

**CODE OF REGULATIONS  
OF  
THE CLEVELAND STATE UNIVERSITY  
RESEARCH CORPORATION**

**Article I  
Name and Purpose**

Section 1.1 Name

The name of this Research Corporation shall be The Cleveland State University Research Corporation, hereinafter referred to as the “Research Corporation.”

Section 1.2. Purpose and Powers

- (A) The Research Corporation is organized and shall at all times be operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- (B) The purpose of the Research Corporation shall be as set forth in its Articles of Incorporation, as amended.
- (C) The Corporation shall have such powers as are now, or may be hereafter granted by the non-profit corporation law of the State of Ohio, by its Articles of Incorporation and by this Code of Regulations.

**Article II  
Members and Board of Directors**

Section 2.1. Members

The Research Corporation will have no members other than the members of the Board of Directors.

Section 2.2. Board of Directors

- (A) The Research Corporation shall have not less than nine (9) nor more than thirteen (13) members of the Board of Directors. The Board of Directors shall exercise all of the authority of the Research Corporation, oversee all affairs of the Research Corporation, and control all property of the Research Corporation.
- (B) The President of Cleveland State University, the Provost of Cleveland State University or other designee of the President, and one Member of the Cleveland State University Board of Trustees shall be non-elected members of the Board of Directors at all times.

- (C) Other Members of the Board of Directors shall be elected by the affirmative vote of a majority of the Directors present at any meeting of the Directors at which a quorum is present. Elected Members may be chosen from among academic, business, professional and civic leaders as the Board of Directors shall deem qualified to serve.
- (D) No more than four (4) Members of the Board of Directors, including the three designated Members in Section 2.2(B), shall be employed by, be a Trustee of, or have an immediate family member employed by or be a Trustee of, Cleveland State University.
- (E) A majority of the members of the Board of Directors shall be citizens and residents of the United States and of the State of Ohio. Pursuant to Ohio Revised Code 1702.14, the Directors shall be deemed to be the members of the Corporation for the purposes of any statute or rule of law relating to nonprofit corporations.
- (F) The Technology Transfer Officer of Cleveland State University, and other individuals so designated by the Board of Directors, shall serve as non-voting ex-officio members of the Board of Directors.

### Section 2.3 Terms; Vacancies, Resignations and Removal of Directors:

- (A) All elected Directors shall serve for terms not to exceed three years and shall be eligible for re-election within the discretion of the Board of Directors. The length of terms of the initial elected Members of the Board of Directors shall be set by the Board to allow staggered terms in the future.
- (B) Any vacancy in the Board of Directors, however arising, may be filled for the unexpired term by the affirmative vote of a majority of the Directors present at any meeting of the Directors at which a quorum is present.
- (C) Each Director shall hold office until his or her successor has been chosen in the manner hereinbefore provided; however, any Director may resign at any time by filing a written resignation with an officer of the Corporation.
- (D) Any elected Director who misses two consecutive Board meetings without approval of the Chair shall be automatically presumed to have resigned and be removed from the Board of Directors.
- (E) In addition to automatic resignation per Section 2.3(E), any elected Director may be removed from the Board of Directors, with or without cause, by an affirmative vote of two-thirds of the Directors present at any meeting of the Directors at which a quorum is present.

### Section 2.4 Compensation of Directors

The Directors shall not receive compensation for their services as Directors and no Director shall directly or indirectly receive any profit from his or her position, but a Director may be reimbursed for actual expenses incurred discharging the business of the Corporation.

