



BOARD OF TRUSTEES BYLAWS

American International University, Kuwait

Date of Adoption: _____

Signature of Board Chair: _____

Secretary of the Board: _____

Table of Contents

ARTICLE I: NAME, LEGAL STATUS, AND PURPOSE.....	4
SECTION 1.1. NAME.....	4
SECTION 1.2. LEGAL AUTHORITY	4
SECTION 1.3. PURPOSE AND AUTHORITY OF THE BOARD	4
ARTICLE II: INSTITUTIONAL MISSION AND STRATEGIC DIRECTION	4
SECTION 2.1. MISSION STEWARDSHIP	4
SECTION 2.2. AMENDMENT OF MISSION	4
SECTION 2.3. STRATEGIC PLAN OVERSIGHT	4
ARTICLE III: BOARD COMPOSITION AND INDEPENDENCE	5
SECTION 3.1. SIZE OF THE BOARD	5
SECTION 3.2. INDEPENDENCE REQUIREMENT - VOTING MAJORITY	5
SECTION 3.3. BOARD CHAIR - NON-INDEPENDENT PERMITTED WITH STRUCTURAL SAFEGUARDS.....	5
SECTION 3.4. TRUSTEE CATEGORIES	6
SECTION 3.5. TERMS OF SERVICE	6
SECTION 3.6. NOMINATION AND APPOINTMENT	6
SECTION 3.7. REMOVAL	7
SECTION 3.8. RESIGNATION.....	7
SECTION 3.9. VACANCIES	7
ARTICLE IV: OFFICERS OF THE BOARD	7
SECTION 4.1. OFFICERS	7
SECTION 4.2. BOARD CHAIR	7
SECTION 4.3. VICE CHAIR FOR GOVERNANCE.....	7
SECTION 4.4. VICE CHAIR FOR INSTITUTIONAL RELATIONS AND CHAIR DESIGNEE.....	8
SECTION 4.5. THE BOARD LIAISON TO THE PRESIDENT.....	8
SECTION 4.6. SECRETARY	8
SECTION 4.7. NO CONCENTRATION OF OFFICE.....	9
ARTICLE V: BOARD MEETINGS AND QUORUM.....	9
SECTION 5.1. REGULAR MEETINGS	9
SECTION 5.2. SPECIAL MEETINGS.....	9
SECTION 5.3. QUORUM - INDEPENDENT MAJORITY REQUIRED.....	9
SECTION 5.4. VOTING	9
SECTION 5.5. NOTICE OF MEETINGS	9
SECTION 5.6. MEETING FORMAT	9
SECTION 5.7. ACTION WITHOUT A MEETING	9
SECTION 5.8. MINUTES.....	10
ARTICLE VI: STANDING COMMITTEES	10
SECTION 6.1. GENERAL COMMITTEE RULES	10
SECTION 6.2. EXECUTIVE COMMITTEE	10
SECTION 6.3. FINANCE COMMITTEE	10
SECTION 6.4. ACADEMIC AFFAIRS COMMITTEE.....	10
SECTION 6.5. AUDIT AND RISK COMMITTEE.....	11
SECTION 6.6. AD HOC COMMITTEES	11

ARTICLE VII: TRUSTEE RESPONSIBILITIES AND FIDUCIARY DUTIES	11
SECTION 7.1. THE THREE FIDUCIARY DUTIES	11
SECTION 7.2. TRUSTEE CONDUCT STANDARDS	11
SECTION 7.3. CONFLICT OF INTEREST - NON-INDEPENDENT MEMBERS	11
SECTION 7.4. CHAIR'S CONFLICTS - SPECIAL ATTENTION	12
SECTION 7.5. CONFIDENTIALITY	12
SECTION 7.6. NO INDIVIDUAL AUTHORITY.....	12
ARTICLE VIII: MATTERS RESERVED TO THE BOARD	12
SECTION 8.1. RESERVED POWERS	12
ARTICLE IX: RELATED ENTITY - FOUNDING OWNERSHIP.....	13
SECTION 9.1. PERMITTED RESERVE POWERS OF THE FOUNDING ENTITY	13
SECTION 9.2. PROHIBITED RESERVE POWERS	13
SECTION 9.3. BOARD MAKES THE FIRST DECISION	13
ARTICLE X: PRESIDENTIAL AUTHORITY AND OVERSIGHT	13
SECTION 10.1. PRESIDENTIAL APPOINTMENT	13
SECTION 10.2. SEPARATION OF GOVERNANCE AND MANAGEMENT	13
SECTION 10.3. ANNUAL PRESIDENTIAL EVALUATION.....	13
ARTICLE XI: SHARED GOVERNANCE AND ACADEMIC AUTHORITY	14
SECTION 11.1. FACULTY COUNCIL AUTHORITY.....	14
SECTION 11.2. ACADEMIC FREEDOM	14
ARTICLE XII: SELF-EVALUATION AND DEVELOPMENT	14
SECTION 12.1. ANNUAL SELF-EVALUATION	14
SECTION 12.2. ANNUAL COMPLIANCE CERTIFICATION	14
ARTICLE XIII: ACCREDITATION OVERSIGHT	14
SECTION 13.1. BOARD RESPONSIBILITY	14
SECTION 13.2. DISCLOSURE OF GOVERNANCE STRUCTURE.....	14
SECTION 13.3. ACCREDITATION LIAISON OFFICER	14
ARTICLE XIV: WHISTLEBLOWER PROTECTIONS AND INTEGRITY.....	15
SECTION 14.1. WHISTLEBLOWER PROTECTIONS	15
ARTICLE XV: INDEMNIFICATION	15
SECTION 15.1. SCOPE	15
ARTICLE XVI: AMENDMENT OF BYLAWS.....	15
SECTION 16.1. PROCESS.....	15
SECTION 16.2. EMERGENCY AMENDMENTS	15
ARTICLE XVII: EFFECTIVE DATE AND ADOPTION	15
SECTION 17.1. EFFECTIVE DATE.....	15
CERTIFICATION OF ADOPTION	15
APPENDIX A: WSCUC COMPLIANCE SUMMARY - SIX SAFEGUARDS	16
APPENDIX B: GOVERNING POLICY FRAMEWORK	17

ARTICLE I: NAME, LEGAL STATUS, AND PURPOSE

Section 1.1. Name

These are the Bylaws of the Board of Trustees of American International University, Kuwait ("AIU" or "the University"), a private higher education institution established and operating under the laws of the State of Kuwait.

Section 1.2. Legal Authority

AIU is established and operates pursuant to applicable Kuwaiti law, including the regulations of the Private Universities Council ("PUC"). These Bylaws are adopted pursuant to and consistent with AIU's foundational governance documents and the policies adopted by the Board, specifically GOV-001 (Board of Trustees Charter) and GOV-008 (Institutional Governance Structure Policy).

Section 1.3. Purpose and Authority of the Board

The Board of Trustees ("Board") is the highest governing authority of the University. The Board exists to advance AIU's mission, ensure institutional integrity, provide fiduciary oversight, and guarantee that every student receives an education of genuine quality. The Board governs the University; it does not manage it.

The Board exercises its authority collectively. No individual trustee has authority to act on behalf of the University except as expressly authorized by formal action of the full Board.

ARTICLE II: INSTITUTIONAL MISSION AND STRATEGIC DIRECTION

Section 2.1. Mission Stewardship

The Board is the ultimate steward of AIU's mission. The Board shall approve the institutional mission and ensure that all decisions remain aligned with it.

Section 2.2. Amendment of Mission

The institutional mission, vision, and core values may be amended only by a two-thirds vote of all voting trustees at a duly constituted Board meeting, preceded by documented stakeholder consultation.

Section 2.3. Strategic Plan Oversight

The Board shall approve the institutional strategic plan and monitor its implementation through regular reports from the President. The strategic plan shall be reviewed no less than every five years.

ARTICLE III: BOARD COMPOSITION AND INDEPENDENCE

Section 3.1. Size of the Board

The Board shall consist of no fewer than nine (9) and no more than fifteen (15) voting trustees. The University President serves as a non-voting ex officio member of the Board without voting rights on any matter.

Section 3.2. Independence Requirement - Voting Majority

A minimum of fifty percent (50%) plus one of all voting trustees must be independent. This is a non-negotiable threshold requirement of the Accrediting agency Governing Board Policy. The Board may not take any vote, at a regular meeting, special meeting, or in committee, unless a majority of those present and voting are independent.

An independent trustee is a member who has no direct or indirect contractual, employment, personal, familial, or financial interest in AIU or its affiliated entities that could impair objective judgment. An independent trustee shall not:

- Be a current or recent (within two years) employee of the University;
- Be compensated by the University other than for approved travel expenses;
- Have any ownership or equity interest in the University or a related entity;
- Be an immediate family member of a University executive officer or fellow trustee;
- Have any other relationship that a reasonable person would conclude could impair independent fiduciary judgment.

Section 3.3. Board Chair - Non-Independent Permitted with Structural Safeguards

AIU adopts the Non-Independent Chair model, with a Non-Independent Chair and an Independent Vice Chair. The Chair of the Board may be a non-independent trustee (including the founding owner of the institution), provided that all six structural safeguards below are satisfied simultaneously and at all times:

- **Safeguard 1 Independent Voting Majority:** A majority of all voting Board members must be independent, and a quorum for any Board action must include a majority of independent members.
- **Safeguard 2 Independent Vice Chair for Governance:** The Vice Chair for Governance of the Board must be an independent trustee. This requirement is mandatory and may not be waived. The Vice Chair for Institutional Relations, who serves as Chair Designee, may be a non-independent trustee, but holds none of the governance-critical functions reserved to the Vice Chair for Governance.
- **Safeguard 3 No Committee Chair Role:** The Board Chair shall not serve as Chair of any standing committee, including the Executive Committee. This requirement directly implements Accreditation Implementation Guide guidance: "No one member should serve as

chair of multiple committees. This ensures that control is not concentrated in just one person, such as the board chair."

- **Safeguard 4 Circumscribed Chair Authority:** The Chair does not act unilaterally. The Chair acts only with the advance approval of the Board or the Executive Committee, and respects all limits on Chair authority set forth in these Bylaws. The Accreditation Implementation Guide states explicitly: "The board chair does not have extensive authority to act alone but ordinarily acts with the advance approval and consent of the board or the board's executive committee."
- **Safeguard 5 Recusal on Conflicts:** The Chair, as a non-independent member, must recuse from deliberations and votes on any matter in which the Chair has a financial, personal, or familial interest, including without limitation: any transaction involving the founding entity or its affiliates; the evaluation, compensation, or removal of the President; related-party transactions.
- **Safeguard 6 Independent Committee Majorities:** Every standing committee must have an independent majority and must be chaired by an independent trustee.

Section 3.4. Trustee Categories

The Board consists of the following categories:

- **Founding-Owner Trustee (Non-Independent):** The founding owner(s) of AIU, serving by virtue of institutional founding authority. Founding trustees are subject to all conflict-of-interest requirements and must recuse from matters involving personal financial interests. A founding trustee may serve as Board Chair subject to the six safeguards in Section 3.3.
- **Designated Non-Independent Trustees:** A founding-owner's family member may serve on the Board and on committees as a member (not Chair), may serve as Vice Chair for Institutional Relations and Chair Designee, but shall not serve as Chair or Vice Chair for Governance of the Board, and shall not Chair any standing committee.
- **Independent Trustees:** Persons who satisfy the independence standard of Section 3.2 in all respects. Independent trustees must constitute a voting majority at all times.
- **Ex Officio Trustee:** The University President, who attends Board meetings in an advisory capacity without voting rights on any matter.

Section 3.5. Terms of Service

Trustees shall serve staggered three-year terms. Approximately one-third of seats shall be eligible for renewal each year. Trustees continue serving until successors are duly appointed and qualified. No trustee shall serve more than three consecutive three-year terms without a minimum one-year break, unless approved by two-thirds of the Board for exceptional continuity reasons.

Section 3.6. Nomination and Appointment

All nominations follow GOV-005 (Board Nomination and Appointment Policy). The nominating function resides with the Executive Committee, which must have an independent majority. No

single person, including the founding owner, may nominate or appoint a majority of Board members at will, without process, or in a manner inconsistent with these Bylaws.

