

AMENDED AND RESTATED BY-LAWS

STATE FAIR OF TEXAS

Dallas, Texas

Amended and Restated Effective April 15, 2020

## AMENDED AND RESTATED BY-LAWS

### STATE FAIR OF TEXAS

#### ARTICLE I PURPOSES

Section 1. Charter Provisions. The provisions of the original charter of the State Fair of Texas ("Corporation") dated May 27, 1904, as amended to the date of the adoption of these By-Laws and as subsequently amended (the charter, as amended by the Restated Certificate of Formation of the Corporation, is hereinafter referred to as the "Charter"), are hereby approved and adopted; as provided in the Charter, the name of the Corporation, the corporate purpose (as expressly limited therein), the domicile of the Corporation in the City of Dallas, Texas, and the perpetual term of the Corporation are hereby confirmed.

Section 2. Purposes. The purposes of the Corporation shall be the charitable, educational and public purposes described in Article 2 of the Charter, to the extent such purposes are within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any successor statute (hereinafter referred to as the "Code"). In furtherance of such purposes, the Corporation shall have and may exercise all of the powers specified in the Texas Business Organizations Code that apply to nonprofit corporations. The Corporation is and shall at all times remain a nonprofit sharing corporation; that is, although continued operation from year to year under the terms of the Charter is contemplated, any net profits of the Corporation are to be reinvested to fulfill the purposes of the Corporation set forth in the Charter and these By-Laws, and no part of the net earnings of the Corporation shall ever inure to the benefit of any director or officer of the Corporation, or any other person (except that reasonable compensation may be paid to any such person in accordance with Section 7 of Article II hereof for services rendered to or for the Corporation, and expenses may be reimbursed or paid to any such person in furtherance of one or more of the purposes of the Corporation), and no director or officer, or any other person, shall be entitled to receive any dividend from or to share in the distribution of any of the corporate assets on the dissolution of the Corporation.

#### ARTICLE II DIRECTORS

Section 1. Powers; Number. The affairs of the Corporation shall be under the management of the Board of Directors, which Board may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by statute or by the Charter or these By-Laws. Each director shall render assistance to the Board Chair and the other officers of the Corporation in the management of the business and affairs of the Corporation. The number of voting directors of the Corporation shall be no more than 20 and no less than 15, which numbers may be increased or decreased from time to time by amendment to these By-Laws, but in no event shall a decrease in the number of voting directors have the effect of shortening the term of an incumbent director or decreasing the total number of directors to fewer than three directors. The number of directors shall include (i) directors elected to staggered terms in accordance with Sections 2, 3 and 4 of this Article II (the "Term Directors"); (ii) the number of Director Designates

approved in accordance with Section 12 of this Article II; and (iii) the immediate Past Chair of the Board of Directors. The Term Directors, the Director Designates approved in accordance with Section 12 of this Article II and the immediate Past Chair of the Board of Directors are hereinafter collectively referred to as the “Voting Directors.” In addition to the Voting Directors, each past Board Chair (the “Past Board Chairs”), except for the immediate Past Chair of the Board of Directors (who serves as a Voting Director), shall be an *ex-officio*, non-voting member of the Board of Directors. The Past Board Chairs, except for the immediate Past Chair of the Board of Directors, shall serve as non-voting directors of the Corporation until their respective earlier deaths, resignations, retirements, disqualifications or removals from office, without the necessity of periodic reappointment. Vacancies which may occur on the Board of Directors from time to time as the result of the death, resignation, disqualification or inability to serve of any director may, at the discretion of the Board of Directors, be filled for the unexpired term by the affirmative vote of a majority of the Board of Directors. Vacancies occurring on the Board of Directors as the result of an increase in the number of directors will be filled by election at an annual or special meeting of the Board of Directors.

