

BYLAWS OF
THE OAKWOOD SCHOOL, INC.

ARTICLE I
Name and Purposes of Corporation

1. Name. This Corporation shall be known as THE OAKWOOD SCHOOL, INC. and hereinafter called the "School."

2. Purposes. The School is a non-sectarian coeducational day school whose mission is to instill in students the strength of character, the creativity, and the wisdom to make a difference in the world. The School seeks to develop a child's self-confidence through mastery of essential skills in an academically rigorous, developmentally appropriate, hands-on curriculum. Responsibility and social awareness are fostered at the School by honoring diversity and promoting commitment to school and community service.

The school is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

ARTICLE II
Membership

The School has no members. The rights, which would otherwise vest in the members, vest in the Board of Directors of the School, hereinafter referred to as the "Board of Trustees," "Trustees," or "Board."

ARTICLE III
Board of Trustees

1. Board of Trustees. The Board of Trustees shall exercise general oversight of the management of the business and property of the School and shall have all corporate powers of the School.

The Board's primary responsibilities are strategic in nature and include the following: to determine and guide the character, mission and culture of the School, to establish policies for the School, to assure the financial stability of the School, and to cause the policies that the Board adopts to be effectively implemented. Without limiting the foregoing or such other responsibilities and obligations as may be found under the laws of the State of North Carolina, the Board shall undertake the following responsibilities:

- a) Select, nurture, evaluate, retain, compensate, and terminate the Head of School; delegate all administrative functions to the Head, including but not limited to the power to admit or dismiss students, to appoint or remove employees, and to determine and revise curriculum.

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- b) Monitor the School's financial management; approve capital expenditures in accordance with the financial policies adopted by the Board; develop and regularly review a Strategic Plan and related Strategic Financial Plan; adopt annual capital and operating budgets for the School that are consistent with the Strategic Plan; institute, promote and direct major fundraising for the School; and otherwise undertake such steps as may be necessary to protect the financial stability of the School.
 - c) Establish the mission, vision, and belief statements of the School; develop, implement and update the School's Strategic Plan in keeping with the vision, mission, and belief statements; review the School's programs to ensure that the School is well managed in accordance with the School's mission and purposes.
 - d) Define and promulgate general institutional policies and procedures for the School for the effective operation of the School, including financial, employment, operating and educational policies and procedures and ensure the effective implementation of such policies and procedures.
 - e) Ensure that the School has adequate physical resources for the performance of its educational mission; adopt policies and procedures to maintain the physical plant of the School; provide sound management of the assets of the School.
 - f) Annually assess the Board's and individual trustee's performance.
 - g) Appropriately communicate with the faculty, staff, students and parents to keep the Board's constituency informed.
2. Number and Qualifications. The number of Trustees constituting the Board shall range between a minimum of thirteen (13) and a maximum of twenty-one (21) not including *ex officio*, non-voting members. The total number shall be determined by a majority of the Board and may vary from year to year. The Head of School shall serve as an *ex officio*, non-voting member of the Board and have the right to attend any standing or ad hoc committees by virtue of his or her position. In addition, unless otherwise serving as an elected, voting member of the Board, a past President of the Board of Trustees may serve as an *ex officio*, non-voting member of the Board by virtue of his or her position. The Board shall make its best efforts to ensure the composition of the Board is diverse, well balanced and inclusive of both parents and non-parents.
3. Election and Term. With the exception of the *ex officio* members, Trustees shall be elected at a regular meeting of the Board (see Article V) by the May meeting with terms to begin July 1. A two-thirds affirmative vote of Trustees is required for election. Trustees shall be elected for a term of up to three (3) years with the expectation of an additional three (3) year term for a total of six (6) years, except in cases where a Trustee is fulfilling the term of a vacancy. Upon a Trustee's completion of six years of service on the Board, the Board may, by a two-thirds affirmative vote, extend the Trustee's service on the Board for additional one-year renewal terms.