Section 3.7. Removal

A trustee may be removed by a two-thirds vote of all voting trustees for cause, including breach of fiduciary duty, conflict-of-interest violations, three or more consecutive unexcused absences, misconduct, or actions detrimental to the University. No single person, including the founding owner, may remove a trustee at will. The trustee subject to removal receives written notice at least 15 days in advance and the opportunity to address the Board before a vote.

Section 3.8. Resignation

A trustee resigns by submitting written notice to the Chair. Resignation takes effect on the date specified or upon receipt if no date is given.

Section 3.9. Vacancies

Vacancies are filled by the Executive Committee, subject to ratification by the full Board at its next meeting. All appointments maintain the required independent majority.

ARTICLE IV: OFFICERS OF THE BOARD

Section 4.1. Officers

The officers of the Board are: the Chair, the Vice Chair for Governance, the Vice Chair for Institutional Relations-Chair Designee and the Secretary.

Section 4.2. Board Chair

The Chair is the principal officer of the Board. The Chair presides at all meetings of the Board at which the Chair is present; sets the agenda in collaboration with the President; serves as the Board's authorized signatory for institutional documents; acts as the Board's principal spokesperson; and performs all duties incident to the office of Board Chair. The Chair may be a non-independent trustee. Where the Chair is non-independent, the Chair shall recuse from deliberations and votes involving the Chair's personal financial interests, the evaluation or compensation of the President, and related-party transactions involving affiliated entities, in which case the Vice Chair for Governance presides.

Section 4.3. Vice Chair for Governance

The Vice Chair for Governance shall be an independent trustee. This requirement is mandatory and may not be waived. The Vice Chair for Governance assumes all Chair responsibilities: (a) in the Chair's documented absence from a Board or committee meeting; (b) whenever the Chair is recused from a specific matter due to a conflict of interest; and (c) in any matter involving the evaluation, compensation, continuation, or removal of the President. The Vice Chair for Governance chairs the Executive Committee. The Vice Chair for Governance serves as the Board's primary independence backstop and is the presiding officer for all matters on which the Chair has

or may have a conflict. The Vice Chair for Governance is elected by majority vote of all voting trustees and must satisfy the independence requirements of Section 3.2 at all times during service.

Section 4.4. Vice Chair for Institutional Relations and Chair Designee

The Board may designate a non-independent trustee as Vice Chair for Institutional Relations. This officer holds the title of Vice Chair. The Vice Chair for Institutional Relations serves as the Chair Designee and as Board Liaison to the President. The Vice Chair for Institutional Relations does not hold the governance-critical functions of the Vice Chair for Governance and may not preside over any meeting at which the Chair is recused due to a conflict of interest.

The Chair Designee: (a) assumes the powers and duties of the Chair in the Chair's documented absence or incapacity; (b) serves as the primary operational liaison between the Chair and the President; (c) may sign operational Board correspondence as Chair Designee, acting on behalf of the Chair of the Board of Trustees for matters within the Chair's administrative authority; (d) represents the Board Chair at institutional events and meetings where the Chair is not present. The Chair Designee does not replace the Vice Chair for Governance's critical functions. Whenever the Chair is recused due to a conflict of interest, the Vice Chair for Governance not the Chair Designee, presides, regardless of whether the Chair is physically absent. The Chair Designee designation shall be recorded in Board minutes and disclosed to Accrediting agency.

Section 4.5. The Board Liaison to the President

The Chair Designee shall serve ex officio as the Board's designated Liaison to the President. The Board Liaison: (a) meets with the President at such frequency as the Chair directs or circumstances require; (b) receives Presidential briefings on institutional performance, accreditation matters, budget status, and strategic priorities; (c) communicates Board guidance to the President on matters within the Chair's authority; (d) escalates matters requiring full Board attention to the Chair or, in urgent matters, to the Vice Chair for Governance and the full Board. The Board Liaison does not have independent authority to direct institutional operations, override Presidential decisions, commit institutional resources, or take any action reserved to the full Board. The Board Liaison's meetings with the President shall be documented by brief written summaries maintained by the President's Office and available to all Board members. This transparency requirement ensures the Board Liaison function supports rather than supplants shared governance.

Section 4.6. Secretary

The Secretary shall be elected by majority vote of all voting trustees at the first regular meeting of each academic year, or appointed by the Board Chair with ratification by the Board. The Secretary serves a one-year term, renewable annually, and serves at the pleasure of the full Board. The Secretary may be a voting trustee or a designated Board staff officer who is not a trustee; in the latter case, the Secretary does not vote on any matter. The Secretary records and authenticates all Board and committee minutes, issues meeting notices in compliance with these Bylaws, and certifies governance records for submission to accreditors and regulatory authorities. The Secretary annually certifies in writing to the Board that all six safeguards of Section 3.3 remain satisfied.

Section 4.7. No Concentration of Office

No trustee shall serve simultaneously as Chair of the Board and Chair of any standing committee. No trustee shall Chair more than one committee. These rules are mandatory and implement WSCUC Implementation Guide guidance against concentration of control.

ARTICLE V: BOARD MEETINGS AND QUORUM

Section 5.1. Regular Meetings

The Board shall hold a minimum of two (2) regular meetings per academic year, normally in October and April. A Board meeting schedule shall be published in the institutional Governance Calendar at the start of each year.

Section 5.2. Special Meetings

Special meetings may be convened by the Chair, the President, or upon written request of one-third of voting trustees. Notice at least five (5) calendar days in advance, except in documented emergencies. Special meetings address only the matters stated in the notice.

Section 5.3. Quorum - Independent Majority Required

A quorum for any Board action consists of a simple majority of current voting trustees, provided that independent trustees constitute a majority of those present. No vote may be taken unless independent trustees are in the majority among those present. This requirement implements WSCUC Governing Board Policy directly.

Section 5.4. Voting

Decisions are made by majority vote of trustees present and voting. The following require a two-thirds vote of all voting trustees: amendment of these Bylaws; removal of a trustee; removal of the President; amendment of the institutional mission.

Proxy voting is not permitted. Trustees may not delegate their vote.

Section 5.5. Notice of Meetings

Written notice of all meetings shall be provided at least fifteen (15) calendar days before a regular meeting and at least five (5) calendar days before a special meeting. Notice includes date, time, location, and agenda.

Section 5.6. Meeting Format

Meetings may be in person, by videoconference, telephone conference, or hybrid. All participants must be able to communicate simultaneously. Remote participants count for quorum purposes and may vote.

Section 5.7. Action Without a Meeting

The Board may act by unanimous written consent of all voting trustees. The action is documented as a Board resolution and entered in the official minutes.

Section 5.8. Minutes

Accurate minutes of every Board and committee meeting shall be prepared and distributed within fifteen (15) days. Minutes are approved at the next meeting, signed by the Chair and Secretary, and retained permanently. Minutes constitute primary evidence for WSCUC accreditation review.

ARTICLE VI: STANDING COMMITTEES

Section 6.1. General Committee Rules

Every standing committee shall: (a) have a minimum of three members; (b) have a majority of independent members; (c) be chaired by an independent trustee; and (d) maintain its own minutes. No one person shall Chair more than one standing committee. The Board Chair shall not Chair any standing committee.

Section 6.2. Executive Committee

Composition: Minimum four members. Chair: an independent trustee (recommended: the Board Vice Chair for Governance). Members: at least three additional trustees, of whom a majority must be independent. Non-independent members including the founding owner's family member may serve as Committee members. The Board Chair may attend Executive Committee meetings at the Vice Chair for Governance's invitation for specific agenda items. The Chair does not attend the portion of any Executive Committee meeting addressing the Chair's own performance, related-party transactions, or any matter from which the Chair would be recused at a full Board meeting.

Authority: May act on behalf of the full Board between regular meetings on urgent matters. Actions are reported to and ratified by the full Board at its next meeting. The Executive Committee may not: amend these Bylaws; remove the President; or take actions requiring supermajority vote.

Additional functions: Oversees Board recruitment, trustee orientation and development, Board succession planning, annual trustee performance assessment, and governance policy review. Nominates trustee candidates (with independent majority on Committee).

Section 6.3. Finance Committee

Composition: Minimum three members, independent majority, independent Chair. At least one member with financial expertise. President and VP Administration attend as resources without voting rights.

Functions: Reviews and recommends annual budget; monitors financial sustainability; reviews related-party transactions before Board action.

Section 6.4. Academic Affairs Committee

Composition: Minimum three members, independent majority, independent Chair. At least one member with higher education experience. VPAA and Faculty Council Chair attend as resources without voting rights.

Functions: Oversees academic quality and accreditation compliance; receives Faculty Council annual reports; reviews student success and outcomes data; reviews new program proposals.

Section 6.5. Audit and Risk Committee

Composition: Minimum three INDEPENDENT trustees (no non-independent members may serve on this committee). Independent Chair. Internal and external auditors report directly to this Committee.

Functions: Oversees internal audit; reviews risk management framework; monitors financial controls; receives whistleblower reports; endorses appointment and dismissal of external auditors.

Section 6.6. Ad Hoc Committees

The Chair may establish ad hoc committees for defined purposes. Ad hoc committees report to the full Board and are dissolved upon completion of their charge.

ARTICLE VII: TRUSTEE RESPONSIBILITIES AND FIDUCIARY DUTIES

Section 7.1. The Three Fiduciary Duties

Every trustee, independent or non-independent, founding owner or appointed member, owes three fundamental duties exclusively to the University:

- Duty of Care: To make decisions with the care a reasonably prudent person would exercise.
- Duty of Loyalty: To act solely in the best interests of AIU, not in the interests of the founding entity, family members, personal investment interests, or any other constituency.
- Duty of Obedience: To ensure AIU pursues its stated mission and complies with its legal obligations and governance documents.

Section 7.2. Trustee Conduct Standards

All trustees shall: attend meetings regularly and arrive prepared; review materials in advance; exercise independent judgment including when that judgment differs from the Chair or founding ownership; maintain confidentiality; complete Annual Conflict of Interest Disclosure by September 30 each year; and comply with all Board policies.

Section 7.3. Conflict of Interest - Non-Independent Members

Non-independent trustees have an affirmative duty to identify and disclose all actual, potential, or perceived conflicts of interest promptly. Non-independent trustees shall:

- Recuse from deliberations and votes on any matter in which they have a financial interest;
- Recuse from all deliberations and votes on related-party transactions involving the founding entity or its affiliates;
- Recuse from deliberations and votes on the evaluation, compensation, or removal of the President;

- Not attempt to influence other trustees on matters from which they are recused.

Recusals shall be confirmed by the presiding officer (Chair or Vice Chair for Governance, as appropriate) and documented in the minutes.

Section 7.4. Chair's Conflicts - Special Attention

Given the Chair's special leadership role in setting agendas, making appointments, and leading discussions, the Accrediting agency Implementation Guide requires particular attention to Chair conflicts. The Chair is expected to act in the best interests of the educational institution at all times when acting as Chair, regardless of the Chair's other roles or relationships. The Vice Chair for Governance monitors this obligation and may raise compliance concerns with the Board.

Section 7.5. Confidentiality

All trustees shall hold non-public institutional information in strict confidence during and after their service.

Section 7.6. No Individual Authority

No trustee has authority to act individually on behalf of the University without specific Board authorization, including the Chair. Trustees shall not direct University staff, commit institutional resources, or represent AIU's position on any matter without explicit Board authorization.

ARTICLE VIII: MATTERS RESERVED TO THE BOARD

Section 8.1. Reserved Powers

The following are reserved exclusively to the Board and may not be delegated:

- Approval and amendment of institutional mission, vision, and core values;
- Appointment, evaluation, compensation, and removal of the President;
- Approval of the annual operating budget and major financial transactions as defined in the Board's Financial Authority Matrix, approved by the Finance Committee and reviewed annually, which specifies the threshold above which individual financial commitments require full Board approval;
- Approval of the institutional strategic plan;
- Approval and amendment of governance policies;
- Granting of academic degrees upon Faculty Council recommendation;
- Approval of new academic Schools and major structural changes;
- Endorsement of Accrediting agency substantive change notifications;
- Approval of related-party transactions after Audit and Risk Committee review;
- Adoption and amendment of these Bylaws.

