

BYLAWS FOR FIAT CLASSICAL ACADEMY, INC.

ARTICLE I NAME

SECTION 1. Name

Fiat Classical Academy, Inc., designated as a 501c3 by the IRS, will be the name of this organization. It shall be incorporated as a non-profit organization under the laws of the State of Indiana and operate under the name of Fiat Classical Academy.

ARTICLE II MISSION

SECTION 1. Mission

The mission of Fiat Classical Academy is as follows: Inspired by the joy and hope of St. John Paul II, Fiat Classical Academy offers young men and women an encounter with the one, true, good and beautiful through a liberal arts education, which cultivates communion with God, as we seek together the face of Christ.

The specific objectives and purposes of this corporation shall be:

- (a) to establish an independent and private high school in the Catholic intellectual tradition;
- (b) to maintain a regularly enrolled student body, an established curriculum, and a full-time faculty;
- (c) to require the free cooperation of all faculty and staff in exercising their adherence to the teachings of the Catholic Church through taking an oath of fidelity at the beginning of each academic year.
- (d) to have the normal functions, operations, programs, and pursuits incidental to a fully recognized and operational nonprofit center of learning and education.

SECTION 2. Non-Discrimination Policy

All practices and policies of this school shall be racially nondiscriminatory, and Fiat Classical Academy does not discriminate against applicants and students on the basis of race, color, or national or ethnic origin.

SECTION 3. Relationship with the Archdiocese of Indianapolis

- (a) Fiat Classical Academy has the right to use the name Catholic, as a private association of the faithful. It has not been named a public juridic person, and the Archbishop of Indianapolis, after due process, may remove the ability of Fiat Classical Academy to call itself Catholic. The school, its faculty, staff and Board of Directors, shall follow the teachings of the Catholic Church, which are mediated on a local level by the Roman Catholic Archdiocese of Indianapolis.
- (b) Fiat Classical Academy agrees to operate under the guidance of the Archdiocesan Office of Catholic Schools.

- (c) Fiat Classical Academy shall permit visitations and be evaluated every five years by a team from the Office of Catholic Schools.

SECTION 4. Reserved powers of the Archbishop of Indianapolis:

- (a) Approval of strategic plans that express the Catholic mission, values, goals, objectives, and core values of the Corporation.
- (b) Interpret and change any statement of mission, philosophy, role and purpose of the Corporation, to the extent it contradicts Catholic teachings.
- (c) Approve any amendment to the Bylaws and Articles of Incorporation of the Corporation.
- (d) Remove any priest on the Board of Directors who was appointed by the Archbishop.
- (e) The right to name or approve teachers of religion and likewise to remove or to demand the removal of any teacher or administrator if it is required for moral reasons. (Determining whether a teacher is conducting him/herself in accordance with the teachings of the Catholic Church is an internal Church matter and is at the sole discretion of the Archbishop of Indianapolis).
- (f) Approve the incurrence of debt, contracts and payments that require the permission of competent authority according to canon law (cc. 1290-1298).

**ARTICLE III
BOARD OF DIRECTORS**

SECTION 1. Number of Directors

The number of the Board of Directors for Fiat Classical Academy shall be not less than five and not more than nine members.

SECTION 2. Qualification for Membership

Membership on the Board of Directors of Fiat Classical Academy, hereinafter referred to as the Corporation, shall be limited to persons who are practicing Catholics and who believe in and follow the principles laid down by the Magisterium of the Catholic Church and act in accordance with the direction of the Roman Catholic Pontiff. Appointments to the Board of Directors are subject to the *nihil obstat* of the Archbishop of Indianapolis. Members must be legal adults. At least two members of the Board may not have a child(ren) currently enrolled in the school. No more than two Board Directors at any time may be related.

One member of the Board is to be an incardinated priest of the Archdiocese of Indianapolis, appointed to the Board from a list of (5) candidates presented to the Archbishop of Indianapolis for his approval and appointment. The list of priest candidates is not restricted solely to those priests assigned in Dearborn County but includes all incardinated priests of the Archdiocese of Indianapolis.

In order to preserve the continuity of the mission and vision, two voting Board positions shall be filled by two of the four Founders of Fiat Classical Academy until death or resignation, at which point the remaining Founders will have first right of refusal to fill the vacancy, which shall be documented in written form. The Founders' terms shall not be limited, and a Founder may not be removed as a Director, except by a two-thirds majority finding by all of the other members of the Board of Directors that: (i) he/she has materially breached his duty of loyalty owed to the Corporation, (ii) he/she has materially breached any other fiduciary duty owed by him/her to the Corporation, or (iii) he/she has committed any other act or omission not in good faith that constitutes intentional misconduct or a knowing violation of the law that materially and adversely impacts his/her ability or his/her effectiveness to serve as a member of the Board of Directors or the reputation of the Corporation.

