

CORPORATE CHARTER OF STANFORD STUDENT ENTERPRISES

ARTICLE 1

FORMATION OF STANFORD STUDENT ENTERPRISES

1.1 **Approval by the Senate of the Association.** This Charter is effective as of the date specified in the resolution approving this Charter (“To Secure the Long-term Viability of the Association”) of the Senate of The Associated Students of Stanford University (the “Association”).

1.2 **Formation of Stanford Student Enterprises.** Stanford Student Enterprises (the “Company”) is hereby established.

ARTICLE 2

MISSION AND AUTHORITY

2.1 **Purpose.** The purposes of the Company are: (i) to manage the financial assets and business enterprises of the Associated Students of Stanford University (ASSU) and its affiliates in an effective and professional manner (ii) to recruit and retain the best possible leadership and professional staff for such management activities, and (iii) to engage a Board of Directors composed of persons with appropriate business and management skills in support of such objectives.

2.2 **General Authority.** The Company is authorized and empowered, on behalf of the ASSU, to enter into contracts, make investments and perform all related business functions in accordance with this Charter and in conformity with all policies and guidelines adopted by the ASSU and the Company’s Board of Directors. The Company’s management shall not take nor authorize the taking of any action not contemplated by this Charter, unless specifically approved by resolution of the Board of Directors or ASSU.

ARTICLE 3

BOARD OF DIRECTORS

3.1 **Powers.** The activities and affairs of the Company shall be conducted, and all its powers shall be exercised, by or under the direction of the Board of Directors. Subject to the provisions of this Charter, the Board of Directors may delegate the management of the activities of the Company to any person or persons, management company or committee, however composed, provided that the activities and affairs of the Company shall be managed and all its powers shall be exercised under the ultimate direction of the Board of Directors.

3.2 **Appointment and Number.** The members of the Board of Directors of the Company (individually a “Director” and, collectively, the “Directors”) shall be composed of three categories of Directors: University administrators, outside business people, and current Stanford students. Each group will be composed of not less than two and not more than five Directors. The number of Directors shall be determined by the Board of Directors, but shall be not less than seven. The non-student Directors may be nominated by the ASSU President, Graduate Student Council, Undergraduate Senate, or a Director and are subject to approval by the Board of Directors. The ASSU Nominations Commission may nominate student Directors subject to approval by the Board of Directors. Three of the student positions shall be filled by the ASSU President, Undergraduate Senate Chair, and Graduate Student Council Chair. The ASSU President may allow the ASSU Vice President to act as their proxy. The Undergraduate Senate Chair and Graduate Student Council Chair may select a proxy from the elected members of the legislative body they represent. Upon completion of the CEO’s final year, and pending approval of the Board, he will be appointed to a one-year renewable directorship.

3.3 **Term.** Directors shall serve for a two-year renewable term,. No person shall be eligible for appointment to a term beginning less than one year after service of three consecutive full terms. Directors who are employees of and appointed by reason of their position with the ASSU or any affiliated organization shall serve only during their term of employment in such management position by the ASSU or such organization. Such Directors shall cease to be Directors upon termination of such employment.

3.4 **Fiduciary Duty.** Each Director shall act as a fiduciary of the ASSU and shall perform all of such Director's duties in good faith, in a manner such Director believes to be in the best interests of the ASSU, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

3.5 **Avoidance of Conflict of Interest.** In light of the investment discretion delegated to the Company, and in order to avoid any possible conflict of interest or appearance of conflict of interest, any Director aware of a material financial interest he or she has in any transaction in which the Company has or will take part, immediately upon becoming aware of such interest, shall disclose such interest to the Board of Directors, and the Board of Directors shall take such other action, if any, as may be warranted. Such Director's vote will not be counted in any vote taken by the Board of Directors relating to such transaction.

3.6 **Compensation.** The Directors shall serve without compensation except that University administrators may be compensated by the University for the time spent performing duties for the Company. Nothing herein shall preclude the payment of compensation to an employee of the ASSU or the University or other affiliates who also serves as a Director.

3.7 **Resignation.** Any Director may by written notice to the Board of Directors resign as a Director, effective upon receipt of such notice by the Board of Directors.

3.8 **Removal.** Any Director may be removed from office by a two-thirds vote of the Board of Directors.

3.9 **Vacancies.** A vacancy on the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any Director, or upon increase in the authorized number of Directors or if, for whatever reason, there are fewer Directors on the Board of Directors than the full number authorized. Such vacancy or vacancies may be filled by the remaining members of the Board of Directors.

3.10 **Regular and Special Meetings.** Unless otherwise determined by the Board of Directors, regular meetings shall be held at least four times each year at the time and place specified in the notice of meeting sent by the Chair to each Director. Special meetings may be called by the Chair upon written request joined by at least one other Director. Special meetings shall be held at the time and place as shall be specified in the notice of meeting.

3.11 **Notice of Meetings.** Due notice of all meetings of the Board of Directors shall be sent to each Director by mail, telegraph, fax, or telephone. The sending of a notice by mail not less than ninety-six hours before, or by telegram, fax or telephone not less than twenty-four hours before any meeting shall be sufficient notice of such meeting. Notice shall be given to each Director at the address specified by such Director.

3.12 **Quorum.** A majority of the approved number of Directors shall constitute a quorum of the Board of Directors. When a quorum is present at any meeting, a majority of the Directors present may take any action, except when a larger vote is required by this Charter or by action of the ASSU.

