

TEXAS A&M RESEARCH FOUNDATION

BYLAWS

Amended and restated effective May 23, 2022, by resolution of the Directors.

ARTICLE I: STRUCTURE and PURPOSE

Section 1.1. Structure

Texas A&M Research Foundation (the "Corporation") is a nonprofit corporation organized under the laws of the State of Texas in accordance with Chapter 22 of the Texas Business Organizations Code (the "BOC"), which has no members within the meaning of §1.002 (53) of the BOC. The Restated Certificate of Formation of the Corporation (as amended from time to time, the "Certificate of Formation") was filed in the office of the Secretary of State of the State of Texas on February 6, 2012 and approved on the same date under File Number 8375101.

Section 1.2. Purpose

The purposes for which the Corporation is organized and operated are exclusively scientific and/or educational and to relieve the burdens of government within the meaning of §501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation is established for the specific purposes of encouraging, fostering, and conducting scientific investigations and research; training and developing persons for the conduct of such investigations and research; and acquiring and disseminating knowledge in relation thereto (the "Purposes").

In furtherance of its Purpose, the Corporation may:

- a) conduct, in collaboration with The Texas A&M University System (the "A&M System") members, research and technology development activities, provide training and such other functions as may be necessary or appropriate to accomplish one or more of the Purposes;
- b) facilitate research initiatives and opportunities by providing administrative support through contracts and other means;
- c) seek, acquire, receive, hold, administer, and use either the principal or the income, or both, therefrom, of gifts, grants, contracts, and agreements;
- d) assist in the generation and disposition of intellectual property for the public benefit, including through the utilization of funds consequent to the generation and disposition of intellectual property for further research, education, and public service related to one or more of the Purposes;
- e) acquire, construct, or otherwise provide buildings, grounds and other facilities, improvements and equipment related to the Purposes;
- f) participate in public-private partnerships and other affiliations, as well as cooperation and coordination agreements with any other public or private entity for furthering one or more of the Purposes; and
- g) perform such other functions as may be necessary or appropriate to fulfill one or more of the Purposes.

Section 1.3. Powers

The Corporation shall also have, use and enjoy any and all powers necessarily or properly incident to or connected with the foregoing purposes, or any of them, including the power to acquire in any lawful manner such property, real, personal or mixed, or interest therein, as may be necessary for the transaction of its business and may hold, use, lease, sell, mortgage, pledge, assign, transfer or convey the same or any part thereof.

Section 1.4. Gifts

The Corporation may receive by gift, devise, bequest or otherwise any money or property, to be used, either the principal or the income, or both, therefrom, for the furtherance of any of the Purposes.

Section 1.5. Restricted Activities

Notwithstanding any other provision of these Bylaws, the Corporation shall not engage, participate or intervene in any activity or transaction which would prevent the Corporation from attaining or result in the loss by the Corporation of its status as an organization exempt from federal income taxation under §501(c)(3) of the Code, or corresponding provisions hereafter in effect, and the use, directly or indirectly, of any part of the assets of the Corporation in any such activity or transaction is expressly prohibited. Anything to the contrary herein notwithstanding, the Corporation shall:

- a) make distributions at such time and in such manner as not to subject the Corporation to tax under §4942 of the Code, or corresponding provisions hereafter in effect;
- b) not engage in any act of self-dealing as defined in §4941(d) of the Code, or corresponding provisions hereafter in effect, which would be subject to tax under §4941 of the Code, or corresponding provisions hereafter in effect;
- c) not retain any excess business holding as defined in §4943(c) of the Code, or corresponding provisions hereafter in effect, which would subject the Corporation to tax under §4943 of the Code, or corresponding provisions hereafter in effect;
- d) not make any investments which would subject the Corporation to tax under §4944 of the Code, or corresponding provisions hereafter in effect;
- e) not make any taxable expenditures as defined in §4945(d) of the Code, or corresponding provisions hereafter in effect, which would subject the Corporation to tax under §4945 of the Code, or corresponding provisions hereafter in effect;
- f) not permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation affecting one or more of its purposes);
- g) not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; or
- h) not participate or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE II: OFFICES

Section 2.1. Principal Place of Business

The principal place of business of the Corporation is located at College Station, Texas. The Corporation may have such other offices, either within or without the state of Texas, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section 2.2. Registered Office and Registered Agent

The Corporation shall have and continuously maintain in the state of Texas a registered office and a registered agent whose office is the Corporation's registered office, as required by the BOC. The registered office may but need not be identical to the principal office of the Corporation in the state of Texas, and the address of the registered office may be changed from time to time by the Board of Directors in accordance with applicable law.