When no remaining Founders are able and willing to serve on the Board, these two positions shall be filled according to the procedures stated elsewhere in these bylaws.

The Head of Mission and Headmaster are *ex officio*, voting members of the board.

SECTION 3. Appointment of the Board of Directors.

- (a) The initial Board of Directors shall be appointed by the Founders after receiving the *nihil obstat* of the Archbishop of Indianapolis.
- (b) After a Board member's term expires or the seat becomes vacant, for any reason, the Board member, if appointed by the Archbishop, will be replaced by a new Board member appointed by the Archbishop.
- (c) After a Board member's term expires or the seat becomes vacant, for any reason, the Board member, if appointed by the Founders, will be replaced by a new Board member nominated and appointed by the Board of Directors after receiving the *nihil obstat* of the Archbishop of Indianapolis.

SECTION 4. Qualification for Voting

All Directors shall have the right to vote. Exceptions regarding conflict of interest are noted in Article VI. Any voting member who is under censure by this Board shall be precluded from voting unless and until the censure is removed and the member is restored to good standing.

SECTION 5. Duties

The Board of Directors governs Fiat Classical Academy. It shall be the duty of the Directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- (b) Set and review strategic plans and long-range goals for the school;
- (c) Regarding the Head of Mission and Headmaster: conduct annual evaluations; set salary for these positions; when at such a time it becomes necessary to hire Administrators when the Founding Administrators leave the corporation, the Board shall be responsible for hiring the Head of Mission and Headmaster.
- (d) Approve the annual budget;
- (e) Assist with fundraising for the school.

SECTION 6. Term of Office of Directors

Beginning with the date of their first Board meeting, the length of the term of office for Directors shall be three years, renewable for up to three terms. To be eligible for renewal, the member must be invited by the Founders for a member initially appointed by the Founders or by the Archbishop for members appointed by the Archbishop. A majority of the Board members must then vote to re-elect the member. In order to ensure overall continuity of Board function, staggered terms may be implemented at the discretion of the Board.

SECTION 7. Censure or removal from office

Directors of the Corporation may be censured or removed from the Board by action of the Board with or without cause. Provided however, no Board member appointed by the Archbishop may be removed without his express consent. No more than two voting members may fail to vote for the censure or removal in order for it to be enacted. Removal of the censure shall follow the same numerical requirements as its commencement.

SECTION 8. Director Compensation

Directors shall not receive compensation for their service to the Board. When possible and approved by a majority of the Board, reimbursement for expenses incurred in performing Director duties may be offered. This may include but is not limited to participation in conferences or events and procurement of materials for the corporation. Article VI of these bylaws clearly defines the conflict of interest policy if and when a Director is in a position to contract business with the corporation.

SECTION 9. Regular Board Meetings

Meeting of Directors shall be scheduled as needed, but not less than four times per year.

SECTION 10. Quorum for Meetings

For ordinary purposes, a quorum shall consist of a simple majority of the members of the Board of Directors. For matters deemed extraordinary by the President and Chair of the Board, the votes of all Directors must be included for the final decision. Accommodations may be made to vote remotely if required.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the Board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

SECTION 11. Majority Action as Board Action

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the articles of incorporation, these bylaws or provisions of law require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 12. Conduct of Meetings

Meetings of the Board of Directors shall be presided over by the President of the Board, or, if no such person has been so designated, or in his or her absence, by the Chair of the Board, or in the absence of each of these persons, a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Board shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting. Issues to be voted on shall be motioned for, seconded and then called for a vote.

SECTION 13. Action Without Meetings

The provisions of these bylaws do not preclude action being taken without a meeting. In such cases, all actions must be in accord with the policies set forth in these bylaws regarding voting and elections. Such actions must be reported and filed with the proceedings of the Board.

SECTION 14. Committees

The Board of Directors may constitute committees as it deems necessary to carry out its duties. Committees may be established by a majority vote of the Board; committee chairpersons shall be Board members and shall be designated by a majority vote of the Board. Other community members may serve on a committee at the discretion of the Chair. All Board committees are subject to the oversight of the full Board of Directors. The Chair of the Board shall give guidance to each committee chair on the degree of oversight needed for each particular committee.

SECTION 15. Vacancies

Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any Director, and (2) whenever the number of authorized Directors is increased.

Any Director may resign effective upon giving written notice to the Chair of the Board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation.

Directors may be removed from office as permitted by and in accordance with the laws of this state.

Regardless of the manner of the vacancy, any vacancy must be filled to retain the number of Board members as the majority membership.

SECTION 16. Honorary Directors

At the discretion of the Board, honorary directors may be named as non-voting members able to be present at meetings of the Directors. Those Founders of the Corporation not serving on the Board may attend meetings in a non-voting capacity.

SECTION 17. Nonliability of Directors.

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 18. Indemnification by Corporation of Directors and Officers

The Directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

SECTION 19. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of the law.

