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CONSTITUTION
of the
SMEAL COLLEGE OF BUSINESS
ALUMNI SOCIETY

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

43 **CONSTITUTION**

44
45 **of the**

46 **SMEAL COLLEGE OF BUSINESS**

47 **ALUMNI SOCIETY**

48 **of**

49 **THE PENNSYLVANIA STATE UNIVERSITY**

50
51
52
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 (“At-Large Maximum”), except as otherwise
117 provided in this Section 2. All At-Large Directors shall have the exclusive right
118 to vote on all matters in which Board approval is sought; provided however, an
119 At-Large Director must be present in order to cast a vote. Ex-Officio Directors
120 shall have all the rights of At-Large Directors, except for the right to vote.

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

- 123
124 (a) Elections shall occur at the Spring board meeting, except as provided for
125 pursuant to Section 3.
126

- 127 (b) All members of the Smeal Alumni Society shall be afforded an
128 opportunity to nominate alumni for consideration to serve as Members of
129 the Board.
130
- 131 (c) At least 60 days prior to an election, alumni who would like to be
132 considered as candidates to serve as Members of the Board, and who are
133 not currently serving as Members of the Board, shall submit a self-
134 nomination document to Director of Alumni Relations. Eligible Members
135 of the Board seeking re-election shall notify the Director of Alumni
136 Relations at least 60 days prior to an election.
137
- 138 (d) The Executive Committee shall review all submitted nominations and
139 review the eligibility and activity of Board Members seeking re-election.
140 The Executive Committee shall make final nominations of candidates and
141 present them to the Board, along with any other additional information, at
142 least two weeks prior to a closed vote.
143

144 For a candidate not currently serving as a Member of the Board, the
145 Executive Committee shall consider service to The Pennsylvania State
146 University, with an emphasis on quality of service to Smeal for at least
147 two years. Participation in Smeal Alumni Society activities is preferred.
148 For a candidate currently serving on the Board seeking re-election, the
149 Executive Committee shall consider the quality of service to the Board,
150 Smeal and/or the Pennsylvania State University and whether the candidate
151 has had an excellent attendance record for Board meetings.
152

153 If exactly 1 Board seat is open, the Executive Committee may make final
154 nominations of up to 4 candidates. Otherwise, the names of no more than
155 double the number of Board positions to be filled for election shall be
156 provided by the Executive Committee to the Board.
157

- 158 (i) (e) Except as otherwise provided in this Section 2(e), an
159 election shall be limited to a maximum of four open Board seats,
160 subject to the At-Large Maximum. If there are more than four
161 open seats at the current election, or if more than four open seats
162 are projected in any future election, the President may, in his or her
163 discretion, call for the election of more than four At-Large Board
164 seats at the current election, and the Board will not be subject to
165 the At-Large Maximum; provided that (i) the Board shall endeavor
166 to reduce its membership at or below the At-Large Maximum by
167 the third election cycle after the At-Large Maximum is first
168 exceeded and (ii) in no event shall the total number of At-Large
169 Directors serving on the Board exceed 30 Members. For purposes
170 of Article IV, Section 2, an "open Board seat" does not include a
171 Board seat then held by a current Board Member seeking re-
172 election.

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- (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.

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

223
224 Absence from three consecutive meetings by a member of the Board of Directors
225 will terminate membership on the Board. A replacement will be made as
226 stipulated in Article V, Section 3. Each Board member must be a member of the
227 Penn State Alumni Association. Membership shall be verified annually at least
228 sixty 60 days prior to the Fall meeting of the Board by the Director of Alumni
229 Relations.

230
231 Section 3. Officers and their elections.

232
233 The Officers of the Board shall be the President and the President-Elect. The
234 Board shall elect from among their membership by majority vote a President-
235 Elect. The term of the President-Elect shall be 2 years. The President-Elect shall
236 succeed to the Presidency at the end of the President's term. The President shall
237 succeed to Immediate Past-President at the end of his or her term as President.
238 The term of the President shall be 2 years and the term of the Immediate Past-
239 President shall be 2 years, unless pursuant to Section 2, Number 1, his or her term
240 is limited to 1 year.

241
242 President-Elect nominees should come from active or recent Executive
243 Committee members. At least 60 days prior to election, there shall be an
244 announcement to the Board from the Director of Alumni Relations. Nominations
245 must be received at least 30 days before election. The information on nominees
246 shall be sent to Board members at least 2 weeks prior to election with non-binding
247 recommendations and voted on through a paper ballot.

248
249 In the event of the death, resignation, or disqualification of the President-Elect,
250 the Board shall elect another person to fulfill the unexpired term at the following
251 board meeting. In the event of the death, resignation or disqualification of the
252 President, the President-Elect shall assume the duties and fulfill the President's
253 unexpired term, a new President-Elect being elected. The post of Immediate Past-
254 President becoming vacant shall be filled by the President appointing a successor
255 from among other Past-Presidents. In the event of the death, resignation, or
256 disqualification of an At-Large Director, the Board shall elect from its
257 membership another person to fulfill the unexpired term at the following board
258 meeting. The fulfillment of the aforementioned unexpired term does not impact
259 the two consecutive terms that a Director is eligible to serve.