## Section 2. Term of Office.

a. Term Directors. Each year Term Directors shall be elected at the annual meeting of the Board of Directors (along with any Director Designates who are made eligible for re-election at such meeting pursuant to Section 12 of this Article II and who are re-elected at such meeting). The Term Directors shall hold office for staggered terms of three (3) years (and until their respective successors are chosen and qualified, or until their respective early deaths, resignations, retirements, disqualifications or removals from office), so that one-third (1/3) of the Term Directors (adjusted as necessary if the number of Term Directors is not evenly divisible by three (3)) shall be elected each year. Term Directors may be elected to one (1) or two (2) year terms to the extent necessary to achieve an evenly staggered Board of Directors, and such one (1) or two (2) year terms shall not be counted toward full three-year terms for purposes of the Consecutive Term Limitation set forth in Section 3 of this Article II.

b. Director Designates. Each Director Designate shall hold office for a term of one (1) year and until such Director Designate’s successor shall have been elected and qualified, or until such Director Designate’s earlier death, resignation, disqualification or inability to serve.

c. Age Limit. Except as provided in Section 12 of this Article II, a director who attains the age of seventy (70) during a term shall not be eligible for re-election as a director at the end of such term.

## Section 3. Consecutive Term Limitation.

a. General. No Term Director who has served for four (4) consecutive full three-year terms shall be eligible for re-election until three (3) years after completion of the fourth consecutive term in office (the “Consecutive Term Limitation”); *provided, however*, that any such Term Director who is serving as Chair of the Board or as Vice Chair of the Board shall continue to serve as a Term Director so long as he or she is serving as

Chair of the Board or as Vice Chair of the Board, or as immediate past Chair of the Board. Notwithstanding the foregoing provisions of this Article II, Section 3, under no circumstances shall any Term Director serve more than fifteen (15) consecutive years in office.

b. Sitting Directors. With respect to those directors in office at the time of the adoption of these Amended and Restated Bylaws (the “Sitting Directors”):

i. All Term Directors and Director Designates shall continue to serve as Voting Directors.

ii. Service by a Sitting Director prior to the date of the 2018 annual meeting of the Board of Directors shall not be counted for purposes of the Consecutive Term Limitation.

Section 4. Election. All voting for Term Directors and Director Designates shall be in person. At least ten (10) days before the annual meeting of the Board of Directors, the Governance and Nominations Committee shall cause to be delivered to each director a report with the names of the persons being nominated (including any Director Designates made eligible for re-election pursuant to Section 12 of this Article II) by the Governance and Nominations Committee to succeed the Voting Directors whose terms are expiring at such annual meeting. Each Voting Director shall have the right to vote for those persons nominated by the Governance and Nominations Committee or for any other person not named. The persons receiving the highest number of votes at the annual meeting of the Board of Directors shall be elected as Voting Directors for the terms to be filled. Voting Directors being elected at a special meeting of the Board of Directors as the result of an increase in the number of Voting Directors will be nominated and elected in the same manner.

Section 5. Annual Meetings. An annual meeting of the Board of Directors shall be held on the third Wednesday in April of each year. The Secretary or Assistant Secretary shall give not less than ten (10) nor more than sixty (60) days notice of the annual meeting of the Board of Directors to each director. No notice of an annual meeting need specify the matters to be considered at such meeting.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called at any time the Chair of the Board may deem advisable, and the Chair of the Board must call a special meeting of the Board of Directors upon the written request of five (5) or more Voting Directors. Special meetings shall be held on such dates and at such times and places in the City of Dallas, Texas as the Chair of the Board shall determine. The Secretary or Assistant Secretary shall give three (3) days notice of any and all special meetings of the Board of Directors to each member of the Board of Directors. All meetings of the Board of Directors, including special meetings, shall be general meetings at which any and all business may be transacted, and neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice of such meeting.

Section 7. Compensation. No director of the Corporation shall receive any compensation for any service performed in such capacity on behalf of the Corporation; provided,

however, that a director, or any person or entity with whom such director is affiliated, may receive compensation for services performed on behalf of the Corporation in a capacity other than as a director, if the Board of Directors is advised of all material details relating to such arrangement and compensation and a majority of the disinterested members of the Board of Directors approve such arrangement and compensation; and, provided further, that the Board of Directors may order payment to any director who lives fifty (50) miles or more from Dallas of such an honorarium for each meeting of the Board of Directors as it determines in its judgment is sufficient to pay the ordinary expenses of attendance at such meeting.

