CONSTITUTION

of the

SMEAL COLLEGE OF BUSINESS

ALUMNI SOCIETY

Effective 04/11/02
Revised 09/26/13
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ALUMNI SOCIETY

of

THE PENNSYLVANIA STATE UNIVERSITY

ARTICLE I

NAME

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

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

DUES AND FINANCE

Section 1. Dues.

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

Section 2. Finance.

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

ARTICLE V

BOARD OF DIRECTORS AND OFFICERS

Section 1. Powers and Duties.

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

Section 2. Members of the Board and their elections.

The Board shall consist of At-Large Directors and Ex-Officio Directors (collectively, "Members"). No more than 24 At-Large Directors shall serve on the Board at any given time ("At-Large Maximum"), except as otherwise provided in this Section 2. All At-Large Directors shall have the exclusive right to vote on all matters in which Board approval is sought; provided however, an At-Large Director must be present in order to cast a vote. Ex-Officio Directors shall have all the rights of At-Large Directors, except for the right to vote.

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

(a) Elections shall occur at the Spring board meeting, except as provided for pursuant to Section 3.
All members of the Smeal Alumni Society shall be afforded an opportunity to nominate alumni for consideration to serve as Members of the Board.

At least 60 days prior to an election, alumni who would like to be considered as candidates to serve as Members of the Board, and who are not currently serving as Members of the Board, shall submit a self-nomination document to Director of Alumni Relations. Eligible Members of the Board seeking re-election shall notify the Director of Alumni Relations at least 60 days prior to an election.

The Executive Committee shall review all submitted nominations and review the eligibility and activity of Board Members seeking re-election. The Executive Committee shall make final nominations of candidates and present them to the Board, along with any other additional information, at least two weeks prior to a closed vote.

For a candidate not currently serving as a Member of the Board, the Executive Committee shall consider service to The Pennsylvania State University, with an emphasis on quality of service to Smeal for at least two years. Participation in Smeal Alumni Society activities is preferred.

For a candidate currently serving on the Board seeking re-election, the Executive Committee shall consider the quality of service to the Board, Smeal and/or the Pennsylvania State University and whether the candidate has had an excellent attendance record for Board meetings.

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

Except as otherwise provided in this Section 2(e), an election shall be limited to a maximum of four open Board seats, subject to the At-Large Maximum. If there are more than four open seats at the current election, or if more than four open seats are projected in any future election, the President may, in his or her discretion, call for the election of more than four At-Large Board seats at the current election, and the Board will not be subject to the At-Large Maximum; provided that (i) the Board shall endeavor to reduce its membership at or below the At-Large Maximum by the third election cycle after the At-Large Maximum is first exceeded and (ii) in no event shall the total number of At-Large Directors serving on the Board exceed 30 Members. For purposes of Article IV, Section 2, an “open Board seat” does not include a Board seat then held by a current Board Member seeking re-election.
(f) The Board shall discuss all final candidates before a closed vote.

(g) Election of At-Large Directors shall require a vote of two-thirds of a quorum. At-Large Directors seeking re-election shall be permitted to participate in the election and to vote for themselves. In the event of the election ending in a tie or stalemate, after 2 consecutive ballotings, the Executive Committee shall be authorized to fill the position by appointment. All members of the Smeal Alumni Society shall thereafter be informed of the names of the new Directors.

(h) The Dean of the Smeal College may appoint an At-Large Director each year, provided that Dean appointments do not collectively exceed 3 At-Large Director positions at any given time.

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

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. Should an At-Large Director leave the Board due to an extenuating circumstance, prior to their full terms of service, the Director may still be appointed to the Hammond Society at the discretion of the President.

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.

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 will include at least 6 members, and shall include the President, President-Elect, and Director of Alumni Relations. The President may appoint no less than 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.

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

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

Section 5. Committees/Task Forces.

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

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

ARTICLE VI

MEETINGS

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

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

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

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

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

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

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

ARTICLE VII

INDEMNIFICATION

Section 1. Limitation of Directors' Liability.

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

Section 2. Indemnification and Insurance.

(a) Indemnification of Directors and Officers

1. Each Indemnitee (as defined below) shall be indemnified,
defended, and held harmless by the Smeal Alumni Society for all
actions taken by him or her or for all failures to take action
(regardless of the date of any such action or failure to take action)
to the fullest extent permitted by Pennsylvania law against all
expenses, liability and loss (including without limitation attorneys'
fees, judgments, fines, taxes, penalties, and amounts paid or to be
paid in settlement) reasonably incurred or suffered by the
Indemnitee in connection with any Proceeding (as defined below).
No indemnification pursuant to this paragraph shall be made,
however, in any case where the act or failure to act giving rise to
the claim for indemnification is determined by a court to have
constituted willful misconduct or recklessness.

2. The right to indemnification provided in this paragraph shall
include the right to have the expenses incurred by the Indemnitee
in defending any Proceeding paid by the Smeal Alumni Society
advance of the final disposition of the Proceeding to the fullest
extent permitted by Pennsylvania law; provided that, if
Pennsylvania law continues so to require, the payment of such
expenses incurred by the Indemnitee in advance of the final
disposition of the Proceeding shall be made only upon delivery to
the Society of an undertaking, by or on behalf of the Indemnitee, to
repay all amounts so advanced without interest if it shall ultimately
be determined that the Indemnitee is not entitled to be indemnified
under this paragraph or otherwise.

3. Indemnification pursuant to this paragraph shall continue as to an
Indemnitee who has ceased to be a Director or Officer and shall
inure to the benefit of his or her heirs, executors and administrators.

4. For purposes of this Article, (A) “Indemnitee” shall mean each
Director or Officer of the Society who was or is a party to, or is
threatened to be made a party to, or is otherwise involved in, any
Proceeding by reason of the fact that he or she is or was a Director
or Officer of the Smeal Alumni Society or is or was serving in any
capacity at the request or for the benefit of the Smeal Alumni Society as a Director, officer, employee, agent, partner, or fiduciary of, or in any other capacity for another corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise; and (B) "Proceeding" shall mean any threatened, pending or completed action, suit or proceeding (including without limitation an action, suit or proceeding by or in the right of the Society), whether civil, criminal, administrative or investigative.

(b) Indemnification of Employees and Other Persons

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

(c) Non-Exclusivity of Rights

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

(d) Insurance

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

(e) Fund for Payment of Expenses

The Smeal Alumni Society may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, by agreement, vote of Directors, or otherwise.
Section 3. Amendment

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


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

(a) in the case of any change which expends the liability of Directors or limits the indemnification rights or the rights to advancement of expenses which the Smeal Alumni Society may provide, the rights to limited liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law; and (b) if such change permits the Smeal Alumni Society without the requirement of any further action by Members or Directors to limit further the liability of Directors or limit the liability of officers or to provide broader indemnification rights or rights to the advancement of expenses than the Smeal Alumni Society was permitted to provide prior to such change, the liability thereupon shall be so limited and the rights to indemnification and the advance of expenses shall be so broadened to the extent permitted by law.

ARTICLE VIII

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

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