ARTICLE III: BOARD OF DIRECTORS

Section 3.1. Powers

The property, business, and affairs of the Corporation shall be managed and controlled by the Board of Directors (the "Board") and, subject to the restrictions imposed by law, the Certificate of Formation and these Bylaws, the Board shall exercise all of the powers of the Corporation.

Section 3.2. Powers and Duties of the Chair of the Board

The Chair of the Board shall be elected annually by a majority vote of the directors at the Annual Meeting. The Chair of the Board shall preside at all meetings of the Board, and shall have such other powers and duties as may be assigned in these Bylaws or from time to time by the Board.

Section 3.3. Number

The Board shall consist of four (4) directors. The Vice President for Research, Texas A&M University ("Texas A&M"), or the equivalent of this position should the title later be changed; the Executive Director of Sponsored Research Services, Texas A&M, or the equivalent of this position should the title later be changed; the Vice Chancellor for Research, the A&M System, or the equivalent of this position should the title later be changed; and the President of the Corporation shall each be ex officio, voting directors of the Corporation. The same person may hold more than one of the foregoing positions. In such case, that person may only cast one vote. The number of directors may be increased or decreased from time to time by amendment of these Bylaws in accordance with the provisions of Article X, provided that the number of directors shall never be less than three (3) nor more than nine (9), and provided further that no decrease in number shall have the effect of shortening any term of any incumbent director.

Section 3.4. Appointment and Term

Directors (other than ex officio directors named in Section 3.3, above) shall be elected by the affirmative vote of a majority of the existing directors of the Corporation and shall serve a term of five years. Terms of office shall begin and end at the close of the Annual Meeting. In the case of filling a vacancy as described in Section 3.6, below, the person shall take office immediately upon

election. Directors may, but need not, be divided into classes and the terms of office of the several classes need not be uniform. Each person serving as a director shall hold office until the earlier to occur of (a) the expiration of such director's term and until such director's successor has been elected and qualified; or (b) such director's death, resignation, or removal as hereinafter provided.

Section 3.5. Removal

Any director, other than an ex-officio director, may be removed from office, with or without cause, by the affirmative vote of a majority of the other directors of the Corporation.

Section 3.6. Election and Vacancies

Any vacancy (other than resulting from completion of a term) occurring in the position of a director, other than an ex-officio director position, whether by death, resignation, removal, or otherwise, shall be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy arising other than as a result of term completion shall be elected for the unexpired term of, and shall be a member of the same class as, such director's predecessor. Any vacancy to be filled by reason of an increase in the number of directors shall be filled by election at any meeting of the Board.

Section 3.7. Meetings of Directors

The directors may hold meetings, maintain an office, and keep the Corporation's books and records at such place or places within or without the state of Texas as the Board may from time to time determine; provided, however, that in the absence of any such determination, such place shall be the Corporation's principal office in the state of Texas. In accordance with §22.002 of the BOC, participation by remote communication technology will be considered the same as participation in person for purposes of transacting the business of the Corporation, including for purposes of quorum, if (1) each person entitled to participate in the meeting consents to the meeting being held by means of that system; and (2) the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant.

Section 3.8. Annual Meetings

The annual meeting of the Board ("Annual Meeting") shall be held at such time and place as shall be designated from time to time by the Board (usually a date between October 1 and December 31 of each year) for the purpose of (a) electing officers for the ensuing year; and (b) transacting such other business as may be properly brought before such Annual Meeting.

Section 3.9. Regular Meetings

Regular meetings of the Board ("Regular Meetings") shall be held at such times and places as shall be designated from time to time by resolution of the Board.

Section 3.10. Special Meetings

Special meetings of the Board ("Special Meetings") shall be held at such times and places as shall be designated from time to time by (a) the Chair of the Board, (b) the President, or (c) by the Secretary, if the Secretary is requested to do so in writing by any two (2) directors.

Section 3.11. Notice of Meetings

The Secretary shall give notice of the time and place of each Annual, Regular, or Special Meeting to each director as specified in Section 7.3 at least ten (10) days before such meeting. Unless otherwise indicated in such notice, any and all matters pertaining to the Purposes may be considered and acted upon at such meeting. At any such meeting at which every director shall be present even though without notice, any matter pertaining to the Purposes may be considered and acted upon.

Section 3.12. Quorum

A quorum of the Board is attained if two or more directors attend a Board meeting for the consideration of any matters pertaining to one or more of the Purposes. Participation by remote communications technology in accordance with Section 7.5 will be considered the same as participation in person for purposes of transacting the business of the Corporation. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law, the Certificate of Formation or these Bylaws.

