

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

In Open Session

Members of the Board of Directors of the University of Louisville Foundation, Inc. met at 12:01 p.m. on July 29, 2021 in the Swain Student Activities Center Ballrooms on the University of Louisville Belknap Campus. Members were present and absent as follows:

Present: Mr. Earl Reed, Chair
Mr. David Anderson
Dr. Neeli Bendapudi (*via videoconference*)
Mr. Jim Boone
Mr. Ernest Brooks
Mr. John Chilton
Ms. Jessica Cole
Ms. Jill Force
Mr. David Krebs
Mr. Larry McDonald (*via videoconference*)
Mr. Mark Nickel
Ms. Mary Nixon
Ms. Ugonna Okorie
Mr. Ken Payne
Mr. Jim Rogers
Mr. David Schultz
Mr. John Smith
Mr. John Thompson

Absent: Mr. Paul Carrico

Board Advisors

Present: Ms. Deborah Lawson, Member of Investment Subcommittee

From the
Foundation:

Mr. Keith Sherman, Executive Director/COO
Ms. Laura Hall, Compliance Officer
Ms. Julie Kroger, Executive Assistant
Ms. Gina Lankswert, Director of Administration
Mr. Jake Robertson, Senior Accountant
Mr. Justin Ruhl, Controller

From Legal Counsel:

Mr. Franklin Jelsma, Wyatt, Tarrant & Combs (*via phone*)

From the University: Dr. Jasmine Farrier, Vice President for Advancement
Ms. Hope McLaughlin, Chief of Staff to UofL VP Advancement

Guest: Mr. Kevin Grout, RunSwitch

I. Call to Order

Having determined a quorum present, Chair Reed called the meeting to order at 12:01 p.m. No conflicts of interest or appearances of conflicts were identified.

II. Consent Agenda

Next, Mr. Reed read the **attached** consent agenda as follows:

- Approval of Minutes, April 29, 2021
- Approval of Amended Underwater Endowment Replenishment Plan
- Election of Managers of CCG-Louisville
- Election of Manager and Appointment of Officers of TNRP, LLC
- Election of Manager of ULDC, LLC
- Election of Directors of Metacyte Business Lab, LLC

Mr. Payne made a motion to approve the Consent Agenda, which Mr. Thompson seconded. The motion passed.

III. Governance & Nominating Committee Report

Mr. Reed reported the Governance and Nominating Committee met on July 23, 2021. During the meeting the Committee approved the following recommendations:

- Elect **Jim Boone, Ernest Brooks, Jessica Cole, Jill Force, and Mark Nickel** as At-Large Directors with terms ending on June 30, 2024.
- Recommend the Board approve the **attached** Committee assignments.

The Board approved the Committee's recommendations. In keeping with governance best practices individuals abstained from voting on their own nominations.

Mr. Reed reported the Committee also recommends the Board approve the third amended and restated Bylaws and the revised Committee Charters. Mr. Sherman provided a high-level overview of the governance documents noting the following:

- Revision to Section 2.1 of the Bylaws will allow the Foundation to support entities, such as UofL Health, that are integral to the University;
- Citation of certain Kentucky Revised Statutes within the Bylaws to be more specific and to explicitly state our compliance with those statutes;
- Committees must have a minimum of two people, however a specific number of members is no longer required. This gives the Board and Committees latitude to add additional members. Individuals who are not Directors will be able to serve as voting members of a Committee, but as required by Kentucky Revised Statutes such individuals may not vote on any matter which binds the Foundation;

- The Audit, Compliance, and Risk Management Committee will oversee compliance with donor intentions; and
- The governance documents comport with the Memorandum of Understanding with the University.

The Board approved the Committee's recommendations. The approved governance documents are **attached**.

IV. Audit, Compliance & Risk Management Committee Report

Mr. Boone reported Ernst & Young reviewed the fiscal year 2021 financial statement audit plan at the Audit, Compliance & Risk Management Committee meeting on June 22, 2021. The Committee recommends the Board approve the **attached** audit plan. The Board approved the Committee's recommendation.

Mr. Sherman provided an overview of how donor agreements are audited for compliance. Ms. Lankswert and Ms. Hall provided an in-depth review of the **attached** presentation.

While reviewing the organization chart in the presentation it was decided that compliance should also have a reporting line to the Audit, Compliance & Risk Management Committee.

Mr. Reed expressed his appreciation to the staff for their review of gift and endowment compliance.

V. Finance Committee Report

Ms. Force reported the Finance Committee reviewed the most recent financials during their meeting on July 29, 2021. During the fiscal year revenues exceeded budget and expenses were less than budget. A highlight is that all underwater accounts have been eliminated.

Investment Subcommittee Report

Mr. Nickel stated the main endowment pool's fiscal year return was 35.4%. He noted it could actually be higher once Prime Buchholz receives the most recent quarter's private capital returns.

VI. Compensation Committee Report

The members of the Compensation Committee are Ken Payne (Chair), Jim Boone (Vice Chair), Jill Force, Mark Nickel, and Mary Nixon. The Committee met on June 17, 2021 to evaluate the performance of the Executive Director and to discuss his compensation. Since that meeting members of the Committee have worked with Mr. Sherman to develop an updated job description and a set of performance goals for fiscal year 2022.

Mr. Payne stated that it is imperative that all compensation be deemed reasonable and in compliance with the law. The Committee decided to rely on the 2018 Korn Ferry compensation study. It was decided at the time of the study that the Foundation would focus on the 50% percentile of the benchmark group when setting executive

compensation. The Committee is confident that executive pay since that time has not decreased nor does the Committee's current recommendation approach the 50th percentile, \$404,000.

The Committee recommends the Board approve an annual base salary of \$275,000 for the Executive Director and Chief Operating Officer, effective July 1, 2021.

Upon a motion by Mr. Reed, and seconded by Mr. Thompson, the Board approved the **attached** job description and performance goals as well as the Compensation Committee's recommended annual base salary of \$275,000 for the Executive Director and Chief Operating Officer, effective July 1, 2021.

Mr. Jelsma noted the terms of Mr. Sherman's employment are set forth in the job description, there is no employment agreement.

VII. ULREF Update

Mr. Payne provided an update on the July 29, 2021 meeting of the University of Louisville Real Estate Foundation Board. They elected Steve Gault and Derrick Littlejohn to new three-year at-large director terms. They reviewed their current financials - the Foundation's cash position is strong, the TIF revenues collected during the fiscal year are an all-time high, they paid off the outstanding balance of debt to the University of Louisville and they made a \$5M payment on the outstanding obligation to the University of Louisville Foundation. They re-elected officers to two-year terms: Ken Payne – Chair, Steve Gault – Vice Chair, and Craig Hawley – Secretary and Treasurer.

The UofL Real Estate Foundation has a Memorandum of Understanding with the University that was approved in October 2017. The Board approved an amended MOU that closely resembles the one the Foundation has with the University. The Board also approved some changes to its bylaws and charters that will go in effect when the University's Board of Trustees approve the amended MOU.

Mr. Payne reported the properties are performing well. He noted the Ice Breakers building has been leased to the University and One Innovation Center is 80% full.

VIII. Reports from the University of Louisville

Dr. Farrier reviewed the **attached** Advancement presentation. In response to Mr. Payne's question about whether they are adequately staffed Dr. Farrier stated their peers are better staffed. In response to Ms. Force's question about how fundraising is typically funded in higher education Dr. Farrier stated there are a variety of models, no single model is considered the best. Ms. Nixon stated the model warrants review so the University can determine what would be best. Dr. Bendapudi indicated she would like the opportunity to discuss the topic at a future meeting after they have evaluated where they are and where they need to be. In response to Mr. Reed's question about their expenses compared to donations raised Dr. Farrier stated the cost is approximately \$.25 to every \$1 raised. Dr. Bendapudi noted a lot is going towards information technology needs right now.

Dr. Bendapudi provided a brief update on the University. She noted their financial position this past fiscal year was better than the prior year.

IX. Report of the Executive Director

Mr. Sherman stated the Board approved the appointment of five At-Large Directors earlier in the meeting upon the recommendation of the Governance and Nominating Committee. He recommends the Board amend the resolution noting the number of At-Large Directors is being expanded by two for a total of twelve At-Large Directors. Mr. Reed moved the adoption of the revision. Mr. Anderson seconded it. The motion passed.

Mr. Sherman expressed his appreciation to the Compensation Committee and the Board for their confidence in his leadership. He also expressed his appreciation to the staff for their tremendous flexibility in adapting to change and ensuring their work got done this past year.

He noted that operationally the Foundation is a different institution than it was four-and-a-half years ago when he became Executive Director. Governance and processes have been revamped. Changes have been made to the investment approach that have simplified things and positioned the Foundation to benefit economically this year and in the future.

Mr. Sherman provided a high-level overview of some of the past year's activities:

- Created 147 new accounts for endowments and gifts, 39 of which were new endowment accounts.
- Dissolved one corporate entity which brought the total to nine.
- Between ULF and ULREF entered into or renewed almost 30 leases.
- Analyzed and worked with the University on potentially significant real estate projects. One already has broken ground for the new Denny Crum Hall.
- Eliminated debt.
- Brought all endowments above water.
- Continued to provide orientation and training to the Development team. Filmed a training session for all department finance people across campus.
- Blackbaud implementation is well underway. Once completed it will significantly help everyone across campus measure and manage philanthropy as well as streamline some work of the gift processing team.

Mr. Sherman provided a high-level overview of the Foundation's Conflict of Interest Policy. He requested the Directors complete and return their annual disclosure forms at their earliest convenience.

Mr. Sherman asked for a motion to approve the **attached** Signature and Banking Authority resolutions. Mr. Thompson made a motion to approve the resolutions which Mr. Payne seconded. The motion passed.

X. Executive Session to Discuss Proposed or Pending Litigation, a Specific Business Proposal, and Personnel Matters Pursuant to KRS 61.810 (1) (c) (g) and (f)

Mr. Reed asked for a motion to go into executive session to discuss proposed or pending litigation, a specific business proposal, and a personnel matter pursuant to KRS 61.810(l)(c) (g) and (f). Mr. Anderson made the motion, which Ms. Nixon seconded, to go into executive session at 1:59 p.m. The motion passed.

XI. Reconvene Open Session

When open session reconvened at 2:13 p.m., Mr. Reed reported that proposed or pending litigation, a specific business proposal, and a personnel matter were discussed during the executive session.

No action was taken.

XII. Report of the Chair

Mr. Reed expressed his appreciation to the staff for the donor compliance review during the Audit, Compliance, & Risk Management Committee report.

He noted it is great that all the underwater endowments have been brought above water.

Mr. Reed stated he asked Prime Buchholz if the anticipated annual return should be adjusted. He said they indicated 5-6% should still be the expected return in fiscal year 2022.

XIII. Other Business

Mr. Reed moved the adoption of the **attached** Approval of Support of UofL Health, Inc. and Related Actions resolution. Mr. Thompson seconded the motion. It was approved.

XIV. Adjournment

Having no other business, a motion to adjourn the meeting, made by Ms. Force and seconded by Mr. Nickel, passed. The meeting adjourned at 2:18 p.m.

Approved by:


James E. Boone, Secretary
University of Louisville Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on July 29, 2021, the Board adopted the following resolution:

Replenishment of Underwater Endowments

WHEREAS, the Board of University of Louisville Foundation, Inc. (the “**Foundation**”) approved the following resolution on April 29, 2021:

WHEREAS, the University of Louisville Foundation, Inc. (the “**Foundation**”) has been working for several years to address numerous underwater endowment accounts in its main endowment pool.

WHEREAS, the number of underwater endowment accounts since December 31, 2016 has been as high as 1,032 and as much as \$58.0M underwater.

WHEREAS, through sound fiscal stewardship, a change in investment strategies, reinvestment of unspent carryover by numerous University of Louisville academic units and two prior infusions of new cash by the Foundation to replenish market values of underwater accounts, the Foundation has made significant progress in bringing all accounts above water.

WHEREAS, on March 31, 2021, there remained 107 underwater endowment accounts totaling \$3.8M underwater.

WHEREAS, the Foundation has generated \$4M of unrestricted cash from investments returns in its Operating Reserve Account that is available to replenish the remaining underwater accounts.

WHEREAS, the Replenishment Plan does not affect spendable carryover balances for any account.

WHEREAS, it is understood that the Foundation does not guarantee investment performance, and therefore, it remains possible that due to investment performance all or some of these replenished accounts could again become temporarily underwater.

RESOLVED, upon the recommendation of the Finance Committee, the Board of Directors authorizes the replenishment of all underwater endowment accounts, based upon their April 30, 2021 values and effective the same date through use of \$4M from the Operating Reserve account.

BE IT FURTHER RESOLVED, upon the recommendation of the Finance Committee, that any cash in excess of the underwater accounts as of April 30, 2021 be proportionately added to the underwater accounts to help increase their market value even further.

BE IT FURTHER RESOLVED, upon the recommendation of the Finance Committee, the Board of Directors authorizes any endowment account that was underwater as of December 31, 2018, continue to be infused with cash, as available, for the foreseeable future to assist in adding market value to such accounts.

WHEREAS, the resolution used the effective date of April 30, 2021 instead of March 31, 2021. All accounts have been replenished as of March 31, 2021 and remain healthy and above water.

RESOLVED, upon the recommendation of the Finance Committee, the Board authorizes the replenishment of all underwater endowment accounts effective March 31, 2021.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____


James E. Boone, Secretary
University of Louisville Foundation, Inc.

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky nonprofit corporation (“**ULF**”), held on July 29, 2021, the Board adopted the following resolutions:

Election of Managers of CCG-Louisville, LLC

WHEREAS, ULF is the sole member of CCG-Louisville, LLC, a manager-managed Kentucky limited liability company (“**CCG**”).

RESOLVED, that the Board, for and on behalf of ULF as the sole member of CCG, hereby elects the following individuals to serve as members of the Board of Managers of CCG until the next annual meeting of the member or written consent in lieu thereof, or until their successors have been duly elected and qualified:

Keith Sherman

W. Earl Reed III

RESOLVED, that the Board, for and on behalf of ULF as the sole member of CCG, hereby approves the nomination of the following individuals to serve as members of the Board of Managers of CCG until the next annual meeting of the member or written consent in lieu thereof, or until their successors have been duly elected and qualified:

Jeff Spoelker (ULAA)

Dan Durbin (University)

Election of Manager and Appointment of Officers of TNRP, LLC

WHEREAS, ULF is the sole member of TNRP, LLC, a manager-managed Kentucky limited liability company (“**TNRP**”).

RESOLVED, that the Board, for and on behalf of ULF as the sole member of TNRP, hereby elects ULF to serve as the Manager of TNRP until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified;

RESOLVED, that ULF shall constitute the sole Manager of TNRP until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that all current officers of TNRP are hereby removed and the following persons are hereby appointed to the offices set forth opposite their respective names, to hold such offices until the next annual meeting of the Manager or written consent in lieu thereof, or until their respective successors have been duly elected and qualified or until their earlier resignation or removal:

<u>Name:</u>	<u>Office:</u>
Keith Sherman	President
W. Earl Reed III	Secretary and Treasurer

Election of Manager of University of Louisville Development Company, LLC

WHEREAS, ULF is the sole member of University of Louisville Development Company LLC, a manager-managed Kentucky limited liability company (“ULDC”).

RESOLVED, that the Board, for and on behalf of ULF as the sole member of ULDC, hereby elects ULF to serve as the Manager of ULDC until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified; and

RESOLVED, that ULF shall constitute the sole Manager of ULDC until the next annual meeting of the member or written consent in lieu thereof, or until its successor has been duly elected and qualified.

Election of Directors of Metacyte Business Lab LLC

RESOLVED, that the Board, for and on behalf of ULF as the sole member of Metacyte, hereby elects the following individuals to serve as members of the Board of Directors of Metacyte until the next annual meeting of the member or written consent in lieu thereof, or until their successors have been duly elected and qualified:

Keith Sherman

W. Earl Reed III

BOARD ACTION:

Passed X

Did Not Pass

Other


James E. Boone, Secretary
University of Louisville Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on July 29, 2021, the Board adopted the following resolution:

Committee Structure

WHEREAS, the Board has approved a Charter for each of the five standing Committees of the Board. Each Committee is governed by, and has the power, authority and duties of the Board with respect to, the matters set out in its Charter;

WHEREAS, each Charter states “Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.”

