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CONSTITUTION
of the
SMEAL COLLEGE OF BUSINESS
ALUMNI SOCIETY

Effective 04/11/02
Revised 03/31/11

43 **CONSTITUTION**

44
45 **of the**

46 **SMEAL COLLEGE OF BUSINESS**

47 **ALUMNI SOCIETY**

48 **of**

49 **THE PENNSYLVANIA STATE UNIVERSITY**

50
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53 **ARTICLE I**

54
55 **NAME**

56
57 The name of this organization shall be The Mary Jean and Frank P. Smeal College of Business
58 Alumni Society of The Pennsylvania State University (“Smeal Alumni Society”).
59

60
61 **ARTICLE II**

62
63 **PURPOSE**

64
65 The mission of the Smeal Alumni Society is to enhance the value and reputation of Penn State
66 Smeal by cultivating a community of active, engaged alumni; building and maintaining forums
67 for student and alumni interaction; and providing a meaningful connection between the college
68 and alumni.
69

70
71 **ARTICLE III**

72
73 **MEMBERSHIP**

74
75 Membership in the Smeal Alumni Society shall be limited to graduates, former students, faculty,
76 and friends of The Smeal College who are regular annual, life, or associate members of the Penn
77 State Alumni Association. Dues as set and paid to the Penn State Alumni Association shall
78 provide a basis of eligibility for membership in the Smeal Alumni Society under a combined
79 membership plan.
80
81

82 **ARTICLE IV**

83 **DUES AND FINANCE**

84
85
86 **Section 1.** Dues.

87
88 Dues for the Smeal Alumni Society shall be collected by the Penn State Alumni
89 Association.

90
91 **Section 2.** Finance.

92
93 The operating expenses of the Smeal Alumni Society shall be met by the Smeal
94 College of Business according to an annual budget. The operating expenses of
95 the Smeal Alumni Society Board of Directors (“Board”) shall be determined by
96 the Director of Alumni Relations in consultation with the President of the Board
97 The budget shall then be provided first for review to the Executive Committee of
98 the Board (as defined in Article V, Section 2) and then to the Board. The
99 financial year of the Smeal Alumni Society and its Board shall be from July first
100 to June thirtieth, inclusive.

101
102
103 **ARTICLE V**

104 **BOARD OF DIRECTORS AND OFFICERS**

105
106
107 **Section 1.** Powers and Duties.

108
109 The executive and legislative functions of the Smeal Alumni Society shall be the
110 duty and responsibility of its Board.

111
112 **Section 2.** Members of the Board and their elections.

113
114 The Board shall consist of At-Large Directors and Ex-Officio Directors
115 (collectively, “Members”). No more than 24 At-Large Directors shall serve on
116 the Board at any given time. All At-Large Directors shall have the exclusive right
117 to vote on all matters in which Board approval is sought; provided however, an
118 At-Large Director must be present in order to cast a vote. Ex-Officio Directors
119 shall have all the rights of At-Large Directors, except for the right to vote.

120
121 The At-Large Directors shall be elected according to the following procedures:

- 122
123 (a) Elections shall occur at the Spring board meeting, except as provided for
124 pursuant to Section 3.
125

- 126 (b) All members of the Smeal Alumni Society shall be afforded an
127 opportunity to nominate alumni for consideration to serve as Members of
128 the Board.
129
- 130 (c) At least 60 days prior to an election, alumni who would like to be
131 considered as candidates to serve as Members of the Board, and who are
132 not currently serving as Members of the Board, shall submit a self-
133 nomination document to Director of Alumni Relations. Eligible Members
134 of the Board seeking re-election shall notify the Director of Alumni
135 Relations at least 60 days prior to an election.
136
- 137 (d) The Executive Committee shall review all submitted nominations and
138 review the eligibility and activity of Board Members seeking re-election.
139 The Executive Committee shall make final nominations of candidates,
140 with any other additional information, to the Board at least two weeks
141 prior to a closed vote.
142