Section 3.13. Voting

A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law. A director present by proxy shall not count toward a quorum.

Section 3.14. Conduct of Business

At meetings of the Board, matters pertaining to one or more of the Purposes shall be considered. At all meetings of the Board, the Chair of the Board shall preside, and in the absence of the Chair, the President shall preside, and in the absence of the President, an acting Chair shall be chosen by the Board from among the directors present. The Secretary shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the Chair may appoint any person to act as secretary of the meeting.

Section 3.15. Compensation of Directors; Expenses

Persons serving as directors shall not receive any salary or compensation for their services as directors; provided, however, that nothing contained herein shall be construed as precluding any director from receiving compensation in a reasonable amount for personal services rendered (other than services rendered as a director) that are reasonable and necessary in carrying out the Corporation's purposes as the Board may from time to time determine. A director shall be entitled to reimbursement for reasonable expenses incurred in carrying out such person's duties as a director. Any such compensation or reimbursement to a director who is an employee of the A&M System or any of its members must comply with A&M System policies.

Section 3.16. Limitations of Liability

As provided herein, pursuant to §7.001 (Limitation of Liability) of the BOC, a director of the Corporation is not liable to the Corporation for monetary damages for an act or omission in the

director's capacity as a director, except that this provision does not eliminate or limit the liability of a director for:

- a) a breach of a director's duty of loyalty to the Corporation;
- b) an act or omission not in good faith or that constitutes a breach of duty of the director to the Corporation or involves intentional misconduct or a knowing violation of law;
- c) a transaction from which the director received an improper benefit, regardless of whether the benefit resulted from an action taken within the scope of the director's duties; or
- c) an act or omission for which the liability of a director is expressly provided for by an applicable statute.

Notwithstanding the foregoing, if the BOC or any other statute of the State of Texas hereafter is amended to authorize the further elimination or limitation of the liability of directors of a Corporation, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the statutes of the State of Texas, as so amended, and such elimination or limitation of liability shall be in addition to, and not in lieu of, the elimination and limitation on the liability of a director of the Corporation provided by the foregoing provisions.

ARTICLE IV: COMMITTEES

Section 4.1. Board Committees

Pursuant to, and subject to the terms of, §§ 22.218 and 22.219 of the BOC, the Board may from time to time designate members of the Board to constitute committees that shall have and may exercise such powers as a majority of the Board may determine in the resolution that creates the committee. The Board may appoint individuals who are not members of the Board to any committee; provided, however, that a majority of the committee members shall be members of the Board if such committee exercises the authority of the Board in the management of the Corporation. Other committees, not having and exercising the authority of the Board in the management of the Corporation, may be designated and members appointed by a resolution adopted by the Board, or by the President if authorized by a resolution of the Board or by these Bylaws. Membership of such committees may, but need not, be limited to directors.

Section 4.2. Procedures; Meetings

Any committee created by the Board or these Bylaws, unless otherwise expressly provided herein or in the Board resolution creating such committee, shall:

- a) have a chair designated by the Board;
- b) fix its own rules or procedures;
- c) meet at such times and at such place or places as may be provided by such rules or by resolution of such committee or resolution of the Board; and

- d) keep regular minutes of its meetings and cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation, and report the same to the Board at its next succeeding meeting.

Section 4.3. Quorum

At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any action, unless otherwise expressly provided in the committee's rules or procedures, these Bylaws or by the Board.

Section 4.4. Alternate Members

The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting of such committee and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint the designated alternate director to act at that meeting in the place of the absent or disqualified member.

ARTICLE V: OFFICERS

Section 5.1. Number, Titles, and Term of Office

The officers of the Corporation shall include a President and a Secretary, and may include one or more vice presidents, a treasurer, and other officers and assistant officers as the Board may from time to time elect or appoint. Such other officers and assistant officers shall have such authority and responsibility as may be assigned to them by the Board. Any two (2) or more offices may be held by the same individual, except the offices of President and Secretary. The officers shall be elected annually by the Board at the Annual Meeting for a one (1) year term until the next succeeding Annual Meeting at which officers are elected. A duly-elected officer shall serve in such office until a successor has been duly elected and qualified, or until such officer's earlier death, resignation or removal.

Section 5.2. Removal

Any officer or agent or member of a committee elected or appointed by the Board may be removed by the Board, but such removal shall be without prejudice to the contract rights, if any, of the individual so removed. Election or appointment of an officer or agent or member of a committee shall not of itself create contract rights.

