual budget process. It shall be the duty of this committee to ensure that accurate and complete financial records are maintained, and that timely and accurate financial information is presented to the Board. This committee is charged with the university's financial policies development. Any exceptions to these policies must be approved in writing by the Finance Committee.

4.4.1 The Chief Financial Officer is reported to this committee to assist its work.

4.5 The Audit Committee

The purpose of the Audit Committee is to oversee the institution's financial practices and standards of conduct. The Audit Committee shall consist of Trustees elected by the Board, none of whom may simultaneously be a member of the Finance Committee. The Audit Committee shall not include any member of the staff, including but not limited to the President or Chief Executive Officer or the Chief Financial Officer. Members of the Audit Committee shall not receive any compensation from the University in excess of the compensation, if any, received by members of the Board of Trustees for service on the Board and shall not have a material financial interest in any entity doing business with the University.

It shall be the duty of this committee to arrange for, examine, and report on an annual audit of the University's financial records and to examine and report on such ad hoc internal audits as shall be deemed necessary by the committee, the Board of Trustees, or the University administration. The committee is also responsible for ensuring compliance with legal and regulatory requirements, confirming policy and procedure, and monitoring internal controls and risk –management system. The annual compliance audit shall be conducted by an external audit firm. Subject to the supervision of the Board of Trustees, the Audit Committee shall be responsible for recommending to the Board of Trustees the retention and termination of the independent auditor for the University and may negotiate the independent auditor's compensation, on behalf of the Board of Trustees. The Audit Committee shall confer with the auditor to satisfy its members that the financial affairs of the University are in order, shall review and determine whether to accept the audit, shall assure that any non audit services performed by the auditing firm conform with standards for auditor independence referred to in Section 12586(e)(1) of the California Government Code, and shall approve performance of any non audit services by the auditing firm. The committee shall have authority, through its Chair or a majority vote of its members, to ask management to address specific issues within the mandate of the committee as well as the authority to engage independent legal counsel and other professional advisers to carry out its duties. This committee is charged with the university's internal control policies

development. Any exceptions to these policies must be approved in writing by the Audit Committee.

4.5.1 The Chief Financial Officer is reported to this committee to assist its work, but such individuals may not be members of the Audit Committee.

4.6 Committees That Include Non-Board Members

The Board of Trustees may, by resolution, designate one or more advisory committees whose members need not be composed entirely of Board members. Such committees shall not have the authority of the Board to make decisions on behalf of the University, but shall be restricted to making recommendations to the Board or Board committee, and implementing Board or Board committee decisions and policies under the supervision and control of the Board or a Board committee. However, the Board may delegate powers to any such committee as provided for in these by-laws, above, except that the Board may not delegate any of the powers enumerated in Article 4(a)–(h), above.

4.7 Meetings and Actions of Committees

Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.10 above, concerning meetings and actions of Trustees, with such changes in the context of those by-laws as are necessary to substitute the committee and its members for the Board of Trustees and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Trustees or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Trustees. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Trustees may adopt rules not inconsistent with the provisions of these by-laws for the governance of any committee.

Article 5 – University Officers, Fiduciary Duties, and Outside Activities Approval

Members of the University Officers perform functions which are essential to the sustainability and long term viability of the University. As such the University Officers owe ITU the following fiduciary duties: 1) The duty of care: The University Officers have the duty to conduct the business of ITU in a manner in which a prudent person would have performed in a similar situation; 2) The duty of loyalty: The University Officers have the duty to conduct the business of the University with the best interests of ITU in mind; 3) The duty of conformance: The University Officers have the duty to conduct the business of the University in process and procedure that is in full compliance with the laws, regulations, accreditation standards, and other requirements consistent with the mission of ITU. The University Officers must exercise due diligence to avoid conflicts of interest when engaging in other outside activities i.e. serving on governing board or being an officer of other institution(s) that offer similar degree programs. No University Officer may serve on any outside governing board or be an officer of other institution(s), without prior written explicit approval from the Board of Trustees.

5.1 President of the University: The President of the University shall be hired by the Board of Trustees as Chief Executive Officer. The employment of the University President shall be subject to the terms and conditions of the appointment contract, including but not limited to the duties and responsibilities, and performance expectations. The President of the University shall be accountable to the Board for the success of the University as defined by fiscally responsible operation of the University, mission fulfillment, and be responsible for carrying out policies established by the Board. The President of the University shall be notified of and attend all meetings except personnel meeting pertaining to the President of the University.

The President of the University is responsible for recruiting and maintaining an effective academic leadership team constituted with qualified and experienced individuals who are willing, capable, and loyal to the mission, interest, and priorities of the University. At a minimum the team should include a -Provost, Chief Financial Officer, and - Board Liaison.

The President of the University shall be an ex-officio voting Trustee so long as he or she shall serve as the President of the University. The President of the University shall report to the Board of Trustees and the Executive Committee.