On all reserved-power matters, non-independent trustees — including the Chair — must recuse from votes where they have a conflict of interest. The presiding officer when the Chair is recused is

the Vice Chair for Governance, who is the mandatory independent officer for all matters involving the Chair's potential conflicts.

ARTICLE IX: RELATED ENTITY - FOUNDING OWNERSHIP

Section 9.1. Permitted Reserve Powers of the Founding Entity

The founding entity may retain certain reserve powers as set forth in the institution's foundational documents, consistent with Accrediting agency's Related Entities Policy. Permissible reserve powers include: approval of the sale of substantially all institutional assets; approval of dissolution; and appointment of founding-designated Board seats up to the non-independent minority.

Section 9.2. Prohibited Reserve Powers

The following powers may NOT be reserved to the founding entity and must reside with the Board:

- Approval of the annual operating budget;
- Appointment and discharge of the President and senior administrators;
- Appointment of more than a minority of Board members;
- Approval of all ordinary academic, financial, and operational decisions.

Section 9.3. Board Makes the First Decision

Where a power is reserved to the founding entity (such as final approval of asset sales), the Board shall always make the initial institutional decision. The founding entity retains only the power of final approval; it does not substitute for the Board's deliberative process.

ARTICLE X: PRESIDENTIAL AUTHORITY AND OVERSIGHT

Section 10.1. Presidential Appointment

The Board appoints the President as chief executive officer. The President is accountable to the Board for all institutional operations. The Vice Chair for Governance, as presiding independent officer, leads any Board action involving the President's evaluation, compensation, or removal if the Chair is recused.

Section 10.2. Separation of Governance and Management

The Board governs; the President manages. Trustees, including the Chair, shall not individually direct University staff, intervene in academic decisions, or engage in day-to-day operations.

Section 10.3. Annual Presidential Evaluation

The Board conducts a formal presidential evaluation annually, led by the Vice Chair for Governance and the Executive Committee, with the Chair recusing from the vote if the Chair has a conflict. The process follows GOV-006.

ARTICLE XI: SHARED GOVERNANCE AND ACADEMIC AUTHORITY

Section 11.1. Faculty Council Authority

The Faculty Council holds binding authority over curricula, academic standards, degree requirements, and academic integrity policies. Faculty Council authority is real in effect and is not subject to unilateral override by the Chair, individual trustees, or the founding ownership.

Section 11.2. Academic Freedom

The Board affirms AIU's commitment to academic freedom under ACA-002. Academic freedom protections apply regardless of the institutional ownership structure.

ARTICLE XII: SELF-EVALUATION AND DEVELOPMENT

Section 12.1. Annual Self-Evaluation

The Board shall conduct a formal self-evaluation at least annually. The evaluation shall include explicit assessment of: independence of Board operations; Chair conduct and circumscribed authority; committee independence; and compliance with all six safeguards in Section 3.3.

Section 12.2. Annual Compliance Certification

The Board Secretary shall annually prepare and present to the full Board a written Governance Compliance Certificate confirming that: (a) a majority of voting members are independent; (b) the Vice Chair for Governance is independent; (c) no trustee Chairs more than one committee; (d) the Chair has not Chaired any committee; (e) independent majorities have been maintained in all committees; and (f) all recusals required by these Bylaws have been documented in minutes. The Certificate is retained as accreditation evidence.

ARTICLE XIII: ACCREDITATION OVERSIGHT

Section 13.1. Board Responsibility

The Board holds ultimate responsibility for accreditation compliance. Board governance quality, including ownership structure, Chair independence status, and committee composition, is a direct subject of Accrediting agency review.

Section 13.2. Disclosure of Governance Structure

AIU shall accurately represent its Board governance structure to Accrediting agency, including the independence status of each trustee (independent / non-independent / ex officio).

Section 13.3. Accreditation Liaison Officer

The President designates an ALO who keeps the Board informed of accreditation requirements. Accrediting agency substantive change notifications require Board endorsement before submission.

ARTICLE XIV: WHISTLEBLOWER PROTECTIONS AND INTEGRITY

Section 14.1. Whistleblower Protections

The Board affirms protections for good-faith reporters under GOV-003. The Audit and Risk Committee, composed entirely of independent trustees, receives whistleblower reports. No trustee may retaliate against a reporter.

ARTICLE XV: INDEMNIFICATION

Section 15.1. Scope

The University shall, to the extent permitted by Kuwaiti law, indemnify trustees acting in good faith in the best interests of the University. Indemnification does not apply where a trustee has acted in bad faith, with gross negligence, or in willful violation of law or fiduciary duty.

ARTICLE XVI: AMENDMENT OF BYLAWS

Section 16.1. Process

These Bylaws may be amended by a two-thirds vote of all voting trustees, provided that: (a) the proposed amendment has been circulated in writing to all trustees at least thirty (30) days in advance; (b) the Executive Committee has reviewed it for legal and accreditation compliance; and (c) the amendment does not reduce the structural safeguards of Section 3.3 below the minimum required by C Governing Board Policy.

Section 16.2. Emergency Amendments

Immediate amendments required by law, PUC regulation, or Accrediting agency are adopted by two-thirds vote with reduced notice, ratified at the next regular meeting.

ARTICLE XVII: EFFECTIVE DATE AND ADOPTION

Section 17.1. Effective Date

These Bylaws are effective upon adoption by the Board at a duly constituted meeting by two-thirds vote of all voting trustees.

CERTIFICATION OF ADOPTION

I, the undersigned Secretary of the Board of Trustees of American International University, Kuwait, hereby certify that the foregoing Bylaws were duly adopted by the Board of Trustees at its meeting held on _____, 2026, by a vote of _____ in favor, _____ opposed, and _____ abstaining, constituting the requisite two-thirds majority of all voting trustees.

Board Chair (Non-Independent): _____ Date: _____

Vice Chair for Governance (Independent): _____ Date: _____

Secretary of the Board: _____ Date: _____

APPENDIX A: WSCUC COMPLIANCE SUMMARY - SIX SAFEGUARDS

This appendix summarizes how the AIU governance structure satisfies WSCUC requirements despite the non-independent Chair. It is intended to be included with the Alignment Review Submission Form.

WSCUC Requirement	AIU Structural Response	Bylaw Reference
Independent majority of all voting members	Non-independent members (Chair + family member) are fewer than half; independent trustees constitute 50%+1 minimum at all times	<i>Art. III, Secs. 3.2, 3.3</i>
Independent majority of quorum for action	No vote may be taken unless independent trustees are in the majority among those present	<i>Art. V, Sec. 5.3</i>
Chair independence or circumscribed Chair authority	Chair may be non-independent (AUBH precedent); Chair authority is limited by Bylaws; Chair requires Board/Exec Cmte approval to act; Chair recuses on conflicts	<i>Art. III, Sec. 3.3; Art. IV, Sec. 4.2</i>
Vice Chair for Governance must be independent	Vice Chair for Governance is mandatory independent trustee; presides when Chair is recused	<i>Art. IV, Sec. 4.3</i>
Chair may not Chair any committee	Expressly prohibited; Chair may attend Executive Committee only at Vice Chair for Governance's invitation for specific agenda items; excluded from all conflict-of-interest matters.	<i>Art. IV, Sec. 4.5; Art. VI, Sec. 6.2</i>
All committees: independent majority and independent Chair	Mandatory for all 4 standing committees; Audit Cmte is all-independent; Exec Cmte Chair is independent (not Chair of Board)	<i>Art. VI, Sec. 6.1</i>
No single person controls nominations or removals	Executive Cmte (independent majority) controls nominations; removal requires 2/3 Board vote	<i>Art. III, Secs. 3.6, 3.7</i>
Founding entity reserve powers are limited	Reserve powers expressly capped; Board makes all ordinary decisions; founding entity retains only extraordinary reserve powers	<i>Art. IX</i>
Annual compliance certification	Board Secretary certifies all six safeguards annually in writing	<i>Art. XII, Sec. 12.2</i>
Conflict-of-interest disclosure and recusal	Annual disclosure; mandatory recusal documented in minutes	<i>Art. VII, Secs. 7.3–7.4</i>

APPENDIX B: GOVERNING POLICY FRAMEWORK

Code	Policy Title	Bylaws Articles
GOV-001	Board of Trustees Charter	Arts. III, V, VI, VIII
GOV-002	Conflict of Interest Policy	Art. VII
GOV-003	Whistleblower Policy	Art. XIV
GOV-004	Presidential Authority and Delegation	Art. X
GOV-005	Board Nomination and Appointment	Art. III, Secs. 3.5–3.9
GOV-006 (BoT)	Board Self-Evaluation Policy	Art. XII
GOV-006 (Pres)	Presidential Evaluation Policy	Art. X, Sec. 10.3
GOV-008	Institutional Governance Structure	Arts. I, II, X, XI, XIII
ACA-002	Academic Freedom Policy	Art. XI
FAC-001	Faculty Council Charter	Art. XI
WSCUC GBP	WSCUC Governing Board Policy (2017)	Arts. III, V, VI
WSCUC GBPIG	WSCUC Implementation Guide (2017)	Arts. III, IV, VI



BOARD OF TRUSTEES

Executive Committee Charter

American International University, Kuwait

Date of Adoption: _____

Signature of Board Chair: _____

Table of Contents

1. ESTABLISHMENT	3
2. PURPOSE	3
3. DELEGATED AUTHORITY AND STRICT LIMITATIONS	4
3.1 DELEGATED AUTHORITY	4
3.2 RESERVED POWERS - MATTERS THAT MAY NEVER BE DELEGATED	4
3.3 OWNERSHIP AND INDEPENDENCE SAFEGUARDS.....	5
4. COMPOSITION AND MEMBERSHIP	5
4.1 MEMBERSHIP REQUIREMENTS.....	5
4.2 TERM.....	5
4.3 QUORUM	5
5. MEETINGS AND PROCEDURES	6
5.1 CONVENING.....	6
5.2 VOTING.....	6
5.3 MINUTES AND RECORD	6
5.4 EMERGENCY WRITTEN RESOLUTIONS.....	6
6. GOVERNANCE CALENDAR OVERSIGHT	6
7. BOARD COMPOSITION AND DEVELOPMENT FUNCTIONS.....	7
7.1 TRUSTEE NOMINATION AND APPOINTMENT	7
7.2 TRUSTEE ORIENTATION AND ONBOARDING.....	8
7.3 ANNUAL TRUSTEE PERFORMANCE ASSESSMENT.....	9
7.4 GOVERNANCE POLICY REVIEW.....	10
7.5 BOARD SUCCESSION PLANNING	11
8. REPORTING TO THE BOARD	12
9. ACCOUNTABILITY AND REVIEW OF USE.....	12
10. CONFIDENTIALITY	13
11. CHARTER APPROVAL, AMENDMENT, AND REVIEW	13
APPROVAL MATRIX.....	13

1. Establishment

The Executive Committee (the "Committee") is a standing committee of the Board of Trustees of American International University - Kuwait ("AIU" or the "University"). It is established pursuant to the Board of Trustees Charter (AIU-GOV-001), which designates the Executive Committee as the body authorised to act on behalf of the full Board between regularly scheduled Board meetings on urgent matters that cannot await the next full Board session.

The Committee is constituted as a practical governance mechanism to ensure that AIU's Board-level decision-making capacity is not interrupted between scheduled meetings. It is not a steering committee, a management committee, or a body that supplants the authority of the full Board. Its powers are strictly limited, its decisions are temporary until ratified, and it is accountable to the full Board for every action it takes.

This Charter has been drafted with particular care to ensure that the Executive Committee's powers cannot be used, intentionally or inadvertently, to concentrate governance authority in a small group of members or to reduce the effective governance role of independent Board members. This concern is directly relevant to Accrediting agency requirement, which requires that the Board govern as a body and that no individual or subgroup exercise undue authority over institutional decisions.

This Charter governs the Committee's mandate, composition, authority, limitations, operating procedures, and reporting obligations.

2. Purpose

The Executive Committee exists solely to:

1. Act on behalf of the full Board when an urgent matter arises between regularly scheduled Board meetings and the delay required to convene a full Board session would cause material harm to the institution or create an unacceptable governance gap;
2. Provide a forum for the Board Chair to consult with senior Board members on sensitive or confidential matters prior to full Board deliberation, without making binding decisions outside the defined scope of the Committee's delegated authority;
3. Oversee Board governance processes between meetings, including monitoring that Committee Chairs are fulfilling their Charter obligations and that the Board's annual governance calendar is on schedule.