Section 8. Removal. Any Voting Director may be removed, either for or without cause, by the affirmative vote of a majority of the directors present at any meeting of the Board of Directors at which a quorum is present, if notice of the intention to act upon such matter shall have been given to the Voting Director proposed to be removed.

Section 9. Failure to Attend Meetings. It shall be the duty of every director to attend in person all meetings of the Board of Directors, and if any Voting Director shall fail to attend four (4) consecutive meetings of the Board of Directors such Voting Director shall cease to be a Voting Director of the Corporation and the Secretary or Assistant Secretary shall remove such person from the roster of Voting Directors; provided, however, that any Voting Director who fails to attend four (4) consecutive meetings of the Board of Directors because of illness, absence from the County of Dallas, Texas at the times such meetings were held, or other good cause (as determined by the Board of Directors) shall not cease to be a Voting Director of the Corporation.

Section 10. Quorum; Voting. The presence of at least a majority of the number of Voting Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the Voting Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by statute, the Charter or these By-Laws, in which case the act of such greater number shall be required to constitute the act of the Board of Directors. Proxy voting shall not be permitted. In the absence of a quorum, a meeting of the Board of Directors shall be adjourned by the Chair of the Board or other presiding officer from day to day, without notice other than announcement at such meeting, until a quorum is obtained. The directors present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Voting Directors to leave less than a quorum.

Section 11. Telephone Meetings. Subject to the provisions of these By-Laws regarding notice of meetings, directors or members of a committee of the Corporation may participate in and hold a meeting by using telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 12. Election of Director Designates. Upon the affirmative vote of at least two-thirds (2/3) of the Voting Directors present at any annual or special meeting at which a quorum is present, a Voting Director who has attained the age of seventy (70) may be made eligible for re-election to the Board of Directors as a Director Designate for another one-year term or terms following the completion of such Voting Director's present term. At any one time up to but not more than three (3) Director Designates may serve as members of the Board of Directors. Such

Director Designates shall have the same rights (including voting rights) and duties as the Term Directors of the Corporation, and shall be eligible to serve as officers of the Corporation.

Section 13. General Counsel. The Board of Directors shall appoint each year a General Counsel who shall be a licensed attorney authorized to practice law in the State of Texas. The General Counsel shall be an *ex-officio*, nonvoting member of the Board of Directors. The General Counsel shall preside over and have responsibility for the legal affairs of the Corporation.

### ARTICLE III ADVISORY BOARD

Section 1. Membership and Appointment. Members of the Advisory Board shall be appointed annually for one (1) year terms by the Board of Directors of the Corporation at the annual meeting of the Board of Directors. Members of the Advisory Board may serve an unlimited number of consecutive terms, and shall serve until their successors are chosen and qualified, or until their earlier respective deaths, retirements, resignations, disqualifications or removals from office. In addition, the then-serving Mayor of the City of Dallas and the then-serving President of the Park and Recreation Board of the City of Dallas shall each serve *ex-officio* as a member of the Advisory Board.

Section 2. Qualifications. Through the Advisory Board, the Corporation seeks to cultivate individuals for future service to the Corporation, and to solicit input and participation from groups that are important to the activities of the Corporation, including but not limited to South Dallas community leaders, sponsors and exhibitors, concessionaires and vendors, agricultural and entertainment industry leaders, universities that utilize the Corporation's facilities and members of the Board of Directors of the Corporation who have reached the end of their respective terms.

Section 3. Authority and Responsibilities. The Advisory Board shall consult with and advise the Board of Directors on matters presented to the Advisory Board by the Board of Directors. The Advisory Board shall neither have nor exercise the authority of the Board of Directors in the management of the Corporation. All decisions of the Advisory Board shall be advisory only, and not binding on the Board of Directors. The Advisory Board shall advise the Board of Directors and the management of the Corporation to help the Corporation achieve its mission. Responsibilities include, for example, providing input and suggestions and reacting to ideas and plans when requested, assisting with special requests by the Board of Directors and by management, and supporting the Corporation in the community.

Section 4. Meetings. The Advisory Board shall meet at least twice annually. Written notice of each meeting shall be given to each member of the Advisory Board at least ten (10) days in advance of the meeting.

