



GOVERNANCE STANDARDS

Preamble:

The following policies shall guide The Association of Former Students with respect to the selection of members of its Board of Directors and the operations of that body. These policies are in addition to the requirements set forth in The Association's Bylaws adopted October 25, 2003. To the extent that conflicts exist between the Bylaws or these policies, the more restrictive provision shall apply.

Policies:

1. Responsibilities of the Board of Directors of The Association of Former Students:

- (a) Approve the vision and mission of The Association;
- (b) Review and approve the Strategic Plan, including developing an in-depth knowledge of The Association's activities, understanding and questioning the Plan's assumptions, and reaching an independent judgment as to the probability that the Plan can be realized;
- (c) Approve The Association's short-term business plans;
- (d) Monitor and exercise fiduciary care over The Association's performance against its Strategic Plan and short-term (i.e., annual) business plans; including overseeing operating results on a regular basis to evaluate whether the organization is properly managed;
- (e) Monitor the programs and services of The Association;
- (f) Enhance The Association's public standing;
- (g) Ensure ethical behavior and compliance with laws and regulations, auditing and accounting principles, and The Association's own governing documents;
- (h) Ensure that an external financial audit of The Association is performed annually; such audit should include a review of The Association's internal control systems;
- (i) Report to the Leadership Council at its biannual meetings;
- (j) Select, monitor, advise, evaluate, and set the compensation of the Executive Director and other senior executives, and ensure that an orderly and proper management succession plan exists;
- (k) Review and approve material transactions not in the ordinary course of business;

- (l) Regularly assess its own effectiveness in fulfilling these and other Board responsibilities; and
 - (m) Perform such other functions as are prescribed by law, requested by the Leadership Council, or assigned to the Board in The Association's governing documents.
2. The following policies set forth the delineation of duties among the Board, Executive Committee, and The Association's management team:
- (a) The Board is responsible for the activities noted in Item 1 above;
 - (b) The Executive Committee of the Board should be responsible for the following:
 - i. Conduct the affairs of the Board between Board meetings (See Bylaws Article II, Section 4);
 - ii. Assist the Executive Director in setting agendas for upcoming Board meetings;
 - iii. Annually review the performance of the Executive Director, prepare compensation recommendations and submit the foregoing for consideration by the full Board; and
 - (c) The Association's management shall implement the policies and objectives of the organization in a manner consistent with its mission (see Bylaws Article II, Section 2).
3. Minimum standards for membership on the Board of Directors:

In order to be considered for initial or continuing membership on the Board of Directors of The Association, a potential nominee and/or Director shall, in good faith, endeavor to meet the following standards:

- (a) Understand The Association's vision, mission, charter and Bylaws;
- (b) Exhibit (1) a history of mature, committed, and stable management and/or governance for other organizations (or appear to have the capability to do so) and (2) a pattern of ethical behavior;
- (c) Commit to exercise a "duty of care" and to fulfill a "duty of loyalty" to The Association;
- (d) Is a consistent "active Member" of The Association;
- (e) Assist The Association in its fundraising activities to the extent practical and/or as appropriate;
- (f) Is an advocate of Texas A&M University and The Association;

- (g) Subject to individual circumstances, each Director shall be expected to attend at least 75% of all Board meetings and applicable Committee meetings [attendance for these purposes shall mean being present from the beginning of the meeting(s) to the end of the meeting(s)];
 - (h) Exhibit a pattern of participation in The Association's activities;
 - (i) Annually participate in some of The Association's events in his/her local area (i.e., local A&M Club meetings, Musters, Coach's Nights and Council Connections);
 - (j) Has maintained compliance with The Association Ethics Statement and Conflicts of Interest Policy for Board Members (mandatory for continuing membership on the Board); and
 - (k) Has not been removed by the Board as set forth in Bylaws Article XIII.
4. With respect to Item 1(l) above, the Board should periodically review its effectiveness. This review should include, at a minimum, the following matters: attendance, compliance with ethics policies, active membership through the Annual Fund, committee structure, plan approvals and reviews, annual audit, and compliance with Bylaws (see item 1 above).
 5. The Board should periodically review and, if necessary, modify these governance standards.
 6. The Association shall include and/or publish these governance standards with The Association's Annual Report, on AggieNetwork.com, and in other Association media as appropriate.