143 For a candidate not currently serving as a Member of the Board, the
144 Executive Committee shall consider service to The Pennsylvania State
145 University, with an emphasis on quality of service to Smeal as a volunteer
146 for at least two years. Service to the Board is strongly preferred. For a
147 candidate currently serving on the Board seeking re-election, the
148 Executive Committee shall consider the quality of service to the Board,
149 Smeal and/or the Pennsylvania State University and whether the candidate
150 has had an excellent attendance record for Board meetings.
151

152 If exactly 1 seat is open, the Executive Committee may make final
153 nominations of up to 4 candidates. Otherwise, the names of no more than
154 double the number of Board positions to be filled for election shall be
155 provided by the Executive Committee to the Board .
156

- 157 (e) The Board shall discuss all final candidates before a closed vote.
158
- 159 (f) Election of At-Large Directors shall require a vote of two-thirds of a
160 quorum. In the event of the election ending in a tie or stalemate, after 2
161 consecutive ballotings, the Executive Committee shall be authorized to fill
162 the position by appointment. All members of the Smeal Alumni Society
163 shall thereafter be informed of the names of the new Directors.
164
- 165 (g) The Dean of the Smeal College may appoint an At-Large Director each
166 year, provided that Dean appointments do not collectively exceed 3 At-
167 Large Director positions at any given time.
168

169 The term of an At-Large Director shall begin on the first of July that immediately
170 follows his or her election and end after a period of three years. In general, no At-
171 Large Director shall serve more than two consecutive terms.

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However, At-Large Directors elected to the Board in 2010 or earlier shall have the option to serve their maximum of three consecutive terms, as permitted by the Constitution in effect at the time of said individuals' elections.

One year or more after an At-Large Director has completed two consecutive terms, said individual shall be eligible for consideration to serve as a Member of the Board.

All out-going At-Large Directors who have served at least two consecutive terms shall be inducted in the Hammond Society during the Spring Board meeting.

The Ex-Officio Directors shall be: the Immediate Past-President of the Society if his or her term At-Large has expired; the Dean of The Smeal College; a member or members of the Faculty of The Smeal College designated by the Dean; the President of The Smeal College Student Council; the Chairman of The Smeal College Business Roundtable; the President of the MBA Association; one representative from each Affiliate Program Group ("APG") approved by the Board ; one student who is a Smeal Alumni Society Board "Student Scholarship Recipient" to represent the interests of all Smeal Alumni Society student scholarship recipients, designated by the Board Committee responsible for the administration of the scholarship program; and the Executive Director of the Penn State Alumni Association or a designated representative.

Each APG approved by the Board, shall have the right to designate 1 representative, who shall serve as an Ex-Officio Director, and shall serve for the term specified in the APG's Constitution, which shall have been approved by the Board.

Absence from three consecutive meetings by a member of the Board of Directors will terminate membership on the Board. A replacement will be made as stipulated in Article V, Section 3. Each Board member must be a member of the Penn State Alumni Association. Membership shall be verified annually at least sixty 60 days prior to the Fall meeting of the Board by the Director of Alumni Relations.

Section 3. Officers and their elections.

The Officers of the Board shall be the President and the President-Elect. The Board shall elect from among their membership by majority vote a President-Elect. The term of the President-Elect shall be 2 years. The President-Elect shall succeed to the Presidency at the end of the President's term. The President shall succeed to Immediate Past-President at the end of his or her term as President. The term of the President shall be 2 years and the term of the Immediate Past-President shall be 2 years, unless pursuant to Section 2, Number 1, his or her term is limited to 1 year.

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President-Elect nominees should come from active or recent Executive Committee members. At least 60 days prior to election, there shall be an announcement to the Board from the Director of Alumni Relations. Nominations must be received at least 30 days before election. The information on nominees shall be sent to Board members at least 2 weeks prior to election with non-binding recommendations and voted on through a paper ballot.

In the event of the death, resignation, or disqualification of the President-Elect, the Board shall elect another person to fulfill the unexpired term at the following board meeting. In the event of the death, resignation or disqualification of the President, the President-Elect shall assume the duties and fulfill the President's unexpired term, a new President-Elect being elected. The post of Immediate Past-President becoming vacant shall be filled by the President appointing a successor from among other Past-Presidents. In the event of the death, resignation, or disqualification of an At-Large Director, the Board shall elect from its membership another person to fulfill the unexpired term at the following board meeting. The fulfillment of the aforementioned unexpired term does not impact the two consecutive terms that a Director is eligible to serve.