## Section 2.5 Meetings of the Board

- (A) Regular Meetings: The Board of Directors shall hold Regular Meetings at least twice annually. Officers shall be elected annually at one of the regular meetings. Regular Meetings shall take place at such time and locations as may be established from time to time by the Board. Notice of the time and place of Regular Meetings shall be sent to all Directors of the Board at least thirty (30) days prior to each such meeting.
- (B) Special Meetings: A Special Meeting of the Board of Directors may be called by the Chair of the Board or by at least one-third of the Directors, provided that, notice is given to all Members stating the time and place of the Special Meeting at least six (6) days prior to such meeting. Notice of all Special Meetings shall be mailed, sent by facsimile transmission or by email to each Director by the Secretary of the Board. All notices of Special Meetings shall also specify the business to be considered, except as otherwise specifically provided for in these Regulations, no business other than that so specified shall be transacted at such meetings.
- (C) Emergency Meetings: If the Chairperson finds that exigent circumstances exist, the Chairperson may call an Emergency Meeting of the Board with such notice as the Chairperson may deem appropriate.
- (D) Executive Sessions: Meetings, or any portion thereof, may, at the discretion of the Board, be restricted to Directors and one or more persons designated by the Board of Directors who are not Directors (an "Executive Session"). An Executive Session may only be entered by motion passed by a majority of the Board. All deliberations conducted during an Executive Session shall be considered confidential and may not be disclosed outside of the meeting, except as may be authorized by these Code of Regulations, directed by the Chairperson, or required by Law or action of a Court of valid jurisdiction.
- (E) Quorum: A majority of the Directors of the Corporation shall constitute a quorum for the transaction of business except when a unanimous vote is required by law or by these Regulations.
- (F) Electronic Conference Meetings: Meetings of the Directors may be held through any means of communication provided that: (a) all persons participating in the meeting can hear each other; (b) all participants are advised of the means of communication being used; (c) the names of the participants are divulged to all participants; and (d) the names of those not attending in person are recorded in the minutes of the meeting. Participation in a meeting pursuant to this Section constitutes presence for purposes of a quorum.
- (G) Annual Meeting: The Directors shall hold an annual meeting in June of each year.

## Section 2.6 Action without Meeting

Any action required or permitted to be taken by the Board or by any Committee thereof may be taken without a formal meeting. Voting may be conducted by mail, cable, facsimile

transmission, email, or in any other way the Directors shall decide. In such an event, the Secretary of the Board shall prepare and maintain a written record, setting forth the date(s) and the action so taken, and stating the names and the manner of voting of the Members of the Board of Directors or of a Committee, as the case may be, and shall file the same with the minutes of the proceedings of the Board or Committee.

#### Section 2.7 Roberts Rules of Order.

The provisions contained in Robert's Rules of Order Newly Revised shall be used at all meetings of Directors. In case of any inconsistency between Robert's Rules and these Regulations, or any other rules of the Research Corporation, the Research Corporation's own rules shall govern.

### **Article III** **Officers and Committees**

#### Section 3.1 Officers and Duties

- (A) The officers of this Corporation shall consist of a President and Chief Executive Officer of the Corporation, a Secretary/Treasurer, and an Executive Director and Chief Operating Officer. The duties of these officers shall be those usually pertaining to such offices and the officers shall perform such other duties and functions as are provided in this Code of Regulations, and as may be prescribed from time to time by the Board of Directors and/or Chair.
- (B) The President of Cleveland State University shall serve as the Chair of the Board of Directors.
- (C) The Secretary/Treasurer shall be elected annually. The Directors may also elect an Assistant Secretary/Treasurer, an Assistant Executive Director, and such additional officers as they deem desirable. Such other officers may be chosen from among the staff of Cleveland State University. Should there be a vacancy of any of the officer positions, the vacancy shall be filled by the Board of Directors.
- (D) The Vice President for Research of Cleveland State University shall serve as the President and Chief Executive Officer of the Corporation responsible for the day-to-day operation of the Research Corporation, and be authorized as an agent of the Research Corporation. The President shall report to the Chair of the Board.
- (E) The Director of the Technology Transfer Office shall serve as the Executive Director and Chief Operating Officer of the Research Corporation assisting with the day-to-day operation of the Research Corporation. The Executive Director and Chief Operating Officer shall report to the President and Chief Executive Officer.

#### Section 3.2 Officer Authority

The officers of this Corporation shall have such authority and shall perform such duties as are customarily incident to their respective offices and such other and further duties as may from time to time be required of them by the Directors.

### Section 3.3 Executive Committee

Upon an annual vote of the Board of Directors, the Officers of the Board may serve as an Executive Committee. Except as otherwise provided herein, such Committee shall, during the intervals between the meetings of the Board of Directors, possess and may exercise all of the powers of the Board of Directors in the management of the affairs of the Corporation, other than that of filling vacancies in the Board of Directors. A majority of the members of the Executive Committee present at any meeting shall constitute a quorum. The Executive Committee shall keep full records and accounts of its proceedings and transactions. All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action and shall be subject to control, revision, and alteration by the Board of Directors, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the Executive Committee shall be filled by the Board of Directors, and the Directors may appoint one or more Directors as alternate members of the Executive Committee who may take the place of any absent member or members at any meeting.

