

## EXHIBIT 1

### BY-LAWS OF THE BOARD OF TRUSTEES OF AUBURN UNIVERSITY

#### CHAPTER I

##### *THE UNIVERSITY*

###### SECTION 1. General Provisions

- 1.1 Auburn University is a public corporation and instrumentality of the State of Alabama, created and existing by virtue of Section 266, Constitution of Alabama of 1901, and Section 16-48-1, et seq., Code of Alabama 1975.
- 1.2 Auburn University is a land-grant university of the State of Alabama. As a Land-Grant University, Auburn is dedicated to service to Alabama and the nation through ~~its three divisions of~~ instruction, research, and extension. Instruction is the academic process on campus and elsewhere between professors and students. Research is carried on continually to increase knowledge. Extension programs provide educational services and special assistance throughout the State.
- 1.3 Auburn University consists of two campuses. The principal campus unit was originally chartered in 1856 and is located in Auburn, Alabama. The second campus ~~(AUM)~~ was authorized by the Board of Trustees, pursuant to action of the Alabama Legislature in 1967, and is located in Montgomery, Alabama ~~(AUM)~~. These educational units, together with certain authorized adjuncts ~~of each~~, constitute Auburn University, for which the Board of Trustees is the governing body.

#### CHAPTER II

##### *BOARD OF TRUSTEES*

###### SECTION 1. General Provisions

- 1.1 Under the Alabama Constitution and Statutes, Auburn University is governed by a Board of Trustees.
- 1.2 The Board of Trustees consists of ~~fourteen-sixteen~~ members, as follows: one member from each congressional district, as these districts were constituted on January 1, 1961, one member from Lee County, ~~three-five~~ at-large members, and

the Governor, who is a member ex officio, with full voting powers.

- 1.3 New members of the Board of Trustees are appointed by an appointing committee, by and with the advice and consent of the State Senate, and hold office for a term of seven years, and until their successors are appointed and qualified, but in no event longer than one year after completion of the term of office. Each member of the Board of Trustees, as constituted on December 13, 2000 ~~the date this amendatory language is ratified~~, may serve the remainder of his or her current term and shall be eligible, if otherwise qualified, to serve for no more than two additional seven-year terms. In no event shall more than three (3) trustee's original terms expire in any given year. In the event that more than three trustee terms would otherwise expire in the same year, the trustee or trustees whose terms expires first in that year shall have their term extended until the next year in which fewer than three trustee terms expire. No person shall be appointed as a member of the Board of Trustees after having reached 70 years of age.

Under the laws of the State of Alabama, the Board of Trustees has no power to remove one of its members. Section 60 of the Constitution of Alabama which provides that "[n]o person convicted of embezzlement of the public money, bribery, perjury, or other infamous crime, shall be eligible to the legislature, or capable of holding any office of trust or profit in this state" sets forth the grounds and procedure for removing a Trustee.

- 1.4 ~~Vacancies~~ Trustees to fill vacancies occurring on the Board of Trustees from death, resignation, or other cause are appointed by the appointing committee, by and with the advice and consent of the State Senate for the remainder of the expired term.
- 1.5 The President Pro Tempore or another trustee whom he/she designates, along with another Trustee elected by the Board of Trustees, will be members of the appointing committee. The Governor and two members of the Auburn Alumni Association Board of Directors, selected by the Auburn Alumni Association, shall be the other members of the appointing committee.
- 1.6 No Trustee may receive any pay or emolument other than actual expenses incurred in the discharge of Board duties.
- 1.7 No employee of Auburn University is eligible to serve on its Board of Trustees.
- 1.8 The presidents of the Student Government Associations at Auburn University and Auburn University at Montgomery serve ex officio as advisory members to the Board of Trustees.
- 1.9 The immediate Past-Chair of the Auburn University Senate and immediate Past-President of the AUM Faculty Council will ~~be elected~~ serve as non-voting advisors to the Board of Trustees, replacing their predecessors at the next Board

meeting after assuming that status.

- 1.10 Emeritus status shall be conferred automatically when a member of the Board of Trustees completes a term or terms of service. ~~The emeriti members~~ Members emeritiemeriti may attend meetings in a non-voting ex officio capacity in appreciation for service to Auburn University.

## SECTION 2. Authority and Responsibility of the Board

- 2.1 The entire management and control over the activities, affairs, operations, business, and property of Auburn University shall be completely and absolutely vested in the Board of Trustees of Auburn University.
- 2.2 In the exercise of its responsibility and authority, the Board determines policy; reviews existing policy; ~~periodically selects and regularly~~ evaluates the President; approves the mission, role, and scope of the University and each of its major divisions; and provides ultimate accountability to the public and the political bodies of Alabama. Any authority delegated by the Board shall be subject to the ultimate authority of the Board.
- 2.3 The Board will perform, where expressly stated by Board of Trustees policy, many essential functions, including but not limited to the following:
  1. Develop basic long-range objectives of the University;
  2. Establish policies of the University and direct the President to implement those policies to achieve the long-range objectives of the University;
  3. Elect and remove the President of the University and the ~~Executive Secretary to the Board of Trustees~~the Board;
  4. Oversee the President's review of any internal or external evaluation of the University as a whole;
  5. Review and approve academic plans, including new programs and new units, and major modifications in existing programs and units;
  6. Approve, upon recommendation of the Presidents, the earned degrees awarded;
  7. Designate academic chairs and professorships; award honorary degrees; and name for individuals buildings and other structures (and

major portions thereof), streets, geographic areas, and academic, research, and service programs;

8. Approve admission policies and establish tuition, fees, and charges;

9. Review and approve legislative requests for appropriations;

10. Review and approve annual budgets and budget changes;

11. Approve all gifts where restrictions are indicated, designate the use of unrestricted gifts, and approve and designate the use of testamentary gifts;

12. Approve or designate who shall approve all loans, borrowing, and issuance of bonds;

13. Approve or designate who shall approve appointments, contracts, and salaries of other principal official, and compensation policy for faculty and staff;

14. Approve Campus Master Plans, Campus and Capital Projects Planning Process , and Capital Projects Approval Policy;

15. Approve or designate who shall approve all contractual relationships and other major legal obligations executed in the name of the Board or Auburn University;

16. Approve or authorize the Executive Committee to approve all purchases and sales, of real property, and insure that all properties of the University are preserved and maintained;

17. Establish auditing policies and standards and appoint independent auditors;

18. Approve architects, engineers, and project managers, preliminary and final budgets, and award of construction contracts for certain capital projects, as well as the acquisition of certain new equipment and computer software and all land.