The President of the Board or the President-Elect, as appointed by the President to serve as his or her representative, shall serve as the Board's voting member in the Penn State Alumni Association Council. Should neither be able to serve, a Director appointed by the Executive Committee shall serve as the representative.

Any person who has been elected to serve as President-Elect pursuant to Section 3, but whose term as an At-Large Director may otherwise expire, shall continue to serve as an additional At-Large Director until such time as his or her term of office as President shall terminate. Any person serving as Immediate Past-President pursuant to Section 3, but whose term as an At-Large Director may otherwise expire may continue to serve as an additional Ex-Officio Director for a one-year period.

Section 4. Executive Committee.

The Executive Committee, consisting of approximately 6 members, shall include the President, President-Elect, and Director of Alumni Relations. The President may appoint approximately 3 Members of the Board who are either active or former leaders of Committees/Task Forces (as defined in Section 5) or key contributors to important activities as Executive Committee members.

The President with the Director of Alumni Relations shall annually review composition of Executive Committee to promote inclusion and growth of members with a goal of the greatest possible degree of membership diversity.

263 Upon election of a new President, the members of the Executive Committee shall
264 be reviewed. Committee/Task Force leaders shall serve no more than 2 years in
265 this position, unless otherwise designated by the President.

266
267 The Executive Committee shall be empowered to create the agendas for Board
268 meetings and carry on the business of the Board where time is of the essence
269 between regular or special meetings of the Board. The Executive Committee
270 shall perform the duties of nomination of individuals as candidates to the Board.
271 The Executive Committee may fill a Board Member position vacated by death,
272 resignation, or disqualification by appointment of a person who would otherwise
273 qualify for election to the Board.

274
275 Section 5. Committees/Task Forces.

276
277 The President and/or the Executive Committee and/or the Board shall appoint
278 members and establish purpose of Committees/Task Forces as may be necessary
279 to the proper functioning of the Society. All Committees/Task Forces shall be
280 required to have at least one Board member on its membership. A Task Force
281 shall have a shorter term goal, deadline and defined deliverables, whereas a
282 Committee may have a longer term mission, and is on-going.

283
284 No Committee shall implement actions without the approval of the Board. Any
285 alumnus, former student, or friend of The Smeal College may serve as a member
286 of a Committee of the Board when appointed by the above as long as the full
287 Board is notified of all appointments and a full record is maintained. All
288 Committees/Task Forces shall meet at least once each year.

289
290 **ARTICLE VI**

291
292 **MEETINGS**

293
294 Section 1. The Board shall hold at least two meetings each year. The meetings shall be held
295 on the dates and at the place determined by the Board.

296
297 Section 2. Meetings of the Smeal Alumni Society shall be called at the discretion of the
298 President. Notice of meetings of the Smeal Alumni Society shall be announced
299 either through The Smeal College electronic alumni newsletter, by mail or by
300 such other methods as determined by the Board. Such notice should be sent out at
301 least 2 weeks in advance of each Society meeting.

302
303 Section 3. The Board shall meet at the call of the President or at the written request of a
304 majority of the members of the Executive Committee.

305
306 Section 4. The Executive Committee and Standing Committees/Task Forces shall meet at
307 least twice each year at the call of the committee chairmen or at the request of the
308 President.

309
310 Section 5. Special Committees/Task Forces shall meet at the direction of the President.

311
312 Section 6. All meetings of the Smeal Alumni Society, its Board, its Committees/Task Forces
313 shall be open to any member of the Smeal Alumni Society who shall be privileged
314 to bring before such meetings any item of business appropriate to the functioning
315 and/or jurisdiction of the body assembled at a time provided by the President of
316 the body.

317
318 Section 7. A meeting of the Board shall be convened only upon a quorum being present. A
319 quorum, for a Board meeting, shall consist of greater than one-half of the At-
320 Large Directors of the Board.