The Committee has no standing authority to direct institutional management, oversee academic or financial operations, or substitute for the specialist oversight provided by the Finance, Academic Affairs, and Audit and Risk Committees. Those Committees report to the full Board; the Executive Committee does not coordinate or supervise them.

3. Delegated Authority and Strict Limitations

3.1 Delegated Authority

The Board of Trustees delegates to the Executive Committee the authority to act on the Board's behalf, between scheduled Board meetings, on matters that are:

1. Urgent, a genuine decision is required before the next scheduled Board meeting and delay would cause material institutional harm;
2. Within the Board's own authority, the matter is one on which the full Board itself would have authority to act;
3. Not reserved to the full Board under Section 3.2 of this Charter.

Any action taken under this delegated authority must be reported to the full Board at its next meeting for ratification. The full Board may ratify, modify, or in exceptional circumstances rescind an Executive Committee action, provided that rescission does not prejudice third parties who relied on the Committee's decision in good faith.

3.2 Reserved Powers - Matters That May Never Be Delegated

The following matters are reserved exclusively to the full Board of Trustees and may never be decided by the Executive Committee, regardless of urgency or circumstances:

1. Appointment, suspension, or removal of the President;
2. Approval of the annual operating budget or any amendment to an approved budget exceeding the threshold established by Board policy;
3. Approval of new academic programs or discontinuation of existing programs;
4. Amendment of the Board of Trustees Bylaws or any institutional governance policy requiring supermajority vote of the full Board;
5. Amendment of any Committee Charter, including this one;
6. Approval of accreditation submissions, including Eligibility Applications, Institutional Reports, and responses to Commission action;
7. Approval of any transaction, contract, or financial commitment above the threshold requiring full Board approval under AIU-GOV-004;
8. Any decision relating to a conflict of interest involving a Committee member or the Board Chair;
9. Any action that would materially alter AIU's strategic direction, ownership structure, or relationship with its accreditor;
10. Election or removal of Board officers, including the Board Chair.

Where a matter appears to fall within the reserved list but the Chair believes genuine urgency exists, the Chair shall convene an emergency session of the full Board, by videoconference or other remote means if necessary, rather than refer the matter to the Executive Committee.

3.3 Ownership and Independence Safeguards

Given AIU's ownership structure, the following additional safeguards apply to Executive Committee operations:

1. No owner-affiliated Board member may constitute a majority of the Executive Committee. The composition of the Committee shall at all times satisfy the independence requirement set out in Section 4.1.
2. No action taken by the Executive Committee may have the effect of advancing the financial or personal interests of the ownership group at the expense of the institution's mission, accreditation standing, or financial sustainability.
3. Any action that could be perceived as benefiting the ownership group shall be deferred to the full Board and, where appropriate, reviewed by the Audit and Risk Committee before Board consideration.
4. The President shall be notified of all Executive Committee meetings and may attend in an advisory capacity. The President shall not be excluded from any Executive Committee meeting at which institutional operations are discussed.

4. Composition and Membership

4.1 Membership Requirements

The Executive Committee shall consist of the following members by virtue of their Board office:

1. The Board Vice Chair for Governance, who shall serve as Chair of the Executive Committee;
2. The Vice Chair for Institutional Relations of the Board;
3. The Chairs of the Finance Committee, Academic Affairs Committee, and Audit and Risk Committee.

This composition ensures that the Executive Committee is constituted by reference to Board office rather than individual appointment, preventing the concentration of authority in a fixed group of individuals. Because each standing Committee Chair must be an independent member under their respective Charters, a majority of Executive Committee members will always be independent Board members, satisfying Accrediting agency independence expectations.

4.2 Term

Membership of the Executive Committee is coterminous with the member's Board office. A member ceases to serve on the Executive Committee upon ceasing to hold the relevant Board office. There are no separate appointment or term processes for the Executive Committee.

4.3 Quorum

A quorum for Executive Committee meetings shall be three (3) members, of whom at least two (2) must be independent Board members. No action may be taken by the Executive Committee without a quorum present.

5. Meetings and Procedures

5.1 Convening

The Executive Committee shall be convened by the Vice Chair for Governance when an urgent matter arises that satisfies the criteria in Section 3.1 or upon the request of the Chair of the Board of Trustees or the written request of any two members of the Committee. The Chair of the Committee shall give as much notice as practicable and shall document the grounds for treating the matter as urgent in the meeting record. The Committee may meet by videoconference or other remote means; in-person attendance is not required.

5.2 Voting

Decisions shall be made by majority vote of members present and voting. The Chair holds no casting vote. Tied votes are resolved by deferral to the full Board, which shall be convened as an emergency session if the matter is genuinely time-critical.

5.3 Minutes and Record

Minutes shall be prepared for every Executive Committee meeting and shall record: the names of members present; the matter(s) considered; the grounds for urgency; the decision taken; any dissenting views expressed; and the action assigned. Minutes shall be circulated to all Board members within five (5) business days of the meeting and presented to the full Board for ratification at its next meeting. All Executive Committee decisions are documented in the Board's permanent governance record.

5.4 Emergency Written Resolutions

In genuine emergencies where even convening a meeting is not practicable, the Chair may circulate a written resolution to Committee members for signature. A written resolution requires the signatures of all Committee members to be valid. Written resolutions are subject to the same reserved powers limitations and ratification requirements as decisions made at meetings. A written resolution that attracts any objection from a Committee member shall not proceed; the matter shall be referred to an emergency full Board session instead.

6. Governance Calendar Oversight

Between Board meetings, the Executive Committee shall monitor that:

1. Each standing Committee (Finance, Academic Affairs, Audit and Risk) is meeting according to its Charter schedule and that any failure to meet is reported to the full Board;
2. The Board's annual governance calendar, including the budget cycle, assessment review, President evaluation, and Board self-evaluation, is on schedule;
3. Required reports to Accrediting agency and other regulatory bodies are submitted on time;
4. The Board's governance policies are being implemented as documented.

This governance monitoring function does not involve the Executive Committee in the substance of other Committees' work. It is a scheduling and accountability function only. If a standing Committee is not fulfilling its Charter obligations, the Executive Committee shall report this to the full Board, not attempt to remedy it directly.

7. Board Composition and Development Functions

In addition to its between-meeting emergency authority set out in Section 3, the Executive Committee holds standing responsibility for the ongoing health, composition, and development of the Board of Trustees as a governing body. These functions are assigned to the Executive Committee by Bylaws §6.2 because they require the sustained, independent attention of a standing body with an independent majority, they cannot be addressed adequately only at full Board meetings, and they must not be controlled by any single individual, including the Board Chair or the founding ownership group.

7.1 Trustee Nomination and Appointment

The Executive Committee holds primary responsibility for the trustee nomination function. It carries out this responsibility with an independent majority present at all times during deliberation, consistent with Bylaws §3.6 and §6.2, and in accordance with the detailed procedures established in GOV-005 (Board Nomination and Appointment Policy). No individual, including the Board Chair, the founding owner, or any other single trustee, controls the nomination process.

1. **Board Composition Review.** At the beginning of each academic year, no later than October, the Executive Committee shall review the composition of the Board against a Board Skills and Independence Matrix maintained by the Committee Secretary. The Matrix shall record, for each trustee: independence status; domain expertise; term expiry date; renewal eligibility; and the Committee's assessment of the Board's collective coverage of the competencies required under Bylaws §3.8. The Matrix is treated as a confidential governance document.
2. **Identification of Vacancies and Gaps.** Based on the Matrix review, the Executive Committee shall identify: (a) seats that will become vacant through scheduled term expiry within the following twelve months; (b) seats that are currently vacant; and (c) expertise gaps in the Board's current composition that should be addressed in the next appointment cycle. Identification of a gap does not by itself require immediate action, but it must be documented and addressed in the succession plan maintained under Section 7.5.
3. **Candidate Development and Outreach.** The Executive Committee shall maintain a standing pipeline of potential independent trustee candidates, developed through targeted outreach to relevant professional networks, higher education associations, and, where appropriate, executive search firms. The pipeline is not a commitment to appoint; it ensures that the Board can fill vacancies promptly with qualified, independent candidates rather than defaulting to convenience appointments.
4. **Nomination Process.** When a vacancy is to be filled, the Executive Committee conducts the nomination process in accordance with GOV-005. The process shall include: assessment of candidates against the Board Skills Matrix; verification of independence as defined in Bylaws

§3.2; conflict of interest screening; and a formal Committee recommendation to the full Board. Owner-affiliated members may be nominated by the founding entity for owner-designated seats; however, all appointments, including owner-designated seats, require confirmation by majority vote of the full Board.

5. **Prohibition on Unilateral Appointment.** No individual, including the Board Chair or founding owner, may appoint a trustee unilaterally or cause a trustee to take their seat without completion of the nomination process and formal Board confirmation. Any departure from this requirement must be reported immediately to the Vice Chair for Governance and to the full Board.
6. **Reporting to the Board.** The Executive Committee shall present an Annual Trustee Composition Report to the full Board at the October Board meeting. The Report shall document: current Board composition by independence category and expertise domain; terms expiring in the current and following academic years; the status of any active recruitment; and the Executive Committee's assessment of whether the Board's composition is adequate for its governance obligations.

7.2 Trustee Orientation and Onboarding

Effective governance depends on trustees understanding their responsibilities, AIU's governance framework, and Accrediting agency's accreditation expectations before they are called upon to exercise their fiduciary duties. The Executive Committee is responsible for ensuring that every newly appointed trustee completes a structured governance orientation within sixty (60) days of their appointment.

1. **Orientation Requirement.** Completion of the trustee orientation programme is a condition of serving as a voting member of the Board. A newly appointed trustee who has not completed orientation within sixty (60) days of appointment may attend Board and committee meetings but may not vote until orientation is complete. The Executive Committee Chair may grant a single extension of up to thirty (30) days for documented exceptional circumstances.
2. **Orientation Content.** The Committee Secretary, in coordination with the President and the Accreditation Liaison Officer, shall maintain a Trustee Orientation Package covering as a minimum: (a) these Bylaws and all Committee Charters; (b) the full AIU governance policy suite, including GOV-001 through GOV-008; (c) AIU's mission, strategic plan, and current accreditation status; (d) the WSCUC Governing Board Policy and Implementation Guide and AIU's specific independence safeguards under Bylaws §3.3; (e) the Annual Conflict of Interest Disclosure requirements under GOV-002; (f) the reserved powers of the Board and the matters that may never be delegated; (g) the role of shared governance and the Faculty Council; and (h) the annual governance calendar.
3. **Orientation Delivery.** Orientation shall include at minimum: a structured meeting with the Board Chair or Vice Chair for Governance, the President, and the Committee Secretary; a review of recent Board and committee minutes sufficient to understand current institutional priorities; and a meeting with the Accreditation Liaison Officer on accreditation context and obligations. Where a new trustee has prior higher education board experience, the Executive

Committee Chair may approve a streamlined orientation that focuses on AIU-specific materials, provided the trustee certifies in writing their familiarity with the general governance content.

4. Continuing Development. Beyond initial orientation, the Executive Committee shall identify at least one governance development opportunity each academic year for the Board as a whole, such as participation in a relevant conference, an accreditation workshop, or an Association of Governing Boards programme, and present options for Board consideration at the April Board meeting.
5. Documentation. The Committee Secretary shall maintain a record of each trustee's orientation completion date and the materials covered. This record is part of the Board's permanent governance evidence and will be made available to Accrediting agency upon request.

7.3 Annual Trustee Performance Assessment

The Annual Trustee Performance Assessment is a function of the Executive Committee that is distinct from, and complementary to, the Board's annual collective self-evaluation under GOV-006. The self-evaluation assesses the Board as a governance body, its processes, culture, and collective effectiveness. The Trustee Performance Assessment addresses individual trustee conduct and contribution. Both are required; neither substitutes for the other.

The assessment process is constructive in intent. Its purpose is to support trustees in fulfilling their responsibilities effectively, to identify development needs, and to provide the Executive Committee with the information it needs to make informed decisions about trustee renewal. It is not a punitive process. However, a pattern of documented performance concerns may inform a decision not to recommend a trustee for renewal, or, in cases involving breach of fiduciary duty, to initiate removal proceedings under Bylaws §3.7.

