

BY-LAWS
OF
UNIVERSITY OF PUERTO RICO FOUNDATION, INC.
(A not for profit corporation)

ARTICLE I

NAME, INCORPORATION, TAX EXEMPT STATUS, PURPOSES AND POWERS

- Section 1. Name. The name of this corporation shall be UNIVERSITY OF PUERTO RICO FOUNDATION, INC. (the "Corporation").
- Section 2. Incorporation. Applicability of the Laws of Puerto Rico. The Corporation is a not-for-profit corporation organized, existing and governed under the Puerto Rico General Corporation Law of 2009, as amended (the "General Corporation Law") of the Commonwealth of Puerto Rico (the "Commonwealth") and pursuant to Certification of the Board of Trustees of the University of Puerto Rico, Number 25 Series 2015-2016 approved of the 5th day of October, 2015, for the promotion and conduct of the objectives and purposes hereinafter stated and other applicable provisions of the Puerto Rico Statutes, as the same may now exist or as the same may hereafter be amended from time to time. Certain corporate matters addressed in such statutes and either specifically applicable to the Corporation or generally applicable to not for profit Puerto Rico corporations are not required to be, and therefore are not, duplicated in these by-laws (the "By-laws").
- Section 3. Tax-Exempt Status. The Corporation is intended to be an organization which is exempt from Puerto Rico and Federal income taxation under Section 1101.01 (a)(2)(A) (i), (ii) of the Puerto Rico Internal Revenue Code of 2011, as amended (the "PR Code") and Section 501(c)(3) of the Internal Revenue Code of 1994, as amended (the "US Code") respectively and applicable Puerto Rico and Federal Treasury Regulations as the same now exist or as they may hereafter be amended from time to time.
- Section 4. Mission, Purposes, Activities and Limitations. This Corporation shall be created and operated for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the US Code and Section 1101.01(a)(2)(A)(i),(ii) and (iv) of the PR Code, or corresponding sections of any future versions of the US Code and the PR Code. To achieve its purposes, the Corporation shall obtain funding and other support resources through the attraction, collection and management of donations, gifts, grants, securities, properties, bequests, and other tangible benefits from individuals, philanthropic

organizations and associations, businesses and corporations, government agencies and other supporting entities. The Corporation shall use its funds and support resources to provide grants for various activities, including, but not limited to, the following:

- a. Academic and research activities, infrastructure and other related priorities of the University of Puerto Rico;
- b. Student support, both at the undergraduate and graduate level, including but not limited to scholarships, fellowships, internships, training, awards and other types of assistance directly related to their academic performance and degree attainment;
- c. Faculty support, including but not limited to professorships, endowed chairs, sabbaticals and other leaves, research, training, publications, networking, awards, scholarly presentations and others aimed at improving the University of Puerto Rico's academic and research environment and standing;
- d. University of Puerto Rico-related services to the community, including but not limited to academic, educational, scientific, humanistic, artistic, research and other similar initiatives of direct pertinence to its priorities;
- e. Challenge and other matching and funding leverage initiatives and/or incentives to promote increased giving and support to the University of Puerto Rico and to the Corporation; and
- f. Other activities and initiatives of the University of Puerto Rico, particularly those not supported by recurrent state appropriations.

The Corporation shall be non-partisan, non-sectional and non-sectarian and shall take no part in or lend its influence or facilities to the nomination, election or appointment of any candidate for public office.

Section 5. Powers. The Corporation shall have and exercise all rights and powers permitted by the General Corporation Law and its Articles of Incorporation, including, but not limited to, the power to do all acts necessary or proper for the administration of its affairs and the attainment of its purposes.