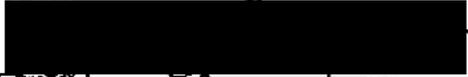
NOW, THEREFORE, BE IT RESOLVED, that upon the recommendation of the Governance and Nominating Committee, the Board approves the Committee Structure as listed in Exhibit A.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____


James. E. Boone, Secretary
University of Louisville Foundation, Inc.

**University of Louisville Foundation
Committee Assignments**

All Committees must be comprised of a majority of at-large members

Audit, Compliance, Enterprise Risk

David Anderson
* Jim Boone
John Chilton
Jessica Cole
David Krebs

Finance

Paul Carrico
* Jill Force
Mary Nixon
Earl Reed
Jim Rogers
John Thompson
Dan Durbin *ex officio as UL CFO*

Investment

David Anderson
Ernest Brooks
Jill Force *ex officio as Finance Chair*
Deborah Lawson
* Mark Nickel
Earl Reed
Jim Rogers

Governance & Nominating

* Earl Reed *ex officio as ULF BOD Chair*
Jim Boone
Paul Carrico
Larry McDonald
TBD

Compensation

Neeli Bendapudi
Jim Boone
Jill Force
Mark Nickel
Mary Nixon
* Ken Payne *ex officio as ULREF BOD Chair*

Current Board Members

David Anderson
Ernest Brooks
Jim Boone
Paul Carrico
Jessica Cole
Jill Force
David Krebs
Larry McDonald
Mark Nickel
Ken Payne
Earl Reed
John Thompson

John Chilton - Trustee
Mary Nixon - Trustee
Jim Rogers - Trustee
vacant - trustee
Neeli Bendapudi *ex officio as UL President*
Ugonna Okorie *non-voting ex officio as UL SGA President*
David Schultz *non-voting ex officio as UL Faculty Senate President*
John Smith *non-voting ex officio as UL Staff Senate President*

Committee Members

Deborah Lawson

Expiration

5/29/2022

* Committee Chair

7/23/2021

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky nonprofit corporation (“**ULF**”), held on July 29, 2021, the Board adopted the following resolutions:

Approval of Revised Governing Documents

WHEREAS, effective April 29, 2021, ULF adopted those certain Second Amended and Restated Bylaws (the “**Bylaws**”), Charter of the Compensation Committee and Charter of the Investment Subcommittee of the Finance Committee (collectively, the “**Charters**”); and

WHEREAS, the Bylaws and Charters inadvertently excluded changes to such Bylaws and Charters with respect to the composition of the members of the Compensation Committee and the Investment Subcommittee of the Finance Committee that the Board desired to approve.

RESOLVED, that the Board hereby authorizes, approves and adopts the revised Second Amended and Restated Bylaws, substantially in the form presented to the Board (the “**Revised Bylaws**”); and

FURTHER RESOLVED, that the revised Charter of the Compensation Committee and revised Charter of the Investment Subcommittee of the Finance Committee, each substantially in the form presented to the Board (each a “**Revised Charter**” and, collectively, the “**Revised Charters**”), be and each hereby is, authorized and approved and the Compensation Committee and the Investment Subcommittee of the Finance Committee shall be governed by, and have the power, authority and duties of the Board with respect to, the matters set out in its Revised Charter.

General Resolutions

RESOLVED, that the officers of ULF be and hereby are each authorized, empowered and directed, for and on behalf of ULF and in its name, to execute, deliver, file and record such agreements, instruments, documents and certificates and to take or cause to be taken such other and further action as they shall, in their reasonable discretion, deem necessary or appropriate in order to effectuate the purposes of, and implement, the foregoing resolutions and all actions heretofore taken by them in connection with the foregoing, are hereby ratified, confirmed, adopted and approved.

BOARD ACTION:

Passed _____

Did Not Pass _____

Other _____



James E. Boone, Secretary
University of Louisville Foundation, Inc.

**THIRD AMENDED AND RESTATED BYLAWS OF
THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

**ARTICLE I
OFFICES; PURPOSES**

1.1 Registered Office and Principal Office.

Until altered as provided by law, the Registered Office of the UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (the “Foundation”) shall be the address stated in the records of the Commonwealth of Kentucky, and its principal office shall be at such location as determined by the Board from time to time.

1.2 Other Offices.

The Foundation may maintain other offices at such places, within and without the Commonwealth of Kentucky, as its Board may from time to time establish.

1.3 Purposes.

The purpose for which the Foundation is formed, the business and objects to be carried on and promoted by it, and the powers granted to it, are set forth in the Foundation’s Articles of Incorporation (the “Articles”). Any other provisions of these Bylaws to the contrary notwithstanding, the Foundation shall not have any purpose or object, nor have or exercise any power, nor engage in any activity which in any way contravenes or is in conflict with the provisions of these Bylaws or its Articles.

1.4 Nondiscrimination.

The Foundation does not discriminate in its mission and employment policies against any person on the basis of gender, race, color, religion, age, disability, sexual orientation, national or ethnic origin, or on any other basis proscribed by federal, state or local law.

**ARTICLE II
THE BOARD OF DIRECTORS**

2.1 Powers.

The Foundation’s property and affairs, including prudent control and management of its assets and of all gifts made for the benefit of the University of Louisville, a body politic and corporate (the “University”) (as well as gifts made for the benefit of other charitable organizations determined by the Foundation’s Board of Directors (the “Board”) to be integral and connected to the University), shall be managed by the Board. The Board’s membership shall be as set forth in Section 2.3. Foundation Board members shall be referred to individually as a “Director” and collectively as the “Directors.”

2.2 Number of Directors.

The number of Directors shall be no less than 15 and no more than 25, as determined from time to time by the Board.

2.3 Composition of Board.

The Board shall be composed as follows:

(1) Ex Officio Directors. Persons holding the offices listed below shall serve as Ex Officio Directors of the Board:

a The President of the University, who shall serve as a voting member of the Board and enjoy the full powers and privileges as are vested in the Directors generally;

b The President of the University's faculty senate, who shall be a non-voting member of the Board and shall not be counted for purposes of determining a quorum;

c The President of the University's staff senate, who shall be a non-voting member of the Board and shall not be counted for purposes of determining a quorum; and

d The President of the University's Student Government Association, who shall be a non-voting member of the Board and shall not be counted for purposes of determining a quorum.

(2) Trustee Directors. Four (4) persons who are members of the University's Board of Trustees shall serve as voting members of the Foundation's Board (the "Trustee Directors"). Upon the request of the Chair of the University's Board of Trustees, a fifth Trustee Director will be added to the Board.

(3) At-Large Directors. At all times, no less than a majority of all Directors shall be At-Large Directors. The At-Large Directors shall be persons who are interested in the mission and welfare of the University, but no At-Large Director shall be a trustee, officer or employee of the University (nor an employee of the Foundation) or hold any elective or appointive office in the Commonwealth of Kentucky, or any agency, instrumentality or political subdivision of the Commonwealth of Kentucky.

(4) At no time shall the University President (serving as an Ex Officio Director) together with the Trustee Directors collectively comprise more than 40% of the membership of the Foundation's Board.

2.4 Election of Directors; Tenure; Terms.

Directors, excluding the Ex Officio Directors, shall hold office for a term of three (3) years. Any Director who serves for two (2) consecutive terms shall not be eligible for election to a subsequent term for at least a one-year period following the conclusion of such Director's second term. Partial terms or terms of less than three (3) years in duration shall not be included in the determination of two (2) consecutive terms. Absent death, resignation, disqualification or removal, a Director's term shall not expire until a successor Director has been elected and qualified. The Trustee and At-Large Directors shall be classified according to the time for which they shall severally hold office by dividing them into three (3) groups, with the number in each group to be as even as possible. Except as otherwise provided herein, the terms of office of all of these Directors in each group shall expire at the same time. The terms of office held by the Directors in each group shall be staggered so that the terms of office of the Directors of only one group shall expire each year.

Directors shall be elected as follows:

(1) **Ex Officio Directors.** The Ex Officio Directors shall at all times be the incumbents or acting officers named in Section 2.3(1).

(2) **Trustee Directors.** The Chair of the Board of Trustees of the University of Louisville shall appoint the Trustee Directors.

(3) **At-Large Directors.** At-Large Directors shall be elected by a majority vote of the incumbent Directors from a list of candidates provided by the Foundation's Governance and Nominating Committee.

2.5 Annual Meeting.

The Annual Meeting of the Board shall be held during the month of July of each calendar year, on a date and at a time and place to be specified by Resolution of the Board. At the Annual Meeting, the Board shall elect (i) officers of the Foundation to serve for terms of two (2) years each and until their respective successors are elected and accept office, and (ii) any At-Large Directors needed to fill expired terms or to fill vacancies.

2.6 Regular and Special Meetings.

The Board shall hold quarterly Regular Meetings (one of which shall be the Annual Meeting) at a date, time and place to be specified in advance. Special Meetings of the Board shall be held at the call of the Chair or the Foundation's Chief Executive (as defined in Section 5.1), or at the request of three or more Directors.

2.7 Executive Sessions.

The Foundation adheres to Kentucky Revised Statutes 61.800-850 et. seq., known as the Open Meetings Act of the Commonwealth of Kentucky (the "Open Meetings Act"). Subject to the requirements of the Open Meetings Act, the Board may hold any Regular or Special Meeting, or any part of thereof, in executive session with participation limited to voting Directors and such individuals as may be invited to attend all or portions of an executive session by the Chair. Subject to the requirements of the Open Meetings Act, executive sessions of the Board and any of its committees shall remain confidential.

2.8 Emergency Meetings.

An emergency meeting may be held with less than 24 hours advance notice, but the circumstances requiring the emergency meeting must be explained at the beginning of the meeting by the person chairing the meeting, and the circumstances requiring the emergency meeting must be recorded in the minutes of the meeting. Reasonable efforts must be undertaken, under emergency circumstances, to notify all Directors of the emergency meeting as soon as reasonably possible.

2.9 Notice of Meetings.

(1) Reasonable notice (not less than 24 hours), orally or in writing, of each Regular Meeting of the Board of Director shall be given by the person calling it or by the Secretary of the Board, but such notice may be waived by any person entitled thereto. Attendance of a Director at any meeting shall constitute waiver of notice of such meeting, except when such Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. Insofar as practicable, an agenda and copies of all reports and other materials to be presented at the meeting may be provided to the Directors two (2) days before a meeting. Discussion and/or action at a Regular Meeting shall not be limited to items on the agenda. Neither the business to be transacted at nor the purpose of any Regular Meeting of the Board need be specified in the notice, or waiver of notice of such meeting.

(2) Written notice shall be given of any Special or Emergency Meeting of the Board by the person(s) calling the meeting, the Board Secretary or the Board Secretary's designee, but such notice may be waived by any person entitled thereto. Notice of a Special or an Emergency Meeting may be delivered (a) personally, (b) by facsimile, (c) by mail, or (d) by email. Notice of a Special Meeting must be sent at least 24 hours before the Special Meeting. Notice of a Special or an Emergency Meeting shall state the date, time and place of the meeting and the agenda for the meeting. Any discussion at and action taken at a Special or an Emergency Meeting shall be limited to items listed on the agenda in the meeting notice.

2.10 Quorum and Voting.

For all Board meetings, a quorum shall exist when a majority of the voting Directors then serving are present, more than half of whom must be At-Large Directors. The affirmative vote of a majority of the Directors present at a meeting at which a quorum exists shall constitute an action of the Board. The Foundation will comply with the Open Meetings Act's requirements for Director participation via video and teleconference equipment. As set forth in KRS 273.217(4), Directors are prohibited from voting by proxy.

2.11 Organization of Meetings of the Board of Directors.

The Chair of the Board shall preside at all meetings of the Board. In his or her absence, the Vice Chair shall preside, but if both of them are absent, a Chair pro tempore shall be designated by the Chair or by the Foundation's Chief Executive. The Secretary of the Foundation shall act as Secretary at all meetings of the Board, but if he or she is absent, the Chair shall appoint a Secretary pro tempore.

2.12 Resignations.

Any Director may resign at any time by delivering written notice to the Chair. The resignation shall take effect at the time specified in the notice; unless required by the terms of the notice, acceptance shall not be necessary to make the resignation effective. Failure of any Director to attend three consecutive meetings of the Board without excuse may result in removal of the Director.

2.13 Removal.

(1) The term of a Director shall immediately cease and such Director shall be considered automatically removed without action by the Board immediately upon such Director's failure to meet the eligibility requirements specified in Section 2.3(2) or Section 2.3(3) because:

a. such Director was appointed as a Trustee Director and has ceased to be a member of the Board of Trustees of the University of Louisville; or

b. such Director was elected as an At-Large Director and has become a trustee, officer or employee of the University of Louisville (or an employee of the Foundation) or an elected or appointed officer of the Commonwealth of Kentucky, or any agency, instrumentality or political subdivision of the Commonwealth of Kentucky.

(2) Any Director subject to automatic removal pursuant to Section 2.13(1)

may be re-elected or re-appointed to the Board pursuant to the procedures contained in the Bylaws for election or appointment of Directors, provided, that after such reelection or reappointment, the Board and the terms thereof shall be constituted as provided in these Bylaws.

(3) Any Director may be removed for cause with the affirmative vote of at least two-thirds (2/3) of the voting members of the Board. Prior to any such vote being taken, the Director whose membership is being considered may address the Board in executive session to share any information such Director feels is pertinent to the Board's vote. After such Director has been given adequate opportunity to address the Board in executive session, such Director may be excused from any executive session at which the removal of such Director is discussed.

2.14 Vacancies.

Vacancies in the Board shall be filled as follows:

(1) Ex Officio Directors. Shall not be filled until such time as a successor shall have been named to serve as the officer designated as an Ex Officio Director in Section 2.3(1).

(2) Trustee Directors. Shall be filled by the person serving as the Chair of the Board of Trustees of the University of Louisville at the time the vacancy occurs. Any Trustee Director appointed pursuant to this Section 2.14(2) shall serve the remaining term of the Director whose resignation or removal created the vacancy and shall be classified in the same term as the resigning or removed Director and shall serve until his or her successor shall have been elected or appointed and shall have assumed office, or until his or her death, resignation or removal, whichever is sooner.

(3) At-Large Directors. Shall be filled, consistent with the process described in Section 2.4(3), by a majority vote of the remaining Directors, voting together as a single voting group, at such time, if any, as such Directors shall deem appropriate. In the event the Directors decide to elect an At-Large Director pursuant to this Section 2.14(3), such Director shall be elected to serve the remaining term of the Director whose resignation or removal created the vacancy, shall be classified in the same term as the resigning or removed Director and shall serve until his or her successor shall have been elected or appointed and shall have assumed office, or until his or her death, resignation or removal, whichever is sooner.

2.15 Compensation.

Members of the Board shall not receive compensation for their services to the Foundation as Directors. By resolution of the Board, the Directors may be paid their actual and reasonable expenses of attendance at each meeting of the Board or its Committees.