### Section 3.4 Standing and Other Committees

- (A) The following Standing Committees shall be established: Audit, Finance and Investment; and Nominating. Each Standing Committee shall have a minimum of three (3) members, one of which must be a member of the Board of Directors. All Standing Committees must be chaired by a member of the Board of Directors. Each Standing Committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the Board of Directors.
- (B) The Board of Directors may provide, by resolution, for Special Committees as it deems desirable and discontinue the same at its pleasure. Each Special Committee shall be constituted as designated by the Board of Directors in the forming resolution, and shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the Board of Directors.
- (C) A majority of the voting members of each Standing or Special Committee shall constitute a quorum. Vacancies in such Committees shall be filled by the Board of Directors or as the Board of Directors may provide.

## **Article IV**

### **Accounting, Audit, Records and Fiscal Operations**

#### Section 4.1 Fiscal Year

The fiscal year of the Research Corporation shall begin on the first day of July and end on the last day of June of each year.

#### Section 4.2 Accepting Funds

- (A) The Research Corporation, by its Board of Directors, may accept devises, bequests, donations, contributions, and gifts of property of any kind and agree to administer the same in accordance with any conditions which the testator or donor may impose and any policies and procedures developed by the Research Corporation and approved by the Board of Directors, provided the conditions and purposes of any such devises, bequests, donations, contributions, and gifts of property shall be consistent with and in furtherance of the purposes and within the powers of the Research Corporation.
- (B) The Research Corporation, by its Board of Directors, may accept grants and contracts of any kind and agree to administer the same in accordance with standard Federal regulations and any policies and procedures developed by the Research Corporation and approved by the Board of Directors, provided the conditions and purposes of any grants and contracts shall be consistent with and in furtherance of the purposes and within the powers of the Research Corporation.

#### Section 4.3 Audits

At the end of the accounting year, the books of the Research Corporation shall be closed and a financial statement prepared for such year. If directed by the Board of Directors or required in the Research Corporation's dealings with government instrumentalities, such financial statement shall be reviewed or certified by an independent accounting firm, the partners of which are certified public accountants. Such financial statement shall be promptly mailed to each Director. The financial statement shall contain a complete fair market valuation of in-kind and other contributions made over the relevant accounting period.

#### Section 4.4 Books and Records

The Research Corporation shall keep correct, complete, and current books and records of account of the affairs of the Research Corporation, including accounts and records of its assets, liabilities, receipts, disbursements, gifts and donations, investments, and all material financial transactions and shall make the same available to the Board annually.

#### Section 4.5 Loans to Officers, Directors, and Employees

No loans, directly or indirectly, shall be made to officers, Directors, or employees of the Research Corporation. Nothing contained in the previous sentence shall be deemed as a restriction on the ability of the Research Corporation to advance funds for travel, lodging, and other similar expenses incurred in the normal course of business.

## **ARTICLE V**

### **Establishment of Policies and Procedures**

#### Section 5.1 Polices Developed Before Operation Commences

Prior to commencing operations and as soon as possible, the Executive Director, in consultation with the officers of the Research Corporation shall prepare and submit to the Board of Directors for approval, the following policies and procedures for the Research Corporation. All policies shall be substantially similar to the policies of Cleveland State University in so much as possible and appropriate.

- (A) Code of Ethics and Management of Conflict of Interest, which shall apply to all Directors, officers, and employees of the Research Corporation. The Code shall give due regard to protecting the Research Corporation's tax-exempt status, protecting the legitimate interest of the Research Corporation against the conflicting private interest of an officer or director of the Research Corporation, and mitigating against a possible excess benefit transaction that could result in an imposition of an excise tax by the government. The Code shall supplement but not replace any state and federal laws governing conflict of interest applicable to non-profit and charitable organizations.
- (B) Grant Management Policies and Procedures, which shall apply to all proposals from the Research Corporation to sponsors for support including federal, state, local, and other government entities, private industry, non-profits, educational institutions, and other organizations. The policies will ensure compliance with all Federal and state laws and regulations concerning the administration of grants and contracts.