ARTICLE II OFFICES

The original office of the Corporation in the Commonwealth of Puerto Rico, shall be located city of San Juan. The Corporation may have such other offices, either within or without the Commonwealth of Puerto Rico, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE III MEMBER

- Section 1. Membership. The Corporation shall have one member, the University of Puerto Rico (the "Member"). The Member shall act through its President or the officer designated by its Board of Trustees. All actions required from the Member shall be executed by its President or the proper officers designated by the Board of Trustees for such purposes.
- Section 2. Annual Meeting. The annual meeting of the members shall be held on the first Friday in the month of October in each year, beginning with the year following the effective date of the Corporation, at the hour of 10:00 o'clock a.m., for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the Commonwealth of Puerto Rico, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at the special meeting of the members as soon thereafter as conveniently may be.
- Section 3. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of not less than forty percent of all members of the Corporation entitled to vote at the meeting.
- Section 4. Place of Meetings. The Board of Directors may designate any place, either within or without the Commonwealth of Puerto Rico, unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the Commonwealth of Puerto Rico, unless otherwise prescribed by statute, as the place for the

holding of such meeting. If no designation is made, the place of meeting shall be the principal office of the Corporation.

- Section 5. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than thirty (30) day before the date of the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at this address as it appears on the Member's record books of the Corporation, with postage thereon prepaid.
- Section 6. Telephonic Meetings Permitted. A meeting of the members may be had by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other, and participation in a meeting under such circumstances shall constitute presence at the meeting.
- Section 7. Voting of Member. The Member is entitled to one vote upon each matter submitted to a vote at a meeting of members.
- Section 8. Informal Action by the Member. Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the Member, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Member entitled to vote with respect to the subject matter thereof.

ARTICLE IV BOARD OF DIRECTORS

- Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.
- Section 2. Number. Tenure and Qualifications. The number of directors of the Corporation shall be fixed by the Board of Trustees of the University of Puerto Rico, as its sole Member, but in no event shall be less than eight (8) plus the President of the Corporation. Each director shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.
- Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-law immediately after, and

at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meeting without other than such resolution.

- Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three directors. The person or persons authorized to call special meeting of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.
- Section 5. Notice. Notice of any special meeting shall be given at least one (1) day previous thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon prepaid. If notice, be given by telegram such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any directors may waive notice of any meeting. To attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction or any business because the meeting is not lawfully called or convened.
- Section 6. Quorum. A majority for the number of directors fixed by ARTICLE IV, Section 2 shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Inasmuch as the President has no vote his presence or absence will not affect Quorum.
- Section 7. Telephonic Meetings Permitted. A meeting of Board of Directors may be had by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other, and participation in a meeting under such circumstances shall constitute presence at the meeting.
- Section 8. Manner of Acting.
- a. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
 - b. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting

if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the directors.

- c. The President of the Corporation although a member of the Board of Directors shall not have vote except in case of a tie in the voting.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors, unless otherwise provided by law. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors by the members.

Section 10. Compensation. By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors of both. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 11. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Corporation before 5:00 o'clock in the afternoon of the business day following the adjournment of the meeting. Such right to dissent shall not apply to director who voted in favor of such action.

ARTICLE V OFFICERS

Section 1. Number. The officers of the Corporation shall be a President designated by the Board of Trustees of the University of Puerto Rico and one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors, including a

Chairman of the Board. In its discretion, the Board of Directors may leave unfilled for any such period as it may determine any office except those of President and Secretary. Any two or more offices may be held by the same person, except for the offices of President and Secretary which may not be held by the same person. Officers may be directors or members of the Corporation.

- Section 2. Election and Term of Office. The officers of the Corporation to be elected by the Board of Directors shall be elected for a period of one (1) year. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.
- Section 3. Removal. Any officer or agent may be removed by the Board of Directors whenever, in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights, and such appointment shall be terminable at will.
- Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.
- Section 5. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meetings of the members and of the board of Directors, unless there in a Chairman of the Board in which case the Chairman shall preside. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed to executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- Section 6. Vice President. In the absence of the President or in event of his death, inability or refusal to act, the Vice President shall perform the

duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall performs such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If there is more than one Vice President, each Vice President shall succeed to the duties of the President in order of rank as determined by the board of Directors. If no such rank has been determined, then each Vice President shall succeed to the duties of the President in order of date of election, the earliest date having the first rank.

Section 7. Secretary. The Secretary shall:

- a. Keep the minutes of the proceedings of the members and of the Board of Directors in one or more minute books provided for that purpose;
- b. See that all notices are duly given in accordance with the provisions of these By-laws or as required by law;
- c. Be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which or behalf of the Corporation under its seal is duly authorized;
- d. Keep a register of the post office address of each member which shall be furnished to the Secretary by such member;
- e. Sign with the President certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;
- f. Have general charge of the members records books of the Corporation; and
- g. In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall;

- a. Have charge and custody of and be responsible for all funds and securities of the Corporation;
- b. Receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article IV of these By-laws; and
- c. In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If

required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such sureties as the Board of Directors shall determine.