### SECTION 3. Officers

- 3.1 The Governor serves ex officio as President of the Board of Trustees. The duties and responsibilities of the President of the Board include:

- 3.1.1 To report and be responsible to the Board.
- 3.1.2 To preside over meetings of the Board.
- 3.1.3 To call special meetings of the Board in the manner provided by statute.
- 3.2 A President Pro Tempore of the Board shall be elected by the Board at its annual meeting. A Vice President Pro Tempore shall be elected at any annual meeting in which a sitting President Pro Tempore is elected to serve a second term as President Pro Tempore.
  - 3.2.1 No member of the Board may be elected to the office of President Pro Tempore more than two complete consecutive terms.
  - 3.2.2 Vacancies in the office of President Pro Tempore shall be filled by election of the Board at the first meeting held after the office becomes vacant. The President Pro Tempore shall serve until the next annual meeting. Such partial term as President Pro Tempore shall not count as a term as set out in paragraph 3.2.1.
  - 3.2.3 In the absence of the President and the President Pro Tempore, the Vice President Pro Tempore shall serve temporarily as President Pro Tempore. If there is no Vice President Pro Tempore in office, the senior member of the Board shall serve temporarily as President Pro Tempore.
  - 3.2.4 Vacancies in the office of Vice President Pro Tempore shall be filled by election of the Board at the first meeting held after the office becomes vacant. The Vice President Pro Tempore shall serve until the next annual meeting.
  - 3.2.5 The Vice President Pro Tempore may or may not be nominated to succeed the President Pro Tempore when a vacancy occurs.
- 3.3 The duties and responsibilities of the President Pro Tempore of the Board include:
  - 3.3.1 To perform the duties of the President of the Board in the absence of the President.
  - 3.3.2 To report and be responsible to the Board.
  - 3.3.3 To perform such other duties as assigned by the Board.
  - 3.3.4 To appoint members of the ~~standing committees~~ Executive Committee of the Board, ~~and~~ to establish special committees of the Board and appoint members thereof, to designate the chairperson and vice-chairperson of all committees as appropriate, and to appoint Lead Trustees to serve as

liaisons liaisons with certain operational areas of the University.-

- 3.4 The Board shall appoint the President of Auburn University, who shall serve at the pleasure of the Board, consistent with the terms of any contract.
- 3.5 The Board shall appoint and compensate the Secretary to the Board of Trustees and may appoint accountants, lawyers, and other advisors or assistants, who shall serve at the pleasure of the Board and shall perform such duties as are assigned by the Board or the President Pro Tempore.
- 3.6 The Board of Trustees may elect such other officers as it may deem necessary, and such officers shall serve at the pleasure of the Board.

SECTION 4. Committees or Lead Trustees

- 4.1 Standing committees, composed of members of the Board, shall be those as established in Chapter II, paragraph 4.4, of these By-Laws. Lead Trustees shall serve as a liaison liaison with certain designated operational areas of the University. Also, there may be special committees composed of members of the Board.

A Lead Trustee shall be appointed to serve as a liaison with the administration for the following areas:

- Legal Affairs: The Lead Trustee shall serve as a liaison with the Office of General Counsel.
- Athletics: The Lead Trustee shall serve as a liaison with the Athletics Department, serve as the trustee representative on the Tigers Unlimited Board, and act as a Board designee to monitor and, along with the Chair of the Executive Committee, approve compensation packages in Athletics' employment contracts.
- Alumni: The Lead Trustee shall serve as a liaison with the Vice President of Alumni Affairs and the Auburn Alumni Association.

- 4.2 Each year, ~~during-after~~ the annual meeting of the Board, the President Pro Tempore of the Board shall appoint the chair of all standing committees, members to the standing committee all lead trustees, s and at any appropriate time and members of any special committees of the Board, who shall serve until their successors are appointed or the duties of the special committee end.
- 4.3 Each trustee shall serve as a member of each standing committee of the Board, with the exception of the Executive Committee, which shall be composed of at least three members of the Board. Each standing committee of the Board shall be composed of at least three members of the Board. More than one half of the

members of a standing committee shall be present to review issues assigned to a committee. All members of the Board are permitted to communicate freely with all Lead Trustees.

#### 4.4 Standing Committees of the Board are:

4.4.1. Executive Committee. During intervals between meetings of the Board, and subject to such limitations as may be required by law or specifically imposed by the Board, the Executive Committee may make recommendations to the President and/or the Board in all areas of University affairs as it may deem appropriate. This committee may provide recommendations for Board action on matters of policy relating to laws and regulations governing duties and powers of the Board. The committee may review matters of University legal involvement, and oversee presidential evaluation, and make recommendations concerning the President's compensation package. It may also consider and provide recommendations to the Board on policies related to total compensation of University employees, balancing good stewardship of institutional resources with promotion of a quality work force by providing competitive compensation. Recommendations on commemorative activities of the University, including naming of buildings and awarding of honorary degrees, may be the responsibility of this committee, as well as other matters referred to it by the Board of Trustees or the President of Auburn University.

Should it be necessary, the Committee shall have and may exercise all the powers and authority of the Board in the transaction of the business of the University between meetings of the Board except (a) insofar as such power and authority may have been specifically limited by the Board or applicable law, (b) for selling University- owned real estate, (c) for dismissing or appointing the President of the University, (d) for approving the basic academic program of the University, (e) to discuss vacancies on the Board, and (f) to amend the By-Laws of the Board.