ARTICLE III
COMMITTEES OF THE BOARD

3.1 In General.

The Standing Committees of the Board shall be a Finance Committee, a Governance and Nominating Committee, a Compensation Committee and an Audit, Compliance and Risk Management Committee. In addition, the Finance Committee shall have a standing Investment Subcommittee. Each Committee shall consist of the number of persons set forth in these Bylaws and such Committee's charter; provided, that no Committee shall have less than two (2) members (as required by KRS 273.221(1)). Any Committee having any of the Board's authority shall at all times have a majority of its membership composed of At-Large Directors, and shall require that a quorum must consist of a majority of At-Large Directors. The Board may appoint such other Committees for specified purposes as it may deem appropriate, including, without limitation, an Executive Committee; provided, that the Executive Committee, if formed, shall include at least one Trustee Director. Authority to act on all matters is reserved to the Board unless expressly delegated to a Committee by formal action of the Board, and the duty of each Committee shall be to consider and make recommendations to the Board on matters referred to it. Each Committee shall have a charter outlining its responsibilities, which charter (and any amendments thereto) must be approved by the Board. Each Committee shall keep minutes of its meetings, which shall become a part of the minutes of the Board upon approval by the Board, and report out all actions taken or recommended at the next Board meeting. Each Committee shall have a Chair who shall be designated in a manner that is consistent with these Bylaws and the applicable Committee charter. Notices for Committee meetings shall be provided consistent with the notice requirements for Board meetings described in Section 2.9. Individuals who are not Directors may serve as voting members of Committees, but (as required by KRS 273.211) such individuals may not vote on any matter which binds the Foundation. Upon the majority vote of a Committee's members, any Committee may add non-voting advisors, who may serve for terms of up to two (2) years and whose participation shall be advisory only.

3.2 Finance Committee; Investment Subcommittee.

The Finance Committee shall consist of at least seven (7) persons as provided in its charter, one of whom shall be the Chief Financial Officer of the University of Louisville who shall serve ex officio. As further described in its charter, the Finance Committee shall have general supervision over the finances, investments and budget of the Foundation and such other responsibilities as may be prescribed from time to time by the Board. The Finance Committee shall not have power to make conditions for acceptance of endowments and gifts to the Foundation without the approval of the Board.

The Finance Committee shall establish a standing Investment Subcommittee to oversee Foundation investments. The Investment Subcommittee shall consist of at least five (5) persons as provided in its charter.

3.3 Audit, Compliance and Risk Management Committee.

The Audit, Compliance and Risk Management Committee shall consist of at least five (5) persons as provided in its charter. As further described in its charter, the Audit Committee shall be responsible for, and shall present to the Board for approval the annual financial audit of the Foundation and the Foundation's annual IRS Form 990, *Return of Organization Exempt from Income Tax*, and IRS Form 990-T, *Exempt Organization Business Income Tax Return*, review of the conflict of interest statements and such other responsibilities as may be prescribed from time to time by the Board.

3.4 Compensation Committee.

The Compensation Committee shall consist of at least five (5) persons as provided in its charter. As further described in its charter, the Compensation Committee shall be responsible for reviewing all forms of compensation and benefits provided to the Chief Executive of the Foundation and other members of the Foundation's executive management team and recommending such compensation to the Board. As it relates to compensation for the Foundation's executive management team, the Board shall only act upon the recommendation of the Compensation Committee. For so long as the Chief Executive (or any other members of the Foundation's executive management team) also serves simultaneously as an executive of the University of Louisville Real Estate Foundation, Inc. ("ULREF"), the Chair of the ULREF Board of Directors shall serve as a voting member of the Compensation Committee.

3.5 Governance and Nominating Committee.

The Governance and Nominating Committee shall consist of at least five (5) persons as provided in its charter. The Chair of the Board shall be a member of this Committee. As further described in its charter, the Governance and Nominating Committee shall: (a) periodically review the Articles and Bylaws for the Foundation and each of its subsidiaries; (b) periodically review the Foundation's Memorandum of Understanding with the University and any other material agreement between the University and the Foundation; (c) submit the results of the reviews described in (a) and (b) with any proposed changes for consideration by the Foundation's Board (or, as applicable, to the governing board of any subsidiary of the Foundation); (d) monitor legal and legislative developments in the area of nonprofit corporate governance as may be relevant to the Foundation and its subsidiaries; (e) periodically, develop, amend, and review the governance policies of the Foundation to assure compliance with all state and federal regulations; and (f) select and recommend qualified candidates to the Board for

election as At-Large Directors, for filling vacancies in any At-Large Directorship, and for election as officers of the Board.

ARTICLE IV **OFFICERS OF THE BOARD**

4.1 Principal Officers of the Board.

The officers of the Board shall be a Chair; a Vice Chair; a Secretary; and such other officers and assistant officers as the Board may elect. Any officer elected by the Board may be removed by the Board's majority vote, with or without cause. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term. Any officer may resign at any time by giving written notice to the Chair or the Secretary. Such resignation, which may or may not be contingent on formal acceptance, shall take effect on the date of receipt. No officer of the Board shall serve simultaneously as an officer of the University of Louisville without prior approval of both the Board and the Board of Trustees of the University of Louisville.

4.2 Chair of the Board.

The Chair, who shall be elected by the Board from among its members for a term of two (2) years, shall preside at all meetings of the Board. The Chair shall not be the University President. The Chair shall perform such other duties and have such powers as are usually performed and possessed by similar officers of like corporations and shall, in addition, perform such duties and have such powers as may from time to time be prescribed by the Board.

4.3 Vice Chair of the Board.

The Vice Chair, who shall be elected by the Board from among its members for a term of two (2) years, shall perform all the duties and have all the powers of the Chair during the absence or disability of the latter.

4.4 Secretary of the Board.

The Secretary, who shall be elected by the Board from among its members for a term of two (2) years, shall keep the Minutes of all proceedings of the Board, and shall see that proper minutes and records are kept of proceedings of those Committees of the Board having any of the authority of the Board. The Secretary shall make and keep a proper record thereof which shall be attested by him or her. In addition, he or she shall keep such other books and records which may be required by the Board, and shall have charge of the Corporate Seal. He or she shall generally perform such other and further duties as may be required by the Board. In the absence of the Secretary or in the event of his or her disability, the Secretary's duties shall be performed by any assistant secretary or by any Director who may be appointed by the Chief Executive or by the Board.

4.7 Other Officers.

The Board shall have authority to elect or appoint other officers, agents, and employees.

ARTICLE V
EXECUTIVE STAFF

5.1 Chief Executive.

The Foundation's top executive officer (the "Chief Executive") shall not be the University President. The Chief Executive may serve in an interim capacity. He or she shall perform such duties and have such powers as are usually performed and possessed by similar officers of like corporations. The Chief Executive, in addition to the foregoing, shall perform such other duties and have such additional powers as may from time to time be expressly prescribed by the Board. The Chief Executive may be removed by the Board, with or without cause, whenever in its judgment the best interest of the Foundation would be served thereby but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.2 Vice Presidents; Other Staff Officers.

From time to time, the Board may designate Vice Presidents and/or other staff officers (e.g., Chief Financial Officer, Chief Investment Officer, etc.) and delegate authority to them.

5.3 Executive Staff Compensation.

Compensation and benefits provided to the Chief Executive and any other members of the Foundation's executive management team shall be reviewed and recommended by the Compensation Committee but only approved by resolution of the Board. No member of the Foundation's executive management team shall serve simultaneously as an officer of the University of Louisville without prior approval of both the Board and the Board of Trustees of the University of Louisville.

ARTICLE VI
CONFLICTS OF INTEREST

6.1 Statement of General Policy on Conflict of Interest.

No transactions involving remuneration or benefit to a Director or officer, or to an organization in which such Director or officer has a financial interest or of which the Director or officer is a member, officer, director, general partner, principal or controlling stockholder, shall be entered into by the Foundation without (a) a full disclosure to the Board by the interested Director or officer of the material facts of the transaction and the Director's or officer's interest or relationship; (b) the authorization, approval or ratification of the Board or appropriate

approval body; and (c) a determination by the Board or appropriate approval body that the transaction is fair to the Foundation at the time it is authorized, approved or ratified. No Director so involved may vote on such authorization, approval or ratification. The Board shall maintain a Conflicts of Interest Policy for the Foundation which is consistent with Article VI of the Articles and these Bylaws.

6.2 Disclosure.

Every Director and officer, in a manner and form to be prescribed by the Board, shall be required, as a condition of his or her office, to disclose fully any conflict of interest as defined in this Article or any policy adopted by the Board relating to conflicts of interest.

ARTICLE VII
GENERAL PROVISIONS

7.1 Fiscal Year.

The fiscal year of the Foundation shall be that fixed by Resolution of the Board, but until otherwise established shall run from July 1 of each calendar year to June 30 of the calendar year next following.

7.2 Bonding of Officers and Employees.

The Chief Executive and any staff members who have check signing authority or who handle cash or negotiable instruments, shall be bonded in an amount to be determined by the Board.

7.3 Conduct of Meetings.

The Board and each Committee may adopt rules of procedure which shall be consistent with these Bylaws, the Articles and any special rules of order the Foundation may from time to time adopt.

7.4 Corporate Seal.

The Corporate Seal of the Foundation shall be circular, with the words "UNIVERSITY OF LOUISVILLE FOUNDATION, INC." AND "1970" surrounding the words "CORPORATE SEAL" and "KENTUCKY."

ARTICLE VIII
INDEMNIFICATION

8.1 Actions by Third Parties.

The Foundation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Foundation to procure a judgment in its favor, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was Director, officer, employee or committee member of the Foundation, whether elected or appointed, including the heirs, executors, administrators or estate of any such person (individually, an “Indemnified Person” and, collectively, “Indemnified Persons”), against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if the Indemnified Person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Foundation and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Notwithstanding the above, however, no Indemnified Person shall be indemnified against any such liability, cost or expense incurred in connection with any action, suit or proceeding in which such person shall have been adjudged liable on the basis that such person’s personal financial interest was in conflict with the financial interests of the Foundation, such person received improper benefits, or such person engaged in acts or omissions not in good faith or which involved gross negligence or willful misconduct in the performance of such person’s duties as a Director, officer, employee or committee member of the Foundation. The indemnification rights provided here shall also apply in respect of any amount paid in compromise of any such claim asserted against an Indemnified Person (including expenses and costs actually and necessarily incurred in connection therewith), provided the Board shall have first approved such proposed compromise settlement and determined that the Director, officer, employee or committee member involved was not guilty of gross negligence or willful misconduct; in taking such action any Director involved shall not be qualified to vote thereon.

8.2 Reasonable Expenses; Advancement; Nonpayment Suits.

This Article’s indemnification rights shall be a contract right and shall include, at the discretion of the Foundation, the ability to receive payment for reasonable expenses incurred in defending any threatened or pending action, suit or proceeding in advance of its final disposition; provided, however, at the discretion of the Board such advance payment of expenses may be conditioned upon (i) delivery to the Foundation of a satisfactory undertaking by or on behalf of an Indemnified Person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification and (ii) a determination by the Board that the facts then known would not preclude indemnification under Section 8.1. If any indemnification payment required by this Article is not paid by the Foundation within ninety (90) days after a written claim covering a required indemnification payment has been received by the Foundation, the Indemnified Person may at any time thereafter bring suit against the Foundation to recover

the unpaid amount and, if successful in whole or in part, such person shall be entitled to be paid also the expense of prosecuting such claim.

8.3 Insurance.

The Foundation shall maintain insurance, at its own expense, to protect itself and its Directors, officers, or committee members against such liability, cost or expense on such terms, and with such exclusions and deductibles, as determined by the Board.

8.4 Exclusivity; Invalidation.

The indemnification provided by this Article shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any Bylaw, agreement, statute, vote of the Board or otherwise. If this Article, or any portion of this Article, is invalidated on any ground by any court of competent jurisdiction, then the Foundation nevertheless shall indemnify each Indemnified Person to the full extent permitted by any applicable portion of this Article that shall not have been invalidated or that remains enforceable under applicable law.

8.5 Limit on Personal Liability of Volunteers.

To the fullest extent permitted by Kentucky law, as now in effect or as may hereafter be amended, there shall be no personal liability to a third party for monetary damages on the part of a volunteer Director, officer, or committee member, caused by the Director's, officer's, or committee member's negligent act or omission in the performance of that person's duties as a Director, officer, or committee member, provided that the person's act or omission was within the scope of the Director's, officer's, or committee member's duties, performed in good faith and not reckless, wanton, intentional or grossly negligent.

8.6 Chapter 42 Taxes.

In no case, however, shall the Foundation indemnify, reimburse, or insure any person for any taxes imposed on such individual under Chapter 42 of the Internal Revenue Code (the "Code"). If at any time the Foundation is deemed to be a private foundation within the meaning of Section 509 of the Code then, during such time, no payment shall be made under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in Sections 4941(d) or 4945(d), respectively, of the Code.

8.7 Subsequent Modifications.

Any repeal or modification of this Article VIII shall not affect any rights or obligations then existing.

ARTICLE IX

AMENDMENT OF BYLAWS

The Board of the Foundation by the affirmative vote of two-thirds of the directors in office at such time, may alter, amend or repeal these Bylaws, or adopt new Bylaws. Written notice of a proposed Bylaw change shall be provided to each Director at least five (5) business days before any Meeting at which such change is to be considered.

The above bylaws of the University of Louisville Foundation, Inc. were amended by the members of the Board on July 29, 2021. Previously, the bylaws were amended on April 25, 1983, June 25, 2002, March 8, 2010, March 28, 2017, March 29, 2018 and April 25, 2019.

Signature on File

James E. Boone, Secretary
University of Louisville Foundation, Inc.

COMMITTEE CHARTER
of the
AUDIT, COMPLIANCE AND RISK MANAGEMENT COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Audit, Compliance and Risk Management Committee.

I. MEMBERSHIP

The Committee shall be composed of at least five (5) persons. The members of the Committee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

At least two (2) members of the Committee shall have significant experience in finance or accounting, or other comparable experience or background that demonstrates an understanding of financial statements, generally accepted accounting principles, internal controls, and procedures for financial reporting. Compliance and risk management experience is also desirable.

All Committee members shall be independent (non-employees of the Foundation, University of Louisville (“University”) or any affiliates of either). If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

No member of the Foundation’s Finance Committee shall serve on the Committee.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold quarterly regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation’s

Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee is charged with oversight of the quality, integrity and timely preparation of the Foundation's annual independent audit as well as the responsibility to evaluate the independent auditor's qualifications, independence and performance. The Committee also oversees compliance with legal, financial and regulatory requirements as well as compliance with donor intentions. Finally, it oversees risk management issues, particularly with respect to liability insurance and related issues. The Committee is not responsible for the planning or conducting of audits or for any determination that the Foundation's financial statements are complete and accurate or in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. In discharging its oversight role, the Committee has the authority to investigate any matter within its area of responsibility, with full access to all of the books, records, and staff of the Foundation, and the power to retain outside counsel, auditors, or other experts, as it deems appropriate.

More specifically, the Committee is charged by the Board with the responsibility to:

External Audit/Other Audit Services

1. On an annual basis, select and engage an independent accounting firm to conduct an audit of the Foundation's financial and operational records.
2. Review and approve, in advance of signing, the independent auditors' annual engagement letter, including authority to approve proposed fees, scope of work, as well as any proposed and permitted non-audit engagements, including tax services.
3. Review with management the significance of seeking proposals for audit services.
4. Review and evaluate the independence and performance of the independent auditors.
5. Review with management and the independent auditors the audited annual financial statements, associated management letter, report on internal controls, related footnotes and their report thereon, including any comments or recommendations or other communications of the independent auditors.
6. Review any disagreements among management and the independent auditors in connection with the annual audit.
7. Present the audited financial statements annually, as approved by the Committee, to the Board for approval.
8. Understand and monitor the quality and integrity of the Foundation's financial reporting processes and internal controls regarding finance, accounting, and legal and regulatory compliance.
9. Conduct a separate post-audit review with the independent auditors and management to discuss the audit and any restrictions on the scope of work or access to required information. Review any significant changes required in the independent auditors' audit plan. Review any serious difficulties or disputes with

management encountered during the audit and matters required to be discussed in accordance with applicable auditing standards. Review, with each public accounting firm that performs an audit, critical accounting policies and practices used by the Foundation.

10. Provide an open avenue of communication between the independent auditors, management, and the Board by requiring the auditors to bring critical issues to the Committee's attention and by meeting regularly with the auditors regarding significant audit findings.