Section 5. Governance. A Vice Chair of the Board of Directors shall serve as president of the Advisory Board, and in that capacity shall appoint a vice president and a secretary of the Advisory Board, set the agendas for meetings and preside at those meetings. The vice president of the Advisory Board shall preside over meetings of the Advisory Board in the absence of the president, and shall represent the Advisory Board as a nonvoting member of the Governance and

Nominations Committee. The secretary of the Advisory Board shall see that minutes are taken of all meetings of the Advisory Board.

Section 6. Removal and Vacancies. The Board of Directors may remove any member of the Advisory Board, with or without cause, and may fill vacancies caused by the death, removal, disqualification, retirement or resignation of any member of the Advisory Board.

Section 7. No Compensation. Members of the Advisory Board as such shall not receive any compensation for their services.

#### ARTICLE IV OFFICERS

Section 1. Number. The officers of the Corporation shall be a Chair of the Board, a President, a Chief Financial Officer (or such other similar title designated as the head of the Finance Department), one or more Vice Chairs and additional Vice Presidents as may be elected, a Secretary, an Assistant Secretary and a Treasurer. The Chair of the Board, any Vice Chairs, the Secretary and the Treasurer must be members of the Board of Directors and shall not receive any compensation for serving in the stated officer capacities, unless specifically authorized by the Board of Directors. The President, the Chief Financial Officer and any other Vice Presidents and the Assistant Secretary need not be directors and may receive compensation for their services in such capacities. Any two (2) or more offices may be held by the same person, except that the Chair of the Board and the Secretary shall not be the same person and the President and the Secretary shall not be the same person.

Section 2. Election. At each annual meeting of the Board of Directors, the Governance and Nominations Committee shall present to the directors its nominations for officers of the Corporation. Additional nominations may be made from the floor at the annual meeting. In any case where there is more than one (1) nominee, the election shall be by written ballot.

Section 3. Term of Office. Each officer of the Corporation shall serve until the next annual meeting of the Board of Directors and until such officer's successor is elected and qualified or until such officer's earlier death, resignation, disqualification or inability to serve. In the event of a vacancy in any office caused by the death, resignation, disqualification or inability to serve of such officer, such vacancy shall be filled by the Board of Directors. If there is a vacancy in the office of President or the office of Chief Financial Officer, or if either the President or the Chief Financial Officer is otherwise unable to execute such agreements or contracts, then the Board of Directors shall designate the officer(s) authorized to execute such agreements or contracts in lieu of the President or the Chief Financial Officer, as the case may be.

Section 4. Chair of the Board. Subject to the other provisions of these By-Laws, the Chair of the Board shall have general supervision of the business and affairs of the Corporation. The Chair of the Board shall preside at all meetings of the Board of Directors and shall have, subject to the provisions of Article VI hereof, general authority to execute bonds, deeds and contracts in the name of the Corporation. No Chair of the Board may serve for more than four (4) consecutive full one (1) year terms.



Section 5. President. Subject to the general authority prescribed for the Chair of the Board by Section 4 of this Article IV, the President shall be the chief executive, operating and administrative officer of the Corporation, charged with the duty and obligation of carrying out the business policies determined by the Board of Directors and, in general, exercising all of the powers usually appertaining to the office of president of a corporation. The President shall have concurrent authority with the Chair of the Board to execute bonds, deeds and contracts in the name of the Corporation, subject to the provisions of Article VI hereof. The President shall work with the City Council of the City of Dallas and the Park and Recreation Board of the City of Dallas with respect to all matters in which the Corporation is interested and shall represent the Corporation in appearing before such bodies. The President shall negotiate and enter into, on behalf of the Corporation, agreements with respect to concessions and exhibits for the annual State Fair of Texas (the "Fair") and for the supervision thereof, and shall have authority to purchase such supplies, equipment and other materials as may be deemed necessary in the operation of the business of the Corporation, subject to the provisions of Article VI hereof. The President shall have full authority to employ and discharge all employees and agents of the Corporation and, subject to Section 7 of Article II hereof, to fix their compensation, and shall see that all such employees and agents discharge and perform their duties properly. The President shall make an annual report on the affairs of the Corporation to the Board of Directors. The President shall perform such other and further duties as may be required from time to time by the Board of Directors, and shall report to the Board of Directors from time to time as the Board or such committee shall deem necessary. The President shall be a full-time employee of the Corporation, whose compensation shall be fixed by the Board of Directors and shall be increased or diminished as the Board of Directors shall deem fair, just and equitable.