1. Timing. The Annual Trustee Performance Assessment shall be initiated each November, following the annual Board meeting at which the Presidential Evaluation and Annual Institutional Effectiveness Report are presented. This sequencing ensures that trustees have had an opportunity to exercise their oversight responsibilities before the assessment period closes.
2. Assessment Criteria. The Executive Committee shall maintain a Trustee Assessment Criteria Framework that evaluates each trustee against the following dimensions: (a) attendance and preparation, attendance at Board and assigned committee meetings; evidence of preparation including review of circulated materials; (b) engagement, quality of contribution to Board deliberations; exercise of independent judgement; willingness to engage with difficult matters; (c) fiduciary conduct, compliance with conflict of interest obligations; maintenance of confidentiality; adherence to the Board's separation of governance and management; (d) independence, continued satisfaction of the independence standard for independent trustees, or continued appropriate conduct for non-independent trustees; and (e) development, participation in orientation and continuing development activities.

3. **Process.** The Executive Committee Chair shall circulate a Trustee Self-Assessment Form to each trustee at the start of November. Each trustee completes and returns the form within fifteen (15) days. The Executive Committee Chair reviews the self-assessments, supplements them with the Committee's own observations, and prepares a brief individual assessment note for each trustee. The Chair of the Executive Committee (Vice Chair for Governance) holds a brief individual conversation with each trustee before December 31 to share observations and discuss any development priorities. These conversations are confidential.
4. **Assessment of the Board Chair.** The assessment of the non-independent Board Chair is conducted by the Vice Chair for Governance acting as Executive Committee Chair, without the Board Chair's participation in the assessment discussion. The Vice Chair for Governance reports the outcome of the Board Chair assessment to the independent members of the Executive Committee.
5. **Renewal Decisions.** Where a trustee's term is expiring and renewal is under consideration, the Executive Committee takes into account the most recent performance assessment in its nomination recommendation to the full Board. The assessment is not the sole determinant of a renewal recommendation; the Board Skills Matrix review under Section 7.1 and the succession plan under Section 7.5 are also considered.
6. **Confidentiality.** Individual trustee assessment notes are confidential documents accessible only to members of the Executive Committee. Aggregate observations, without individual identification, may be included in the Board's annual self-evaluation report under GOV-006 where the Executive Committee considers this adds value to the Board's collective self-understanding.

7.4 Governance Policy Review

The Executive Committee is responsible for monitoring the Board's governance policy review schedule and ensuring that policies governing Board conduct and structure are reviewed, updated, and presented to the Board for adoption at appropriate intervals. Accrediting agency requires that governance documents reflect actual practice; a policy that has not been reviewed and remains unreflective of current institutional arrangements is an accreditation risk.

1. **Review Schedule.** Each Board governance policy, including GOV-001 through GOV-008 and all four Committee Charters, carries a stated review cycle of three years. The Executive Committee Secretary shall maintain a Governance Policy Review Calendar documenting the adoption date, last review date, and scheduled next review date for every governance policy and Committee Charter. This Calendar is reviewed by the Executive Committee each January.
2. **Initiation of Review.** When a governance policy reaches its scheduled review date, or when a material change in law, accreditation standards, institutional structure, or governance practice makes an earlier review necessary, the Executive Committee Chair shall initiate the review process. For policies affecting the Board's own structure and authority, including the Bylaws, Committee Charters, and GOV-001, the review is led by the Executive Committee with support from the Committee Secretary and, where appropriate, the President and legal advisor. For policies in the academic or operational domain that require Board approval, the

review is led by the relevant committee (Finance Committee for financial policies; Academic Affairs Committee for academic policies; Audit and Risk Committee for compliance-related policies).

3. **Review Process.** The review shall assess: (a) whether the policy reflects current law, accreditation requirements, and institutional practice; (b) whether the policy is consistent with all other governance documents, including the Bylaws and GOV-008; (c) whether any amendments are required to address identified gaps or inconsistencies; and (d) whether the policy's stated purpose remains accurate. The outcome of a review is either a confirmation that no amendment is required, or a draft amendment for Board approval.
4. **Board Approval.** All amendments to governance policies and Committee Charters require full Board approval. Amendments to the Bylaws or the Executive Committee Charter require a two-thirds majority. The Executive Committee shall present proposed amendments at the Board's April meeting where possible, to align with the annual governance calendar. Emergency amendments may be presented at any Board meeting with appropriate notice under Bylaws §16.2.
5. **Public Accessibility.** Current versions of all governance policies and Committee Charters shall be published on the AIU institutional website and intranet within thirty (30) days of adoption. The Committee Secretary shall confirm annually that all documents are current and accessible. Outdated versions shall be clearly marked as superseded and retained in the governance archive.

7.5 Board Succession Planning

The sustainability of AIU's governance depends on the Board's ability to recruit, develop, and retain the qualified, independent trustees it needs to fulfil its obligations. Succession planning is not a response to vacancies; it is a continuous process of ensuring that the Board can maintain its composition, independence, and expertise across leadership transitions. Accrediting agency expects governing boards to plan for leadership succession, including at the Board level itself.

1. **Board Succession Plan.** The Executive Committee shall maintain a Board Succession Plan as a standing governance document, updated annually by February and presented to the full Board for approval at the April Board meeting. The Plan shall address: (a) the composition of the Board over the following three years, based on known term expirations and independence requirements; (b) the expertise gaps identified in the Board Skills Matrix and how they will be addressed; (c) the pipeline of potential candidates for independent trustee seats; (d) a contingency scenario for the loss of one or more independent trustees within a short period, and the Committee's plan for maintaining the independence majority required by Bylaws §3.2; and (e) Board officer succession, including a contingency for the Vice Chair for Governance role, which carries mandatory independence.
2. **Independence Continuity.** The Succession Plan shall specifically address the risk of the Board falling below its required independent majority. Where the Plan identifies a scenario in which this risk is material, for example, because multiple independent trustees' terms expire within

the same twelve-month period, the Executive Committee shall initiate recruitment sufficiently in advance to ensure no gap in the independence majority occurs.

3. **Board Officer Succession.** The Executive Committee shall maintain a current understanding of the succession for the Vice Chair for Governance role, which is the most governance-critical officer position at AIU given its role as the independence backstop and the presiding officer for all matters involving the Board Chair's conflicts. In the event the Vice Chair for Governance role becomes unexpectedly vacant, the Executive Committee shall convene within ten (10) business days to identify a qualified independent trustee to fill the vacancy on an interim basis, pending formal Board election under Bylaws §4.3.
4. **Relationship to the Annual Trustee Composition Report.** The Board Succession Plan is developed in direct connection with the Annual Trustee Composition Report prepared under Section 7.1. The Composition Report provides the factual basis, who is on the Board, when terms expire, what expertise is present, and the Succession Plan provides the strategic response. Both documents are updated on the same annual cycle.
5. **Confidentiality.** The Board Succession Plan is a confidential governance document. Individual candidate pipelines are particularly sensitive and shall not be shared outside the Executive Committee without the Committee Chair's express authorisation. The aggregate structure of the Plan, the three-year composition projection, independence maintenance strategy, and officer succession framework, shall be presented to the full Board in summary form at the April Board meeting without identifying individual candidates.

8. Reporting to the Board

The Committee Chair shall report all Executive Committee actions to the full Board at its next meeting, presenting the minutes for ratification and noting any matters requiring Board discussion. The Board's ratification of Executive Committee actions shall be recorded as a separate agenda item in Board minutes, ensuring a clear governance trail.

The Committee Chair shall also present an annual summary of Executive Committee activity, including the number of meetings or written resolutions, the categories of matters addressed, and an assessment of whether the Committee's use of delegated authority has remained within the boundaries of this Charter.

9. Accountability and Review of Use

The Board of Trustees shall review the Executive Committee's use of its delegated authority as part of the annual Board self-evaluation process. If the review finds that the Executive Committee has been used routinely for matters that should have gone to the full Board, or that its composition has created an imbalance of influence inconsistent with Accrediting agency independence requirements, the Board shall amend this Charter to address the issue.

Any Board member who believes the Executive Committee has exceeded its delegated authority or acted inconsistently with this Charter may raise the matter directly with the full Board at any time. No Board member shall be subject to any adverse consequence for raising such a concern.

10. Confidentiality

Executive Committee deliberations on sensitive institutional matters, including personnel, legal proceedings, or accreditation risk, shall be treated as confidential Board governance matters. Minutes are made available to all Board members and to WSCUC visiting teams upon request. No information discussed at an Executive Committee meeting may be shared externally without Board authorisation, except as required by applicable law.

11. Charter Approval, Amendment, and Review

This Charter is approved by the full Board of Trustees and is effective upon the adoption date recorded in the approval matrix below. Amendment of this Charter, including any change to the reserved powers list in Section 3.2 or the composition requirements in Section 4.1, requires approval by a two-thirds majority of the full Board. This higher threshold reflects the constitutional importance of the limitations this Charter imposes on delegated authority. The Charter shall be reviewed at least every three (3) years.

Approval Matrix

Role	Name	Signature	Date
Prepared by	Office of the President	Signature: _____	_____
Committee Chair Signature	[Committee Chair Name]	Signature: _____	_____
Board Chair Signature	[Board Chair Name]	Signature: _____	_____
Effective Date		Signature: _____	[Upon adoption]



BOARD OF TRUSTEES

Academic Affairs Committee Charter

American International University, Kuwait

Date of Adoption: _____

Signature of Board Chair: _____

Table of Contents

1. ESTABLISHMENT	3
2. PURPOSE	3
3. THE GOVERNANCE BOUNDARY: BOARD OVERSIGHT AND SHARED GOVERNANCE.....	4
4. AUTHORITY	4
5. COMPOSITION AND MEMBERSHIP.....	5
5.1 MEMBERSHIP REQUIREMENTS.....	5
5.2 APPOINTMENT AND TERM.....	5
5.3 VACANCIES AND REMOVAL	5
6. MEETINGS AND PROCEDURES	6
6.1 FREQUENCY.....	6
6.2 QUORUM AND VOTING	6
6.3 AGENDA AND MATERIALS.....	6
6.4 MINUTES	6
6.5 SECRETARY	6
7. TERMS OF REFERENCE	6
7.1 ACADEMIC PROGRAM QUALITY AND REVIEW	6
7.2 STUDENT LEARNING OUTCOMES AND INSTITUTIONAL EFFECTIVENESS	7
7.3 ACCREDITATION OVERSIGHT	7
7.4 FACULTY AND SHARED GOVERNANCE	7
7.5 ACADEMIC POLICY	7
8. REPORTING TO THE BOARD.....	8
9. CONFIDENTIALITY	8
10. CHARTER APPROVAL, AMENDMENT, AND REVIEW	8
APPROVAL MATRIX.....	9

1. Establishment

The Academic Affairs Committee (the "Committee") is a standing committee of the Board of Trustees of American International University - Kuwait ("AIU" or the "University"). It is established pursuant to the Board of Trustees Charter (AIU-GOV-001), which designates the Academic Affairs Committee as a permanent Board committee with responsibility for oversight of academic quality, accreditation, and the receipt of Faculty Council reports.

The Committee is constituted in recognition that the Board of Trustees bears ultimate responsibility for the educational quality of the institution, including the integrity of academic programs, the standards governing faculty qualifications and performance, and the fulfilment of accreditation requirements. At the same time, the Board governs rather than manages academic affairs, and this Committee is the primary mechanism through which the Board exercises informed, appropriately bounded academic oversight without infringing on the academic governance prerogatives of the faculty.

This Charter governs the Committee's mandate, composition, authority, operating procedures, and reporting obligations, and establishes the formal boundary between Board-level academic oversight and the shared governance role of the Faculty Council.