Compliance

11. Provide leadership and support in promoting a culture of institutional compliance with regulatory matters by:

- a) Assisting management with the identification and prioritization of compliance risks.
- b) Assisting management with the development of mandatory risk management plans for compliance "high risks" and ensuring such "high risks" are properly managed.
- c) Understanding and monitoring emerging or changing regulatory requirements and associated compliance risks in higher education and related foundations that may require executive level attention.
- d) Review with the Foundation's legal counsel any significant legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related compliance policies, and programs and reports received from regulators of the Foundation.
- e) Review with management and the independent auditors the effect of any regulatory and accounting initiatives, as well as other unique transactions and financial relationships, if any.

12. Evaluate, as required by the Second Amended and Restated Memorandum of Understanding dated January 1, 2021 between the University of Louisville and the Foundation, as amended ("MOU"), the potential risks arising from the Foundation's operations and obtain commercially reasonable amounts of general liability and directors/officers insurance.

13. Establish (and require adherence to), as required by the MOU, system-wide policies for document retention needs, including the implementation of litigation holds, a prohibition on destruction of data in connection with the repurposing of computers, telephones and other devices and such policies shall be consistent with policies of the University.

14. Review the underlying policies with respect to risk assessment and risk management. Assess the steps management has taken to monitor, report, and control such risk exposures. Understand and monitor the adequacy of the Foundation's internal controls, including computerized information system controls, data security, and protection against fraud and cyber-crime activity.

15. Understand and review the Foundation's policies and procedures relating to compliance with laws and regulations, and its Conflicts of Interest Policy to ensure they reflect best practices.

16. Understand the Whistle-Blower Protection policy and procedures and review and approve policy updates. Review the receipt, investigation, retention, and disposition of complaints or reports of suspected illegal or improper activity, financial or otherwise, from employees or third parties. Oversee compliance with this policy ensuring that employees who complain or make reports are not subjected to any retaliation. Ensure this policy provides (and encourages) a mechanism for confidential and anonymous

reporting of any inappropriateness with the Foundation's financial management (and prohibit punishment or retaliation).

Reporting

17. Report regularly to the Board on the Committee's activities and actions. The Committee should review with the Board any issues that arise with respect to the quality or integrity of the financial statements; the overall control environment, including management controls; compliance with laws or regulations; and reports of any financial disparities.

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COMMITTEE CHARTER
of the
COMPENSATION COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) on July 29, 2021

This Charter amends, restates and replaces all prior charters of the Compensation Committee.

I. MEMBERSHIP

The Committee shall be composed of at least five (5) persons who shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation and shall at all times include the Chair of the Board of Directors of the University of Louisville Real Estate Foundation, Inc. (“ULREF”), so long as the Foundation’s Chief Executive or other members of the Foundation’s executive management team serve simultaneously as executives of ULREF; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

The Committee shall seek members with experience in human resources, employee benefits, business management, and retention of executive staff.

Except for the President of the University of Louisville (“University”), all Committee members shall be independent (e.g., non-employees of the Foundation, University or any affiliates of either). In addition, each Committee member must be “conflict-free” (as defined below) with respect to the Foundation’s compensation arrangements being reviewed. To be considered “conflict-free,” a Committee member must meet all five of the following requirements:

1. No Committee member may be a “Disqualified Person,” as defined in 26 C.F.R. §53.4958-3, who benefits financially from a compensation arrangement with the Foundation.
2. No Committee member may be in an employment relationship under the direction or control of a Disqualified Person who benefits financially from a compensation arrangement with the Foundation.
3. No Committee member may receive compensation or other payments subject to approval by a Disqualified Person who benefits financially from a compensation arrangement with the Foundation.
4. No Committee member may have a material financial interest affected by a compensation arrangement with the Foundation. Use the checklist attached as **Exhibit A** to analyze whether a Committee member has a material financial interest. If so, he or she may not serve.
5. No Committee member may approve a Disqualified Person’s compensation arrangement if the Disqualified Person has approved or will approve any arrangement providing an economic benefit to that Committee member.

If there is any basis for believing a Committee member does not meet this five-part test or is not independent, then those facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold at least one regular meeting per year, pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation’s Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee shall provide oversight of all compensation and benefits paid to Foundation employees. The Committee shall conduct an annual review of the compensation and benefits provided for the Foundation’s Chief Executive and other executive officers and report to the Board regarding same. The Compensation Committee shall conduct its review and approval of executive compensation and benefits in a manner that complies with applicable laws regarding the payment of reasonable compensation to executive employees. As appropriate, this includes consultation with independent professional advisors, who shall be selected or approved by, and shall report to, the Compensation Committee.

The Committee is charged by the Board with the responsibility to:

1. Establish, in conjunction with counsel, consultants and other appropriate third party advisors, the Foundation’s comprehensive compensation plan (including the process for developing compensation packages and which members of the Foundation staff will be considered members of the Foundation’s “executive management team”), to be presented at least annually to the Board. Further, ensure that:
 - a. The process for developing compensation packages includes: (i) a written description of all principal job duties and responsibilities, (ii) an assessment of the range of market compensation at the University and the Foundation and comparable universities and university foundations for such a position, and (iii) the explicit justification for any compensation package exceeding market compensation for such a position;

- b. the Foundation’s compensation process results in reasonable compensation and is designed to comply with the “rebuttable presumption of reasonableness” procedures described in 26 CFR § 53.4958-6 (including obtaining and relying upon independent compensation surveys by nationally recognized experts);
 - c. no deferred compensation or tax gross-ups are paid to Foundation employees; and
 - d. in accordance with the Second Amended and Restated Memorandum of Understanding dated January 1, 2021 between the University of Louisville and the Foundation, as amended (“MOU”), unless requested by the BOT in writing (and such request identifies an available source of funding), the Foundation does not pay (or become obligated to pay) any type of compensation to University employees (directly or indirectly through affiliated entities).
2. Recommend compensation for members of the Foundation’s executive management team, but not to approve such compensation. Only the Board shall have the authority to approve compensation for members of the Foundation’s executive management team; provided, that the Board shall only act upon the recommendation of the Committee.
 3. As appropriate, engage outside advisors (such as attorneys and compensation consultants) to provide objective and impartial compensation and market comparability data and to advise the Committee and the Board on compensation standards, trends and best practices provided that the Committee shall have sole authority to retain and terminate any such professional and to approve the professional’s fees and other retention terms, and each such professional shall have a primary reporting relationship to the Committee;
 4. Monitor compensation developments in the area of charitable, tax-exempt organizations and report to the Board on new developments as appropriate;
 5. Recommend to the full Board performance goals for the Foundation’s Chief Executive, subject to approval by the Board;
 6. Conduct an annual review of the performance of the Foundation’s Chief Executive based on Board-approved performance goals;
 7. Work with the Foundation’s Chief Executive to develop a compensation plan for non-executive management team members (which plan shall be implemented by the Foundation’s Chief Executive); and
 8. Prepare a report for the Board after each meeting in which the Committee reviews and recommends compensation and benefits for the Foundation’s executive management team providing, at a minimum, the following:
 - a. Process by which the Committee reviewed compensation and benefits for the Foundation’s executive management team;
 - b. Extent to which the Committee satisfied the requirements to qualify for the rebuttable presumption of reasonableness under the intermediate sanctions rules of federal tax law; and
 - c. Reasons why the Committee concluded that the recommended levels of executive compensation and benefits for the Foundation’s executive management team were considered by the Committee to be reasonable.

EXHIBIT A

CONFLICT-FREE TEST

Each Compensation Committee member must satisfy the five-part test described on page 1 of the Compensation Committee Charter. To be “conflict-free”, *all three of the following “Main Statements” must be true:*

Main Statement One: The Committee Member does not receive a direct financial benefit from the compensation arrangement being reviewed.

Main Statement Two: The Committee member **is not** an employee of the Foundation, the University, or any affiliates of either the Foundation or the University; provided, that the President of the University shall not be considered to have a conflict for purposes of participating in meetings regarding the compensation of the Foundation’s chief executive or other members of the Foundation’s executive management team.

Main Statement Three: Either of the following is true:

The Committee member **does not** receive any financial benefit from the Foundation, whether directly, through a family member, or through a business in which the Committee member has an ownership or employment interest.

The Committee member **does** receive a direct or indirect financial benefit and the preponderance of the following factors are true [*Note: as more of the following factors are checked, the position that the Committee member is conflict-free grows stronger*]:

Factor One: The business relationship is merely an investment -- the financial benefit is through a business, and the Committee member has only a passive and insignificant investment interest in that business. For example, the ownership interest is less than 5% and the business is traded on a major stock exchange, or is less than 5% and consists of mutual fund shares.

Factor Two: The business relationship does not result in more compensation for the Committee member -- the financial benefit created by the business relationship does not affect the Committee member personally. The essence of this statement is that, while the relationship may be a material business relationship, it does not materially increase the Committee member’s compensation or ownership interest.

Factor Three: The Committee member does not have anything to do with the business relationship -- the financial benefit occurs without any involvement by the Committee member in the creation or maintenance of the business relationship with the Foundation.

Factor Four: The business relationship is so small that it could not reasonably affect the Committee member’s judgment – any financial benefit to the Committee member is not material to the business receiving the benefit or to the Committee member.

Factor Five: The business relationship exists without the input or approval of the executive(s) whose pay the Committee would be reviewing -- no executive (whose compensation and benefits are being reviewed) has a material role, either directly or indirectly, in the approval or ongoing review of the business relationship involving the Committee member.

- *Factor Six:* This Foundation pays no more than fair market value to the Committee member's business -- the amount paid by the Foundation to the business is determined by customary commercial rates, and no additional amounts are paid.
- *Factor Seven:* The decision to enter into a transaction with the Committee member's business is in the best interest of the Foundation -- the business relationship represents the judgment of this Foundation as to what is reasonably necessary and as to what is a prudent use of the Foundation's resources.

100483048.2

COMMITTEE CHARTER
of the
FINANCE COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Foundation’s Finance Committee.

I. MEMBERSHIP

The Committee shall be composed of at least seven (7) persons. At all times the Committee shall include the Chief Financial Officer of the University of Louisville, who shall serve ex-officio (as required by the Second Amended and Restated Memorandum of Understanding dated January 1, 2021 between the University of Louisville and the Foundation, as amended (“MOU”)). The remaining members of the Committee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

The committee should seek members with backgrounds in finance, accounting, business, investment management and executive leadership.

Except for the ex officio individual listed above, all Committee members shall be independent (non-employees of the Foundation, University of Louisville (“University”) or any affiliates of either). If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

No member of the Foundation’s Audit, Compliance and Risk Management Committee shall serve on the Committee.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold quarterly regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation's Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee has overall responsibility for the financial operations and administration of the Foundation. The Committee shall recommend financial policies, goals, and budgets that support the mission, values, and strategic goals of the Foundation. The Committee also reviews the organization's financial performance against its goals and proposes major transactions and programs to the Board. It also is charged with overseeing the Foundation's investment strategies through a standing Investment Subcommittee.

Specifically, the Committee is charged with responsibility over:

1. Monitor the financial performance of the Foundation as a whole and its major subsidiary organizations or business lines against approved budgets, long-term trends, and industry benchmarks.
2. Review the financial aspects of any major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and making action recommendations to the Board.
3. Recommend policies that maintain and improve the Foundation's financial health and integrity.
4. Investment Subcommittee
 - a) Appoint members of the Investment Subcommittee
 - b) Oversee the work of the Investment Subcommittee.
 - c) Working in consultation with the Investment Subcommittee:
 1. oversee adherence to the Kentucky Uniform Prudent Management of Institutional Funds Act;
 2. provide high-level input on investment strategy and philosophy to the Board, including recommending changes to the investment policy (and ensure that the asset management goals set forth in the MOU are achieved);
 3. review and recommend for approval by the Board, finance policies and guidelines including finance objectives and long-term asset allocation targets; and
 4. ensure compliance with the terms of the MOU as it relates to selection of an investment adviser (as set forth in the charter for the Investment Subcommittee, the Investment Subcommittee takes the lead in this process).
5. As required by the MOU, ensure the Foundation does not accept grants from state or federal agencies except in special circumstances that are approved by the Board, the governmental agency and only after consultation with the University.
6. As required by the MOU, ensure the Foundation's compliance with the following:

- a) Unless requested by the University in writing, and previously approved by the University's Board of Trustees ("BOT"), the Foundation shall make no investments in start-up businesses or real property nor make any other "direct" investments (i.e., shall not invest directly in any entity or business or real estate venture). This excludes investments managed by the Foundation's outsourced investment office and direct investments required by gift agreements (e.g., a donor requires funds to be invested in a specific mutual fund or trust account).
 - b) The Foundation (i) shall manage and transfer unrestricted current use gift funds as requested by the University (and in no event contrary to provisions of gift agreements) and (ii) shall not include current use gifts funds in the Endowment Pool for purposes of calculating the Spending Policy Allocation.
 - c) The Foundation shall not make funds available for spending at the sole discretion of the Foundation Chief Executive, the University President or any other officer of the Foundation or the University.
 - d) The Foundation will transfer current use funds to the University, upon request by the University, in accordance with the Foundation's current budget to support University initiatives and make disbursements on the University's behalf, subject to applicable gift agreements. The Foundation's disbursements on behalf of the University must be for reasonable business purposes that support the University, are consistent with donor intent, and in compliance with all applicable laws and Foundation policies. All requests for Foundation fund transfers to the University or disbursements on behalf of the University, in addition to the endowment support, should be communicated to the Foundation by the University President, University Chief Financial Officer, applicable School Dean or University Chief Advancement Officer.
 - e) The Foundation shall not process any request for funds to be designated as quasi-endowment funds unless such request includes approval of the BOT and the Board. Further, the prior approval of the BOT and the Board shall be required to liquidate or transfer any quasi-endowment account in whole or in part.
 - f) The Foundation's budget shall include all Foundation expenditures and shall be a complete line item operating budget.
 - g) The Foundation shall not request or accept loans or other transfers from the University without the approval of the BOT.
7. Prepare reports to the Board outlining, at a minimum, investment returns, the total value of the endowment and any changes to investment allocations, targets and spending.

100482973.2

COMMITTEE CHARTER
of the
GOVERNANCE AND NOMINATING COMMITTEE (“Committee”)
of the
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Governance and Nominating Committee.

I. MEMBERSHIP

The Committee shall be composed of at least five (5) persons. At all times the Committee shall include the Chair of the Foundation’s Board of Directors, who shall serve ex officio. The remaining members of the Committee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Committee shall be comprised of At-Large members of the Board. Members of the Committee shall serve at the pleasure of the Board and shall be appointed to, and removed from, the Committee by the Board.

The committee shall seek members with experience in corporate governance, business management, law (particularly law relating to non-profit, tax exempt corporations), and members with a wide diversity of contacts across the community.

Except for the ex officio individual listed above, all Committee members shall be independent (non-employees of the Foundation, University Louisville (“University”) or any affiliates of either). If there is any basis for believing a Committee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s Conflict of Interest Policy.

II. MEETINGS AND OPERATIONS

Not less than annually, the Committee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair, who shall be a member of the Board.

The Committee shall hold quarterly regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Committee may be held upon the call of the Chair, a majority of Committee members, the Board, or the Chair of the Board; provided that a duly constituted quorum of the Committee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Committee requires that a majority of present Committee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Committee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Committee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Committee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Board. Minutes shall be filed with the Foundation’s

Custodian of Records. Committee members will be furnished with copies of the minutes of each meeting and any action taken.

The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Committee is responsible for (a) determining the most effective composition of the Board based upon expertise and skills beneficial to the Board and committees of the Board and a desire to seat a diverse Board reflective of our community; (b) recruiting potential directors; (c) oversight of Board orientation for new directors; (d) assessing the performance of directors; and (e) ensuring the Foundation utilizes best practices related to governance. In discharging its role, the Committee has the authority to investigate any matter in which it believes the Foundation (and/or any of its staff or Board members) has not complied with applicable policies, procedures, memoranda of understanding or any law or regulation. The Committee shall be provided full access to all books, records, facilities and staff of the Foundation, as the Committee deems necessary.