A review of any actions of the Committee shall be a regular order of business at each meeting of the Board, and such actions shall be subject to revision and alteration by the Board, provided that no rights of third parties shall be affected by any such revision or alteration.

4.4.2 Academic Affairs Committee. The Academic Affairs Committee may consider and provide recommendations for Board action on policies relating to the academic freedom, tenure and promotion of faculty, and the overall academic program, including long range plan development, review of existing academic programs, approval of new academic programs, missions statements and statements of role and scope, and other matters

related to the orderly development of the University. Further, the committee shall be concerned with the granting of earned degrees, the recruitment, appointment, promotion and dismissal of academic personnel, affirmative action and equal opportunity in the academic areas, research leaves and sabbaticals, the library, and other matters of an academic nature, including but not limited to learning communities, scholarships, admission standards and enrollment management and shall ensure that all academic programs are consistent with the mission of the University.

4.4.3 Audit and Compliance Committee. The ~~Audit~~ Audit and Compliance Committee may consider policies and take other actions as set forth in the ~~Audit Committee Charter~~ and Compliance Policy attached as Exhibit A to these By-laws concerning oversight in areas of financial controls and reporting and administration of the Code of Ethics and Compliance.

4.4.4 Finance Committee. The Finance Committee may have as its responsibility oversight of fiscal policies of the University. Specifically, the Committee may consider and provide recommendations to the Board on annual operating budgets as developed by the President, and general guidelines for proposing legislative budget requests.

4.4.5 Property and Facilities Committee. The Property and Facilities Committee may consider and provide recommendations to the Board for action policies related to management of properties of the University, construction and renovation of facilities, consideration of the President's recommendations for project architects and engineers, and other matters concerning the properties of the University. It may consider the recommendations of the President for capital expenditures and building priorities and make recommendations to the Board.

Upon designation of a capital project as an expedited project by the Board of Trustees, the Property and Facilities Committee of the Board shall have the authority to take all action, other than approval of the budget and site otherwise designated by these By- Laws or Board of Trustee Policy as requiring full Board of Trustee approval.

A review of any actions of the Property and Facilities Committee shall be a regular order of business at each meeting of the Board, and such actions shall be subject to revision and alteration by the Board, provided that no rights of third parties shall be affected by any such revision or alteration.

4.4.6 Agriculture and Natural Resources Committee. The Agriculture and Natural Resources Committee may consider and provide recommendations to the Board for action policies related to programs of agriculture, operation of the agriculture experiment stations, cooperative extension system and agricultural lands.

4.4.7 Auburn University at Montgomery Committee. The Auburn University at Montgomery Committee may consider and provide recommendations to the Board or the appropriate committees of the Board for ~~action~~-policies related to Auburn University at Montgomery.

4.4.8 Student Affairs Committee. The Student Affairs Committee may review for alignment with institutional mission and student needs the totality of programs serving students' needs that includes promoting a diverse student body, counseling, remedial programs, career and life-planning, financial aid, and co-curricular activities. In addition, the Committee may assess the current and ideal allocation of resources to those programs; set standards for and keep track of student satisfaction and retention; reflect and make recommendations to meet projected changes and developments in students' needs over the next years; keep current on student support programs in higher education; and determine and review data required from the administration, compare it over time, and assess it in the light of data from other institutions.

4.4.9 The Committee on Institutional Advancement. The Committee on Institutional Advancement may consider and provide recommendations to the Board on policies related to informational and promotional programs, fund raising efforts, government relations, alumni relations, and relations with and activities of other affiliated or support organizations.

4.4.10 ~~Compensation Committee. The Compensation Committee may consider and provide recommendations to the Board on policies related to total compensation of University employees balancing good stewardship of institutional resources with promotion of a quality work force by providing competitive compensation. The Committee shall also annually review and make recommendations concerning the President's compensation package.~~ Research and Technology Committee. The Research and Technology Committee may consider and provide recommendations to the Board on policies related to the support of research activities and use of technology.

4.4.11 Governmental Affairs Committee. The Governmental Affairs Committee may consider and provide recommendations to the Board on issues related to local, state, and federal governmental relations.

4.5 The Board of Trustees will establish such special committees as it deems advisable. In other areas of University administration and operations, the President Pro Tempore of the Board has the authority to designate Lead Trustees. Lead Trustees shall serve as liaisons/liaisons with faculty and administrative counterparts within certain designated operational areas of the University, in

accordance with the Board's Policy on Trustee Administration Communications. These operational areas of the University include, but are not necessarily limited to, Alumni, Legal, and Athletics.

4.6 All members of the Board are entitled to attend any committee meetings of which they are not already members.

4.67 Each standing or special committee will provide public notice as required by law of scheduled meetings and will prepare and maintain minutes of its meeting except for meetings of the Executive Committee in Executive Session.

~~4.8 — All matters considered by standing or special committees shall be reported to the Board with an advisory recommendation for action by the Board. The report shall include a summary of committee members' comments on the matters reviewed and suggestions for further administrative action.~~

4.79 Annually, faculty members, or with respect to the Committee on Institutional Advancement, members from affiliated or support Organizations, shall be appointed as ~~a~~ non-voting advisory member(s) of most standing committees, and non-voting advisors to Lead Trustees in designated operational areas of the University. The appointments will be made by the President Pro Tempore as follows:

- Academic Affairs Committee – Chair of University Senate
- As provided in paragraph 4.7.191, recommendations for other appointments shall be made to the President Pro Tempore for committees and other operational areas ~~committees~~ as follows:
  - Finance Committee ~~and Compensation Committee~~ - one from AU College of Business and one from AUM School of Business;
  - Property and Facilities Committee - one from College of Engineering or College of Architecture, Design and Construction;
  - Agriculture and Natural Resources Committee - one from College of Agriculture;
  - Auburn University at Montgomery Committee - one from AUM;
  - Student Affairs Committee - one member of the faculty;
  - The Committee on Institutional Advancement – one or more faculty members from the AU or AUM faculty as well as one or more members from affiliated or support organizations

4.79.1 The University Senate at the Auburn Campus or Faculty Council at AUM shall submit a list to the President or Chancellor of three faculty members from within the faculty of the college or campus stated above. The President or Chancellor, in consultation with the Dean(s)/Chancellor of the college or campus, shall select a name from that list or if no name is selected, shall request the University Senate or Faculty Council to forward additional names until a member is selected. The recommendations will then be forwarded to the President Pro Tempore so that the appointments can be made at each annual meeting.