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- a) Any vacancy on the Board shall merely reduce the number of duly elected and acting Trustees until such time as the vacancy is filled. Vacancies existing from time to time for any reason may be filled with a two-thirds affirmative vote of Trustees at any regular meeting of the Board.
 - b) All nominations for Trustees shall be presented to the Board of Trustees by the Committee on Trustees in writing by mail or electronic mail at least seven (7) days prior to the election, unless all Trustees waive their right to this seven day notification.
 - c) The terms of Trustees shall be arranged so that the number of Trustees retiring each year shall be approximately equal.
 - d) In the event that a Trustee is elected to fill an unfinished term, that term shall not count against him or her in relation to the successive term limitations.
4. Removal. The Board may remove any Trustee with or without cause upon a two-thirds affirmative vote of the Trustees at a regular or special meeting of the Board.
 5. Resignation. Any Trustee may resign from a committee of the Board, an office of the Board, or the Board itself by giving written notice to the President or the Chair of the Committee on Trustees. Any such resignation shall take effect at the date of receipt of such notice or at any later time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.
 6. Deemed Resignation. The failure of a Trustee to attend three (3) consecutive regular Board meetings may be treated by the Board as a resignation of the Trustee. The Committee on Trustees shall contact the absent Trustee and discuss the reasons for such absences with the Trustee. The Committee on Trustees shall report to the Board on such absences, and the Board shall elect to accept the absences as a deemed resignation or to request the Trustee to improve the Trustee's attendance. The decision by the Board to accept the absences as a deemed resignation shall require the affirmative vote of a majority of Trustees then in office. Such decision of the Board shall be appropriately communicated by the Committee on Trustees to the absent Trustee.
 7. Compensation. Trustees shall serve without compensation but may be reimbursed for expenses actually and reasonably incurred on behalf of the School.

ARTICLE IV Officers

1. Officers of the School. The officers of the School shall consist of a President, Vice-President, Treasurer, Head of School, and such other officers as may be authorized by the Board. Officers must be Trustees except for the Head of School. Any two (2) or more offices may be held by the same person, but no officer may act in more than one (1) capacity where action of two (2)

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or more officers is required.

2. Appointment and Term. The officers of the School (excluding the Head of School) shall be recommended by the Committee on Trustees to the Board and be approved by a simple majority vote. They will serve for a term of one (1) year. Vacancies may be filled at any time by the election of an officer who shall fill the remainder of the vacant term. No officer (excluding the Head of School) may serve more than three (3) consecutive terms, unless a two-thirds affirmative vote of the Trustees at a regular or special meeting elects such officer to an additional term.
3. Contract Rights. The appointment of an officer does not itself create contract rights.
4. Removal. An officer may be removed by the Board at any time with or without cause by 2/3rd vote.
5. President. The President shall preside at all meetings of the Board, shall have the right to vote, and has the right to attend and be a voting member of all committees and shall have such other powers and duties that are incident to the office of the President. The President shall sign, or any other proper officer of the School thereunto authorized by the Board any deeds, mortgages, bonds, contracts, leases, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the School, or shall be required by law to be otherwise signed or executed. The President shall be expected to serve a minimum term of two years.
6. Vice President. The Vice President shall have such powers and shall perform such duties as may be assigned by the President. In the absence of the President, or in the event of his/her death, disability, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all powers of and be subject to all the restrictions upon the President.
7. Treasurer. The Treasurer shall be responsible for carrying out the mandates of the Board and its Resource Committee in overseeing the financial affairs of the School. The Treasurer shall, with the assistance of the Head of School and any business managers, monitor all accounts and records. The Treasurer shall oversee the custody of the funds and securities of the School and shall render periodic accounting of the financial condition of the School to the Board. The Treasurer shall also otherwise perform all duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the President or Board.
8. Head of School
 - a) Executive Functions. The Head of School shall be the chief executive officer and the official advisor and executive agent of the Board. The Head shall have such duties as outlined in these Bylaws and as otherwise specified by the Board from time to time. The Head shall exercise the general supervision over all the affairs of the School,

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represent the School to the community, and bring matters to the attention of the Board as are appropriate to keep the Board fully informed to meet its responsibilities. The Head shall have the powers, on behalf of the Board, to sign any and all contracts for which funds have been allocated and authorized by the Board in the approved operating budget, or in any capital budget or emergency expenditure authorized and approved by the Board.