5.2 Provost: The Provost shall be the Chief Academic Officer or Vice President for Academic Affairs of the institution. The appointment and removal of the Provost shall be recommended by the President of the University and approved by the Board. The Provost shall be the second ranking officer of the institution and, in the absence or incapacity of the President of the University, shall assume the duties and responsibilities of that office. The Provost is responsible for maintaining and applying for academic accreditation and credentials on behalf of the institution. Supervise the deans and department chairs and make recommendations to the President on appointments and promotions regarding faculty or those seeking to become members of the faculty. The Provost shall report to the President of the University and the Academic Committee.

5.3 Chief Financial Officer: The Chief Financial Officer (the "CFO") shall be the Vice President of Finance and Treasurer of the institution. The appointment and removal of the Chief Financial Officer shall be recommended by the President of the University and approved by the Board. The Chief Financial Officer shall be responsible for the operating and capital budgets, accounting and auditing, insurance and risk management, and such other financial responsibilities as required by the charter and by-laws of the institution. The Chief Financial Officer shall report to the President of the University, the Finance Committee, and the Audit Committee. Notwithstanding the above, proper entry or classification of used funds in ITU's financial statement shall be the sole responsibility of the CFO. All financial activities taken place and the results of the operations at ITU must be recorded accurately in accordance with the current United States General Acceptable Accounting Principles. The CFO shall prepare, maintain, and enforce fiscal approval authority and spending limits for officers of the University. The fiscal approval authority and spending approval limit policy shall be

approved and reviewed periodically by the Board of the Trustees. The spending of the University President within the spending limit must be approved by the CFO. Any spending above the approved limit shall be approved by the Chairperson of the Board.

5.4 Board Liaison: The Board Liaison shall be appointed by the President of the University, subject to Board approval, to serve as a liaison between the Board and the administration. The Board Liaison is responsible for supporting the Board and its committees, including notifying the Board and committee members of meetings, and maintaining minutes and records of Board actions. The Board Liaison shall also have custody of the corporate seal and affix it to such documents as may require such official recognition.

Article 6 – Conflicts of Interest

6.1 Purpose of Conflicts of Interest Policy

The purpose of the Conflict of Interest Policy is to protect this tax-exempt University's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Trustee of the University or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code of 1986 (as amended) (the "Code") and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Code and as amplified by Section 53.4958 of the IRS Regulations. The policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

6.2 Definition of Conflict of Interests. A conflict of interest occurs when a Board member, University President or any member of the academic leadership team has a direct or indirect financial or other interest that may benefit him or her and/or immediate family members. Conflicts can arise if any individuals aforementioned and/or their family members are:

- a) Employees of the University.
- b) Persons with an ownership or investment interest in any entity that has a transactional or other arrangement with the University.
- c) Persons with contractual or other compensated relationships with the University (such as the employee of a bank, a consultant to the University).
- d) Persons who are appointed to the Board by another entity with which they have ties (such as the family member or relative appointed to the Board and such person's family member or relative has a transactional relationship with the University, e.g., ABC Company's executive is appointed to the Board and ABC Company has a transactional relationship with the University).

Board members and other University officers must act in accordance with these by-laws, and the University's Conflict of Interest Policy. The Board shall adopt and revise, as appropriate, the Conflict of Interest Policy. Each provision of this article shall apply to all Board members, with and without voting privileges, and all members of any Board committees. There shall be a separate University Conflicts of Interest Policy for employees' potential situations.

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 may have a conflict of interest only if the Board or the appropriate governing committee decides that a conflict of interest exists.

Subject to the Conflict of Interest Policy, a Board member shall be considered to have a conflict of interest if he or she, or persons or entities with which he or she is affiliated, has a direct or indirect interest that may impair or may reasonably appear to impair his or her independent, unbiased judgment in the discharge of his or her responsibilities to the institution.

6.3 Voting

Board members shall disclose to the Board and the members of committees with Board delegated powers considering the proposed transaction or arrangement any actual, apparent, or possible conflict of interest and all material facts at the earliest practical time. A Board member who has made such a disclosure shall abstain from voting on such matters. Subject to the Conflict of Interest Policy, the Board member may be invited by the Board to participate in the discussion and may make a presentation at such meeting, but after the presentation, he or she shall leave the meeting during the determination of a conflict of interest and vote thereupon. The remaining Board or committee members shall decide if a conflict of interest exists. The Board meeting minutes shall reflect that a disclosure was made, and note the Board member's abstention from voting. A Board member who is recused may be counted for purposes of determining the presence of a quorum at the meeting, but shall not be counted for purposes of determining the presence of a quorum for the requisite Board action.

The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board or governing committee shall determine whether the University 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. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the University'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.

6.4 Violations of the Conflict of Interest Policy

If the Board or committee has reasonable cause to believe a Board member, University President or any member of the academic leadership team has failed to disclose actual

or possible conflicts of interest, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.

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

6.5 Annual Disclosure and Records of Board and Committee Proceedings

6.5.1 Annual Disclosure: In accordance with the Conflict of Interest Policy, every Board member and University Officer shall complete and sign a disclosure form on an annual basis and update that form as promptly as possible regarding conflicts of interest.

6.5.2 Records of Board and Committee Proceedings: The minutes of meetings 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 or committee's decision as to whether a conflict of interest in fact existed; and
- 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.