Members from affiliated or support organizations shall be recommended by the President.

4.810 The President of the Student Government Associations of Auburn University and Auburn University at Montgomery shall serve as non-voting members of the Student Affairs Committee.

## SECTION 5. Meetings

- 5.1 The Board shall hold one regular meeting during each quarter of the calendar year, in accordance with a schedule determined by the Board at its annual meeting. Other meetings may be called and held as provided by law. Public notice of scheduled meetings will be given as required by law.
- 5.2 The annual meeting of the Board is held on the first Monday in June at Auburn, Alabama, unless the Board, in regular session, determines to hold this meeting at some other time and place.
- 5.3 Special meetings may be called by the Governor on at least ten days written notice and shall be called by the Governor on the written application of any three members of the Board, in the manner provided by applicable law of the State of Alabama.
- 5.4 In lieu of notice, a written waiver of notice of any meeting shall be sufficient, provided such waiver is signed by at least nine members of the Board.
- 5.5 The members of the Board of Trustees may recess at any regular or special meeting from one date to another as established by approved schedule or at the call of the President Pro Tempore, and at the continuation of such recessed meeting, they may transact any business relating to the affairs of the University.
- 5.6 An agenda for Board and any committee meetings will be prepared by the President of Auburn University, in consultation with the President Pro Tempore, and transmitted to Board members at least seven days in advance of meetings. This requirement does not preclude consideration of matters proposed by the President or members of the Board which could not reasonably have been included in the agenda. Subject to approval by majority vote of those present, the

Board may consider any other item of business.

- 5.7 Vote by proxy shall not be permitted. This does not preclude a member of the Board of Trustees not present at a meeting from having entered into the minutes for that meeting an opinion on any agenda item on which action is taken, provided that such personal views should be submitted in writing.
- 5.8 Consistent with requirements of applicable open meetings law the Board and committees may meet by telephone conference or video conference.

## SECTION 6. Quorum

- 6.1 One more than half of the members of the Board shall constitute a quorum, but a smaller number may adjourn or recess from day to day until a quorum is present.

# CHAPTER III

## *ADMINISTRATION*

### SECTION 1. General Provisions

- 1.1 The administration of Auburn University, under the authority of the Board of Trustees, is unified in the Office of the President.

### SECTION 2. President of the University

- 2.1 The President of the University shall be the chief executive officer of the University and shall be responsible and accountable for all of the affairs of the University, except those which by law or these By-Laws are made the responsibility of other persons but in all cases subject to the authority of the Board. The President shall have the power, in the name of the University, to make and execute, or authorize the making and execution of, all contracts and written instruments made in the ordinary course of the operations of the University, except those which must be specifically approved and authorized by the Board.
- 2.2 All officers, staff, faculty and other employees of the University, except those provided for in Chapter II, section 3.5, shall be under the final authority of the President of the University, who shall exercise overall direction in implementing the policies of the Board.
- 2.3 The President shall be an ex-officio non-voting member of all Board committees.
- 2.4 Except as otherwise provided for in these By-Laws or Board policy, the President of the University shall appoint all officers, staff, faculty and other employees of the University.

2.5 In the case of an extended absence of the President, the duties of that office shall be assigned to a Presidential delegate approved by the Board of Trustees. In the case of disability of the President, the Board of Trustees shall designate an interim President.

2.6 Presidential Evaluation and Compensation

2.6.1 The President shall be evaluated, at the annual meeting of the Board, according to written objectives, specific and general, developed by the President, discussed with the President Pro Tempore, and presented to the Board before the outset of each academic year. The President shall report on these goals at each meeting of the Board.

~~2.6.2 The President shall be formally evaluated by the Board at least every four years or at any other time deemed desirable by the Board. The evaluation shall be conducted by an outside evaluator who will be appointed by the Board with approval of the President.~~

~~2.6.32 The Compensation Committee President Pro Tempore and the Chair of the Executive Committee shall review the President's compensation package based on the annual evaluation.~~

SECTION 3. Other Non-Faculty Officials

3.1 The Provost at Auburn University, ~~and~~ the Chancellor of Auburn University at Montgomery, Vice Presidents of Auburn University, the Director of Intercollegiate Athletics at Auburn University, the General Counsel, and the Chief Financial Officer shall be appointed by the President of Auburn University, upon prior approval of the Board of Trustees. Such officials shall exercise such powers and perform such duties under the supervision of the President of Auburn University. All senior administrators reporting to the President shall be evaluated annually by the President.

3.2 The directors of the Agricultural Experiment Station and Cooperative Extension System shall be appointed by the President, upon prior approval of the Board.

3.3 All other non-faculty Principal Officials of Auburn University, as defined in the Policies and Procedures of Auburn University, shall be appointed by the President, upon prior approval of the Board or its designees.

## CHAPTER IV

### *BOARD POLICY STATEMENTS*

SECTION 1. General Provisions

1.1 Policies and procedures statements are usually prepared by the President and

approved by the Board of Trustees to guide administrative decisions and Board action. These are distributed on campus in the form of a Policies and Procedures Manual.

- 1.2 Board policy statements are approved by majority vote of those Trustees present at any regular or special meeting of the Board of Trustees having a quorum in attendance.
- 1.3 A policy or group of policies may be waived by majority vote at any regular or special meeting of the Board having a quorum present. Such waiver may be limited to a specific time period or may be indefinite until terminated by Board action.