Section 6. Vice Chairs of the Board. The Chair of the Finance/Audit Committee shall serve as a Vice Chair of the Board, and shall have the powers, authority and duties set forth in Section 2 of Article V hereof. The Chair of the Board shall select other Voting Directors to preside over and have general responsibility for certain committees regarding the business and activities of the Corporation, such as the Governance and Nominations Committee, the Agriculture and Livestock Committee, the Concessions and Midway Operations Committee, the Scholarship Committee and Community Affairs Committee. Only the Voting Directors selected to serve as chairs of committees shall be eligible to be elected as Vice Chairs of the Board. In the absence or inability to serve of the Chair of the Board and the President, any Vice Chair may perform the duties and functions of the Chair of the Board and the President. The Chair of the Board may establish the priority in which the Vice Chairs are to perform the duties of the Chair of the Board and the President when both of such officers are absent or unable to serve and, if the Chair of the Board so acts, such Vice Chairs shall be denominated by the title of First Vice Chair, Second Vice Chair and so on. Each Vice Chair shall also have such other powers and perform such other duties as shall from time to time be prescribed by the Board of Directors. There also may be such Honorary Vice Chairs (without any power, authority or duties) as may from time to time be elected by the Board of Directors. Each Vice Chair shall recommend to the Board of Directors the appointment of persons to the committee relating to such Vice Chair's selection, of which such Vice Chair shall be *ex-officio* chair. Such committee shall not have or exercise the authority of the Board of Directors with respect to the management of the Corporation. Such committee shall consider such matters as may be referred to it and report its recommendations to the Board of Directors, giving special consideration to ways and means of improving the department and activity to which it relates so that the Corporation may achieve the highest degree of importance



and efficiency. When, in the course of the work of such committee additional committees are deemed desirable, the Vice Chair shall request the appointment of such committees.

Section 7. Chief Financial Officer. The Chief Financial Officer (or such other similar title designated as the head of the Finance Department) shall be the chief financial officer of the Corporation, shall have control of and be responsible for all matters pertaining to the accounts and finances of the Corporation, and shall generally perform all duties usually appertaining to the office of chief financial officer of a corporation. The Chief Financial Officer shall have the care and custody of all monies, funds and securities of the Corporation, shall collect all monies due the Corporation and cause the same to be deposited in such bank or banks in the City of Dallas as the Board of Directors shall from time to time designate, and shall pay out such funds only on checks signed by officers authorized by the Board of Directors. The Chief Financial Officer shall be the custodian of all books, records, documents and other papers belonging to the Corporation. The Chief Financial Officer shall prepare for review by the Finance and Audit Committee budgets for the Corporation. After the close of each annual Fair, and prior to the annual meeting of the Board of Directors, the Chief Financial Officer shall make an annual report to the Finance and Audit Committee and the Board of Directors regarding the receipts and disbursements of the Corporation. The Chief Financial Officer shall perform such other duties as may be required by the Board of Directors and shall have such further authority in the conduct of the business of the Corporation as may be conferred by the Board of Directors. The Chief Financial Officer shall be a full-time employee of the Corporation, with an office at the principal offices of the Corporation, and whose compensation shall be fixed by the Board of Directors and shall be increased or diminished as the Board of Directors shall deem fair, just and equitable.

Section 8. Treasurer. The Treasurer shall, together with the Chief Financial Officer, supervise the books of account of the Corporation and make a report to each annual meeting of the Board of Directors with respect to all transactions of the Corporation during the preceding year.

Section 9. Secretary. The Secretary shall attend all meetings of the Board of Directors, shall keep an accurate record of their proceedings and read the same at any subsequent meeting, if so required by the Chair of the Board or other presiding officer, shall give timely notice of such meetings and shall generally perform all duties usually appertaining to the office of secretary of a corporation. The Secretary shall perform such other duties as may be required by the Board of Directors, including but not limited to attending meetings of the standing committees, and shall have such further authority in the conduct of the business of the Corporation as may be conferred by the Board of Directors.