Specifically, the Committee has the responsibility to:

1. Review and establish qualifications for Board members, including:
 - a) Analysis of current board to include a baseline of years of service and monitor term limits as a director and each individual's gender, ethnic, geographic and educational background;
 - b) Functional expertise and reputation;
 - c) Each Director's personal and professional sphere of influence; and
 - d) Ability and willingness to assist in generating financial support for the Foundation via personal means and/or by serving as a connector to potential beneficial relationships within the community and region.
2. Develop and manage a process for identifying potential new Director candidates. Make recommendations to the Board for candidates to fill vacancies on the Board, including recommendations (or not) of sitting Board members for additional terms.
3. Assist staff in developing a comprehensive orientation program for new Directors.
4. Anticipate and develop future board leadership; recommend a slate of officers to the Board for approval prior to the annual meeting of the Board.
5. Regular review of the following, with recommendations to the full Board for improvements and other revisions necessary to ensure they comport with best practices and the Foundation's mission:
 - (i) the Board's bylaws;
 - (ii) charters of committees of the Board;
 - (iii) the Second Amended and Restated Memorandum of Understanding dated January 1, 2021 between the University of Louisville and the Foundation, as amended ("MOU") (the MOU requires that the Foundation and University review and, if necessary, amend the MOU at least every two years and any time either institution amends its bylaws); and

(iv) any Board approved policies.

6. Monitor ongoing compliance by the Foundation with the recommendations included in both (i) “The Procedures & Findings Report”, dated June 8, 2017, prepared by Alvarez & Marsal Disputes and Investigations, LLC (the “A&M Report”), and (ii) the “Examination of the Governance of the University of Louisville Foundation and its Relationship to the University of Louisville”, dated December 14, 2016, as prepared by Kentucky’s Auditor of Public Accounts (the “State Audit”), and work with the University’s Board of Trustees to ensure that the recommendations included in the A&M Report and the State Audit represent best practices and remain relevant to the Foundation.

7. Monitor legal and legislative developments in the area of nonprofit and foundation governance and recommend changes as needed.

8. Report regularly to the Board on the Committee’s activities and actions.

100483100.2

COMMITTEE CHARTER
of the
INVESTMENT SUBCOMMITTEE (“Subcommittee”) of the FINANCE COMMITTEE
of the
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (“Foundation”)
adopted by the Foundation’s Board of Directors (“Board”) July 29, 2021

This Charter amends, restates and replaces all prior charters of the Investment Subcommittee.

I. MEMBERSHIP

The Subcommittee shall be composed of at least five (5) persons. At all times the Subcommittee shall include the Chair of the Finance Committee, who shall serve ex officio. The remaining members of the Subcommittee shall be Directors of the Foundation or individuals with special qualifications who are not Directors of the Foundation; provided at all times a majority of the Subcommittee shall be comprised of At-Large members of the Board. Members of the Subcommittee shall serve at the pleasure of the Finance Committee and shall be appointed to, and removed from, the Subcommittee by the Finance Committee.

At least three (3) members of the Subcommittee shall have significant experience in institutional investments (including private equity and/or endowments), finance, or other comparable experience or background that demonstrates an understanding of endowment investing, ideally for a foundation supporting a public university.

All Subcommittee members shall be independent (non-employees of the Foundation, University of Louisville (“University”) or any affiliates of either). If there is any basis for believing a Subcommittee member is not independent, the facts and circumstances should be reported to the Foundation’s general counsel and the Foundation’s Chief Executive in compliance with the Foundation’s conflict of interest policy.

II. MEETINGS AND OPERATIONS

Not less than annually, the Subcommittee shall elect a Chair (“Chair”), who shall be a member of the Board. The Chair shall appoint a Vice Chair.

The Subcommittee shall hold quarterly regular meetings pursuant to a schedule issued by the Chair. Special meetings of the Subcommittee may be held upon the call of the Chair, a majority of Subcommittee members, the Board, the Finance Committee or the Chair of the Board; provided that a duly constituted quorum of the Subcommittee can be obtained (as set forth in the Foundation’s Bylaws, a quorum of the Subcommittee requires that a majority of present Subcommittee members be At-Large Directors). Notice and quorum requirements for regular and special meetings of the Subcommittee shall be as set forth in the Foundation’s Bylaws.

The Chair shall prepare an agenda (or approve an agenda prepared by Foundation staff) in advance of each meeting. Subcommittee materials, including the agenda, shall be distributed as set forth in the Foundation’s Bylaws.

The Chair shall preside at all meetings. At the request of or in the absence of the Chair, the Vice Chair shall preside at meetings and otherwise fulfill the duties and obligations of the Chair.

The Subcommittee will cause to be kept adequate minutes of its proceedings, and shall present any findings, actions taken, activities or recommendations to the Finance Committee. Minutes shall be filed

with the Foundation's Custodian of Records. Subcommittee members will be furnished with copies of the minutes of each meeting and any action taken.

The Subcommittee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision hereof, (b) the Bylaws of the Foundation, or (c) the laws of the Commonwealth of Kentucky.

III. RESPONSIBILITIES

The Subcommittee is a standing subcommittee of the Foundation's Finance Committee with responsibility for oversight and administration of the Foundation's investment portfolio. The Subcommittee is charged by the Finance Committee with the responsibility to:

- 1) Working with the Finance Committee:
 - a) oversee adherence by the Foundation to the Kentucky Uniform Prudent Management of Institutional Funds Act;
 - b) Provide high-level input on investment strategy and philosophy to the Finance Committee, including recommending changes to the investment policy (and ensure that the asset management goals set forth in the Second Amended and Restated Memorandum of Understanding dated January 1, 2021 between the University of Louisville and the Foundation, as amended ("MOU"), are achieved);
 - c) Review and recommend to the Finance Committee, finance policies and guidelines including investment objectives and long-term asset allocation targets; and
 - d) Review and evaluate the performance of the Foundation's outsourced investment office as well as compensation paid to such outsourced investment office.
- 2) Review, not less than every four (4) years, the Foundation's written Investment Policy Statement.
- 3) Monitor investment performance and regularly report performance to the Finance Committee.
- 4) Review and monitor investment exposures and risks.
- 5) Review all fees incurred by or on behalf of the Foundation's portfolio of managed investments for reasonableness and appropriateness.
- 6) Evaluate investment performance of the Foundation's portfolio of managed investments based on a comparison of actual returns with the Foundation's absolute return objective (taking into account spending policies), and with such other benchmarks as the Board, Subcommittee or Finance Committee may select. The evaluation will take into account compliance with finance policies and guidelines.
- 7) Maintain minutes of Subcommittee meetings and regularly present reports to the Finance Committee (or, if requested by the Finance Committee, directly to the Board) regarding the performance of the Foundation's managed investment portfolio and other matters to which the Subcommittee has given consideration.
- 8) Prepare reports for the Finance Committee outlining, at a minimum investment returns, trends and any issues it recommends be addressed.

100483109.2

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on July 29, 2021, the Board adopted the following resolution:

Approval of Audit Plan

WHEREAS, on April 29, 2021 the Board approved engaging Ernst & Young (EY) for the purpose of providing financial statement audit services for the fiscal year ending June 30, 2021, for the following:

1. University of Louisville Foundation, Inc.,
2. University of Louisville Real Estate Foundation, Inc., and

NOW THEREFORE, BE IT RESOLVED, upon the recommendation of the Audit, Compliance and Risk Management Committee, the Board approves the audit plan in substantially the form attached hereto as Exhibit A.

BOARD ACTION:

Passed X

Did Not Pass

Other


James E. Boone, Secretary
University of Louisville Foundation, Inc.

University of Louisville Foundation, Inc.
University of Louisville Real Estate
Foundation, Inc.

2021 audit plan

June 22, 2021

Executive summary: 2021 audit plan

Our 2021 audit plan includes the audits of the consolidated financial statements of the University of Louisville Foundation, Inc. (ULF) and University of Louisville Real Estate Foundation, Inc. (ULREF) for the year ended June 30, 2021. These entities are collectively referred to as “the Foundation” or “the Foundations.”

2021 Audit Plan

Audit timeline

- ▶ We have performed our planning and walkthrough procedures during the months of April and May.
- ▶ We will perform our year-end procedures during the months of August and September, with expected issuance in September.

Client service team

- ▶ The client service team selected to serve you is consistent with 2020.

Audit strategy, including significant risks identified

- ▶ Our audit strategy, including significant risks identified, for the 2021 audit is outlined in *Areas of Emphasis* section within.

Preliminary internal control assessments

- ▶ We plan to assess entity-level controls as part of our audit procedures and obtain an understanding of the Foundation, however, we will not be testing or relying on controls for our substantive audit procedures.

Inquiries

We inquire of those charged with governance regarding your awareness of matters relevant to the audit, including:

- ▶ Your views about the risk of material misstatement due to fraud
- ▶ Your knowledge of any actual, alleged or suspected fraud
- ▶ Your awareness of tips or complaints regarding the Foundation’s financial reporting and its response to such tips and complaints
- ▶ Your awareness of other matters relevant to the audit (such as violations or possible violations of laws or regulations)
- ▶ How you exercise oversight over the Foundation’s assessment of fraud risks and the internal controls to address those risks

Areas of emphasis

Topic	Considerations
<p><i>Investments and related returns, including alternative investments (ULF only)</i></p>	<p>Investments include cash and cash equivalents, marketable debt and equity securities, and exchange-traded mutual funds, as well as other securities that are not readily marketable, including limited partnerships, hedge funds, common collective trusts.</p> <p>The value of marketable debt and equity securities is based on quoted market prices on the last day of the fiscal period, which represents fair value as required under the provisions of Financial Accounting Standards Board (FASB or the Board) Accounting Standards Codification (ASC 320), Investments - Debt and Equity Securities.</p> <p>ULF maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the endowment pool are allocated to the individual endowments on a monthly basis based on the relationship of the fair value of the interest of each endowment to the fair value of the pooled investment accounts.</p> <p>Alternative investments, including hedge funds, limited partnerships, and real estate funds, are recorded under the equity method of accounting using net asset value (NAV). The NAV of alternative investments is based on valuations provided by the administrators of the specific financial instrument. The underlying investments in these financial instruments may include marketable debt and equity securities, commodities, foreign currencies, derivatives, real assets (such as real estate), and private equity investments.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none"> ▶ We will obtain an updated understanding of management's process and perform a walkthrough of the investment classes of transactions. ▶ We will test existence, through independent confirmation of ULF's investments directly with the investment managers and/or custodians at March 31, 2021 or June 30, 2021. ▶ For marketable securities, EY will test valuation of investments by obtaining pricing from independent sources for ULF's portfolio. ▶ For marketable securities, we will perform tests of investment income (including interest and dividends, unrealized gains and losses, and realized gains and losses) for a sample of transactions from throughout the year. ▶ We will analytically review investment income on investments against ULF's benchmarks and prior year returns.

Areas of emphasis

Topic	Considerations
<p><i>Investments and related returns, including alternative investments - continued (ULF only)</i></p>	<ul style="list-style-type: none"> ▶ For the investments in alternative investments, we will confirm ULF's investment at March 31, 2021 or June 30, 2021 and obtain the audited financial statements, if available. As many of ULF's alternative investments are audited as of December 31, we will perform additional procedures around the valuation of the investment. ▶ We will select purchases or sales of alternative investments near ULF's consolidated balance sheet date to verify that the purchase or sale price is not materially different than the net asset value (NAV) confirmed with the investment manager. We will progress the investment from July 1, 2020 to June 30, 2021, comparing returns to the established benchmark strategy of each of the respective investments (if applicable) or historic returns. We will vouch material subscriptions and redemptions to existing funds during the year, agreeing amounts to supporting documentation. ▶ For alternative investments, we will also gain an understanding of the fund through a review of the subscription agreement and/or investment agreement and also review any current year amendments to the existing agreements. We will also perform inquiries with fund managers to understand their process for monitoring and evaluating the funds performance and overall evaluation of the fund. ▶ We will review the appropriateness of ULF's disclosures included in the consolidated financial statements.

Areas of emphasis

Topic	Considerations
<p><i>Pledge contribution receivables and related revenue, including the allowance and loss on uncollectible pledges (ULF only)</i></p>	<p>ULF records gifts of cash and other assets received without donor stipulations as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or the donor restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.</p> <p>Unconditional gifts expected to be collected in one year are reported at net realizable value. Unconditional gifts expected to be collected in future years are reported at fair value using the discounted present value of estimated future cash flows.</p> <p>Past due contributions are fully reserved by ULF, as collectability is uncertain, and a general reserve is applied to the remaining outstanding contributions.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none"> ▶ We will obtain an updated understanding of management's process and perform a walkthrough of the contributions receivable and related revenue classes of transactions. ▶ For a sample of contributions receivable, we will confirm the outstanding pledge amounts directly with the donor. For those selected contributions receivable where a confirmation is not received, we will inspect the underlying pledge agreement and any cash receipts received during the year ending June 30, 2021, or subsequent to this date. ▶ For a sample of contribution revenues, we will inspect the underlying pledge agreement and vouch cash receipts from the donor. We will ensure the contribution revenue appropriately represents a contribution to ULF in accordance ASC 958-605-25. We will verify that the contribution revenue was properly listed as without donor restrictions or with donor restrictions based upon donor stipulations in the pledge or contribution agreement. ▶ We will review the appropriateness of the ULF's present value discount and allowance for uncollectible contributions receivable to underlying support. ▶ We will review the appropriateness of ULF's disclosures included in the consolidated financial statements.

Areas of emphasis

Topic	Considerations
<i>Rental revenue (ULREF only)</i>	<p>ULREF's rental revenues consist of minimum rents, expense recoveries and other rents that are recognized on an accrual basis over the terms of the related leases, on a straight line basis, when collectability is reasonably assured and the tenant has taken possession or controls the physical use of the property.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none">▶ We will obtain an updated understanding of management's process and perform a walkthrough of ULREF's process to record rental revenue class of transactions.▶ For a sample of rental revenue transactions, we will inspect the underlying rental contractual agreement and the minimum rents. We will review minimum rents against the recognized revenue and inspect the underlying journal entries for accuracy. Minimum rental payments will be vouched to the bank statement.▶ We will review the appropriateness of ULREF's disclosures included in the consolidated financial statements.

Areas of emphasis

Topic	Considerations
<i>TIF intangible assets and related revenue (ULREF only)</i>	<p>TIF intangibles were recorded by ULREF in connection with the transfer of membership interests from the Foundation. The intangible value was derived by discounting projected future incremental payments over the remaining life of the TIF agreements. The TIF intangible assets are being amortized on the straight-line basis over periods ranging from 26 to 30 years. The TIF intangible assets are periodically evaluated by ULREF as to the recoverability of the carrying value.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none">▶ We will obtain an updated understanding of management's process and perform a walkthrough of the TIF intangible asset amortization and TIF revenue classes of transactions.▶ We will inspect notifications from the state/local governments evidencing the total reimbursement amounts received and recorded as revenue. We will vouch amounts to cash receipt support.▶ We will evaluate the most recent TIF valuation report from ULREF's third party specialist. We will compare total cash receipts during the year ended June 30, 2021, to the projected undiscounted cash flows per the valuation report and evaluate for reasonableness.▶ We will recalculate TIF intangible asset amortization recorded in ULREF's consolidated financial statements.

Areas of emphasis

Topic	Considerations
<p><i>Capital asset impairment</i></p>	<p>The Foundations evaluate the recoverability of the carrying value of long-lived assets whenever events or circumstances may indicate the carrying amount is not recoverable. If the long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use of the asset are lower than the carrying amount, the asset is adjusted to fair value and an impairment loss is recognized.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none"> ▶ We will obtain an updated understanding of management’s process and perform a walkthrough of the Foundation’s processes to assess fixed assets for potential impairment indicators class of transactions. ▶ If there are any indicators of impairment during the current year, we will obtain management’s assessment (undiscounted cash flow analysis) as to whether impairment exists. We will review and test management’s analysis. ▶ We will obtain management’s documentation of considerations of impairment indicators and their analysis of the long-term assets that supported that there is no impairment for the year ending June 30, 2021. We will obtain and review any appraisals or alternative evidence (such as offers to purchase, pending contracts, etc.) to support this analysis. ▶ We will review the appropriateness of ULF’s and ULREF’s disclosures included in the consolidated financial statements.