## CHAPTER V

### *CODE OF ETHICS*

#### SECTION 1. General Provisions

- 1.1 A member of the Board of Trustees shall, when making decisions in that capacity, exercise independent judgment so that no minority cohort of the Board or organization ~~or; interest; or institution~~ separate from the Board, controls the decisions of the Board and, accordingly, so that the sole concern of each member is to benefit the institution and to protect the institution from undue influence by external persons or bodies.
- 1.2 A member of the Board of Trustees shall not use his or her position on the Board of Trustees of Auburn University to profit financially from any service on the Board of Trustees, except by receiving normal and customary reimbursement for expenses for service as a Trustee.
- 1.3 In order to avoid any potential or real conflict of interest involving the position of a Trustee of Auburn University and any business or economic interest which said member of the Board has, the Board member shall fully and publicly disclose said interest and will not participate in the discussion, debate, or voting upon said matter. Said disclosure shall be duly noted in the minutes of the meeting of the Board of Trustees or committee, if appropriate. The Board of Trustees, or a duly charged committee thereof, has the responsibility for administering the disclosures required in this Code of Ethics.
- 1.4 No member of the Board of Trustees shall disclose confidential information regarding current or planned decisions or actions to others.
- 1.5 Upon appointment to the Board and thereafter at each annual meeting, each member of the Board of Trustees shall affirm that he or she has reviewed this Code of Ethics and will comply with its requirements on a form and in a manner set forth by the Board of Trustees, or a duly charged committee thereof.

## CHAPTER VI

### *AMENDMENT OR REPEAL OF BY-LAWS*

#### SECTION 1. General Provisions

- 1.1 Upon approval by the affirmative vote of nine members of the Board of Trustees, these By-Laws shall become effective at the conclusion of the Board's annual meeting in June 1984.
- 1.2 New By-Laws may be adopted, and By-Laws may be amended or repealed, at any meeting of the Board by the affirmative vote of nine members of the Board, but no action shall be taken unless such proposed adoption, amendment, or repeal shall have been given at a previous meeting or notice in writing of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change, provided; however, that by an affirmative vote of at least nine members of the Board the requirements for such notice may be waived at any time.

#### SECTION 2. Suspension of By-Laws

- 2.1 The By-Laws or any one of them may be suspended at any meeting by an affirmative vote of at least nine members of the Board and not otherwise.

## CHAPTER VII

### *REPEALING CLAUSE*

#### SECTION 1. General Provisions

- 1.1 All rules, orders, regulations, resolutions and By-Laws heretofore adopted by the Board, which are in conflict with these By-Laws, are hereby repealed but such repeal shall not affect actions heretofore taken pursuant to such rules, orders, regulations, resolutions and By-Laws.

*Approved November 4, 1983; Amended June 2, 1986; Amended December 17, 1991; Revised June 1, 1992; Revised November 6, 1998; Revised June 4, 2001; Revised July 23, 2001; Revised November 16, 2001; Revised June 3, 2002; Revised November 15, 2002; Revised June 11, 2004; Revised November 10, 2006; Revised April 25, 2008; Revised June 19, 2009, Revised June 18, 2010, Revised.*

## ~~EXHIBIT A~~<sub>(LA1)</sub>

### ~~Auburn University Board of Trustees Audit and Compliance Policy Committee Charter~~

#### ~~Section I. — Purpose~~

~~The purpose of the Audit and Compliance Committee (the “Committee”) is to assist the Board of Trustees in fulfilling its oversight responsibilities in the areas of financial practices, internal controls, financial management, regulatory compliance and administration of the Board of Trustees’ Code of Ethics. The Committee will be the focal point of communication between the Board of Trustees, auditors, and management.~~

#### ~~Section II. — Membership~~

~~2.1 — The Committee shall be comprised of at least three (3) Trustees, Chair of the Committee shall be appointed by the President Pro Tempore, each of whom and shall be independent Trustees and free from any relationship that, in the opinion of the President Pro Tem, might impair or interfere with the exercise of his/her judgment as Committee member.~~

~~2.2 — Committee members The Chair should have a working familiarity with basic financial and accounting practices and at least one (1) member of the Committee shall have — accounting or related financial management expertise. Committee members may The Chair should enhance theirhis or her familiarity with finance, accounting, regulatory compliance and internal control issues by participation in educational programs and discussions with both auditors and management.~~

#### ~~Section III. — Responsibilities~~

##### ~~3.1 — Compliance~~

~~3.1.1 — The Committee shall monitor compliance with the Board of Trustees Code of Ethics policy and annually report their results to the full Board and public.~~

~~3.1.2 — The persons responsible for Athletic SEC/NCAA Compliance, Legal Compliance, Affirmative Action/Equal Employment Opportunity Compliance, Cyber Security Compliance and Research Compliance shall have unrestricted access to the Committee Chair or President Pro Tem to report any failure by the University to properly manage compliance issues arising from those areas.~~

### 3.2—External Auditors

- 3.1.1—The Committee shall recommend to the Board the appointment or replacement of the independent auditors and approve the terms on which the independent auditors are engaged for the ensuing year. The Committee shall solicit input of management in this process.
- 3.2.2—The Committee should review and approve (or disallow) fees to be paid to the independent auditor, authorize (or prohibit) the provision of any non-audit services.
- 3.2.3—The Committee should meet with the independent auditors before the annual financial statement audit to discuss the nature and scope of the audit. This meeting shall be held in the absence of management if the Committee deems appropriate.
- 3.2.4—The Committee should meet with the independent auditors upon completion of the financial statement audit to discuss findings, recommendations, and management responses.
- 3.2.5—The Committee shall review the independent auditor's management letter and management's responses. This discussion should include any unique or emerging risks the independent auditor notes during the engagement.
- 3.2.6—The Committee shall review any other audit services performed by the independent auditor such as federally required A-133 audit. The Committee shall also review any non-audit services completed by the auditors, if such services have been performed.