3.13 **Telephonic Meetings.** The Directors may participate in meetings of the Directors or committees of the Directors by means of a conference telephone or similar communications equipment which enables all persons participating in the meeting to hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

3.14 **Conduct of Business Between Regular Meetings.** If the Chair and the President and Chief Executive Officer of the Company (the "CEO") determine that action of the Board of Directors is required before its next regular meeting, then the following, when in unanimous agreement, shall have and exercise the power of the Board of Directors in all matters: the Chair, the CEO and any two other Directors, at least one of whom shall be a student. Any action taken under these procedures shall be reported to, and approved by, the Board of Directors at its next regular meeting.

3.16 **Adjournment of Meetings.** Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the affirmative vote of a majority of the Directors present. If the meeting is adjourned for more than twenty-four hours, notice of such adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

3.17 **Organization of Meetings.** The Chair of the Board of Directors, if present shall preside at every meeting of the Board of Directors. If the Chair is not present, a Director chosen by a majority of the Directors present shall act as Chair. The Secretary of the Company or, in the absence of the Secretary, any person appointed by the Chair shall act as secretary of the meeting.

3.18 **Committees.** The Board of Directors may establish such committees whether special or standing, as may be determined by the Board of Directors. There shall be two permanent standing committees, Audit and CEO Compensation. Each shall have at least one outside director that is not a Student or University Administrator. A Director must serve on the Board for six months before they may be appointed to a permanent committee.

ARTICLE 4

OFFICERS AND STAFF

4.1 **Officers.** The officers of the Company shall consist of (i) a Chair, preferably a former SSE employee, and who shall serve as Chair for a two year renewable term, (ii) a President and Chief Executive Officer (“CEO”), who shall be the current Financial Manager of the ASSU, (iii) a Secretary, who shall be appointed by the CEO, subject to the approval of the Board of Directors, and (iv) any such other officers as shall be determined and appointed by the Board of Directors or by the CEO, with the approval of the Board of Directors, in accordance with this Charter. If no former ASSU Financial Manager is willing to serve as chair, the CEO shall serve as Chair.

4.2 **Chair.** The Chair shall preside over the meetings of the Board of Directors in accordance with this Charter. The Chair shall have the specific powers provided under this Charter and such other powers as may be conferred upon the Chair from time to time by the Board of Directors.

4.3 **President and CEO.**

- (a) Subject to the authority of the Board of Directors, the CEO shall have general charge and supervision of the business of the Company.
- (b) The CEO shall report to the Board of Directors concerning the business of the Company and, at the request of any Director, shall report to the Directors concerning such aspects of the business of the Company as such Director may specify. The CEO shall present a written report to the Directors at each regular meeting of the Board of Directors.
- (c) After consultation with, and subject to the approval of, the Board of Directors, the CEO shall appoint and prescribe the powers and duties of such other officers and employees of the Company as the CEO shall deem appropriate.
- (d) The CEO shall have the power to (i) implement the policies and decisions of the Board of Directors, (ii) act within the parameters for investment established by the Board of Directors in accordance with this Charter, and (iii) exercise any authority granted to the CEO under this Charter or otherwise delegated to the CEO by the Board of Directors.

4.4 **Secretary.** The Secretary and any assistant secretary shall have the power to perform the duties described below and such other duties as may be prescribed from time to time by the Board of Directors:

- (a) to notify the Directors of the time and place of all meetings of the Board of Directors in accordance with this Charter, to keep a full and fair record of its proceedings, and to furnish to each Director, prior to each meeting of the Board of Directors, a copy of the minutes of the preceding meeting;
- (b) to certify as true and complete, copies of this Charter and of resolutions and other actions of the Board of Directors; and
- (c) to keep at the office of the Board of Directors a certified copy of this Charter as amended from time to time.

4.5 **Employee Compensation**. All employees of the Company shall be employees of the ASSU; however, determination of such employees' compensation shall be made by the CEO, subject to the approval of the Board of Directors, without reference to other University compensation policies. The Board of Directors shall set the compensation of the CEO.

ARTICLE 5

OPERATIONS AND MANAGEMENT

5.1 **Execution of Contracts and Other Instruments**. The Board of Directors shall have the power to authorize the CEO or any other officer or agent of the Company to execute and deliver on behalf of the Company and the ASSU any instrument which relates to investments within the authority of the Company.

5.2 **Loans**. The Company shall not make any loan of money or property to or guarantee the obligation of any Director or officer, except as approved by the ASSU.

5.4 **Voting Rights**. The Directors are authorized to exercise any voting rights relating to ASSU investments under management of the Company.

5.5 **Fiscal Year**. Unless otherwise fixed by resolution of the Board of Directors, the fiscal year of the Company shall be the same as the fiscal year of the ASSU.

ARTICLE 6

MISCELLANEOUS

6.1 **Indemnification of Directors and Other Agents**. Upon the approval of this Charter, the Company shall indemnify the Directors and the Company's other agents to the fullest extent permitted by law.

6.2 **Amendment of Bylaws and Approved Policies**. The Board of Directors, the CEO, or the ASSU, may propose written amendments to this Charter or to any of the Approved Policies. Any such proposed amendment shall be considered and acted upon by the Board of Directors.