Areas of emphasis

Topic	Considerations
<i>Related party transactions</i>	<p>The Foundations maintain memoranda of understanding with the University, where the Foundations receive assets to steward, for the benefit of the University.</p> <p>There are also certain outstanding receivables/payables between the Foundations and affiliated entities, which are disclosed in the notes to the consolidated financial statements.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none">▶ We will obtain an updated understanding of management’s process and perform a walkthrough of the accounting for related party class of transactions.▶ We will confirm all outstanding receivables/payables between the Foundations and the University directly with the University. For any outstanding receivables/payables between the Foundations and affiliates, we will verify the outstanding receivable/payable between the entities is consistent and also verify that amounts eliminate in consolidation, if appropriate.▶ We will review management’s assessment regarding the collectability of the various related party receivables between the various entities and consider any potential necessary allowances if there are concerns about the collectability of the receivables.▶ We will review the appropriateness of related party disclosures included in the Foundations’ consolidated financial statements.

Areas of emphasis

Topic	Considerations
<i>Exempt organization review</i>	<p>The Foundations and primarily all of their affiliates are recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(a) of the Internal Revenue Code as charitable organizations qualifying under Internal Revenue Code Section 501(c)(3). Certain of the Foundations' affiliates are single-member limited liability companies, which are considered disregarded entities for tax purposes.</p> <p>The Foundations are subject to federal income tax on any unrelated business taxable income.</p> <p>A summary of our planned audit procedures is as follows:</p> <ul style="list-style-type: none">▶ We will focus our procedures on evaluating tax rules (with the assistance of our tax specialists) in the jurisdictions in which the Foundations operate in assessing the Foundations' uncertain tax positions.▶ We will review the related entities, unrelated business taxable income, and excessive compensation.▶ As part of our tax-exempt review procedures, we consider new and emerging tax issues, including the Tax Cuts and Jobs Act and CARES Act, that may impact exempt organizations.

Appendices

- A** Required communications
- B** Accounting Guidance
- C** Business Insights



Appendix A - Required communications

Required communications

Area	Comments
<ul style="list-style-type: none"> ▶ Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities 	Refer to the engagement letter.
<ul style="list-style-type: none"> ▶ Overall planned scope and timing of the audit, and significant risks identified and any changes thereto 	Refer to the executive summary and areas of emphasis (above) for additional information.
<ul style="list-style-type: none"> ▶ Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention 	There are no matters to communicate.
<ul style="list-style-type: none"> ▶ Independence matters 	There are no matters to communicate.
<ul style="list-style-type: none"> ▶ Inquiries regarding: <ul style="list-style-type: none"> – Risks of material misstatement – Fraud and noncompliance with laws and regulations (illegal acts) – Related-party relationships and transactions 	Inquiries regarding these matters are to be performed at this meeting.

As required, provided above is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor's Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.





Appendix B - Accounting Guidance

Leases (ASC 842)

What's new

The FASB deferred the effective date for the new leases standard for private companies and private not-for-profit entities to fiscal years beginning after December 15, 2021 and for public not-for-profit entities to fiscal years beginning after December 15, 2019 (e.g., July 1, 2020 for ULF and July 1, 2022 for ULREF), and interim periods the following fiscal year. Early adoption is still permitted.

ULREF - What are the key areas to focus on now?

1. Develop a project plan.
2. Identify the appropriate resources to implement the standard and educate key internal stakeholders.
3. Understand your lease population and identify a complete population of leases.
4. Analyze lease contracts to identify changes to accounting policies and determine whether to elect the transition practical expedients.
5. Determine how you will track the information you need to account for and disclose leases (e.g., modify or add an IT system, use Excel spreadsheets).

ULREF - Status check

Management is currently in the process of analyzing lease contracts and assessing the impact upon adoption, however, there is not expected to be a significant impact.

ULF - Status check

Management implemented ASC 842 in the current fiscal year (FY21), which did not have a material impact on the financial statements.

Credit Impairment (ASC 326)

The FASB issued final guidance that will change the accounting for credit losses associated with most financial assets.

- ▶ Virtually all entities will be affected by the new standard.
- ▶ Most financial assets will be affected, including accounts receivable, contract assets, net investments in leases, loans, debt securities, off-balance sheet credit exposures, reinsurance receivables and other instruments.
- ▶ The new forward-looking current expected credit loss (CECL) model will generally accelerate the measurement and recognition of credit losses.
- ▶ The guidance also modifies today's concept of other-than-temporary impairment (OTTI) in ASC 320 for available-for-sale debt securities.
- ▶ The standard will require companies to make more estimates and use more judgment to assess expected credit losses over the life of the asset.
- ▶ Entities will disclose significantly more information, including the amortized cost basis of financial assets disaggregated by credit quality indicator and year of origination.

The standard is effective for annual periods beginning after:

SEC filers excluding smaller reporting companies (SRCs)	All other entities	Early adoption?
December 15, 2019, and interim periods therein*	December 15, 2022, and interim periods therein	Yes, for annual periods beginning after December 15, 2018, and interim periods therein

Private companies should use the additional time to implement the standard to address resource issues (e.g., engage third-party service providers), obtain required data, make system changes and plan for multiple dry runs.

Transition approach

- ▶ The credit impairment standard is effective for the Foundations July 1, 2023.
- ▶ Entities will apply the amendments using a modified retrospective approach.
- ▶ The standard includes transition relief for purchased financial assets with credit deterioration for which ASC 310-30 was previously applied (i.e., those financial assets previously considered purchased credit impaired) and securities with prior OTTI.

* The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on 27 March 2020. One provision of the CARES Act allowed insured depository institutions, bank holding companies and their affiliates to temporarily not apply the new credit losses guidance in ASC 326 from the date of enactment of the CARES Act to the earlier of (1) 31 December 2020 or (2) the end of the COVID-19 national emergency.



Appendix C - Business Insights



Business insights: prioritizing cyber resilience and data privacy should top the private board agenda

In today's turbulent environment, the need for board oversight across a broad array of operational activities has intensified, particularly for cybersecurity and data privacy.

Accelerated digital transformation, widespread remote working and increased reliance on third parties have expanded opportunities for cybersecurity incidents and risks, requiring companies and their boards to be proactive rather than reactive. Now, more than ever, cyber resiliency and trust in data privacy must be considered as strategic imperatives.

Poll data from company directors who attended a recent EY webcast on the latest challenges and leading practices for board oversight of cybersecurity risks indicated:



Adversaries don't discriminate based on size or industry, making potential damaging impact far greater for the unsuspecting or unprepared. Private boards must get informed, gain experience and be ready for immediate action should they encounter a cyber or data privacy threat.

Reviewing these insights can help fulfill oversight responsibilities for private board directors:

- ▶ Consider all factors impacting cybersecurity risks
- ▶ Look at third parties and their potential vulnerabilities
- ▶ Understand the cybersecurity "value at risk" to quantify potential losses
- ▶ Be prepared and proactive – prioritize rapid threat detection and effective response utilizing simulations and exercises and understand the cyber escalation process
- ▶ Build trust by being transparent about risk mitigation and response efforts

Navigating cybersecurity oversight presents a distinct set of challenges, even more so for private boards who have yet to focus on resiliency planning. Oversight should be prioritized without delay and should include a rigorous and measured strategy that includes ongoing education, real-life simulation and tactical response testing.

Business insights: five ways Private boards can begin to unlock the strategic value of environmental, social and governance (ESG)

A variety of factors have caused ESG (environmental, social and governance) investing strategies to go from niche to transforming the flow of capital. To sustain and thrive in this new era of stakeholder capitalism, companies should begin to embrace ESG as a strategic business imperative. Here are five ways private boards can enhance their oversight of ESG, deliver high quality non-financial reporting and better position the company to unlock its value:

1

Address heightened stakeholder expectations

Get informed on ESG investing and stewardship trends and consider adapting to the changes in business context.

2

Understand the ESG ecosystem and developments impacting expectations

Know the key players and keep pace with market-driven and regulatory developments.

3

Guide ESG strategy development that drives engagement and value

Oversee a materiality assessment and ESG goal setting and metrics, and provide for transparent ESG governance structures.

4

Support the integration of ESG with the broader business strategy and ERM

Consider capital allocation, supply chain management, marketing, partner choice and investments.

5

Consider how the company talks about its ESG story

Provide a forward-looking view into how the company is building resilience and strengthening its competitive positioning.

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Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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About EY's Assurance Services

Our assurance services help our clients meet their reporting requirements by providing an objective and independent examination of the financial statements that are provided to investors and other stakeholders. Throughout the audit process, our teams provide a timely and constructive challenge to management on accounting and reporting matters and a robust and clear perspective to audit committees charged with oversight.

The quality of our audits starts with our 90,000 assurance professionals, who have the breadth of experience and ongoing professional development that come from auditing many of the world's leading companies.

For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

The background of the slide features a blurred image of a white stone column with a brick base. The column has a decorative finial on top and two panels on its upper section, each containing a carved profile of a cardinal bird's head. The text is overlaid on the right side of the image.

**University of Louisville
Foundation:
Gift and Endowment
Compliance**

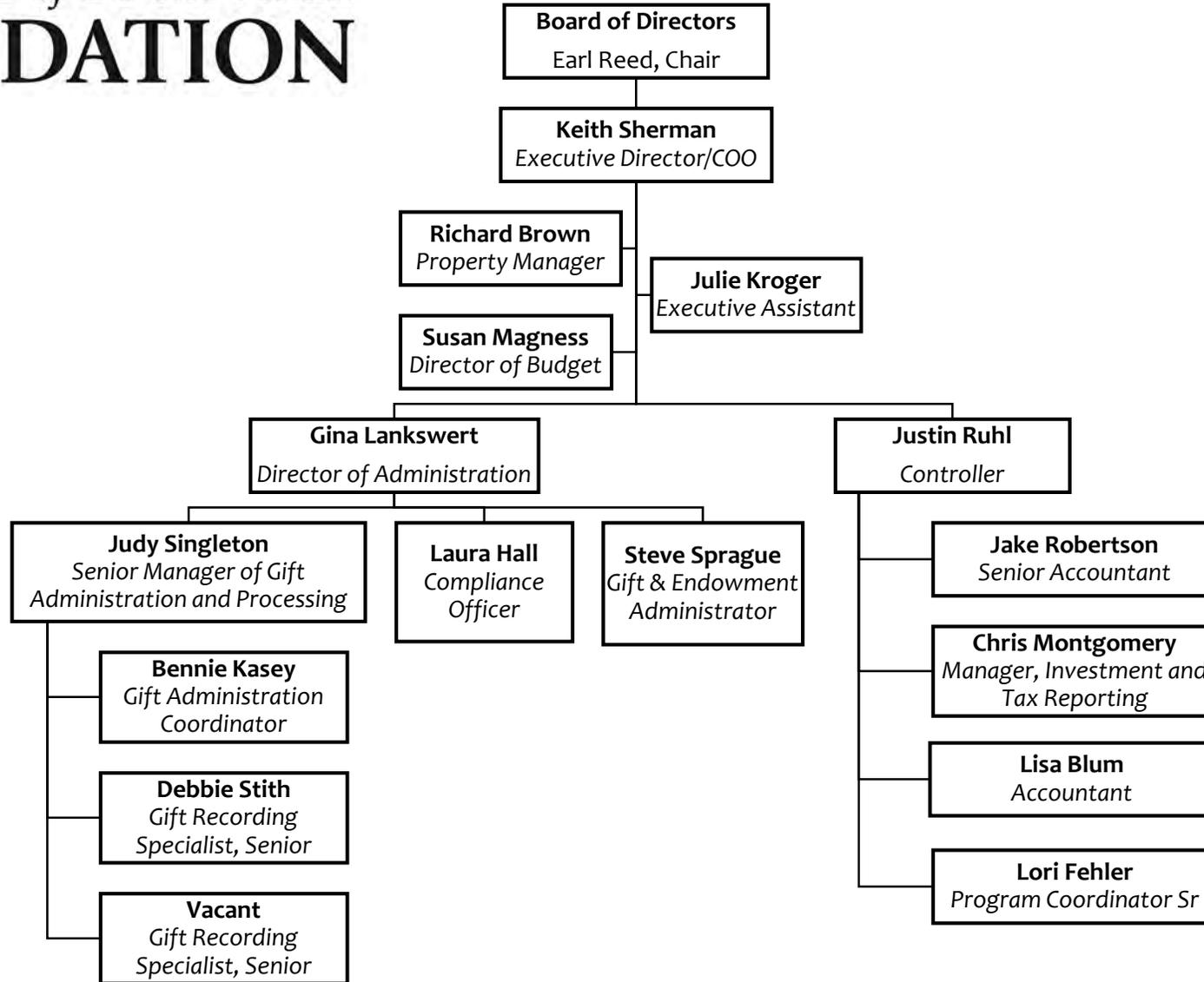
**Board of Directors
July 2021**



UNIVERSITY *of* LOUISVILLE
FOUNDATION



UNIVERSITY of LOUISVILLE FOUNDATION



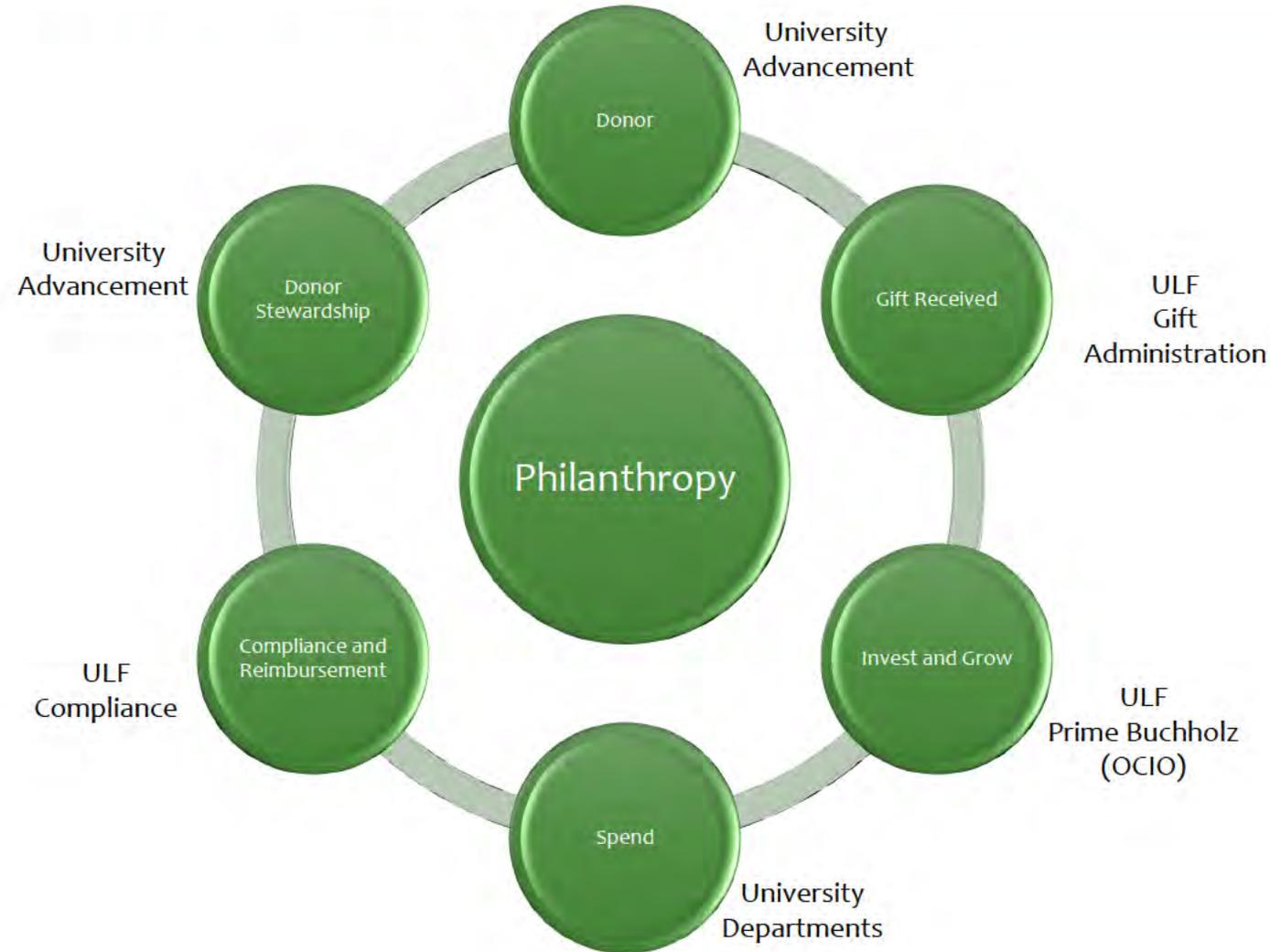
Effective January 1, 2021:
Advancement's Gift Processing staff became part of
the UofL Foundation staff.