**ARTICLE IV
OFFICERS**

SECTION 1. Designation of Officers

The officers of the corporation shall be a President, a Chair, a Secretary, and a Treasurer.

SECTION 2. Qualifications

Any Director may serve as an officer of this corporation.

SECTION 3. Election and Time of Office

Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office for an initial term of three years, which may be renewed at the mutual agreement of the officer and the majority vote of the Board of Directors.

SECTION 4. Removal and Resignation

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. This removal may coincide with removal from the Directors or may be a removal from the Officer position only. Any officer may resign at any time by giving written notice to the Board of

Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

SECTION 5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy.

SECTION 6. Duties of Head of Mission and Headmaster

The chief administrators of Fiat Classical Academy are the Head of Mission and the Headmaster. The Head of Mission primarily works with those external to the school – parents, donors and the community. The Headmaster primarily works with the faculty and students. Together they ensure that the mission and vision of Fiat Classical Academy are adhered to within daily operations.

SECTION 7. Duties of President

The school's Head of Mission will serve as the President of the Board of Directors. The President shall preside at meetings of the Board and shall set the meeting agendas.

SECTION 8. Duties of Chair

The Chair of the Board shall preside at meetings of the Board of Directors in the President's absence. The Chair shall lead the Board's annual evaluation of the Head of Mission and Headmaster, as well as Board decisions regarding salaries. The Chair shall guide Board committees, appoint committee chairpersons and communicate about upcoming meetings with the members of the Board.

SECTION 9. Duties of Secretary

The Secretary shall certify and keep the original, or a copy, of these bylaws as revised to date; shall keep a book of minutes of all meetings of the Board; and shall perform other duties as may be prescribed by law, by these bylaws, or by the Board.

SECTION 10. Duties of Treasurer

The Treasurer shall supervise the care and custody of the funds and securities of the Corporation, direct the deposits of funds in depositories designated by the Board, ensure that written monthly and annual reports of the finances of the Corporation are submitted, and such other financial reports as may from time to time be required by the Board.

ARTICLE V EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1. Execution of Instruments

The Board of Directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the cooperation 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. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose in any amount.

SECTION 2. Checks and Notes

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payments for money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

SECTION 3. Deposits

All funds of the corporation 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 4. Gifts

The Board of Directors may accept on behalf of the corporation any contribution, gift or bequest for the nonprofit purposes of this corporation.

ARTICLE VI CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

SECTION 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect Fiat Classical Academy's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. Definitions

- a. Interested Person. Any Director, principal officer, member of a committee with governing Board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
 - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement or,
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

SECTION 3. Conflict of Interest Avoidance Procedures

- a. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing Board delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The Chair of the governing Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing Board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and

reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- d. Violations of the Conflicts of Interest Policy. If the governing Board or committee has reasonable cause to believe a member has failed to disclose the actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. Records of Board and Board Committee Proceedings

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

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. Compensation Approval Policies

A voting member of the governing Board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting members of the governing Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, are prohibited from providing information to any committee regarding compensation.

When approving compensation for Directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well

as the preceding paragraphs of this section of this article, the Board or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the Board or compensation committee prior to the first payment of compensation;
- b. all members of the Board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect the compensation arrangements as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each Board member or committee member approving a compensation arrangement between this organization and a “disqualified person” (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to the approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the Board or committee member.
- c. the Board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data, copies of which should be attached to meeting minutes, may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation agreement.
- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board or compensation committee that approved the compensation. Such documentation shall include:
 1. the term of the compensation arrangement and the date it was approved;
 2. the members of the Board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each Board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;

4. if the Board or compensation committee determines that reasonable compensation for a specific position in Fiat Classical Academy or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the Board or committee shall record in the minutes of the meeting the basis for its determination;
5. if the Board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board or committee meeting;
6. any actions taken with respect to determining if a Board or committee member had a conflict of interest with respect to the compensation agreement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve arrangement);
7. the minutes of Board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board or committee meeting or 60 days after the final actions of the Board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next Board or committee meeting following final action or the arrangement by the Board or committee.

SECTION 6. Annual Statements

Each Director, principal officer, and member of a committee with governing Board delegated powers shall annually sign a statement which affirms such person:

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

SECTION 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable

investment or payment for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**ARTICLE VII
AMENDMENT OF BYLAWS**

SECTION 1. Amendment

Subject to the reserved powers of the Archbishop of Indianapolis, these bylaws, or any of them, may be altered, amended, or repealed, and new bylaws adopted by approval of the Board of Directors.

**ARTICLE VIII
DISSOLUTION**

SECTION 1. Dissolution

The Corporation shall be dissolved and its affairs wound up by unanimous decision of the Board. Upon dissolution of the organization as a private association of the faithful, the assets shall be distributed to a parish or ministry within the Archdiocese of Indianapolis subject to the approval of the Archbishop of Indianapolis. The designated charity must also be a nonprofit charity within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code