2. Purpose

The Academic Affairs Committee exists to assist the Board of Trustees in fulfilling its responsibilities with respect to the following:

- Oversight of the quality, integrity, and continuous improvement of AIU's academic programs;
- Monitoring of the institution's progress toward and compliance with accreditation standards;
- Receipt and review of formal reports from the Faculty Council as the primary shared governance body;
- Oversight of institutional policy in the areas of academic freedom, faculty qualifications, curriculum development, and student learning outcomes;
- Review of proposed new academic programs and program discontinuations before submission to the full Board for approval;
- Oversight of the student learning outcomes assessment cycle and the institution's culture of evidence and continuous improvement;
- Monitoring of institutional research activity, scholarly output, and faculty development in support of the academic mission.

The Committee supports the Board's engagement with academic affairs without substituting for the academic judgement of the faculty or the administrative authority of the President and Vice President for Academic Affairs. The Committee's role is oversight, inquiry, and recommendation.

3. The Governance Boundary: Board Oversight and Shared Governance

Accrediting agency standards require that the Board exercise oversight of educational quality while simultaneously respecting the principle of shared governance. The Academic Affairs Committee is the instrument through which AIU navigates this boundary. The following principles govern its conduct:

1. The Committee reviews and receives reports on academic matters; it does not determine curriculum, set academic standards, or make faculty personnel decisions. These functions belong to the faculty and academic administration.
2. The Faculty Council is the primary academic governance body at AIU. The Committee receives formal reports from the Faculty Council and treats those reports as the authoritative voice of the faculty on academic matters within the Council's jurisdiction.
3. Where the Board's approval is required for an academic matter — such as the establishment or discontinuation of an academic program — the Committee prepares a recommendation to the full Board that incorporates and acknowledges the Faculty Council's position.
4. The Committee does not overrule Faculty Council positions on academic matters within the Council's jurisdiction without documenting its reasoning and, where possible, seeking resolution through the President.
5. The Committee may ask questions, request additional information, and express concerns about academic quality or accreditation compliance. It does so through the President and Vice President for Academic Affairs, not by directing faculty or academic departments.

4. Authority

The Committee acts under authority delegated by the Board and reports its findings and recommendations to the full Board. The Committee has authority to:

1. Receive and review formal reports from the Faculty Council and require that the Faculty Council Chair or designee present in person at least once per academic year;
2. Receive reports from the President and Vice President for Academic Affairs on academic program performance, accreditation progress, student learning outcomes, and faculty development;
3. Review proposed new academic programs and program discontinuations and prepare a recommendation to the full Board, incorporating the Faculty Council's position;
4. Review the annual Student Learning Outcomes Assessment Report and the Annual Institutional Effectiveness Report and assess whether the institution is demonstrating a functioning culture of evidence;
5. Request access to accreditation submissions, self-study documents, and correspondence with Accrediting agency and recommend Board action where required;

6. Engage independent academic advisors or higher education consultants at institutional expense where the Committee determines this is necessary to discharge its oversight responsibilities;
7. Recommend to the Board academic policies that require Board-level approval under the academic policy hierarchy established in ACA-001;
8. Report directly to the Board on any academic quality or accreditation matter the Committee considers sufficiently significant to warrant immediate Board attention.

5. Composition and Membership

5.1 Membership Requirements

The Academic Affairs Committee shall consist of no fewer than three (3) and no more than five (5) members, all of whom must be members of the Board of Trustees. The following requirements apply:

1. A majority of Committee members must be independent Board members as defined under AIU-GOV-001.
2. At least one member should have substantive experience in higher education, academic administration, educational research, or a field closely related to AIU's academic programs. This expertise is essential given the Committee's oversight of educational quality and accreditation.
3. The President and Vice President for Academic Affairs attend Committee meetings in a management advisory capacity. They are not members of the Committee and hold no voting rights. The Faculty Council Chair or designee shall be invited to present at a minimum of one Committee meeting per academic year and may attend other meetings at the Committee's invitation.
4. The Accreditation Liaison Officer (ALO) shall attend Committee meetings where accreditation matters are on the agenda.

5.2 Appointment and Term

Committee members are appointed by the Board of Trustees at its annual governance meeting. Members serve terms of three (3) years and may be reappointed for one additional consecutive term, for a maximum of six (6) consecutive years. The Board shall designate the Committee Chair from among its independent members with higher education experience where possible.

5.3 Vacancies and Removal

Vacancies shall be filled by the Board at its next regularly scheduled meeting. A Committee with fewer than three (3) members may not exercise the powers set out in Section 4 until the vacancy is filled. The Board may remove any Committee member for cause by majority vote with prior notice and opportunity to respond.

6. Meetings and Procedures

6.1 Frequency

The Committee shall meet no fewer than four (4) times per academic year, timed to align with (a) the beginning-of-year academic planning review, (b) the mid-year student learning outcomes assessment review, (c) the annual Faculty Council report, and (d) the end-of-year program review and accreditation update. Additional meetings may be convened at the call of the Chair, any two Committee members, or the President where an urgent academic quality or accreditation matter arises.

6.2 Quorum and Voting

A quorum shall consist of a majority of the Committee's then-current members. Decisions shall be made by majority vote of members present and voting. Tied votes are deferred to the next meeting or escalated to the Board.

6.3 Agenda and Materials

The Committee Secretary shall circulate the agenda and supporting materials to all members no fewer than five (5) business days before each scheduled meeting. Academic reports shall be submitted in a format approved by the Committee that enables meaningful review of program performance, assessment outcomes, and accreditation status.

6.4 Minutes

Minutes shall record attendance, matters discussed, decisions taken, and actions assigned. Minutes are circulated within ten (10) business days for review and approved at the subsequent meeting. Approved minutes are retained permanently as governance evidence.

6.5 Secretary

The Committee shall designate a Secretary responsible for meeting logistics, agenda and material distribution, minute preparation, document archiving, and tracking the status of Committee recommendations and management responses.

7. Terms of Reference

7.1 Academic Program Quality and Review

1. Receive an annual academic program report from the Vice President for Academic Affairs summarising program enrolment, completion rates, student learning outcomes performance, and actions taken to address identified gaps.
2. Review proposed new academic programs before submission to the full Board for approval, ensuring the Faculty Council's academic endorsement is documented and that resource adequacy has been assessed.
3. Review proposed program discontinuations, ensuring due process and Faculty Council consultation have occurred and that student teach-out plans are in place.

4. Receive reports on the five-year program review cycle required under ACA-004 and confirm that external reviewers are engaged and that close-the-loop actions are documented.

7.2 Student Learning Outcomes and Institutional Effectiveness

1. Receive and review the Annual Student Learning Outcomes Assessment Report and assess whether AIU is demonstrating a functioning, institution-wide assessment cycle consistent with accreditation standards.
2. Confirm that assessment findings are being used to inform curriculum and instructional improvement, and that this use of evidence is documented and reported in the Annual Institutional Effectiveness Report.
3. Receive the Annual Institutional Effectiveness Report before its submission to the Board and assess whether it presents an honest, evidence-based account of institutional performance.
4. Monitor accreditation-related assessment obligations and alert the Board to any risk of non-compliance with Accrediting agency assessment expectations.

7.3 Accreditation Oversight

1. Receive regular updates from the ALO on AIU's accreditation status, preparation activities, and any correspondence with Accrediting agency.
2. Review draft Accrediting agency submissions — including Eligibility Applications, Institutional Reports, and Interim Reports — before submission, and recommend Board approval where required.
3. Ensure the Board is informed of any Accrediting agency finding, concern, or requirement to show cause, and work with management to develop a Board-level response.
4. Monitor the institution's progress against accreditation recommendations and conditions and confirm that remediation plans are adequately resourced and on schedule.

7.4 Faculty and Shared Governance

1. Receive and review the annual report of the Faculty Council, ensuring the Council's Chair or designee presents in person.
2. Monitor the health of shared governance at AIU, including whether the Faculty Council has the access, resources, and institutional support to fulfil its charter obligations.
3. Receive reports on faculty qualification levels, scholarly activity, and professional development and assess compliance with ACA-003 and Accrediting agency faculty qualification requirements.
4. Review the implementation of the Academic Freedom Policy (ACA-002) and confirm that no institutional action has created a chilling effect on faculty academic freedom.

7.5 Academic Policy

1. Review academic policies that require Board-level approval under the ACA-001 hierarchy and recommend approval or amendment to the full Board.

2. Monitor the academic policy review schedule and ensure that policies are reviewed at their stated intervals and updated as required.
3. Receive reports on academic integrity matters at an aggregate, non-identifying level and assess whether institutional policies are being applied consistently.

8. Reporting to the Board

The Committee Chair shall report to the full Board at each regularly scheduled Board meeting, summarising academic program performance, accreditation status, Faculty Council activity, and any matters requiring Board decision. The Committee shall prepare an Annual Academic Oversight Report at the close of each academic year, covering:

1. A summary of the Committee's activities and the matters it reviewed during the year;
2. The Committee's assessment of the overall state of academic quality and the institution's assessment culture;
3. The Committee's assessment of AIU's accreditation readiness and any identified risks to accreditation standing;
4. The state of shared governance and the Faculty Council's fulfilment of its charter obligations;
5. Any recommended changes to academic policy, governance structure, or this Charter.

The Annual Academic Oversight Report shall be retained as part of AIU's accreditation evidence portfolio.

9. Confidentiality

Committee members and attendees shall maintain the confidentiality of faculty personnel matters, individual student data, and sensitive accreditation deliberations reviewed by the Committee. Information is shared externally only as required by applicable law, accreditation standards, or Board direction. Committee minutes are Board governance documents retained permanently and made available to Accrediting agency visiting teams upon request.

10. Charter Approval, Amendment, and Review

This Charter is approved by the Board of Trustees and is effective upon the adoption date recorded in the approval matrix below. It shall be reviewed at least every three (3) years and following any material change in AIU's academic structure, accreditation status, or shared governance arrangements. Proposed amendments require full Board approval. Provisional amendments may be adopted by the Committee in urgent circumstances, subject to Board ratification at its next meeting.

Approval Matrix

Role	Name	Signature	Date
Prepared by	Office of the President	Signature: _____	_____
Committee Chair Signature	[Committee Chair Name]	Signature: _____	_____
Board Chair Signature	[Board Chair Name]	Signature: _____	_____
Effective Date		Signature: _____	[Upon adoption]



BOARD OF TRUSTEES

Finance Committee Charter

American International University, Kuwait

Date of Adoption: _____

Signature of Board Chair: _____

Table of Contents

1. ESTABLISHMENT	3
2. PURPOSE	3
3. AUTHORITY	3
4. COMPOSITION AND MEMBERSHIP	4
4.1 MEMBERSHIP REQUIREMENTS.....	4
4.2 RELATIONSHIP WITH THE AUDIT AND RISK COMMITTEE.....	4
4.3 APPOINTMENT AND TERM.....	5
4.4 VACANCIES AND REMOVAL	5
5. MEETINGS AND PROCEDURES	5
5.1 FREQUENCY.....	5
5.2 QUORUM AND VOTING	5
5.3 AGENDA AND MATERIALS.....	5
5.4 MINUTES	5
5.5 SECRETARY	6
6. TERMS OF REFERENCE	6
6.1 ANNUAL BUDGET	6
6.2 FINANCIAL SUSTAINABILITY AND RESERVES.....	6
6.3 CAPITAL AND SIGNIFICANT TRANSACTIONS	6
6.4 FINANCIAL REPORTING	7
6.5 FINANCIAL POLICY.....	7
7. REPORTING TO THE BOARD.....	7
8. CONFIDENTIALITY.....	7
9. CHARTER APPROVAL, AMENDMENT, AND REVIEW.....	8
APPROVAL MATRIX.....	8

1. Establishment

The Finance Committee (the "Committee") is a standing committee of the Board of Trustees of American International University - Kuwait ("AIU" or the "University"). It is established pursuant to the Board of Trustees Charter (AIU-GOV-001), which designates the Finance Committee as a permanent Board committee with responsibility for oversight of budget, financial sustainability, and investment matters.

The Committee is constituted in recognition that the Board of Trustees bears ultimate fiduciary responsibility for the financial health of the institution. Effective discharge of this responsibility requires a dedicated committee with the expertise, authority, and regular access to financial information necessary to provide meaningful Board-level oversight.

This Charter governs the Committee's mandate, composition, authority, operating procedures, and reporting obligations. It supersedes any prior arrangement or understanding relating to financial oversight by the Board.