- b) General Management. The Head of School shall be delegated the general administrative and management responsibilities for the School by the Board of Trustees. In carrying out these responsibilities, the Head of School will work closely with the Board and committees of the Board. The Board shall maintain general and strategic oversight over these activities.
- c) Appointment. In the event of a permanent vacancy in the office of the Head, the Board shall elect a replacement from among candidate(s) recommended by a special Search Committee established by the Board. An affirmative vote of at least two-thirds of the Trustees is required for appointment. The employment contract for the Head and all renewal contracts shall be approved and reviewed by the Executive Committee.
- d) Administrative Responsibilities. Within the policy guidelines established by the Board, the Head shall develop institutional programs, provide administrative and educational leadership, employ and discharge personnel, enroll and dismiss students, assist in the preparation of the annual budget, assist in fundraising and marketing efforts, and shall have the responsibility for the day-to-day operation of the School.
- e) Assistance to the Board. The Head shall work in close conjunction with the Board, and guide it in the preparation of agendas in its meetings and the long-range development of the School. Similarly, the Head shall work in close conjunction with the committees of the Board, and shall serve as a voting member of each standing or *ad hoc* committee of the Board.
- f) Annual Review of Performance and Compensation. An annual review of the performance of the Head shall be conducted. The Head Support and Evaluation committee shall determine the process and procedures to be followed provided the process includes a self-evaluation by the Head, and input from all Trustees. The Head Support and Evaluation Committee will conduct the evaluation process and will report its findings and make recommendations to the Board. The Head Support and Evaluation Committee will communicate appropriately with the Head regarding the evaluation results.
- g) Dismissal of the Head. A decision not to renew the Head's contract or to terminate the services of the Head can only be undertaken by the Board at a regular or special meeting provided due notice of the entire Board membership.

ARTICLE V Meetings

1. Regular Meetings. Regular meetings of the Board shall be held no less than six times per year.
2. Special Meetings. Special meetings of the Board may be called by the President of the Board or

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the Committee on Trustees.

3. Notice of Regular and Special Meetings.

- a) Regular Meetings. The Board shall be given notice of the regular meeting schedule for the coming year prior to the beginning of the Board Year on July 1st. If the Board changes the date of a regular meeting from the adopted schedule, no less than seven (7) days' notice shall be provided.
- b) Special Meetings. The Board shall be given at least (3) days' notice before the meeting unless such notice period is waived by at least two-thirds of the Board membership. Such notice shall specify the time, date, place and the nature of the business to be transacted at the special meeting.
- c) Method of Notice. Any notice required under these Bylaws to any Trustee may be by telephone, mail, facsimile or electronic mail. Notice by mail shall be deemed given three days after the time it is mailed.

4. Quorum. A majority (greater than 50%) of Trustees then in office shall constitute a quorum for the transaction of business.

5. Manner of Acting. The affirmative vote of a majority of Trustees present at a meeting at which a quorum is present shall be the act of the Board, unless otherwise specified by the Articles of Incorporation or these Bylaws. The procedures for all meetings of the Board shall be according to Robert's Rules of Order.

6. Executive Sessions. The President of the Board may enact executive sessions when necessary either with prior notice or upon a motion by a Board member during a meeting. At such times, the administrative team, Head of School and/or a Trustee may be asked to leave the room.

7. Teleconference Meeting. The Board may permit one or all of the Trustees to participate in a regular or special meeting of the Board by the use of any means of communication by which all Trustees may hear each other simultaneously during the meeting. A Trustee participating in this manner shall be deemed to be present in person at the meeting. Proxies are not allowed at any meeting of the Board.

8. Staff Liaison. The President may appoint a trustee or non-trustee to serve as official record keeper of the Board proceedings. If a non-trustee, they may attend the meetings but will not have voting rights. The minutes produced from each meeting will be made available to the entire Board within one week of the completed meeting.