Section 10. Assistant Secretary. The Assistant Secretary shall be vested with the powers and shall perform the duties of the Secretary in the absence or disability of the Secretary. The Assistant Secretary shall generally assist the Secretary and shall have such other powers and perform such other duties as shall be prescribed by the Board of Directors.

Section 11. Employment at Will. All officers and employees of the Corporation are employees at will and, as such, are free to resign at any time with or without reason. Similarly, the Corporation may terminate the employment of any officer or employee at any time with or without reason or advance notice. No officer, director, employee, or other representative of the Corporation is authorized to promise or agree to any terms or conditions of employment different

from those stated herein, and no such person is authorized to promise or agree on behalf of the Corporation to any limitation of any officer's or employee's right to resign or of the Corporation's right to terminate employment at any time with or without reason or advance notice.

## ARTICLE V COMMITTEES

Section 1. Governance and Nominations Committee. The Governance and Nominations Committee shall define specific skills, insights and diverse perspectives needed for the Board of Directors, lead recruiting efforts of potential members of the Board of Directors, committees and the Advisory Board, and conduct a vetting process for such prospective members. The Governance and Nominations Committee shall stress the need for diverse points of view, and shall take into account, among other things, inclusion on the Board of Directors of representatives from the Dallas-Fort Worth, Fair Park, South Dallas and greater North Texas area, as well as representatives from the Texas agricultural community. In addition, the Governance and Nominations Committee shall take into account, among other things, ethnic and gender diversity. Prior to the annual meeting of the Board of Directors each year, the Governance and Nominations Committee shall recommend to the Board of Directors a slate of nominees for Term Director and Director Designate positions that are expiring and a slate of nominees for officers. The Governance and Nominations Committee shall also (i) coordinate all continuing education for the current directors; (ii) recommend improvements and revisions to corporate governance documents; and (iii) advise the Chair of the Board and the General Counsel on ethics and conflicts of interest matters.

Section 2. Finance and Audit Committee. The Finance and Audit Committee shall provide oversight for the financial and investment activities of the Corporation. The Finance and Audit Committee shall set financial priorities, review the staff's budget and financial reports, suggest guidelines and safeguards for financial operations, and recommend selection of an external audit firm. The audit firm will report directly to the Finance and Audit Committee. The Finance and Audit Committee shall review all budgets for the Corporation prepared by the Chief Financial Officer and recommend the same to the Board of Directors. The Finance and Audit Committee shall carry out its duties and responsibilities in accordance with the Finance and Audit Committee Charter adopted by the Board of Directors of the Corporation. The Chief Financial Officer and the General Counsel shall be *ex-officio*, nonvoting members of the Finance and Audit Committee.

Section 3. Agriculture and Livestock Committee. The Agriculture and Livestock Committee shall provide oversight and strategic direction for the agricultural programming of the Corporation in accordance with its nonprofit mission. The Agriculture and Livestock Committee shall provide direction for outreach to the agricultural community, fundraising opportunities for livestock/agriculture initiatives and supervision for agriculture and livestock competitions. The Agriculture and Livestock Committee shall also administer and maintain the Heritage Hall of Honor.

Section 4. Concessions and Midway Operations Committee. The Concessions and Midway Operations Committee shall provide oversight and strategic direction to the concession and Midway operations of the annual Fair. The Concessions and Midway Operations Committee

shall establish operational guidelines to promote safety, diversity, and an overall positive customer experience.

Section 5. Community Affairs Committee. The Community Affairs Committee shall be responsible for providing oversight and strategic direction to the Corporation's community outreach programs, including building relationships to help support the Corporation's community involvement, educational initiatives, and philanthropic endeavors in accordance with its nonprofit mission.