Section 5.3. Vacancies

Any vacancy occurring in any office of the Corporation may be filled by the Board.

Section 5.4. Powers and Duties of the President

The President shall be the Chief Executive Officer of the Corporation. Subject to the control of the Board, the President shall have general executive charge, management, and control of the properties, business, and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; shall have the authority to agree upon and execute all leases,

contracts, evidences of indebtedness, and other obligations in the name of the Corporation subject to the approval of the Board; and shall have such other powers and duties as may be designated in these Bylaws and as may be assigned to such officer from time to time by the Board.

Section 5.5. Powers and Duties of the Treasurer.

The Treasurer, if such is appointed by the Board, shall be the Chief Financial Officer of the Corporation, and shall have custody of all of the Corporation's funds and securities that come into such officer's hands. When necessary or proper, the Treasurer may endorse or cause to be endorsed, in the name and on behalf of the Corporation, checks, notes, and other obligations for collection and shall deposit or cause to be deposited the same to the credit of the Corporation in such bank or banks or depositories and in such manner as shall be designated and prescribed by the Board; may sign or cause to be signed all receipts and vouchers for payments made to the Corporation either alone or jointly with such other officer as may be designated by the Board; whenever required by the Board, shall render or cause to be rendered a statement of the cash account; shall enter or cause to be entered regularly in the Corporation's books to be kept by such officer for that purpose full and accurate accounts of all moneys received and paid out on account of the Corporation; shall perform all acts incident to the position of Treasurer subject to the control of the Board; and shall, if required by the Board, give such bond for the faithful discharge of such officer's duties in such form as the Board may require.

Section 5.6. Powers and Duties of the Secretary

The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall attend to the giving and serving of all notices; in furtherance of the Corporation's purposes and subject to the limitations contained in the Certificate of Formation, may sign in the name and on behalf of the Corporation and/or attest the signatures thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes, and other instruments of the Corporation; shall have charge of the Corporation's books, records, documents, and instruments, except the books of account and financial records and securities of which the Treasurer (if a Treasurer has been appointed by the Board) shall have custody and charge, and such other books and papers as the Board may direct, all of which shall be open at reasonable times to the inspection of any director upon application at the Corporation's office during business hours; and shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

Section 5.7. Compensation of Officers

Officers shall be entitled to receive salary or compensation in a reasonable amount for such personal services rendered that are necessary and reasonable in carrying out the Corporation's purposes as the Board may from time to time determine; provided, however, that in no event shall such salary or compensation be excessive. Any compensation to an officer who is an employee of the A&M System employee or any of its members must comply with A&M System policies.

ARTICLE VI: DISPOSAL OF ASSETS IN THE EVENT OF DISSOLUTION

Pursuant to §22.304(a) of the BOC, after all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged in accordance with §11.053 of the BOC, the property of the Corporation shall be applied and distributed as follows:

- a) property held by the Corporation on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and
- b) the remaining properties of the Corporation shall be distributed only for tax exempt purposes to: (i) the A&M System for the benefit of its members, provided that at the time of such dissolution the A&M System is then qualified as a governmental organization under §170(c)(1) of the Code (or corresponding provisions hereafter in effect); (ii) such organization or organizations organized and operated exclusively for purposes described in §501(c)(3) of the Code (or corresponding provisions hereafter in effect) which, in the opinion of the Board, shall most nearly carry forward the Purposes; or (iii) to such other organization(s) exempt from taxation under §501 of the Code (or corresponding provisions hereafter in effect). The foregoing shall be accomplished under a plan of distribution adopted by the Board in compliance with Chapter 22 of the BOC and in accordance with state and federal law.

Any property remaining after distribution under the plan of distribution shall be distributed by a district court of the county in which the Corporation's principal office is located to one or more organizations described in §501(c)(3) of the Code. The court shall make the distribution in the manner the court determines will best accomplish the Purposes.

ARTICLE VII: MISCELLANEOUS PROVISIONS

Section 7.1. Fiscal Year

The Corporation's fiscal year shall be from September 1 to August 31.

Section 7.2. Seal

The Corporation's seal, if any, shall be such as may be approved from time to time by the Board.