Section 9. Salaries. The salaries of the officers shall be fixed from time to time by Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Corporation.

Section 10. Indemnity. The Corporation shall indemnify its directors, officers and employees in the manner provided in the Articles of Incorporation of the Corporation. In addition, the Corporation shall provide the following indemnities:

- a. Every director, officer, or employee of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may become involved, by reason of this being or having been a director, officer, employee or agent of the Corporation or any settlement thereof, whether or not he is a director, officer, employee or agent at the time such expenses are incurred, except in such cases wherein the director, officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Corporation.
- b. The Corporation shall provide to any person who is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of the corporation, partnership, joint venture, trust or enterprise, the indemnity against expenses of suit, litigation or other proceedings which is specifically permissible under applicable law.
- c. The Board of Directors may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article.

ARTICLE VI CHECKS, DEPOSITS, CONTRACTS, AND LOANS

- Section 1. Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.
- Section 2. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.
- Section 3. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.
- Section 4. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority must be confined to specific instances.
- Section 5. Gifts and Contributions. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise of any property whatsoever for the general and special purposes of this Corporation. The Board of Directors may from time to time on behalf of the Corporation accept gifts of money or securities upon such terms as they shall approve, and may hold such cash or securities in the name of the Corporation or of such nominee or nominees as the Board of Directors may appoint, and may collect and receive the income thereof and devote the principal or income of such gifts to such purposes within the scope of the activities of the Corporation as the Board of Directors may determine. The Board of Directors may enter into an agreement with any donor to continue to devote the principal or income of his gift to such particular purpose as the donor may designate, provided that such purpose is duly approved or ratified by resolution of the Board of Directors; and after such agreement, the principal or income of that particular gift shall be devoted in accordance with such agreement for the time specified therein.

ARTICLE VII PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No member, director, officer, or employee of or member of a committee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the Corporate assets upon the dissolution of the Corporation. All members of the Corporation shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation, after all debts have been satisfied, remaining in the hands of the Board of Directors shall be distributed within the intendment of Section 1101.01 (a) of the PR Code and Section 501(c) of the US Code and applicable Commonwealth and Federal Treasury Regulations as they now exist or as they may be amended.

ARTICLE VIII EXEMPT ACTIVITIES

Notwithstanding any other provision of these By-laws or the Articles of Incorporation, no member, director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 1101.01 (a) of the PR Code and Section 501(c) of the US Code and applicable Commonwealth and Federal Treasury Regulations as they now exist or as they may be amended.

ARTICLE IX DISSOLUTION OF CORPORATION

In the event of the liquidation or dissolution of the Corporation, whether voluntary or involuntary, no member shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Corporation from any source, after the payment of all debts and obligations of the Corporation, shall be used by or distributed to the Commonwealth of Puerto Rico within the intendment of Section under Section 1101.01 (a) (2)(i), (ii) of the PR Code and Section 501(c)(3) of the US Code and applicable Commonwealth and Federal Treasury Regulations thereunder.

ARTICLE X FISCAL YEAR

The fiscal year of the Corporation shall begin on the 1ST day of July and end on the 30th day of June each year.

ARTICLE XI
CORPORATE SEAL

At the discretion of the Board of Directors, the Corporation may adopt a corporate seal. No seal shall be necessary to make any contract or undertaking valid.

ARTICLE XII
WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any member or director of the Corporation under the provisions of these By-laws or under the provisions of the Articles of Corporation or under the provisions of the applicable Business Corporation Act, a waiver thereof 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 the giving of such notice.

ARTICLE XIII
AMENDMENTS

These By-laws may be altered, amended or repealed and new By-laws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors, subject to the to the authority of the Member to adopt, amend, alter or repeal any By- Law adopted by the Board of Directors.

The above By-laws are certified to have been adopted by the Board of Directors of the Corporation on the 4 day of June, 2016.



Secretary