ARTICLE VI

Committees of the Board

1. Standing Committees of the Board. There shall be five (5) standing committees: Executive, Committee on Trustees, Development, Resources, and Head Support and Evaluation. Standing

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Committees shall have such duties as outlined in these Bylaws and as otherwise specified by the Board from time to time. These Standing Committees will make reports and recommendations to the Board in their respective areas of concern when necessary. The Board President and Head of School shall be a voting member of all standing committees and shall have the right to attend any or all standing committee meetings at their discretion. The Board may delegate to such Committees any power and authority of the Board, except the power and authority to adopt, amend or repeal these Bylaws, or such other powers as may be prohibited by law. Committees, to which powers of the Board have been delegated by the Board, shall have the power to act only between meetings of the Board and shall at all times be subject to the control of the Board.

2. Appointment and Terms of Standing Committee Chairs. Standing Committee Chairs shall be recommended by the Committee of Trustees and annually elected by a simple majority vote of the Board.
3. Appointment of Trustees to Serve on Committees. The Standing Committee Chairs along with the President will appoint the trustees as members of Standing Committees. The individual's interests, strengths and experience will be considered when making these appointments.
4. Committee Liaisons and Members Who Are Not Trustees. The Standing Committee Chairs along with the President may appoint non-trustees as members of Standing Committees. The non-trustees will have voting rights on the committee.
5. Executive Committee. The Executive committee shall consist of the President, Head of School, Vice President, Chair of the Resources Committee, Chair of the Committee on Trustees, the Chair of the Development Committee and Chair of the Head Support and Evaluation Committee. The Executive Committee has three primary objectives; 1) set the annual Board agenda, (2) exercise authority of the Board, at such times when the Board will not be in session for a period in excess of one month or, (3) when prudent and expeditious management in the best interest of the School requires prompt action. This power does not include the authority to adopt, amend or repeal these Bylaws, to remove or elect Trustees, officers or the Head of School, to incur debt, or any such authority that may be limited by the resolution of the Board or these Bylaws, or prohibited by law. The Executive Committee will work closely with the Head of School, providing guidance and counsel. All actions of the Executive Committee shall be fully recorded, reported, and disclosed to the full Board at the next Board meeting or within (4) weeks; whichever is sooner.
6. Committee on Trustees. The Committee on Trustees shall consist of not less than four (4) Trustees in addition to the President of the Board and the Head of School. The Committee on Trustees shall be responsible for recommending to the Board the following: new Trustee candidates, officers, Trustee vacancies, and Chairs of Standing Committees. The Committee on Trustees is also responsible for the orientation of new Trustees, annual Board self-assessment, and on-going Board development.
7. Resources Committee. The Resources Committee shall consist of not less than four (4) Trustees in addition to the President of the Board and the Head of School. The Resources Committee, in cooperation with the Head of School and the Business Manager, shall be responsible for reviewing and reporting on the overall management and supervision of the financial affairs of the School, including, but not limited to; reviewing and presenting annuals and long term budgets in accordance with the Strategic Financial Plan, and review and monitor current assets

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of the School (both physical and financial). The Business Manager of the School shall serve as a non-voting member of this committee. The Chair of the Resources Committee will perform all duties as Treasurer.

8. Development Committee. The Development Committee shall consist of not less than four (4) Trustees in addition to the President of the Board and the Head of School. The Development Committee, in cooperation with the Head of School and the Development Office, shall be responsible for all areas of fundraising related to the School. The Development Officer shall serve as a non-voting member of this committee.
9. Head Support and Evaluation Committee. The Head Support and Evaluation Committee shall consist of at least four (4) members, to include two (2) trustees and the Head of School. The Head Support and Evaluation Committee shall be responsible for assisting the Head in setting and prioritizing the Head's annual goals, present the goals to the Board for the next School year, evaluate the Head's performance related to current School year's stated goals and submit the evaluation to the Board by the May meeting.
10. Other Committees. The Board of Trustees may establish Committees of the Board with a simple majority vote. Committees shall continue until the Board terminates the Committee with a simple majority vote. Committees of the Board currently authorized are the Audit Committee, the Endowment/Investment Committee, the Communications Committee, and Horizons. If any of these listed committees are terminated, or new committees created by the Board, the Bylaws are not required to be amended. The purpose of these Committees will be defined by the Committee's existing written charge or upon creation of said Committee.
 - a) Committees established or authorized under this section will report directly to the Board. The President shall appoint the Chairs of these committees and with the Committee Chairs will appoint members of each respective committee. The Chair of the Audit Committee must be a trustee. Trustees and non-trustees may serve as members of these committees, but each committee shall include at least one trustee.
 - b) The Advisory Council, the Parent Service Association (PSA), the Eagle Booster Club, and the Fine Arts Support Team (FAST) are not Board-level committees. These groups, and other operational groups and clubs formed from time to time, shall report to the Head of School, who will report to the Board periodically with respect to their operations. Trustees and non-trustees may serve as members of these groups, and their members shall select their leadership.
11. Task Forces. Task Forces will be created and terminated by the Board with a simple majority vote. Task Forces will adhere to the following; a) a defined start date and end date, (b) a detailed description of the objectives assigned to the Task Force, (c) the scope of and limitations on the powers to be granted to the Task Force, (d) the number of members and classification of members (i.e. Trustees, Administrative Staff, parents, community volunteers, etc.), and (e) any other information the Board deems necessary. The President will appoint the Chair of the Task Force and along with the Chair of the Task Force will select the members to serve.