### 3.3—Internal Audit and Compliance

- 3.3.1—The Committee shall have general oversight of the University's internal audit and compliance function with the chief audit and compliance executive having access to the Committee through a dual reporting line to the Committee and the President (or his/her designee). The chief audit and compliance executive shall have unrestricted access to the Committee and provide information to the Committee with respect to internal audit and institutional compliance operations. The Audit and Compliance Committee shall approve any changes in the position of chief audit and compliance executive.
- 3.3.2—Internal Audit will maintain an anonymous reporting process to facilitate reporting of alleged unethical behavior involving the University, investigate as appropriate, and provide periodic reports on use of that process.
- 3.3.3—Institutional compliance will periodically report the results of compliance risk assessments & monitoring to the Committee. In addition, the

~~Committee will receive communications regarding new and emerging risks of significance identified by institutional compliance.~~

~~Section IV. — Meetings~~

~~—— The Committee shall meet as frequently as circumstances dictate but at a minimum twice per year: once prior to the commencement of the annual financial statement audit, and once again prior to the presentation of the audited financial statements to the full Board.~~

~~Section V. — Implementation~~

~~—— The Committee should develop procedures to ensure the implementation of this charter Policy and periodically assess the charter Policy and their compliance with the responsibilities herein defined. As part of their evaluation, the Committee should assess whether modifications are needed to this Policy charter.~~

Revised: November 2012

Revised: November 20, 2015

Revised: \_\_\_\_\_

## **EXHIBIT 2**

### **E – 1 COMPENSATION POLICY<sup>1</sup>**

Auburn University seeks to attract and retain outstanding faculty, professionals, administrators, and staff by providing total compensation that is competitive in the relevant market considering all appropriate factors. Those factors include, but are not limited to, compensation provided by peer institutions or groups, any compensation for any employee from any affiliated organization, and fiscal resources available to the University. The Board delegates to the President the authority to approve employee compensation, without prior Board approval, in accordance with these and other relevant factors, except as follows:

1. Proposed changes in the funds available for all employee compensation, including faculty compensation, in the annual budget and the criteria for awarding additional compensation shall be reviewed by the Board of Trustees during the annual budget approval process.
2. In advance of any offer of an employment or equivalent arrangement, or any extension thereof, or for compensation increases for any employment or consulting contract previously approved in the manner set forth in this policy (a) with annual compensation or proposed annual compensation in excess of \$250,000; (b) whose contract contains any provision requiring payments to be made upon termination (“buy-out provision”); or (c) who is a party to a written employment contract or consulting agreement that exceeds the same amount over the life of the contract, the President shall obtain the express approval from the Board or its designees as follows:
3. With respect to Athletics’ employment contracts, the President shall obtain the express approval of the Lead Trustee for Athletics, the President Pro Tempore, and the Chair of the Executive Committee (“Board Designees”).
4. With respect to other non-faculty employment contracts, the President shall obtain the express approval of the President Pro Tempore and the Chair of the Executive Committee (“Board Designees”).
5. In both circumstances, the approval process shall comport with 5.a and 5.b.

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<sup>1</sup> The approval process outlined in this policy does not apply to faculty hired consistent with the policies and procedures concerning faculty hires..

below:

- a. In advance of any offer outlined above in sections 2, 3, & 4, the President must obtain and present to the respective Board Designees the competitive salary ranges for new hires or consultants whose salary is equal to or exceeds \$250,000, along with a recommendation of the salary range and material terms for the proposed offer of employment or consulting agreement, and, upon request by any of the respective Board Designees, provide a list of potential candidates for same. Any changes that occur outside the range during the negotiation process must also be presented to the respective Board Designees for pre-approval.
  - b. In accordance with the above, the President shall contact the respective Board Designees at least 48 hours prior to execution of any contract to obtain express approval therefrom. Once approval is obtained, however, the President may act immediately to extend such offer of employment or consulting agreement, or any extension thereof.
6. All written offers of employment and consulting contracts, or extensions thereof, in accordance with the above must include, in bolded font, the following: "Subject to approval of the Board Designees."
  7. Before termination of any employment or consulting contract described above, which would trigger a buy-out provision or would implicate the employment contracts of other University employees with similar buy-out provisions, notice and approval must be provided and obtained as outlined above.

The Board of Trustees shall consider those same factors in establishing an appropriate level of compensation for a new President or for the compensation of a sitting President in approving an annual budget.

This Policy applies to all operating units of the University, including Auburn University at Montgomery.

ADOPTED: November 10, 2006

REVISED: November 2, 2007

REAFFIRMED: June 19, 2009

REVISED: November 13, 2013

REVISED: September 25, 2015

REVISED: \_\_\_\_\_

## EXHIBIT 3

### F- 5. INTERCOLLEGIATE ATHLETICS POLICY

The Auburn University Board of Trustees reaffirms its responsibility to oversee and monitor policies and practices concerning Intercollegiate Athletics. In accordance with this responsibility, the Board of Trustees:

1. Acknowledges its constitutional and statutory obligation to “manage and control” the University, commits itself to the most effective administration of that duty, and as such, delegates to the President of the University the full conduct and control of Auburn’s athletics program, holds the President responsible for it, and includes this responsibility among those assessed during presidential performance reviews.
2. Requires the President to report to the Board of Trustees annually and periodically as necessary (as outlined below), regarding the President’s fulfillment of his responsibilities for the athletics program, even as it extends full support to the President in execution of his responsibility for Intercollegiate Athletics. The President’s reports shall include, as pertinent to Board policies, information concerning the operations of the Athletics Department and Presidential actions taken or to be taken in compliance with this Policy on Intercollegiate Athletics.
3. Designates the Lead Trustee on Athletics, along with the Chairs of the Academic Affairs, Student Affairs, and Finance Committees, and all members of the Executive Committees, with ongoing responsibility for diligent review of the President’s annual report on athletics programs and, as advisable, further research into areas of athletics policy. Other Lead Trustees, committees, and task forces, each from its own perspective, shall further be charged with review of the athletics program inasmuch as policy to be reviewed falls into such Lead Trustees’ or committees’ legally charged areas of responsibility.
4. Sets and reviews expectations of the overall benefits the University may expect from the athletics program and requires that there be an Athletics

Department mission statement.