260
261 The President of the Board or the President-Elect, as appointed by the President to
262 serve as his or her representative, shall serve as the Board's voting member in the
263 Penn State Alumni Association Council. Should neither be able to serve, a
264 Director appointed by the Executive Committee shall serve as the representative.

265
266 Any person who has been elected to serve as President-Elect pursuant to Section
267 3, but whose term as an At-Large Director may otherwise expire, shall continue to
268 serve as an additional At-Large Director until such time as his or her term of
269 office as President shall terminate. Any person serving as Immediate Past-
270 President pursuant to Section 3, but whose term as an At-Large Director may
271 otherwise expire may continue to serve as an additional Ex-Officio Director for a
272 one-year period.

273
274 Section 4. Executive Committee.

275
276 The Executive Committee will include at least 6 members, and shall include the
277 President, President-Elect, and Director of Alumni Relations. The President may
278 appoint no less than 3 Members of the Board who are either active or former
279 leaders of Committees/Task Forces (as defined in Section 5) or key contributors
280 to important activities as Executive Committee members.

281
282 The President with the Director of Alumni Relations shall annually review
283 composition of Executive Committee to promote inclusion and growth of
284 members with a goal of the greatest possible degree of membership diversity.

285
286 Upon election of a new President, the members of the Executive Committee shall
287 be reviewed. Committee/Task Force leaders shall serve no more than 2 years in
288 this position, unless otherwise designated by the President.

289
290 The Executive Committee shall be empowered to create the agendas for Board
291 meetings and carry on the business of the Board where time is of the essence
292 between regular or special meetings of the Board. The Executive Committee
293 shall perform the duties of nomination of individuals as candidates to the Board.
294 The Executive Committee may fill a Board Member position vacated by death,
295 resignation, or disqualification by appointment of a person who would otherwise
296 qualify for election to the Board.

297
298 Section 5. Committees/Task Forces.

299
300 The President and/or the Executive Committee and/or the Board shall appoint
301 members and establish purpose of Committees/Task Forces as may be necessary
302 to the proper functioning of the Society. All Committees/Task Forces shall be
303 required to have at least one Board member on its membership. A Task Force
304 shall have a shorter term goal, deadline and defined deliverables, whereas a
305 Committee may have a longer term mission, and is on-going.

306
307 No Committee shall implement actions without the approval of the Board. Any
308 alumnus, former student, or friend of The Smeal College may serve as a member
309 of a Committee of the Board when appointed by the above as long as the full

310 Board is notified of all appointments and a full record is maintained. All
311 Committees/Task Forces shall meet at least once each year.

312
313 **ARTICLE VI**

314
315 **MEETINGS**

316
317 Section 1. The Board shall hold at least two meetings each year. The meetings shall be held
318 on the dates and at the place determined by the Board.

319
320 Section 2. Meetings of the Smeal Alumni Society shall be called at the discretion of the
321 President. Notice of meetings of the Smeal Alumni Society shall be announced
322 either through The Smeal College electronic alumni newsletter, by mail or by
323 such other methods as determined by the Board. Such notice should be sent out at
324 least 2 weeks in advance of each Society meeting.

325
326 Section 3. The Board shall meet at the call of the President or at the written request of a
327 majority of the members of the Executive Committee.

328
329 Section 4. The Executive Committee and Standing Committees/Task Forces shall meet at
330 least twice each year at the call of the committee chairmen or at the request of the
331 President.

332
333 Section 5. Special Committees/Task Forces shall meet at the direction of the President.

334
335 Section 6. All meetings of the Smeal Alumni Society, its Board, its Committees/Task Forces
336 shall be open to any member of the Smeal Alumni Society who shall be privileged
337 to bring before such meetings any item of business appropriate to the functioning
338 and/or jurisdiction of the body assembled at a time provided by the President of
339 the body.

340
341 Section 7. A meeting of the Board shall be convened only upon a quorum being present. A
342 quorum, for a Board meeting, shall consist of greater than one-half of the At-
343 Large Directors of the Board.

344
345 **ARTICLE VII**

346
347 **INDEMNIFICATION**

348
349 Section 1. Limitation of Directors' Liability.

350
351 No member of the Board (referred to in this Article collectively as "Director" or
352 "Directors") shall be personally liable for monetary damages for any action taken
353 or any failure to take any action unless: (a) the Director has breached or failed to
354 perform the duties of his or her office under Section 8363 of the Pennsylvania
355 Directors' Liability Act (relating to standard of care or justifiable reliance), and

356 (b) the breach or failure to perform constitutes self-dealing, willful misconduct or
357 recklessness; provided, however, that the provision of this paragraph not apply to
358 the responsibility or liability of a Director pursuant to any criminal statute, or to
359 the liability of a Director for the payment of taxes pursuant to local, state or
360 federal law.