Section 7.3. Notice and Waiver of Notice

Any notices required under these Bylaws will be deemed given (a) on the date deposited in the United States mail or with an overnight delivery service, (b) on the date sent by email transmission with confirmation of transmission and receipt, or (c) on the date of delivery if delivered personally, and in each case, addressed to the intended recipient at the address in the records of the Corporation or such other address as the intended recipient may specify in writing. A member of the Board may waive notice of any meeting. The attendance or participation of a member of the Board at any meeting shall constitute a waiver of notice of such meeting unless such attendance or participation is for the purpose of objecting to the failure of notice. A waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 7.4. Resignations

Any director, officer, or committee member may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 7.5. Action Without a Meeting by Directors or Committees; Remote Participation

- a) Any action required or authorized to be taken under the BOC or the Certificate of Formation at a meeting of the Board or a committee may be taken without holding a meeting, providing notice, or taking a vote if each person entitled to vote on the action signs a written consent setting forth the action to be taken and such consent is signed by a sufficient number of members of the Board or committee thereof as would be necessary to take the action at a meeting at which all, and not just a quorum, of the members of the Board or members of the committee were present and voted. Such consent shall have the same force and effect as a vote made in person at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State.
- b) Subject to the requirements of law for notice of meetings, unless otherwise restricted by the Certificate of Formation or these Bylaws, members of the Board or members of any committee may participate in and hold a meeting of the Board or committee, as the case may be, by means of a conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. Participation in such meeting shall constitute presence in person at such meeting, unless the participation is for the express purpose of objecting to the transaction of business at the meeting on the ground that the meeting has not been lawfully called or convened. If voting is to take place at the meeting, the Corporation must:
 - 1) implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and
 - 2) keep a record of any vote or other action taken.

Section 7.6. Intellectual Property

The ownership of any and all patents or copyrights, or both, (“Intellectual Property”) arising from any research or educational activities (“Activities”) conducted by employees of the A&M System or any of its members in the performance of work relating to the Activities of the Corporation shall vest with the A&M System in accordance with A&M System policies and regulations except in those cases where the sponsor of the Activities retains partial or complete rights in such Intellectual Property.

To the fullest extent permitted or required by Chapter 8, Subchapter C of the BOC, the Corporation hereby elects to and does hereby indemnify all directors, officers, employees, agents, and delegees of the Corporation, and also hereby indemnifies all persons serving at the request of the Corporation to act as a director, officer, employee, agent, or delegee of another domestic or foreign business organization (including but not limited to a nonprofit organization). Such indemnity shall be paid promptly upon notice of any such person making a claim for indemnity hereunder, unless: (a) there are restrictions to the contrary in the Certificate of Formation; or (b) any such indemnification would be considered as self-dealing or any excess benefit under Sections 4941 or 4958 of the Code, as amended, or the regulations thereunder. Further, the Corporation shall pay or reimburse the reasonable expenses of such persons hereby in advance of the final disposition of any proceedings to the fullest extent permitted by Chapter 8 of the BOC and subject to the conditions thereof.

The Corporation shall have the power to purchase and maintain at its expense insurance on behalf of Directors and Officers to the fullest extent permitted by applicable law, whether or not the Corporation would have the power to indemnify such person under the laws of the State of Texas.

ARTICLE IX: CONFLICTS OF INTEREST POLICY

Section 9.1. Purpose

The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Section 9.2. Definitions

- a) Interested Person. Any director, principal officer, or member of a committee with Board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
- b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
 - 1) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - 2) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - 3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

Section 9.3. Procedures

- a) **Duty to Disclose.** In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement.
- b) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
- c) **Procedures for Addressing the Conflict of Interest.**
 - 1) An interested person may make a presentation at the Board or committee meeting, but after such presentation, such person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - 2) The Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- d) **Violations of the Conflicts of Interest Policy.**
 - 1) If the Board or committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
 - 2) If, after hearing the response of the interested person and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9.4. Records of Proceedings

The minutes of the Board and all committees with Board-delegated powers shall contain:

- a) names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest

was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and

- b) names of the persons who were present for such discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 9.5. Compensation Committees

- a) A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 9.6. Annual Statements

Each director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement affirming that such person:

- a) has received a copy of the conflicts of interest policy;
- b) has read and understands the policy;
- c) has agreed to comply with the policy; and
- d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt Purposes.

Section 9.7. Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- b) whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable

purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 9.8. Use of Outside Experts

In conducting the periodic reviews provided for in Section 9.7, above, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.


ARTICLE X: AMENDMENTS

These Bylaws may be altered, amended, or repealed and replaced by the affirmative vote of a majority of the Board at any meeting if notice of the proposed amendment is contained in the notice of such meeting, or as specified in Section 7.5(a).

The Certificate of Formation of the Corporation may be amended in accordance with the provisions of §22.107, et seq. of the BOC.

Amended by written consent of the Directors of the Texas A&M Research Foundation

Effective May 23, 2022



Warren J. DeLuca
Corporate Secretary