6.6 Compensation and Reimbursement of Expenses

Board members serve as volunteers and are not compensated for their services. They may be reimbursed for transportation and other direct expenses while engaged in the discharge of their official board duties.

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

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

When approving compensation for officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article and the Conflicts of Interest Policy, the Board or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- a) The terms of compensation shall be approved by the Board or compensation committee prior to the first payment of compensation;
- b) All members of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each Board member or committee member approving a compensation arrangement between the University and a “disqualified person” (as defined in Section 4958(f)(1) of the Code and as amplified by Section 53.4958-3 of the IRS Regulations):
- is not the person who is the subject of compensation arrangement, or a family member of such person;
 - is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement;
 - does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement;
 - has no material financial interest affected by the compensation arrangement; and
 - does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the Board or committee member.
- c) The Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
- compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size and purpose and with similar resources;
 - the availability of similar services in the geographic area of this organization;
 - current compensation surveys compiled by independent firms; and
 - actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.
- d) The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board or compensation committee that approved the compensation. Such documentation shall include:
- the terms of the compensation arrangement and the date it was approved;

- the members of the Board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each Board or committee member;
- the comparability data obtained and relied upon and how the data was obtained;
- if the Board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the Board or committee shall record in the minutes of the meeting the basis for its determination;
- if the Board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board or committee meeting;
- any actions taken with respect to determining if a Board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
- The minutes of Board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board or committee meeting or 60 days after the final actions of the Board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next Board or committee meeting following final action on the arrangement by the Board or committee.

6.7 Periodic Reviews

To ensure the University 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 the result of arm's-length bargaining; and
- b) whether partnerships, joint ventures, and arrangements with management organizations conform to the University's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

6.8 Use of Outside Advisors

When conducting the periodic reviews as provided for in Section 6.7 above, the University may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Article 7 – Dissolution

In case of dissolution: Assets shall be distributed in the manner as required in the Articles of Incorporation and the non-profit laws of the State of California.

Article 8 – Parliamentary Authority

Robert's Rules of Order, latest edition, shall govern except as modified by these by-laws or as modified by a two-thirds (2/3) vote of the Board of Trustees.

Article 9 – Indemnification

The University will indemnify and hold a person who is, or was, a Trustee, officer, employee or other agent of the University harmless from and against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in any civil, criminal, administrative, investigative or other legal proceeding brought against them or any of them arising out of the performance of their duties as Trustees, officers, employees or other agents of the University to the full extent allowed by the law of California. For the purposes of this article, "agent" means any person who is or was a Trustee, officer, employee, or other agent of the University, or is or was serving at the request of the University as a Trustee, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Trustee, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of University or of another enterprise at the request of such predecessor corporation.

Article 10 – Inspection of By-laws and Amendments

10.1 Inspection of By-laws

The University shall keep in its principal office for the transaction of business the original or a copy of the by-laws as amended or otherwise altered to date, certified by the Secretary of the Board of Trustees as the official by-laws, which shall be open to inspection by the Trustees at all reasonable times during office hours and shall be made accessible to the Trustees online at the ITU website.

10.2 Amendments

Amendments to these by-laws may be proposed by members of the Board of Trustees. Proposed amendments must be received by the Board of Trustees no less than thirty (30) days prior to any annual, regular, or special meetings. The affirmative vote of two-thirds (2/3) of the Board members present at the Board meeting shall be required for the approval of all proposed by-laws amendments.

Article 11 – Nonprofit Operation

The University is organized and operated exclusively for educational purposes within the meaning of Section 501(c)(3) of the Code. The University shall not directly or indirectly carry on any activity which would prevent it from qualifying for exemption from Federal income taxation as a corporation described in Section 501(c)(3) of the Code, or cause it to lose such exempt status, carry on any activity not permitted to be carried on by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055, and 2522 of the Code or the corresponding sections of any subsequent tax laws, or carry on any activity not permitted to be carried on by a non-profit public benefit corporation organized under the laws of the State of California.

Article 12 – Corporate Net Earnings; No Inurement; Prohibited Activities.

12.1. Corporate Net Earnings; No Inurement; Prohibited Activities.

No part of the net earnings of the University shall inure to the benefit of, or be distributable to, its members, Trustees, officers, or other private persons, except that the University shall be authorized and empowered to pay reasonable compensation for services actually rendered to it and make payments and distributions in furtherance of the purposes set forth in these by-laws. No substantial part of the activities of the University shall be carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Code), and the University shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

12.2. If Corporation Deemed Private Foundation.

Notwithstanding any other provision of these by-laws, in any taxable year in which the University is deemed to be a private foundation as defined in Section 509 of the Code, the provisions of this Section 12.2. shall apply: (a) the Trustees shall distribute its income for each tax 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 Code, and (b) the Trustees shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; nor retain any excess business holdings as defined in Section 4943(c) of the Code; nor make any investments in such manner as to incur tax liability under Section 4944 of the Code; nor make any taxable expenditures as defined in Section 4945(d) of the Code, or corresponding provisions of any subsequent federal tax laws.

Effective 1994; Revised December 1, 2009; April 9, 2011; February 16, 2013; February 1, 2015; June 27, 2015