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ARTICLE VII
Indemnification

The School shall, to the extent legally permissible and only to the extent that the status of the School as an organization exempt under section 501(c)(3) of the Internal Revenue Code is not affected thereby, indemnify each of its Trustees and officers (including persons who serve at its request as directors, officers or Trustees of another organization in which it has an interest) against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee or officer, except with respect to any matter as to which he shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the School; provided, however, that as to any matter disposed of by a compromise payment by such Trustee or officer, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the School, after notice that it involves such indemnification:

- a) by a disinterested majority of the Trustees then in office, or
- b) by a majority of the disinterested Trustees then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such Trustee or officer appears to have acted in good faith in the reasonable belief that his action was in the best interests of the School, or
- c) by a majority of the disinterested members entitled to vote, voting as a single class.

Expenses, including counsel fees, reasonably incurred by any such Trustee or officer in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the School in advance of the final disposition thereof upon receipt of an undertaking by such Trustee or officer to repay the amounts so paid to the School if it is ultimately determined that indemnification is not authorized hereunder.

The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any Trustee or officer may be entitled. Nothing contained herein shall affect any rights to indemnification to which corporate personnel other than Trustees or officers may be entitled by contract or otherwise under law. As used in this paragraph, the terms "Trustees" and "officers" include their respective heirs, executors and administrators, and an "interested" Trustee or member is one against whom in such capacity the proceeding in question or another proceeding on the same or similar grounds is then pending.

ARTICLE VIII
Conflict of Interest

Trustees and non-trustees serving on Board committees are required to complete a conflict of interest disclosure form stating any potential conflicts of interest. This form must be completed annually at the first meeting of each year. If a Trustee or non-trustee committee member is absent at their first scheduled meeting they must complete the disclosure form

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before their second scheduled meeting of the year.

A Trustee or non-trustee committee member shall not vote or debate on any transaction with the School in which the Trustee or non-trustee committee member has a direct or indirect interest. A Trustee or non-trustee committee member has an indirect interest in a transaction if:

- a) another entity in which he or she has a material financial interest or in which he or she is a general partner is a party to the transaction; or
- b) another entity of which he or she is a director, officer, or Trustee is a party to the transaction and the transaction is or should be considered by the Board of Trustees of the School.

The Board may approve a transaction in which a Trustee or non-trustee committee member has a direct or indirect interest if the material facts of the transaction and the individual's interest are disclosed to the Board and if the Trustees approving the transaction in good faith reasonably believe that the transaction is fair to the School.

ARTICLE IX Discrimination

There shall be no discrimination by the School in the selection of its governing board, in admission and employment policies, or in the administration of the School's programming because of race, color, religion, national origin, sex, age, sexual orientation or handicapped status in violation of existing state or federal law or regulations.

ARTICLE X Standard of Care

Each Trustee of the School shall discharge his duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Trustee believes to be in the best interest of the School. In their dealings with and on behalf of the School, Trustees are held to a strict rule of honest and fair dealing.

ARTICLE XI Amendments

These Bylaws may be amended only by a majority vote of the Trustees present at a regular or special meeting of the Board provided that notice of the proposed amendment has been stated in the call for the meeting.

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