2. Purpose

The Finance Committee exists to assist the Board of Trustees in fulfilling its fiduciary duties with respect to the following:

- The integrity and sustainability of AIU's financial position;
- The approval and monitoring of the annual operating budget;
- The oversight of multi-year financial planning and revenue strategy;
- The review of significant financial transactions and capital commitments;
- The monitoring of the 90-day operating reserve required under AIU-FIN-001 and accreditation requirement;
- The oversight of revenue diversification strategy and progress toward institutional financial targets;
- The review of investment policies and the performance of institutional funds;
- Liaison with the Audit and Risk Committee on matters that span financial sustainability and financial control.

The Committee supports but does not replace management's responsibility for financial planning and execution. Its role is one of oversight, review, and recommendation to the full Board.

3. Authority

The Committee acts under authority delegated by the Board and reports its findings and recommendations to the full Board. The Committee has authority to:

1. Review, assess, and recommend to the Board for approval the annual operating budget submitted by the President;

2. Review all multi-year financial plans and recommend acceptance or modification to the Board;
3. Receive and review quarterly financial reports from management, including operating reserve status, revenue performance, and expenditure against budget;
4. Review and recommend to the Board approval of any unbudgeted capital expenditure or financial commitment above the threshold established by Board policy;
5. Review the terms of engagement of external financial advisors and recommend their appointment or replacement to the Board;
6. Access all financial records, accounts, projections, and financial management systems reasonably required to discharge its oversight role;
7. Engage independent financial advisors at institutional expense where the Committee determines this is necessary, without requiring prior management approval;
8. Recommend to the Board policies governing financial management, reserves, investment, and revenue strategy.

The Finance Committee does not have authority to approve the annual budget, commit institutional funds, or execute financial transactions. These authorities rest with the full Board and with management as defined in AIU-GOV-004 (Presidential Authority and Delegation Policy). The Committee's role is to review and recommend, ensuring that the Board acts on the basis of thorough financial analysis.

4. Composition and Membership

4.1 Membership Requirements

The Finance Committee shall consist of no fewer than three (3) and no more than five (5) members, all of whom must be members of the Board of Trustees. The following requirements apply:

1. A majority of Committee members must be independent Board members as defined under AIU-GOV-001.
2. At least one member must have demonstrated expertise in accounting, financial management, or a closely related field. This individual shall be designated the Committee's Financial Lead and their qualification noted in the membership record.
3. Collectively, the Committee should possess knowledge spanning financial planning, budget oversight, investment management, and higher education financial sustainability.
4. The President shall attend Committee meetings in a management advisory capacity. They are not members of the Committee and hold no voting rights. Other members of management may be invited by the Chair as needed.

4.2 Relationship with the Audit and Risk Committee

The Finance Committee and the Audit and Risk Committee have complementary but distinct mandates. The Finance Committee focuses on financial planning, budget performance, and strategic financial sustainability. The Audit and Risk Committee focuses on financial reporting

integrity, internal controls, and risk oversight. The two Committees shall coordinate to avoid duplication and ensure that financial matters receive appropriate attention from both perspectives. The Chairs of both Committees shall meet at least once per year to review areas of shared interest.

4.3 Appointment and Term

Committee members are appointed by the Board of Trustees at its annual governance meeting. Members serve terms of three (3) years and may be reappointed for one additional consecutive term, for a maximum of six (6) consecutive years. Following a break of at least one academic year, a former member may again be eligible for appointment.

The Board shall designate the Committee Chair from among the Committee's independent members. In the absence of the Chair, members present shall elect an acting Chair for that meeting.

4.4 Vacancies and Removal

Vacancies shall be filled by the Board at its next regularly scheduled meeting. A Committee with fewer than three (3) members may not exercise the powers set out in Section 3 until the vacancy is filled, except to report to the Board. The Board may remove any Committee member for cause by majority vote, with prior notice and opportunity to respond.

5. Meetings and Procedures

5.1 Frequency

The Committee shall meet no fewer than four (4) times per academic year, with meetings timed to align with (a) the budget development cycle, (b) the mid-year financial review, (c) the year-end financial report and reserve assessment, and (d) the strategic planning cycle. Additional meetings may be convened at the call of the Chair or any two Committee members.

5.2 Quorum and Voting

A quorum shall consist of a majority of the Committee's then-current members. Decisions shall be made by majority vote of members present and voting. Tied votes are deferred to the next meeting or escalated to the Board.

5.3 Agenda and Materials

The Committee Secretary shall circulate the agenda and supporting financial materials to all members no fewer than five (5) business days before each scheduled meeting. Financial reports shall be provided in a format approved by the Committee that enables meaningful comparison against budget, prior periods, and financial targets.

5.4 Minutes

Minutes shall record attendance, matters discussed, decisions taken, and actions assigned. Minutes are circulated within ten (10) business days for review and approved at the subsequent meeting. Approved minutes are retained permanently as part of the Board's governance record.

5.5 Secretary

The Committee shall designate a Secretary responsible for meeting logistics, agenda and material circulation, minute preparation, document archiving, and tracking the status of Committee recommendations and management responses.

6. Terms of Reference

6.1 Annual Budget

1. Review the annual operating budget proposed by the President before it is submitted to the full Board for approval, including scrutiny of revenue assumptions, expenditure priorities, and alignment with the strategic plan.
2. Assess whether the proposed budget is consistent with the institution's multi-year financial plan and with the financial sustainability requirements of AIU-FIN-001.
3. Identify any budget risks or assumptions that require Board attention and ensure these are clearly communicated in the budget presentation.
4. Monitor budget performance on a quarterly basis and report significant variances to the Board with management's explanation and proposed corrective action.

6.2 Financial Sustainability and Reserves

1. Monitor the 90-day operating reserve balance quarterly and ensure the Board is informed at each regular meeting of the reserve's status relative to the minimum requirement under AIU-FIN-001 and accreditation requirement.
2. Review the three-year rolling financial plan prepared by the President, including enrollment sensitivity analyses, and recommend acceptance or revision to the Board.
3. Assess the institution's overall financial trajectory and alert the Board to any trend indicating deteriorating financial sustainability.
4. Review progress toward revenue diversification targets established under AIU-FIN-001, including continuing education revenue, externally funded research, and other non-tuition income streams.

6.3 Capital and Significant Transactions

1. Review all proposed capital expenditures, facility investments, or financial commitments above the threshold set by Board policy and recommend Board approval or modification.
2. Review the financial terms of any proposed partnership, contract, or arrangement that represents a material institutional financial commitment, and confirm appropriate management-level due diligence has been conducted.
3. Review related-party transactions in coordination with the Audit and Risk Committee to assess whether terms are fair to the institution and consistent with mission.

6.4 Financial Reporting

4. Receive and review quarterly financial statements from management and assess performance against budget and prior-period comparators.
5. Receive the year-end financial summary before submission to the full Board and confirm the Board has access to audited financial statements prepared by the external auditor in coordination with the Audit and Risk Committee.
6. Monitor the timeliness of financial reporting to PUC, Accrediting agency, and other required recipients.

6.5 Financial Policy

1. Review financial management policies, including AIU-FIN-001, at their scheduled review intervals and recommend updates to the Board.
2. Recommend to the Board any new financial policy required to address emerging financial risk, accreditation requirement, or institutional need.
3. Oversee the development and implementation of an investment policy governing the management of institutional reserves and endowments where applicable.

7. Reporting to the Board

The Committee Chair shall report to the full Board at each regularly scheduled Board meeting, summarising financial performance, reserve status, and any matters requiring Board decision. In addition, the Committee shall prepare an Annual Financial Oversight Report at the close of each academic year, covering:

1. A summary of the Committee's activities and the matters it reviewed during the year;
2. The Committee's assessment of AIU's financial sustainability and progress toward reserve and diversification targets;
3. Any significant financial risks identified and management's mitigation plans;
4. The Committee's assessment of whether the institution's financial position is consistent with Accrediting agency requirements;
5. Any recommended changes to financial policy or to this Charter.

The Annual Financial Oversight Report shall be retained as part of AIU's accreditation evidence portfolio.

8. Confidentiality

Committee members and attendees shall maintain the confidentiality of all financial information, projections, and analyses reviewed by the Committee. Financial data is shared externally only as required by applicable law, regulatory obligation, accreditation requirements, or Board direction. Committee minutes are Board governance documents and are not subject to general public disclosure, but shall be made available to Accrediting agency visiting teams upon request.

9. Charter Approval, Amendment, and Review

This Charter is approved by the Board of Trustees and is effective upon the adoption date recorded in the approval matrix below. It shall be reviewed by the Committee at least every three (3) years and following any material change in AIU's governance structure, financial circumstances, accreditation status, or applicable law. Proposed amendments require full Board approval. Provisional amendments may be adopted by the Committee in urgent circumstances, subject to Board ratification at its next meeting.

Approval Matrix

Role	Name	Signature	Date
Prepared by	Office of the President	Signature: _____	_____
Committee Chair Signature	[Committee Chair Name]	Signature: _____	_____
Board Chair Signature	[Board Chair Name]	Signature: _____	_____
Effective Date		Signature: _____	[Upon adoption]
Next Review	3 Years from the Adoption Date		



BOARD OF TRUSTEES

Audit and Risk Committee Charter

American International University, Kuwait

Date of Adoption: _____

Signature of Board Chair: _____

Table of Contents

1. ESTABLISHMENT	3
2. PURPOSE	3
3. AUTHORITY	3
4. COMPOSITION AND MEMBERSHIP	4
4.1 MEMBERSHIP REQUIREMENTS.....	4
4.2 APPOINTMENT AND TERM.....	4
4.3 VACANCIES.....	5
4.4 REMOVAL	5
5. MEETINGS AND PROCEDURES	5
5.1 FREQUENCY.....	5
5.2 QUORUM AND VOTING	5
5.3 AGENDA.....	5
5.4 PRIVATE SESSIONS.....	6
5.5 MINUTES	6
5.6 SECRETARY	6
6. TERMS OF REFERENCE	6
6.1 FINANCIAL REPORTING AND EXTERNAL AUDIT	6
6.2 INTERNAL AUDIT	7
6.3 INTERNAL CONTROLS AND COMPLIANCE.....	7
6.4 RISK MANAGEMENT	7
6.5 RELATED-PARTY TRANSACTIONS.....	8
7. REPORTING TO THE BOARD.....	8
8. LIMITATIONS ON COMMITTEE RESPONSIBILITY.....	9
9. CONFIDENTIALITY.....	9
10. CHARTER APPROVAL, AMENDMENT, AND REVIEW	9
APPROVAL MATRIX.....	10

1. Establishment

The Audit and Risk Committee (the "Committee") is a standing committee of the Board of Trustees of American International University - Kuwait ("AIU" or the "University"). It is established pursuant to the Board of Trustees Charter (AIU-GOV-001) and operates under the authority of the full Board.

The Committee is constituted in recognition of the Board's fiduciary obligation to oversee the integrity of institutional finances, the adequacy of internal controls, the independence of the audit function, and the systematic management of institutional risk. These obligations are foundational to accreditation standard and are expected of all institutions seeking or holding accreditation.

This Charter governs the Committee's mandate, composition, authority, operating procedures, and reporting obligations. It supersedes any prior terms of reference or informal arrangements relating to audit or risk oversight at AIU.

2. Purpose

The Audit and Risk Committee exists to provide the Board of Trustees with independent, informed, and documented oversight of the following institutional functions:

- The integrity and reliability of AIU's financial reporting and audited financial statements;
- The effectiveness of AIU's internal control environment;
- The performance and independence of the external audit function;
- The establishment and operation of an internal audit function proportionate to institutional size and complexity;
- The identification, assessment, prioritisation, and mitigation of institutional risks across academic, financial, operational, legal, and reputational domains;
- Compliance with applicable laws, regulations, accreditation requirements, and institutional policies;
- The investigation of significant concerns or disclosures referred to the Committee, including matters raised under the Whistleblower and Non-Retaliation Policy (AIU-GOV-003).

The Committee supports the Board's fulfilment of its governance responsibilities and does not assume or replace management accountability for the functions it oversees.