GIFT AND ENDOWMENT COMPLIANCE

The Foundation is charged with ensuring funds are used in compliance with terms of donor gift agreements or instructions.

- Comprehensive Compliance Program
 - FY16: Function began.
 - FY19: Gina Lankswert assigned to enhance compliance and integrate with other functions.
 - FY21: Laura Hall joined as a Compliance Officer.
 - Built out process and continue to refine, adapt and grow as new accounts are added and issues identified.
 - UofL Health compliance program anticipated in FY22.

COMPLIANCE CRITICAL COMPONENT OF CYCLE OF PHILANTHROPY



RESPONSIBILITIES

UNIVERSITY ADVANCEMENT

- Manages donor relationships.
- Solicits gifts.
- Provides donor stewardship reporting.

ULF

- Receives, invests, encourages and manages gifts for the benefit of the University.
- Custodian of philanthropic funds.
- Distributes funds to the University.
- Ensures compliance with donor intent.

UNIVERSITY DEPARTMENTS

- Spend funds per terms of gift agreement.
- Attest funds spent appropriately.
- Provide information on use of funds.

COMPLIANCE OVERVIEW



FUNDS MADE AVAILABLE TO THE UNIVERSITY

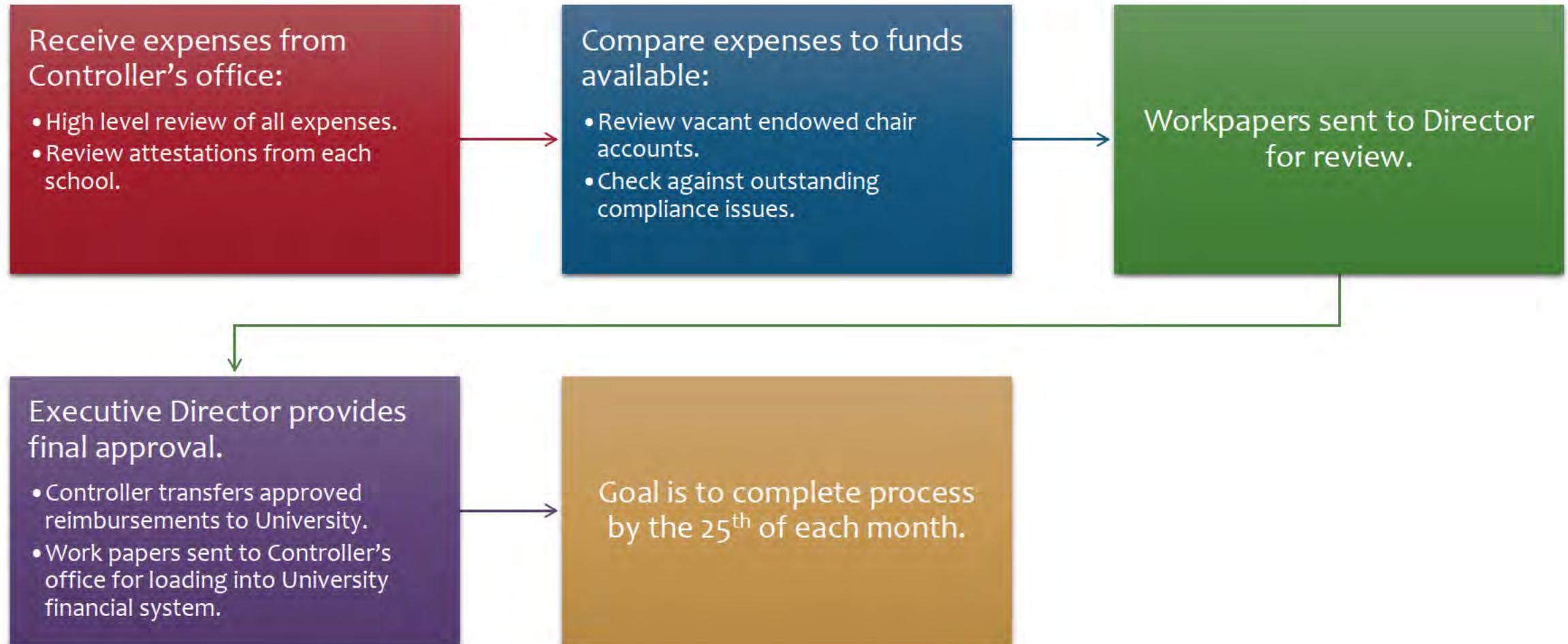
Current Use

- ULF provides detail of new funds received to University ~3x/month.

Endowment Spendable

- ULF provides detail of available funds to University on annual basis.
 - New spending policy is distributed and available on July 1.
 - Carryover funds, if allowable, are calculated after June expenses are reimbursed (generally available by the end of 1st quarter).

UNIVERSITY REIMBURSEMENT PROCESS



ONGOING COMPLIANCE REVIEW PROCESS



* ~1500 unique accounts requested reimbursement in FY21 (through 05/31).

FY21 METRICS: REIMBURSEMENT REQUESTS IN DOLLARS*

	Monthly Average \$	FY21 Total \$	% of Total Request Not Reimbursed
Reimbursement Request	\$3,130,000	\$34,429,000	-
Expenses Not Meeting Donor Intent	(\$135,000)	(\$1,485,000)	4.3%
Funds Not Available	(\$367,000)	(\$4,042,000)	11.7%
Prior Month Adjustments	\$38,000	\$422,000	1.2%
Total Reimbursed	\$2,666,000	\$29,324,000	-

*All metrics are through May 31, 2021, due to June reimbursements not being finalized.

FY21 METRICS: ENDOWMENT & GIFT ACCOUNTS*

Endowment Accounts				Gift Accounts			
	% of Total Non-Compliant	Monthly Average	Total		% of Total Non-Compliant	Monthly Average	Total
Reimbursements Reviewed		340	3,745	Accounts with Reimbursement		180	1,984
Non-Compliant	3.1%	11	117	Accounts with Non-Compliance	4.6%	8	92
Accounts with Lack of Funds	7.2%	24	269	Accounts with Lack of Funds	5.0%	9	100

*All metrics are through May 31, 2021, due to June reimbursements not being finalized.

FY19-FY21 METRICS: MONTHLY AVERAGE*

	Reimbursement Request \$	Reimbursement Request #	% of Total Request Not Reimbursed \$	% of Total Request Not Reimbursed #
FY19	\$3,861,000	622	8.6%	8.5%
FY20	\$3,871,000	574	13.0%	8.5%
FY21	\$3,130,000	521	13.3%	9.9%

*All FY21 metrics are through May 31, 2021, due to June reimbursements not being finalized.

COMPLIANCE PROGRAM RESULTS AND ACCOMPLISHMENTS

Education and Training

- Development Officer onboarding.
- Collaborated with University Accounting to provide training on gifts and endowments to LFO's and UBM's.

Relationship Building

- Development officers:
 - Proactively contact ULF when drafting gift agreements.
 - ULF receives, on average, 5-10 email/phone calls per week for assistance with developing agreement terms, amending agreements, or repurposing accounts.
- University Accounting and Budget Office, fiscal officers and unit business managers:
 - ULF creates 1-2 donor intent clarification memos per month to educate units and provide documentation.
 - ULF receives 15-20 email/phone calls per week for assistance on appropriate use of funds.

COMPLIANCE PROGRAM RESULTS AND ACCOMPLISHMENTS (continued)

Attestation process implemented

Completed comprehensive review of all accounts in 2 schools at request of the Dean(s)

Created and Updated Gift and Endowment policies and templates

- Endowed chair allowable expenses
- Gift agreement templates
- Gift acceptance policy
- Gift in kind policy
- Donor Advised Fund policy

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on July 29, 2021, the Board adopted the following resolutions:

Executive Director

WHEREAS, as a matter of clarification, the offer letter dated Dec 1, 2016 (including the attached job description) addressed to Keith Sherman (the "Original Offer Letter"), as amended, expired on December 31, 2019.

WHEREAS, Mr. Sherman remains employed by the Foundation as an at-will employee with the title of "Executive Director and Chief Operating Officer", however his employment is not pursuant to the Original Offer Letter or any other written agreement and the job description attached to the Offer Letter has likewise terminated;

WHEREAS, the Foundation, acting through members of its Compensation Committee, has worked with Mr. Sherman to develop an updated job description for the Executive Director and Chief Operating Officer which has been provided to the Board and is attached to this resolution as Exhibit A (the "Job Description") as well as a set of performance goals for the new fiscal year, also attached as part of Exhibit A (the "Performance Goals");

RESOLVED, that the Job Description and Performance goals are hereby approved and adopted;

FURTHER RESOLVED, upon the recommendation of the Compensation Committee, the annual base salary of the Executive Director and Chief Operating Officer shall be \$275,000, effective July 1, 2021.

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____



James E. Boone, Secretary
University of Louisville Foundation, Inc.

Executive Director & Chief Operating Officer

University of Louisville Foundation, Inc. University of Louisville Real Estate Foundation

Reporting to the Board of Directors of the University of Louisville Foundation (“ULF”) and the University of Louisville Real Estate Foundation (“ULREF”), the Executive Director & Chief Operating Officer (herein referred to as the “Executive Director”) is responsible for providing the vision, direction, motivation, and leadership necessary to ensure both foundations’ long-term success.

ULF and ULREF conduct and carry on their work, exclusively, for the charitable and educational purposes of the University of Louisville (University). The combined assets of the two Kentucky nonprofit corporations total \$1.3 Billion as of June 30, 2021.

ULF, created in 1970, receives, invests and manages philanthropic gifts for the benefit of the University to provide financial support that enhances student scholarships, research, faculty salaries, and organization operations. It is a 501 (c)(3) corporation with an independent board of directors, bylaws and articles of incorporation.

ULREF was created in 2014 to receive, hold, invest in, and administer real property and to make expenditures to and for the benefit of the University. It is a 501 (c)(3) corporation with an independent board of directors, bylaws and articles of incorporation. An Administrative Services Agreement by and between ULF and ULREF formalizes and documents services ULREF receives from ULF, including executive services.

University of Louisville Foundation

The Executive Director of the University of Louisville Foundation is responsible for working with the board to define the foundation’s mission, to ensure the adoption of, and adherence to, appropriate values and ethical standards, and to embrace and execute proper care and development of the foundation’s history, culture, reputation, and image. Specifically, the Executive Director shall manage day-to-day ULF operations and activities, including, but not limited to:

- Provide leadership for all financial, business, and administrative operations of ULF with responsibility for the custodianship and investment of all ULF assets.
- Provide stewardship of donations received for the University’s overall enhancement in accordance with donor intent and consistent with the ULF’s fiduciary responsibilities adherence through ongoing and formal annual review process.

- Provide executive oversight of assets of ULF with the intent to maximize positive long-term impact with the University.
- Manage ULF's Outsourced Chief Investment Officer.
- Manage gifts on behalf of the University.
- Manage personnel for financial, investment, information technology, technical, and support functions.
- Oversee ULF's operating budget.
- Ensure compliance with, and oversight of Board and operational governance.
- Oversee enterprise risk management.
- Manage ULF projects and activities.
- In collaboration with the Board, develop and create ULF's vision and strategic plan, and provide executive oversight of their implementation.
- Establish a strong culture of support of the University in fulfillment of its mission to become a premier, nationally recognized metropolitan research university.
- In collaboration with the Office of University Advancement, provide strong support for the cultivation of new donor prospects, and stewardship of existing philanthropic relationships.
- Provide advice and counsel to the University's Office of Advancement regarding philanthropy and fundraising including the development of gift agreements and related compliance.
- In cooperation and collaboration with the ULF Board, provide a strong base of private sector support for the University.
- Participate as a member of the University President's executive team.
- Serve as an *ex-officio* member of any University-wide strategic or facilities planning committees.
- Negotiate Memoranda of Understanding (MOU) on behalf of ULF and ensure adherence to its obligations.
- Liaison with the Board of Directors in the development of agendas for board meetings, managing all Board related matters, and communicating effectively with the Board by providing all information necessary for the Board to function properly and to make informed decisions.
- Serve as a liaison and provide education and training to the University's Office of Advancement including Development Officers, the Office of Stewardship and Advancement Services, as well as the University Lead Fiscal Officers and Unit Business Managers.
- Serve as a liaison to the University of Louisville Athletic Association.
- Manage outside counsel and related litigation.
- Oversee the Foundation's annual audit, and the filing of IRS form 990s.

University of Louisville Real Estate Foundation

The Executive Director of the University of Louisville Real Estate Foundation is responsible for the day-to-day management of ULREF's operations and activities through oversight of ULF's real estate portfolio, including budgets, lease negotiations, and negotiations for its debt financed capital projects. Specifically, the Executive Director shall:

- Provide leadership for all financial, business, and administrative operations of ULREF with responsibility for all ULREF assets.
- Provide stewardship of all donations received for the University's overall enhancement in accordance with donor intent and consistent with the ULREF's fiduciary responsibilities.
- Provide executive oversight of assets of ULREF, and to maximize the long-term impact of said assets for the University.
- Provide executive oversight of ULREF's annual operating budget.
- Ensure compliance with, and oversight of Board and operational governance.
- Oversee enterprise risk management.
- Manage ULREF projects and activities.
- In collaboration with the Board, develop the vision and strategic plan, and provide executive oversight of their implementation.
- Oversee ULREF's real estate portfolio, including budgets, lease negotiations and oversight of negotiations for its debt financed capital projects.
- Provide an ongoing strong base of private sector support for the University in collaboration with the ULREF Board.
- Negotiate Memoranda of Understanding (MOU) on behalf of ULREF and ensure the adherence to its obligations.
- Serve as an *ex-officio* member of any University-wide strategic or facilities planning committees.
- Serve as a resource to the University in analyzing and planning real estate related purchases, sales, and development.
- Liaison with the Board of Directors to develop agendas for board meetings and to manage all Board related matters. Ensure strong communication with the Board and provide all information necessary for the Board to function properly and make informed decisions.
- Manage outside counsel and related litigation.
- Negotiate the purchase and/or sale of URLEF assets.
- Negotiate ULREF property leases.
- Oversee and negotiate ongoing construction, rehabilitation and maintenance of ULREF properties.
- Oversee Foundation's annual audit, and the filing of IRS form 990s.

Fiscal Year 2022 Foundation Goals

1. Ensure the successful development of the KYT property to meet current University needs while aligning with the fiscal realities of the ULREF.
2. Negotiate and appropriate MOU with and then implement the processes and procedures necessary to receive and steward philanthropy for UofL Health.
3. Explore and begin, if approved by the Board, the process of accepting Donor Advised Funds (DAF's) at the Foundation.
4. Transfer remaining real estate assets from ULF to ULREF (Campus One; North Quad, ULGC and TNRP). Dissolve remaining unnecessary subsidiaries (Metacyte and Nucleus).
5. Partner with the University to ensure the effective implementation of Blackbaud CRM.
6. Fully integrate and enhance the gift processing and compliance teams, ensuring best practices and a high level of customer service.
7. Continue to develop relationships with all board members; work with Advancement to better utilize boards to help with philanthropy.