321
322 **ARTICLE VII**

323
324 **INDEMNIFICATION**

325
326 Section 1. Limitation of Directors' Liability.

327
328 No member of the Board (referred to in this Article collectively as "Director" or
329 "Directors") shall be personally liable for monetary damages for any action taken
330 or any failure to take any action unless: (a) the Director has breached or failed to
331 perform the duties of his or her office under Section 8363 of the Pennsylvania
332 Directors' Liability Act (relating to standard of care or justifiable reliance), and
333 (b) the breach or failure to perform constitutes self-dealing, willful misconduct or
334 recklessness; provided, however, that the provision of this paragraph not apply to
335 the responsibility or liability of a Director pursuant to any criminal statute, or to
336 the liability of a Director for the payment of taxes pursuant to local, state or
337 federal law.

338
339 Section 2. Indemnification and Insurance.

340
341 (a) Indemnification of Directors and Officers

342
343 1. Each Indemnitee (as defined below) shall be indemnified,
344 defended, and held harmless by the Smeal Alumni Society for all
345 actions taken by him or her or for all failures to take action
346 (regardless of the date of any such action or failure to take action)
347 to the fullest extent permitted by Pennsylvania law against all
348 expenses, liability and loss (including without limitation attorneys'
349 fees, judgments, fines, taxes, penalties, and amounts paid or to be
350 paid in settlement) reasonably incurred or suffered by the
351 Indemnitee in connection with any Proceeding (as defined below).
352 No indemnification pursuant to this paragraph shall be made,
353 however, in any case where the act or failure to act giving rise to

354 the claim for indemnification is determined by a court to have
355 constituted willful misconduct or recklessness.

- 356
- 357 2. The right to indemnification provided in this paragraph shall
358 include the right to have the expenses incurred by the Indemnitee
359 in defending any Proceeding paid by the Smeal Alumni Society
360 advance of the final disposition of the Proceeding to the fullest
361 extent permitted by Pennsylvania law; provided that, if
362 Pennsylvania law continues so to require, the payment of such
363 expenses incurred by the Indemnitee in advance of the final
364 disposition of the Proceeding shall be made only upon delivery to
365 the Society of an undertaking, by or on behalf of the Indemnitee, to
366 repay all amounts so advanced without interest if it shall ultimately
367 be determined that the Indemnitee is not entitled to be indemnified
368 under this paragraph or otherwise.
- 369
- 370 3. Indemnification pursuant to this paragraph shall continue as to an
371 Indemnitee who has ceased to be a Director or Officer and shall
372 inure to the benefit of his or her heirs, executors and administrators.
- 373
- 374 4. For purposes of this Article, (A) "Indemnitee" shall mean each
375 Director or Officer of the Society who was or is a party to, or is
376 threatened to be made a party to, or is otherwise involved in, any
377 Proceeding by reason of the fact that he or she is or was a Director
378 or Officer of the Smeal Alumni Society or is or was serving in any
379 capacity at the request or for the benefit of the Smeal Alumni
380 Society as a Director, officer, employee, agent, partner, or
381 fiduciary of, or in any other capacity for another corporation or any
382 partnership, joint venture, trust, employee benefit plan, or other
383 enterprise; and (B) "Proceeding" shall mean any threatened,
384 pending or completed action, suit or proceeding (including without
385 limitation an action, suit or proceeding by or in the right of the
386 Society), whether civil, criminal, administrative or investigative.

387

388 (b) Indemnification of Employees and Other Persons

389

390 The Smeal Alumni Society may, by action of the Board and to the
391 extent provided in such action, indemnify employees and other
392 persons as though they were Indemnites. To the extent that an
393 employee or agent of the Smeal Alumni Society has been successful
394 on the merits or otherwise in defense of any Proceeding or in defense
395 of any claim, issue or matter therein, the Smeal Alumni Society shall
396 indemnify such person against expenses (including attorneys' fees)
397 actually and reasonably incurred by such person in connection
398 therewith.