## **Article VI**

### **Indemnification**

#### Section 6.1 Outside Claims

The Corporation may indemnify or agree to indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding, other than an action by or in the right of the Corporation, by reason of the fact that the person is or was a director, officer, employee, or agent of or a volunteer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, member, manager, or agent of or a volunteer of another domestic or foreign nonprofit corporation or business corporation, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit, or proceeding by

judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not create, of itself, a presumption that the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, a presumption that the person had reasonable cause to believe that the person's conduct was unlawful.

#### Section 6.2 Mandatory Indemnification

To the extent that a Director, officer, employee, member, manager, agent, or volunteer has been successful on the merits or otherwise in defense of any action, suite, or proceeding referred to in Section 6.1 of this Article, or in defense of any claim, issue, or matter in such an action, suite or proceeding, the person shall be indemnified by the Corporation against expenses, including attorney's fees, actually and reasonably incurred by the person in connection with that action, suit, or proceeding.

#### Section 6.3 Procedure

Unless ordered by a court, any indemnification under Section 6.1 of this Article shall be made by the Corporation only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee, member, manager, agent, or volunteer is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 6.1 of this Article. Such determination shall be made in any of the following manners:

- (A) By a majority vote of a quorum consisting of Directors of the Corporation who were not and are not parties to or threatened with the action, suit, or proceeding referred to in Section 6.1 of this Article;
- (B) Whether or not a quorum as described in (A) of this section is obtainable, and if a majority of a quorum of disinterested Directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Corporation or any person to be indemnified within the past five (5) years;
- (C) By the Member;
- (D) By the court of common pleas or the court in which the action, suit, proceeding referred to in section 6.1 of this Article was brought.

#### Section 6.4 Expenses

- (A) The expenses incurred by a Director or volunteer in defending an action, suite, or proceeding referred to in Section 6.1 of this Article, including attorney's fees, shall not be paid by the Corporation upon the final disposition of the action, suit, or proceeding, or, if paid in advance of the final disposition of the action, suit, or proceeding, shall be repaid to the Corporation by the Director or volunteer, if it is proved, by clear and convincing

evidence, in a court with jurisdiction that the act or omission of the Director or volunteer was one undertaken with a deliberate intent to cause injury to the Corporation or was one undertaken with a reckless disregard for the best interests of the Corporation.

- (B) Expenses, including attorney's fees, incurred by a Director, officer, employee, member, manager, agent, or volunteer in defending any action, suit, or proceeding referred to in Section 6.1 of this Article may be paid by the Corporation as they are incurred, in advance of the final disposition of the action, suit, or proceeding, as authorized by the Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee, member, manager, agent, or volunteer to repay the amount if it ultimately is determined that the person is not entitled to be indemnified by the Corporation.

#### Section 6.5 Not Exclusive

The indemnification authorized by this Article is not exclusive of, and shall be in addition to any other rights granted to those seeking indemnification, pursuant to the Articles, the Regulations and any agreement the Members or vote of disinterested Directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding their offices or positions and shall continue as to a person who has ceased to be a Director, officer, employee, member, manager, agent or volunteer and shall inure to the benefit of the heirs, executors and administrators of such a person.

#### Section 6.6 Insurance

The Corporation may purchase and maintain insurance, or furnish similar protection, including, but not limited to trusts, letters of credit or self-insurance for or on behalf of any person who is or was a Director, officer, employee, agent, or volunteer of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, member, manager, agent, or volunteer of another domestic or foreign nonprofit corporation or business corporation, limited liability company, or a partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against that liability under this section. Insurance may be so purchased from or so maintained with a person in whom the Corporation has a financial interest.

#### Section 6.7 Payment of Expenses

The authority of the Corporation is to indemnify persons pursuant to Section 6.1 of this Article does not limit the payment of expenses as they are incurred, in advance of the final disposition of an action, suit, or proceeding, or the payment of indemnification, insurance, or other protection that may be provided.

**Article VII**  
**Miscellaneous**

Section 7.1 Corporate Seal

The Board of Directors may provide a seal of the Research Corporation, which shall be in charge of the Secretary or such other officer as the Board of Directors may from time to time direct, and shall be affixed to such documents as may require the corporate seal.

Section 7.2 Amendments

These Regulations may be amended or altered at any meeting of the Board by the affirmative vote of the majority of all Board Members provided that notice of the proposed amendment has been given to each member of the Board at least thirty (30) days before the meeting.