University Advancement Update

Jasmine Farrier, Ph.D.
Vice President for University Advancement

July 29, 2021

University Advancement Overview

Advancement Services

- Build and maintain donor database of over 300,000 records
- Maintain updated donor biographies/prospect research to serve daily needs of entire unit
- Develop and maintain online donor portal and all IT platforms
- Current staff: 15

Alumni Relations

- Facilitate engagement efforts to connect over 150,000 alumni to the university
- Engage alumni councils, chapters, young alumni, raiseRed, and other student philanthropy areas
- Manage communications and online giving platforms for Advancement and all schools and colleges
- Current staff: 12

Development

- Facilitate current-use gifts and endowments through annual giving, major giving, corporate foundation relations, and planned giving
- Collaborate with Deans and administrators to gain support for strategic priorities
- Coordinate with Office of Stewardship and ULF to facilitate reporting impact of giving to donors
- Current staff: 35

Central and Operations

- Office of the Vice President includes a Coordinator, Chief of Staff, and the Office of Stewardship (impact reports)
- Business Operations support all budget management and reporting, travel, university compliance, and human resources
- Current staff: 9

Five Year Philanthropy by Unit

HSC					
Name	FY17 Total	FY18 Total	FY19 Total	FY20 Total	FY21 Total
School of Medicine	\$27,474,643	\$21,385,795	\$36,621,348	\$24,032,404	\$12,905,645
Brown Cancer Center	\$605,263	\$494,147	\$1,983,284	\$1,919,685	\$1,967,795
Dentistry	\$4,023,476	\$2,214,807	\$862,969	\$919,486	\$1,360,082
Public Health	\$130,682	\$239,892	\$7,400	\$246,764	\$346,733
Nursing	\$564,218	\$851,176	\$334,700	\$159,207	\$1,257,992
TOTAL HSC UNITS	\$32,798,282	\$25,185,817	\$39,809,700	\$27,277,546	\$17,838,247
Belknap					
Name				FY20 Total	FY21 Total
Arts & Sciences	\$1,901,728	\$2,584,106	\$2,268,571	\$1,880,834	\$2,036,537
College of Business	\$1,088,426	\$856,974	\$998,254	\$6,360,445	\$5,593,715
Law	\$649,001	\$275,508	\$1,200,187	\$2,391,581	\$1,151,102
Speed	\$2,649,835	\$3,970,306	\$3,577,637	\$2,058,281	\$3,529,101
Education	\$221,185	\$271,913	\$1,049,681	\$775,781	\$378,443
Libraries	\$2,127,961	\$5,665,736	\$1,024,900	\$1,017,413	\$819,310
Diversity Initiatives	\$120,485	\$157,047	\$132,982	\$477,101	\$299,056
Music	\$251,327	\$851,216	\$271,058	\$882,738	\$553,935
Student Affairs	\$409,581	\$140,950	\$409,944	\$666,342	\$1,474,223
Kent School	\$234,007	\$253,739	\$431,500	\$341,949	\$284,931
TOTAL BELKNAP UNITS	\$9,653,536	\$15,027,494	\$11,364,715	\$16,852,464	\$16,120,353
TOTAL ACADEMIC UNITS	\$42,451,818	\$40,213,311	\$51,174,414	\$44,130,011	\$33,958,599
GENERAL ACADEMIC FUNDS	\$2,881,328	\$5,153,306	\$6,426,714	\$3,666,877	\$3,367,171
TOTAL VPUA	\$45,333,146	\$45,366,617	\$57,601,129	\$47,796,887	\$37,325,770
Other Units				FY20 Actual	YTD Total
Athletics	\$40,225,078	\$28,690,900	\$39,875,655	\$28,935,945	\$23,737,067
Graduate School	\$1,250	\$2,487	\$1,030	\$1,970	\$1,325
UofL Health	N/A	\$112,994	\$22,688	\$50,028,432	\$796,775
Direct Support	\$0	\$0	\$855,609	\$12,500	\$0
TOTAL OTHER	\$40,226,328	\$28,806,381	\$40,754,982	\$78,978,847	\$24,535,167
GRAND TOTAL	\$85,559,475	\$74,172,998	\$98,356,111	\$126,775,734	\$61,860,937

Philanthropy by Unit FY21*As of June 30, 2021

HSC					
Name	FY20 Total	FY21 Goal	FY21 Final Total	Percent of Goal	FY22 Goal
School of Medicine	\$24,032,403	\$21,000,000	\$12,905,645	61%	\$19,000,000
BCC	\$1,919,685	\$2,000,000	\$1,967,795	98%	\$2,500,000
Dentistry	\$919,485	\$1,500,000	\$1,360,082	90%	\$2,000,000
Public Health	\$246,763	\$200,000	\$346,733	173%	\$400,000
Nursing	\$159,207	\$1,250,000	\$1,257,992	100%	\$750,000
TOTAL HSC UNITS	\$27,277,543	\$25,950,000	\$17,838,247	68%	\$24,650,000
Belknap					
Name	FY20 Total	FY21 Goal	FY21 Total	Percent of Goal	
Arts & Sciences	\$1,880,833	\$2,000,000	\$2,036,537	101%	\$3,800,000
College of Business	\$6,360,444	\$5,000,000	\$5,593,715	108%	\$6,000,000
Law	\$2,391,581	\$2,000,000	\$1,151,102	57%	\$1,500,000
Speed	\$2,058,280	\$2,600,000	\$3,529,101	135%	\$3,500,000
Education	\$775,780	\$500,000	\$378,443	75%	\$500,000
Libraries	\$1,017,412	\$750,000	\$819,310	109%	\$750,000
Diversity Initiatives	\$477,101	\$400,000	\$299,056	74%	\$600,000
Music	\$882,738	\$600,000	\$553,935	92%	\$550,000
Student Affairs	\$666,341	\$500,000	\$1,474,223	294%	\$600,000
Kent School	\$341,949	\$325,000	\$284,931	87%	\$350,000
TOTAL BELKNAP UNITS	\$16,852,459	\$14,675,000	\$16,120,353	109%	\$18,050,000
TOTAL ACADEMIC UNITS	\$44,130,002	\$40,625,000	\$33,958,599	83%	
GENERAL ACADEMIC FUNDS	\$3,666,876	\$2,500,000	\$3,367,171	134%	\$2,000,000
TOTAL VPUA	\$47,796,878	\$43,125,000	\$37,325,770	86%	\$44,900,000
Other Units	FY20 Actual	FY21 Projection	FY21 Total	Percent of Projection	
Athletics	\$28,935,945	\$32,000,000	\$23,737,067	74%	
Graduate School	\$1,970	\$0	\$1,325		
UofL Health	\$50,028,432	N/A	\$796,775		
Direct Support	\$12,500	\$0	\$0		
TOTAL OTHER	\$78,978,847	\$32,000,000	\$24,535,167	76%	
GRAND TOTAL	\$126,775,725	\$75,125,000	\$61,860,937	82%	

Annual Goal Setting and Tracking

- Executive and Senior Directors work with Development Officers to set individual and unit goals (schools and colleges across Health Sciences and Belknap campuses, as well as Planned Giving and Annual Giving).
- Individual Development Officer goals include dollars raised, donor visits, submitted proposals, and funded proposals, all tracked through dashboards and reports on ongoing basis.
- Unit goals are developed in collaboration with Deans by evaluating the philanthropy total from the previous year, priority projects, and ongoing analysis of current and near-term pipelines.

Year in Review and Looking Ahead

- ***Philanthropy:*** developed and finalized high-profile, transformative commitments, and will continue to focus on major gifts (6- and 7-figure gifts) in FY22 across UofL.
- ***Stewardship:*** completed large comprehensive reports, implemented personalized videos, and will enhance impact reports, donor recognition societies, and student gratitude initiatives.
- ***Collaboration:*** prioritized strategic and consistent communications with Deans, President's Cabinet, and the Foundation, as well as Councils and Boards, all continuing with enhanced cross-training and industry partnership coordination.

Thank YOU! Please share questions, feedback, and insights.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 29, 2021

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on July 29, 2021, the Board adopted the following resolution:

At-Large Directors

WHEREAS, the Governance and Nominating Committee recommends the number of At-Large Directors be expanded by two for a total of twelve At-Large Directors.

RESOLVED, upon the recommendation of the Governance and Nominating Committee, the Board elects the following At-Large Directors:

Jim Boone, term expiring June 30, 2024

Ernest Brooks, term expiring June 30, 2024

Jessica Cole, term expiring June 30, 2024

Jill Force, term expiring June 30, 2024

Mark Nickel, term expiring June 30, 2024

BOARD ACTION:

Passed X

Did Not Pass

Other


James E. Boone, Secretary
University of Louisville Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

A. CORPORATE SIGNATURE AUTHORITY:

BE IT RESOLVED, that, subject to the limitations set forth below, any of the following named individuals in their capacity as officers or employees of the University of Louisville Foundation, Inc. (“ULF”) be and hereby are the only persons empowered to execute contracts (each a “Contract”) on behalf of ULF;

LIMITATIONS:

Acquisition of Real Property: Any Officer executing a Contract for ULF for the acquisition, other than by gift, of any real property must obtain the prior written approval of ULF’s Board of Directors.

Sale of Real Property: Any Officer executing a Contract for ULF for the sale or transfer of any real property having a sales price in excess of \$150,000 (other than properties obtained by donation and intended for sale) must obtain the prior written approval of ULF’s Board of Directors.

Other Expenditures: Any Officer executing a Contract for ULF in excess of \$200,000 but less than \$400,000 must obtain the prior written approval of the Chair and another Officer of ULF, and any Contract for an amount in excess of \$400,000 requires the prior written approval of ULF’s Board of Directors.

Notwithstanding the above, and except as related to portfolio investments managed by Prime Buchholz or internally managed mutual funds, no purchases, sales, withdrawals, payments or financial commitments in excess of \$50,000 may be entered into without the signature of the Foundation’s Executive Director.

NAME:

Earl Reed
Ken Payne
Jim Boone
Keith Sherman

TITLE:

Chair
Vice Chair
Secretary
Executive Director and COO

B. FINANCE/INVESTMENT SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation be and hereby are the only officers and agents of the Foundation empowered to endorse securities for sale or subscription, purchase or sell securities, and execute any documents incident to the management and administration of investments, such documents to include but not be limited to purchase or sale authorizations or agreements, participation agreements, stock or bond powers and proxies, on behalf of the Foundation;

NAME:
Earl Reed
Ken Payne
Jim Boone
Keith Sherman

TITLE:
Chair
Vice Chair
Secretary
Executive Director and COO

C. DEVELOPMENT/DONOR RELATIONS SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation be and hereby are the only officers and agents of the Foundation empowered to execute gift receipts and U.S. Internal Revenue Service forms pertaining to gift reports, on behalf of the Foundation:

NAME:
Earl Reed
Ken Payne
Jim Boone
Keith Sherman

TITLE:
Chair
Vice Chair
Secretary
Executive Director and COO

D. CERTIFICATION AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation be and hereby are the only officers and agents of the Foundation empowered to certify or authenticate the signatures of a corporate officer and the minutes, resolutions and other records of the Foundation, when such action is required of the Foundation:

NAME:
Jim Boone

TITLE:
Secretary

BE IT FURTHER RESOLVED that this resolution shall and does supersede any and all previous resolutions authorizing such signatures for the University of Louisville Foundation, Inc.

BOARD ACTION:

Passed: X

Did Not Pass:

Other:

Date: July 29, 2021


~~James E. Boone, Secretary~~
University of Louisville Foundation, Inc.

University of Louisville Foundation, Inc.
Signature Authority Signature Page
July 29, 2021



W. Earl Reed, III
Chair



Kenneth L. Payne
Vice Chair

James E. Boone
Secretary



Keith M. Sherman
Executive Director and Chief Operating Officer

University of Louisville Foundation, Inc.
Signature Authority Signature Page
July 29, 2021

W. Earl Reed, III
Chair

Kenneth L. Payne
Vice Chair



James E. Boone
Secretary

Keith M. Sherman
Executive Director and Chief Operating Officer

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
REGARDING BANKING AUTHORITY**

JULY 29, 2021

RESOLUTION

RESOLVED THAT:

- (1) PNC Bank, US Bank and Republic Bank (“Banks”) are designated depositories of funds of the University of Louisville Foundation, Inc. (“Foundation”).
- (2) This resolution applies to all accounts under University of Louisville Foundation, Inc., name.
- (3) The following officer of the Foundation, listed below, is authorized to open and/or close Accounts, delegate and delete check signers, obtain Treasury Management services, sign checks on, or withdraw funds from, the Accounts and the Banks are authorized to pay and charge the Accounts for checks or withdrawal requests:

Keith M. Sherman
Executive Director
and Chief Operating Officer



- (4) The following employee of the University of Louisville Foundation Inc., listed below, is authorized to obtain Treasury Management services and sign checks on or withdraw funds from the Accounts as agents of the Foundation and the Banks are authorized to pay and charge the Accounts for checks or withdrawal requests subject to the conditions of paragraph (5) of this Resolution:

Justin W. Ruhl
Controller



- (5) The following limitations shall apply to the signature authority of the above named Foundation officer and employee: (a) for amounts less than \$50,000 – one signature which may be mechanical; (b) for amounts equal to, or greater than, \$50,000 – two signatures, one of which must be the Foundation’s Executive Director and one of which may be mechanical.
- (6) The officer and employee named above have provided specimen signature herein and are authorized to sign signature cards and Accounts agreements.

- (7) The Secretary of the Foundation Board of Directors is authorized and directed to deliver for and on behalf of the University of Louisville Foundation, a certificate of this resolution to the banks.
- (8) The Banks are authorized to rely upon this Resolution until the banks have received written notice of any amendment or recession of the resolution.

Certificate

I certify that I am the duly qualified Secretary of the Board of Directors of the University of Louisville Foundation, Inc., that the foregoing is a true copy of a resolution adopted at the regular meeting of such Board which was duly held on the 29th day of July 2021 at which meeting a quorum was present, and a majority of members present voted in favor of the adoption of such resolution. I further certify that such resolution is still in full force and effect.

Dated this 29th day of July, 2021.


James E. Boone, Secretary
UofL Foundation, Inc. Board of Directors

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
July 29, 2021**

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (the "**Foundation**"), held on July 29, 2021, the Board adopted the following resolutions:

Approval of Support of UofL Health, Inc. and Related Actions

WHEREAS, the Foundation is organized and operated to conduct and carry on its work, not-for-profit, and, exclusively, for the charitable and educational purposes of the University of Louisville, and as otherwise set forth in its Articles of Incorporation;

WHEREAS, the Articles of Incorporation of the Foundation provide that the Foundation shall organize, foster, promote, assist, and conduct such other charitable and educational enterprise, movements, activities, and institutions at and in connection with the University of Louisville as from time to time may be determined, selected or decided upon by the Board;

WHEREAS, the Board has determined that it is advisable and in the best interest of the Foundation and the University of Louisville for the Foundation to provide support to UofL Health, Inc., a Kentucky non-profit corporation ("**ULH**"), that is also organized and operated to conduct and carry on its work, not-for-profit, and, exclusively, for the charitable and educational purposes of the University of Louisville; and

WHEREAS, the Foundation and ULH are in the process of negotiating a Memorandum of Understanding ("**MOU**"), in order to memorialize the relationship between the Foundation and ULH and/or the UofL Health Foundation, Inc.

NOW THEREFORE BE IT RESOLVED, that the Board hereby (i) authorizes, approves, ratifies and confirms the Foundation's support of ULH, (ii) authorizes and directs the Foundation's Executive Director to continue to negotiate and finalize the MOU, (iii) delegates authority to approve the final MOU to the Foundation's Governance and Nominating Committee, and (iv) authorizes and directs the Foundation's Executive Director to sign the final MOU on behalf of the Foundation once the MOU has been approved by the Foundation's Governance and Nominating Committee.

BOARD ACTION:

Passed _____

Did Not Pass _____

Other _____


Jim Boone, Secretary,
University of Louisville Foundation, Inc.