399

400 (c) Non-Exclusivity of Rights

401
402 The rights to indemnification and to the advancement of expenses
403 provided in this Article shall not be exclusive of any other rights that
404 any person may have or hereafter acquire under any statute, provision
405 of the Smeal Alumni Society Constitution, , agreement, vote of the
406 Directors or Officers, or otherwise.
407

408 (d) Insurance

409
410 The Smeal Alumni Society may purchase and maintain insurance, at
411 its expense, for the benefit of any person on behalf of whom insurance
412 is permitted to be purchased by Pennsylvania law against any
413 expense, liability or loss, whether or not the Smeal Alumni Society
414 would have the power to indemnify such person under Pennsylvania
415 or other law. The Smeal Alumni Society may also purchase and
416 maintain insurance to insure its indemnification obligations whether
417 arising hereunder or otherwise.
418

419 (e) Fund for Payment of Expenses

420
421 The Smeal Alumni Society may create a fund of any nature, which may,
422 but need not be, under the control of a trustee, or otherwise may secure in
423 any manner its indemnification obligations, whether arising hereunder, by
424 agreement, vote of Directors, or otherwise.
425

426 Section 3. Amendment

427
428 The provisions of this Article relating to the limitation of Directors' and Officers'
429 liability, to indemnification and to the advancement of expenses shall constitute a
430 contract between the Smeal Alumni Society and each of its Directors and Officers
431 which may be modified as to any Director or Officer only with that person's
432 consent or as specifically provided in this paragraph. Notwithstanding any other
433 provision of this Constitution relating to its amendment generally, or repeal or
434 amendment of this Article which is adverse to any Director or Officer shall apply
435 to such Director or Officer only on a prospective basis, and shall not reduce any
436 limitation on the personal liability of a Director of the Smeal Alumni Society, or
437 limit the rights of an Indemnitee to indemnification or to the advancement of
438 expenses with respect to any action or failure to act occurring prior to the time of
439 such repeal or amendment. Notwithstanding any other provision of this
440 Constitution, no repeal or amendment of this Constitution shall affect any or all of
441 this Article so as either to reduce the limitation of Directors' liability or limit
442 indemnification or the advancement of expenses in any manner unless adopted by
443 the unanimous vote of the Directors of the Smeal Alumni Society then serving;
444 provided that no such amendment shall have retroactive effect inconsistent with
445 the preceding sentence.

446
447 Section 4. Changes in Pennsylvania Law.
448

449 References in this Article to Pennsylvania law or to any provision thereof shall be
450 to such law (including without limitation to the Directors' Liability Act) as it
451 existed on the date this Article was adopted or as such law thereafter may be
452 changed; provided that

- 453
454 (a) in the case of any change which expands the liability of Directors or limits
455 the indemnification rights or the rights to advancement of expenses which
456 the Smeal Alumni Society may provide, the rights to limited liability, to
457 indemnification and to the advancement of expenses provided in this
458 Article shall continue as theretofore to the extent permitted by law; and (b)
459 if such change permits the Smeal Alumni Society without the requirement
460 of any further action by Members or Directors to limit further the liability
461 of Directors or limit the liability of officers or to provide broader
462 indemnification rights or rights to the advancement of expenses than the
463 Smeal Alumni Society was permitted to provide prior to such change, the
464 liability thereupon shall be so limited and the rights to indemnification and
465 the advance of expenses shall be so broadened to the extent permitted by
466 law.
467

468
469 **ARTICLE VIII**

470
471 **AMENDMENTS**

472
473 Section 1. This Constitution may be amended by a two-thirds vote of the members present at a
474 Smeal Alumni Society meeting, provided that (1) the amendment shall have been
475 placed before the Board of Directors at least 30 days before the meeting at which
476 such amendment is acted upon, and (2) the amendment or amendments adopted
477 shall, prior to their adoption, have been acted upon favorably by a majority of the
478 Board.

479
480 Section 2. This Constitution or its amendments must not be in conflict with the Constitution
481 of the Penn State Alumni Association or the rules and regulations for constituent
482 societies as established by the Executive Board and Alumni Council of the Penn
483 State Alumni Association.
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