3. Authority

The Committee acts under authority delegated by the Board of Trustees and reports its findings and recommendations to the full Board. The Committee has authority to:

1. Direct and receive reports from the external auditor and any internal audit function, including requesting additional or special-purpose audit or review work;
2. Approve the appointment, reappointment, and, if warranted, the replacement of the external auditor, subject to confirmation by the Board;

3. Access all institutional records, systems, accounts, and personnel reasonably required to discharge its mandate, subject to applicable legal and confidentiality obligations;
4. Engage independent legal, financial, or technical advisors at institutional expense, without prior management approval, where the Committee determines this is necessary to perform its duties;
5. Direct that specific matters be investigated by the internal audit function, external auditor, or independent advisor and receive the results of such investigation;
6. Require management to respond, in writing, to Committee findings within a defined timeframe;
7. Report directly to the Board of Trustees on any matter the Committee considers sufficiently significant to warrant immediate Board attention, outside of the scheduled meeting cycle;
8. Recommend to the Board policies, procedures, or structural changes relating to financial controls, risk management, or compliance.

The Committee does not have executive authority. It does not manage institutional operations, approve contracts, or direct employees in their day-to-day functions. Its authority is that of oversight and recommendation, except where specific approval authority is vested in it by this Charter or by Board resolution.A

4. Composition and Membership

4.1 Membership Requirements

The Audit and Risk Committee shall consist of no fewer than three (3) and no more than five (5) members, all of whom must be members of the Board of Trustees. The following requirements apply:

1. All Committee members must be independent Board members as defined under AIU-GOV-001. No member with a financial, employment, or familial relationship with AIU management, its owners, or any external auditor engaged by AIU may serve on the Committee.
2. At least one member must have demonstrated expertise in accounting, financial management, audit, or a related field sufficient to be designated the Committee's Financial Expert. This designation shall be noted in the Committee's membership record.
3. Collectively, the Committee should possess competence spanning financial oversight, legal and regulatory compliance, risk management, and higher education governance.
4. The President, Vice Presidents, and any other AIU employee may attend Committee meetings in an advisory capacity at the Committee's invitation but may not be members of the Committee and have no voting rights.

4.2 Appointment and Term

Committee members are appointed by the Board of Trustees at its annual governance meeting. Members serve terms of three (3) years and may be reappointed for one additional consecutive

term, for a maximum of six (6) consecutive years. Following a break of at least one academic year, a former member may again be eligible for appointment.

The Board of Trustees shall designate the Committee Chair from among the Committee's independent members. The Chair must hold the Financial Expert qualification. In the absence of the Chair, Committee members present shall elect an acting Chair for that meeting from among those qualified.

4.3 Vacancies

A vacancy on the Committee, whether arising from resignation, removal, disqualification, or death, shall be filled by the Board of Trustees at its next regularly scheduled meeting or, if the Board Chair determines it is urgent, by an interim appointment subject to Board ratification. A Committee with fewer than three (3) members may not exercise the powers set out in Section 3 until the vacancy is filled, except to report to the Board and request prompt action.

4.4 Removal

The Board of Trustees may remove any Committee member for cause, including failure to maintain independence, breach of confidentiality, or neglect of Committee duties, by a majority vote of the full Board. The affected member shall be given notice and an opportunity to respond before the Board votes.

5. Meetings and Procedures

5.1 Frequency

The Committee shall meet no fewer than four (4) times per academic year, ordinarily scheduled to align with (a) the external audit planning cycle, (b) review of the draft audited financial statements, (c) the annual institutional risk review, and (d) preparation of the Committee's annual report to the Board. Additional meetings may be convened at the call of the Chair or by request of any two (2) Committee members.

5.2 Quorum and Voting

A quorum shall consist of a majority of the Committee's then-current members. All decisions of the Committee shall be made by majority vote of members present and voting. In the event of a tied vote, the matter shall be deferred to the next meeting or escalated to the Board. The Committee Chair does not hold a casting vote.

5.3 Agenda

The Committee Secretary shall circulate a proposed agenda and supporting materials to all members no fewer than five (5) business days before each scheduled meeting. The Chair may add items to the agenda at any time. Any member may request the addition of an agenda item with reasonable notice. Emergency items may be added at the start of a meeting by majority consent.

5.4 Private Sessions

At each meeting, the Committee shall hold a private session — without management present — to discuss any matters the Committee considers appropriate. The Committee shall also meet separately, without management, with the external auditor and with the internal audit function at least once per year.

5.5 Minutes

The Committee Secretary shall prepare minutes of each meeting recording attendance, agenda items discussed, decisions taken, and actions assigned. Minutes shall be circulated to members within ten (10) business days following each meeting for review and approval at the subsequent meeting. Approved minutes are retained permanently as part of the Board's governance record.

5.6 Secretary

The Committee shall designate a Secretary, who need not be a Board member. The Secretary's responsibilities include: coordinating meeting logistics; circulating agendas and supporting materials; preparing and maintaining minutes; maintaining the Committee's document archive; and tracking the status of Committee recommendations and management responses.

6. Terms of Reference

The following terms of reference define the substantive scope of the Committee's oversight responsibilities. These terms are organised across five domains.

6.1 Financial Reporting and External Audit

1. Review the annual audited financial statements and the external auditor's report before they are presented to the Board, with particular attention to significant accounting estimates, unusual transactions, and areas of management judgement.
2. Assess the quality and clarity of financial disclosures and recommend any necessary clarifications or corrections to management before finalisation.
3. Review the external auditor's management letter and management's written responses, and satisfy itself that management is taking appropriate action.
4. Recommend to the Board the appointment, reappointment, or replacement of the external auditor and approve the terms of engagement, scope, and fees.
5. Assess and monitor the independence, objectivity, and qualifications of the external auditor, including considering whether any non-audit services provided by the same firm create a conflict of interest.
6. Evaluate whether the audit scope is adequate to provide meaningful assurance over AIU's financial position and whether any significant areas have been scoped out.
7. Monitor that audited financial statements are provided to the Board, to the Private Universities Council (PUC), and to Accrediting agency in accordance with applicable requirements.

6.2 Internal Audit

1. Oversee the establishment and maintenance of an internal audit function appropriate to AIU's size, complexity, and risk profile, whether delivered through dedicated staff, shared services, or co-sourced arrangement.
2. Review and approve the annual internal audit plan, including the risk-based methodology used to set audit priorities.
3. Receive and review all internal audit reports and assess the significance of findings, the adequacy of management responses, and the timeliness of remediation.
4. Direct the internal audit function to undertake specific reviews or investigations as the Committee considers warranted.
5. Evaluate the performance of the internal audit function and its head on an annual basis, consistent with International Standards for the Professional Practice of Internal Auditing (IIA Standards).
6. Ensure that the internal audit function operates with sufficient independence from the units it reviews and that the head of internal audit has direct access to the Committee Chair.

6.3 Internal Controls and Compliance

1. Review the adequacy and effectiveness of AIU's system of internal controls, including financial, operational, and academic controls, at least annually.
2. Review management's assessment of the internal control environment and consider whether identified deficiencies are being remediated on an appropriate timeline.
3. Oversee compliance with applicable laws and regulations, including Kuwait Labour Law, Private Universities Council requirements, and accreditation standards.
4. Review the annual Conflict of Interest Disclosure process and, in consultation with the Board Chair, assess whether any disclosed interests require Board-level action.
5. Review institutional policies and procedures relevant to financial governance, ethics, and compliance at intervals consistent with those policies' review cycles, and recommend updates to the Board as warranted.
6. Oversee the operation of the Whistleblower and Non-Retaliation Policy (AIU-GOV-003), including review of all reports submitted directly to the Committee and the outcomes of investigations involving senior leadership.

6.4 Risk Management

1. Oversee the development and maintenance of AIU's Enterprise Risk Register, which shall document significant risks to the institution's mission, finances, accreditation standing, legal compliance, and reputation.
2. Review the Risk Register at least annually and receive management's assessment of risk likelihood, potential impact, and mitigation status.

3. Recommend to the Board an appropriate institutional risk appetite and ensure that management's risk-taking decisions are consistent with that appetite.
4. Monitor the development of institutional continuity and contingency plans for significant operational risks, including those relating to financial sustainability, data security, and accreditation.
5. Receive management reports on significant risk events, near-misses, and emerging risks between scheduled meetings when the Chair determines such matters are time-sensitive.
6. Ensure that risk management considerations are integrated into the Board's oversight of strategic planning and budget approval.

6.5 Related-Party Transactions

1. Review any proposed or existing transaction between AIU and an owner, Board member, senior officer, or entity affiliated with any of the foregoing, to assess whether the terms are fair to the institution and consistent with its mission.
2. Confirm that related-party transactions are disclosed in the audited financial statements and, where material, reported to Accrediting agency as required by accreditation standards.
3. Ensure that the independence of academic decision-making is not compromised by related-party financial arrangements, consistent with accreditation requirements.

7. Reporting to the Board

The Committee Chair shall report to the full Board of Trustees at each regularly scheduled Board meeting, providing a summary of:

- Meetings held since the previous Board meeting;
- Significant findings or concerns arising from financial reports, audit activity, or risk reviews;
- Status of material audit recommendations and management responses;
- Any matters requiring Board decision or attention.

In addition, the Committee shall prepare an Annual Report to the Board at the close of each academic year, covering:

1. A summary of the Committee's activities and the matters it reviewed during the year;
2. The Committee's assessment of the overall state of internal controls and risk management at AIU;
3. The Committee's assessment of the independence and performance of the external auditor;
4. Any significant unresolved findings, outstanding management actions, or emerging concerns;
5. The Committee's assessment of its own performance and any recommended changes to this Charter.

The Committee's Annual Report shall be retained as part of AIU's accreditation evidence portfolio and referenced in the Annual Institutional Effectiveness Report.

The Committee may, without management approval, communicate directly with the Board Chair or the full Board on any matter it considers urgent or sensitive, including any concern regarding the integrity of financial reporting or the conduct of senior management.

8. Limitations on Committee Responsibility

The Committee's oversight responsibilities do not create or imply executive responsibility for the functions it oversees. The following limitations apply:

1. Primary responsibility for the preparation of accurate financial statements, the maintenance of adequate internal controls, and the management of institutional risk rests with the President and management team. The Committee's role is one of independent oversight.
2. The Committee is not responsible for planning, performing, or expressing an opinion on the audit of AIU's financial statements. That responsibility belongs to the external auditor appointed for that purpose.
3. The Committee is not a substitute for a fully resourced internal audit function. Where AIU's internal audit capacity is limited, the Committee shall document this constraint and recommend to the Board the resources or arrangements necessary to address it.
4. The Committee's review of financial statements or audit reports does not constitute certification of their accuracy. The Committee's obligation is to apply reasonable oversight diligence, not to guarantee the completeness or correctness of institutional accounts.

9. Confidentiality

Committee members and attendees are required to maintain the confidentiality of all matters discussed at Committee meetings, including audit findings, risk assessments, investigation outcomes, and related-party transaction reviews. Information reviewed by the Committee is shared externally only:

- As required by applicable law or regulatory obligation;
- With Accrediting agency as required by accreditation standards or in response to Commission inquiries;
- As directed by the Board of Trustees;
- Upon the written consent of the Committee Chair.

Minutes of Committee meetings are treated as confidential Board governance documents. They are not subject to public disclosure but shall be made available to Accrediting agency visiting teams upon request as evidence of Board oversight activity.

10. Charter Approval, Amendment, and Review

This Charter is approved by the Board of Trustees and becomes effective upon the date of adoption recorded in the approval matrix below.

The Charter shall be reviewed by the Committee at least every three (3) years and following any material change in AIU's governance structure, accreditation status, applicable law, or institutional risk profile. Proposed amendments are recommended by the Committee and require full Board approval to take effect.

In the event of an urgent operational need, the Committee may adopt provisional amendments effective immediately, subject to ratification by the Board at its next meeting. Such provisional amendments shall be documented and communicated to the Board Chair without delay.

The most current version of this Charter shall be retained by the Committee Secretary, posted in AIU's internal governance repository, and made available to Accrediting agency upon request.

Approval Matrix

Role	Name	Signature	Date
Prepared by	Office of the President	Signature: _____	_____
Committee Chair Signature	[ARC Chair Name]	Signature: _____	_____
Board Chair Signature	Prof. Fayza Al-Kharafi	Signature: _____	_____
Effective Date		Signature: _____	[Upon adoption]
Next Review	3 Years from Effective Date		