5. Approves, with the President, benchmarks and standards for success.
6. Verifies that the Intercollegiate Athletics program reflects and supports the University's academic values and mission.
7. Reviews and approves the athletics budget, along with all others within the University, all within a full understanding of the complex finances of the department. Proposals for significant capital improvements are to be approved by the Board within the framework established by already existing policies. The Board makes sure that all funds raised by affiliated organizations and spent on athletics are controlled and overseen by the President. As part of the oversight of Athletics programs delegated to the President by the Board of Trustees, the President shall, prior to the presentation of the annual budget, take actions, in coordination with the Athletics Director, to evaluate and to report as part of the budget approval process, the total financial exposure and buy-out risk reflected in the contracts of all head and assistant coaches of all athletic programs at the University.
8. Confirms that the President reviews and monitors institutional compliance with Title IX requirements, reviews and discusses the results of the NCAA self-study process, monitors the independent audit of the department required by the NCAA, and reviews the Athletics Department's compliance with other laws or regulations to which the University is subject.
9. Monitors the compensation packages, in accordance with paragraph 7 above, of the Athletics Director and head and assistant coaches of ~~major sports~~all University athletic programs.
10. Regularly reconsiders its policies with respect to athletics, for both currency and completeness.
11. Agrees to include a thorough review of athletics policy issues as a part of

its orientation of new Trustees.

12. Requires the President to review and report to the Board regarding admissions policies, financial assistance, graduation rates, transfer rates, declared majors, and academic support for athletes, all as compared to the general student population and to statistics from peer institutions.

The Auburn Board of Trustees long has taken great pride in the University's athletics programs, stands firm in its commitment to athletics as a vital component of Auburn's institutional reputation and success, and affirms its responsibility to exercise careful oversight of policies and procedures concerning Intercollegiate Athletics.

ADOPTED: May 7, 2004

REAFFIRMED: June 19, 2009

REVISED

## EXHIBIT 4

### E-8 POLICY ON EXECUTION OR EXTENSION OF INDIVIDUAL NON-FACULTY EMPLOYMENT CONTRACTS

The ability to maintain maximum flexibility in staffing consistent with legal obligations and sound human resource practices is in the best interest of Auburn University.

Therefore execution of long-term employment contracts is inconsistent with current practice and should be avoided~~ed~~ except in unusual circumstances.

Therefore, none of the following are authorized and none shall be executed or extended unless approved by the Board of Trustees or its designees: (a) contracts or agreements with annual compensation or proposed annual compensation in excess of \$250,000; (b) contracts containing any provision requiring payments to be made upon termination ("buy-out provision"); or (c) written employment contracts or equivalent arrangements that exceed the same amount over the life of the contract. no individual multi-year employment contracts are authorized and none shall be executed unless approved in writing by the Board of Trustees or the President.

Resolution Adopted March 20, 1997

Revised: \_\_\_\_\_

## **EXHIBIT 5**

### **B-1 SELECTION OF EXECUTIVE OFFICERS AND OTHER PRINCIPAL OFFICIALS OF THE UNIVERSITY**

The Board of Trustees, in accordance with State of Alabama statutes, has the power and responsibility to “. . . organize the institute by appointing a corps of instructors, who shall be styled the faculty of the University and such other instructors and officers as the interest of the University may require. . .” To assist in that process, the Board may delegate aspects of that responsibility to the President of the University.

Described in the paragraphs below are procedures to be followed in the selection and appointment of key administrators and principal officials of the University. The Board has primary responsibility for appointment of the President, while the President has the primary responsibility, upon prior approval by the Board Trustees, for appointment of the Provost, AUM Chancellor, Vice Presidents, Director of Intercollegiate Athletics, General Counsel, Chief Financial Officer, and all Principal Officials of Auburn University, as defined herein.

### **PRESIDENT**

As identified in the Bylaws of the Board of Trustees, the President of the University is elected by and serves at the pleasure of the Board of Trustees. The President is the Chief Executive Officer of the University, and terms of employment and areas of responsibility are outlined in the Bylaws. When the position of University President becomes vacant, the Board of Trustees shall constitute the search and selection committee, whose responsibility it shall be to identify candidates for the presidency. At its discretion, the Board may rely upon the assistance of one (1) or more advisory committees composed of Trustees, Auburn and AUM faculty and students, Alumni Association members, and others. Such advisory groups, if utilized, shall be appointed by the President Pro Tempore of the Board of Trustees, who shall serve as the chair of each. Appointment to the office of President is by the Board of Trustees, who fix the term and conditions of employment.

## **PROVOST AND AUM CHANCELLOR**

Appointment to the positions of Provost at Auburn University and Chancellor at AUM shall be by the President of Auburn University, upon prior approval by the Board of Trustees. Search committees assembled to identify candidates for these positions shall include at least one (1) member of the Board of Trustees. The Provost, as the University's second most senior administrator, may have responsibility, under the direction of the President, for coordination and oversight of all or any portion of the University's academic, research, and extension programs as delegated by the President.. The Chancellor bears similar responsibility for overall administration of the Montgomery campus. Trustees shall participate in these searches on a rotating basis, so that involvement can be shared. (The procedure for obtaining Board approval will be determined jointly by the President, Board President Pro Tempore, and the Trustees who serve on the search committee.)

## **VICE PRESIDENTS, DIRECTOR OF INTERCOLLEGIATE ATHLETICS, GENERAL COUNSEL, AND CHIEF FINANCIAL OFFICER**

Appointment to Vice Presidential positions as well as appointment to the positions of Director of Intercollegiate Athletics, the General Counsel, and the Chief Financial Officer shall be by the President, upon prior approval of the Board of Trustees. Search committees assembled to identify candidates for these positions shall include at least one (1) member of the Board of Trustees, on a rotating basis. When the President has received the committee's reports, the Board will be informed of the person for whom the President will seek Board approval to appoint. Such notice shall include a copy of the individual's vita and other relevant information. (The procedure for obtaining Board approval will be determined jointly by the President, Board President Pro Tempore, and the Trustees who serve on the search committee.)