Section 6. Scholarship Committee. A portion of the net proceeds from the Corporation's annual fundraising events shall be used to establish and maintain a scholarship fund for the issuance of college or vocational scholarships. Scholarships shall be awarded each year to recipients who meet established criteria, including but not limited to, qualified students participating in at least one of the annual Fair's livestock/agricultural events, qualified students graduating from the Dallas Independent School District high schools that are located in or around the Fair Park area, qualified seasonal employees of the Corporation or designated dependents of those employees, or others as designated by the Scholarship Committee and Board of Directors. The scholarship categories, criteria and amounts shall be determined at the discretion of the Board of Directors, which shall receive recommendations in this regard from the Scholarship Committee. The Scholarship Committee shall administer the scholarship program, subject to the approval of the Board of Directors.

Section 7. Other Committees; Committee Procedures. The Board of Directors may establish such additional standing or *ad hoc* committees as may be necessary or desirable for the proper functioning of the Corporation. The Board of Directors may delegate to any particular committee the establishment of procedures, rules and authority for carrying out the principles and policies adopted by the Board of Directors which come within the scope of the responsibility of such committee. Except as provided otherwise in these By-Laws, all committees shall consist of not less than three (3) members, to be appointed by the Chair of the Board. Committee chairs shall be appointed by the Chair of the Board, and no director may serve as chair of the same committee for more than three (3) consecutive years. A majority of the voting members of a committee shall constitute a quorum. Action may be taken by a majority vote of the committee members present at a duly called meeting at which there is a quorum. Each committee shall keep a record of its proceedings and shall report to the Board of Directors as requested on the activities of the committee.

## ARTICLE VI MISCELLANEOUS

Section 1. Use of Resources. All funds and resources of the Corporation shall be used and expended in such a manner as shall not be inconsistent with the terms of the Corporation's Charter, as amended from time to time.

Section 2. Execution of Agreements. Unless specifically authorized by the Board of Directors or as otherwise required by law, all agreements or contracts of the Corporation, for whatever purposes, must in order to be legally binding upon the Corporation, be in writing and executed by the President and the Chief Financial Officer. If there is a vacancy in the office of

President or the office of the Chief Financial Officer, or if either the President or the Chief Financial Officer is otherwise unable to execute such agreements or contracts, then the Board of Directors shall designate the officer(s) authorized to execute such agreements or contracts in lieu of the President or the Chief Financial Officer, as the case may be. All conveyances of land by deed shall be signed by the President and must be approved by a resolution of the Board of Directors.

Section 3. Loans to Officers, Directors and Employees Prohibited. No loans shall be made by the Corporation to its officers or directors, and any director voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof. No loans shall be made by the Corporation to its employees, and the President and the Chief Financial Officer shall be jointly and severally liable to the Corporation for the amount of any such loan until repayment thereof.

Section 4. Notices. Wherever under the provisions of these By-Laws notice is required to be given to any director or member of a committee of the Corporation, such notice shall be given in writing, by mail, by personal delivery, by electronic mail or by facsimile transmission addressed to the last address of such director or committee member known to the Secretary, or orally by telephone. Any notice given by mail shall be deemed to be delivered at the time when the same is deposited in the United States mail. Any notice given by electronic mail or facsimile transmission shall be deemed to be delivered upon successful transmission of such electronic mail or facsimile. Whenever any such notice is required to be given to any director or committee member, a waiver thereof in writing signed by the person entitled to such notice (whether before or after the time stated in such notice) shall be deemed equivalent to the giving of such notice.

Section 5. Conflicts of Interest. No contract (other than a wholly gratuitous transfer of assets or promise to transfer assets to the Corporation) of any kind (including, but not limited to, a loan, lease, agreement of sale or purchase, pledge, guarantee, assumption of liability, bailment, or consignment) may be entered into by and between the Corporation and any of the following: (i) a director, officer, committee member, or employee of the Corporation (hereinafter an "Insider"); or (ii) any corporation, partnership, trust, sole proprietorship or any other entity (hereinafter an "Entity") in which an interest is owned or held, directly or indirectly, by or for the benefit of an Insider, unless (a) the transaction is approved in accordance with Section 22.230 of the Texas Business Organizations Code; and (b) if one or more of the parties to the contract or transaction is a "disqualified person" with respect to the Corporation within the meaning of Section 4958 of the Internal Revenue Code, either (x) such transaction is reviewed and approved in accordance with the "rebuttable presumption safe harbor" provisions set forth in the regulations promulgated under Section 4958 of the Code or (y) the Board of Directors determines that such procedures are not necessary for the transaction involved and records its specific findings for making such determination. All Insiders shall, as a condition of qualifying and continuing to qualify as a director, officer, committee member and/or employee of the Corporation, abide by such conflict of interest policies as the Board of Directors may adopt from time to time, and file such conflict of interest disclosure statements as the Board of Directors shall direct.