361
362 Section 2. Indemnification and Insurance.

363
364 (a) Indemnification of Directors and Officers

- 365
366 1. Each Indemnitee (as defined below) shall be indemnified,
367 defended, and held harmless by the Smeal Alumni Society for all
368 actions taken by him or her or for all failures to take action
369 (regardless of the date of any such action or failure to take action)
370 to the fullest extent permitted by Pennsylvania law against all
371 expenses, liability and loss (including without limitation attorneys'
372 fees, judgments, fines, taxes, penalties, and amounts paid or to be
373 paid in settlement) reasonably incurred or suffered by the
374 Indemnitee in connection with any Proceeding (as defined below).
375 No indemnification pursuant to this paragraph shall be made,
376 however, in any case where the act or failure to act giving rise to
377 the claim for indemnification is determined by a court to have
378 constituted willful misconduct or recklessness.
- 379
380 2. The right to indemnification provided in this paragraph shall
381 include the right to have the expenses incurred by the Indemnitee
382 in defending any Proceeding paid by the Smeal Alumni Society
383 advance of the final disposition of the Proceeding to the fullest
384 extent permitted by Pennsylvania law; provided that, if
385 Pennsylvania law continues so to require, the payment of such
386 expenses incurred by the Indemnitee in advance of the final
387 disposition of the Proceeding shall be made only upon delivery to
388 the Society of an undertaking, by or on behalf of the Indemnitee, to
389 repay all amounts so advanced without interest if it shall ultimately
390 be determined that the Indemnitee is not entitled to be indemnified
391 under this paragraph or otherwise.
- 392
393 3. Indemnification pursuant to this paragraph shall continue as to an
394 Indemnitee who has ceased to be a Director or Officer and shall
395 inure to the benefit of his or her heirs, executors and administrators.
- 396
397 4. For purposes of this Article, (A) "Indemnitee" shall mean each
398 Director or Officer of the Society who was or is a party to, or is
399 threatened to be made a party to, or is otherwise involved in, any
400 Proceeding by reason of the fact that he or she is or was a Director
401 or Officer of the Smeal Alumni Society or is or was serving in any

402 capacity at the request or for the benefit of the Smeal Alumni
403 Society as a Director, officer, employee, agent, partner, or
404 fiduciary of, or in any other capacity for another corporation or any
405 partnership, joint venture, trust, employee benefit plan, or other
406 enterprise; and (B) "Proceeding" shall mean any threatened,
407 pending or completed action, suit or proceeding (including without
408 limitation an action, suit or proceeding by or in the right of the
409 Society), whether civil, criminal, administrative or investigative.

410
411 (b) Indemnification of Employees and Other Persons
412

413 The Smeal Alumni Society may, by action of the Board and to the
414 extent provided in such action, indemnify employees and other
415 persons as though they were Indemnitees. To the extent that an
416 employee or agent of the Smeal Alumni Society has been successful
417 on the merits or otherwise in defense of any Proceeding or in defense
418 of any claim, issue or matter therein, the Smeal Alumni Society shall
419 indemnify such person against expenses (including attorneys' fees)
420 actually and reasonably incurred by such person in connection
421 therewith.
422

423 (c) Non-Exclusivity of Rights
424

425 The rights to indemnification and to the advancement of expenses
426 provided in this Article shall not be exclusive of any other rights that
427 any person may have or hereafter acquire under any statute, provision
428 of the Smeal Alumni Society Constitution, , agreement, vote of the
429 Directors or Officers, or otherwise.
430

431 (d) Insurance
432

433 The Smeal Alumni Society may purchase and maintain insurance, at
434 its expense, for the benefit of any person on behalf of whom insurance
435 is permitted to be purchased by Pennsylvania law against any
436 expense, liability or loss, whether or not the Smeal Alumni Society
437 would have the power to indemnify such person under Pennsylvania
438 or other law. The Smeal Alumni Society may also purchase and
439 maintain insurance to insure its indemnification obligations whether
440 arising hereunder or otherwise.
441

442 (e) Fund for Payment of Expenses
443

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

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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.

Section 4. Changes in Pennsylvania Law.

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 expands 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

495
496 Section 1. This Constitution may be amended by a two-thirds vote of the members present at a
497 Smeal Alumni Society meeting, provided that (1) the amendment shall have been
498 placed before the Board of Directors at least 30 days before the meeting at which
499 such amendment is acted upon, and (2) the amendment or amendments adopted
500 shall, prior to their adoption, have been acted upon favorably by a majority of the
501 Board.

502
503 Section 2. This Constitution or its amendments must not be in conflict with the Constitution
504 of the Penn State Alumni Association or the rules and regulations for constituent
505 societies as established by the Executive Board and Alumni Council of the Penn
506 State Alumni Association.

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