### OTHER PRINCIPAL OFFICIALS

All other Principal Officials of Auburn University, defined as non-faculty employees (a) with annual compensation or proposed annual compensation in excess of \$250,000; (b) whose contract contains a “buy-out” provision; or (c) who is a party to a written employment contract or equivalent arrangement that exceeds the same amount over the life of the contract, shall be appointed or retained by the President, upon prior approval of the Board or its designees and consistent with the responsibilities outlined in this policy.

ADOPTED: February 9, 1990

REVISED: June 4, 1993

REAFFIRMED: June 19, 2009

REVISED: \_\_\_\_\_

## EXHIBIT 6

### F- 4. POLICY ON TRUSTEE ADMINISTRATION COMMUNICATIONS

While the Board of Trustees has the constitutional duty to manage and control the University, it discharges that responsibility by establishing policy and selecting the President, who implements that policy and administers the University accordingly. In order for the President to successfully accomplish that charge, it is imperative that a clear process for communications be established between the Board of Trustees and the administration.

Discussions concerning policy issues and operational activities related to implementation of such policies between ~~Board members~~ Committee Chairs or Lead Trustees, on the one hand, and administrative staff, who are within that Board Member's assigned area of responsibility and who are the senior most administrators in a given operational area of the University, on the other hand, ~~are should~~ permitted and should generally be conducted at the direction or with the consent of the President or his duly-authorized representative.

Any other discussions concerning policy issues between Board members, on the one hand, and other administrative staff, on the other hand, should only occur within the context of committees or Board meetings at which the President or his duly authorized representative is present.

Discussions outside of that context pertaining to issues which fall within the business responsibility of staff members shall be coordinated with the President's office so that the President is aware of the discussion and the issues involved and can take part in the discussion if he or she so desires.

ADOPTED: July 23, 2001

REAFFIRMED: May 7, 2004

REAFFIRMED: June 19, 2009

REVISED: \_\_\_\_\_

## EXHIBIT 7

### F- 6 Auburn University Board of Trustees Audit and Compliance Policy Committee Charter

#### Section 1. Purpose

The purpose of the Audit and Compliance Committee (the “Committee”) is to assist the Board of Trustees in fulfilling its oversight responsibilities in the areas of financial practices, internal controls, financial management, regulatory compliance and administration of the Board of Trustees’ Code of Ethics. The Committee will be the focal point of communication between the Board of Trustees, auditors, and management.

#### Section II. Membership

- 2.1 The ~~Committee shall be comprised of at least three (3) Trustees, Chair of the Committee shall be~~ appointed by the President Pro Tempore, ~~each of whom and~~ shall be independent ~~Trustees~~ and free from any relationship that, in the opinion of the President Pro Tem, might impair or interfere with the exercise of his/her judgment ~~as Committee member~~.
- 2.2 ~~Committee members~~ The Chair should have ~~a working familiarity with basic financial and accounting practices and at least one (1) member of the Committee shall have~~ accounting or related financial management expertise. ~~Committee members may~~ The Chair should enhance ~~their~~ his or her familiarity with finance, accounting, regulatory compliance and internal control issues by participation in educational programs and discussions with both auditors and management.

#### Section III. Responsibilities

##### 3.1 Compliance

- 3.1.1 The Committee shall monitor compliance with the Board of Trustees Code of Ethics policy and annually report their results to the full Board and public.
- 3.1.2 The persons responsible for Athletic SEC/NCAA Compliance, Legal Compliance, Affirmative Action/Equal Employment Opportunity Compliance, Cyber Security Compliance and Research Compliance shall have unrestricted access to the Committee Chair or President Pro Tem to report any failure by the University to properly manage compliance issues arising from those areas.

##### 3.2 External Auditors

- 3.1.1 The Committee shall recommend to the Board the appointment or

replacement of the independent auditors and approve the terms on which the independent auditors are engaged for the ensuing year. The Committee shall solicit input of management in this process.

- 3.2.2 The Committee should review and approve (or disallow) fees to be paid to the independent auditor, authorize (or prohibit) the provision of any non-audit services.
- 3.2.3 The Committee should meet with the independent auditors before the annual financial statement audit to discuss the nature and scope of the audit. This meeting shall be held in the absence of management if the Committee deems appropriate.
- 3.2.4 The Committee should meet with the independent auditors upon completion of the financial statement audit to discuss findings, recommendations, and management responses.
- 3.2.5 The Committee shall review the independent auditor's management letter and management's responses. This discussion should include any unique or emerging risks the independent auditor notes during the engagement.
- 3.2.6 The Committee shall review any other audit services performed by the independent auditor such as federally required A-133 audit. The Committee shall also review any non-audit services completed by the auditors, if such services have been performed.

### 3.3 Internal Audit and Compliance

- 3.3.1 The Committee shall have general oversight of the University's internal audit and compliance function with the chief audit and compliance executive having access to the Committee through a dual reporting line to the Committee and the President (or his/her designee). The chief audit and compliance executive shall have unrestricted access to the Committee and provide information to the Committee with respect to internal audit and institutional compliance operations. The Audit and Compliance Committee shall approve any changes in the position of chief audit and compliance executive.
- 3.3.2 Internal Audit will maintain an anonymous reporting process to facilitate reporting of alleged unethical behavior involving the University, investigate as appropriate, and provide periodic reports on use of that process.
- 3.3.3 Institutional compliance will periodically report the results of compliance risk assessments & monitoring to the Committee. In addition, the Committee will receive communications regarding new and emerging risks of significance identified by institutional compliance.

#### Section IV. Meetings

The Committee shall meet as frequently as circumstances dictate but at a minimum twice per year: once prior to the commencement of the annual financial statement audit, and once again prior to the presentation of the audited financial statements to the full Board.

#### Section V. Implementation

The Committee should develop procedures to ensure the implementation of this ~~charter~~ Policy and periodically assess the ~~charter~~ Policy and their compliance with the responsibilities herein defined. As part of their evaluation, the Committee should assess whether modifications are needed ed to this Policy ~~charter~~.

Revised: November 2012

Revised: November 20, 2015

Revised: \_\_\_\_\_