ARTICLE VII  
INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Corporation shall indemnify a director or officer of the Corporation against reasonable expenses incurred by such director or officer in connection with a proceeding in which such director or officer is a named defendant or respondent because he or she is or was such a director or officer, as the case may be, if such director or officer has been wholly successful, on the merits or otherwise, in the defense of the proceeding, unless such indemnification is limited by the Charter. The Corporation shall indemnify a director or officer of the Corporation who was, is, or is threatened to be made, a named defendant or respondent in a proceeding because the person is or was a director or officer of the Corporation, against any judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in connection with the proceeding to the maximum extent permitted, and in the manner prescribed, by the Texas Business Organizations Code or other applicable law, unless limited by the Charter. The Corporation shall pay the expenses (including attorneys' fees) incurred by any director or officer of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding in advance of the final disposition of such action, suit or proceeding, unless limited by the Charter; provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the action, suit or proceeding shall be made only upon receipt of an undertaking by or on behalf of the director or officer to repay all amounts advanced if it should be ultimately determined that such person is not entitled to be indemnified under this Article or otherwise. The Corporation may indemnify and advance expenses to an employee or agent of the Corporation to the same extent that it is required to indemnify and advance expenses to a director or officer under these By-Laws. The Corporation may purchase and maintain insurance or a similar arrangement (including, but not limited to, a trust fund, self-insurance, a security interest or lien on the assets of the Corporation, or a letter of credit, guaranty or surety arrangement) on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against such person and incurred by such person in such a capacity or arising out of such person's status as a director, officer, employee or agent, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of these By-Laws or by statute. These indemnification provisions shall inure to each of the directors, officers, employees and agents of the Corporation whether or not the claim asserted against such person is based on matters that antedate the adoption of this Article VII, and in the event of such person's death shall extend to such person's legal representatives; but such rights shall not be exclusive of any rights to which such person may be entitled. For purposes of this Article VII, (i) the term "expenses" includes court costs and attorneys' fees, and (ii) the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding. Notwithstanding the other provisions of this Article VII, the Corporation may not indemnify or maintain insurance or a similar arrangement on behalf of any person or advance expenses to such person if such indemnification, maintenance of insurance or similar arrangement or advancement of expenses would subject the Corporation to income or excise tax under the Code.

ARTICLE VIII  
ACTIONS WITHOUT MEETINGS

Section 1. Unanimous Consent. Any action required or permitted to be taken at any meeting of directors or committee members may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the directors or all of the committee members, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document.

Section 2. Other Action Without a Meeting. Any action required or permitted to be taken at any meeting of directors or committee members may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by a sufficient number of directors or committee members, as the case may be, as would be necessary to take that action at a meeting at which all persons entitled to vote on the action were present and voted. Prompt notice of the taking of any action by the directors or a committee without a meeting by less than unanimous written consent shall be given to those directors or committee members who did not consent in writing to the action.

Section 3. Electronic Transmission. An electronic transmission of a consent by a director or committee member is considered a signed writing if the transmission contains or is accompanied by information from which it can be determined that the electronic transmission was transmitted by the director or committee member, as the case may be, and the date on which it was transmitted.

ARTICLE IX  
AMENDMENTS

These By-Laws may be amended or repealed, or new by-laws may be adopted, at any meeting of the Board of Directors at which a quorum is present by the affirmative vote of at least a majority of the directors present at such meeting; provided notice of the proposed amendment, repeal or adoption be contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the directors from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new by-laws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting.

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The undersigned, being the duly elected and qualified Secretary of the Corporation, hereby certifies that the foregoing amended and restated By-Laws of the Corporation were duly adopted by written consent of the Board of Directors of the Corporation effective April 15, 2020.



Robert B. Smith, Secretary