

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

In Open Session

Members of the University of Louisville Foundation, Inc. Board of Directors met at 2:40 p.m. on September 24, 2015, in the UofL Foundation Board Room, UofL Foundation Medical and Office Park, with members present and absent as follows:

Ms. Joyce Hagen, Vice Chair, presiding

Dr. Larry Benz
Mr. Jonathan Blue
Mr. Chuck Denny
Dr. Salem George
Ms. Margaret Handmaker
Dr. Mark Lynn
Ms. Brucie Moore
Dr. James R. Ramsey
Dr. William Selvidge
Mr. Frank Weisberg
Mr. Keith Inman, Vice President
Mr. Jason Tomlinson, Assistant Treasurer
Mrs. Kathleen M. Smith, Assistant Secretary

Absent: Mr. Ulysses Bridgeman, Jr.
Dr. Robert Curtis Hughes
Judge Rebecca Jackson
Mr. Frank Minnifield

From Legal
Counsel: Mr. David Saffer, Stites and Harbison

From the
University: Dr. William Pierce, Executive Vice President for Research and Innovation
Ms. Leslie Strohm, VP for Strategy and General Counsel
Mr. John Karman, Communications and Marketing Specialist
Ms. Trisha W. Smith, Deputy Chief of Staff
Mr. Jake Beamer, Boards Liaison
LTC Thomas Russell-Tutty, Army War College Fellow

Guests: Mr. John McCarthy, McCarthy Strategic Solutions

I. Call to Order

Having determined a quorum present, Vice Chair Hagen called the meeting to order at 2:40 p.m. She thanked Ms. Moore for agreeing to serve on the Foundation Board. Ms. Hagen then distributed the 2015-16 Conflict of Interest forms and asked the Directors to complete and return to the Boards Liaison.

II. Consent Agenda

Vice Chair Hagen read the consent agenda as follows:

Consent Agenda

- **Approval of Minutes, 7-10-2015**
- **From Finance Committee, 9-24-2015**
 - **Action Item: Approval of Policies**
 - **Board Member Compensation Policy**
 - **Charitable Contributions Policy**
 - **Political Contributions Policy**
 - **Nepotism Policy**
 - **Ethics and Conflict of Interest Policy**
 - **Action Item: Approval of Resolution Regarding Metacyte**
 - **Action Item: Approval of Banking Authority**

Hearing no objection, Mr. Blue made a motion, which Mr. Denny seconded, to approve the Consent Agenda.

The motion passed.

III. Action Item: Approval of Signature Authority

Vice Chair Hagen explained the resolution regarding Signature Authority was routine (housekeeping) in nature and reflects changes to Board Membership. Mr. Weisberg made a motion, which Dr. Lynn seconded, to approve the following resolution:

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

A. CORPORATE SIGNATURE AUTHORITY:

BE IT RESOLVED, that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for the Foundation be and hereby are the only officers and agents of the Foundation empowered to execute contracts on behalf of the University of Louisville Foundation, Inc.:

<u>NAME</u>	<u>TITLE</u>
Robert Curtis Hughes	Chair
Joyce Hagen	Vice Chair
Junior Bridgeman	Treasurer
Frank Weisberg	Secretary
James R. Ramsey	President
Neville Pinto	Executive Vice President

Jason Tomlinson CFO/Assistant Treasurer
Kathleen M. Smith Chief of Staff/Assistant Secretary

B. FINANCE/INVESTMENT SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for 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 University of Louisville, Foundation, Inc.;

<u>NAME</u>	<u>TITLE</u>
Robert Curtis Hughes	Chair
Joyce Hagen	Vice Chair
James R. Ramsey	President
Neville Pinto	Executive Vice President
Junior Bridgeman	Treasurer
Jason Tomlinson	CFO/Assistant Treasurer
Susan Magness	Associate Controller, U of L
Michael D. Kramer	Director, Investments

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 or employees of the University acting as agents for 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 University of Louisville Foundation, Inc.:

<u>NAME</u>	<u>TITLE</u>
Robert Curtis Hughes	Chair
Joyce Hagen	Vice Chair
James R. Ramsey	President
Neville Pinto	Executive Vice President
A. Keith Inman	Vice President
Junior Bridgeman	Treasurer
Jason Tomlinson	CFO/Assistant Treasurer
Kathleen M. Smith	Chief of Staff

D. CERTIFICATION AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for 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 University of Louisville Foundation, Inc.:

<u>NAME</u>	<u>TITLE</u>
Frank Weisberg	Secretary
Kathleen Smith	Assistant 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.

The motion passed.

IV. Report of the President

President Ramsey introduced LTC Russel-Tutty, Army War College Fellow. LTC Russel-Tutty thanked the President and the Board for allowing him to join the meeting to learn about administrative leadership and board governance. President Ramsey thanked LTC Russel-Tutty for his service.

The President then gave a presentation on University events since the previous meeting of the UofL Foundation.

Ms. Strohm explained the University completed a Request for Proposal for Government Relations Services and a selection committee ranked McCarthy Strategic Solutions as the winner. She then introduced John McCarthy, Partner. Mr. McCarthy thanked the President, Ms. Strohm, and the Board for their support and stated McCarthy Strategic Solutions would help achieve the goals of the University during the 2016 Legislative Session.

Vice Chair Hagen thanked the President for his report.

V. Action Item: President's Merit Increase and Bonus

Vice Chair Hagen stated the Chairman recommends the Board approve a merit increase for 2015-16 of three (3) percent of Dr. Ramsey's Foundation salary, as recommended by the Board of Trustees, in recognition of his outstanding performance during 2014-15; and a bonus for the President in an amount equal to 25% of Dr. Ramsey's 2014-15 total salary for achievement of 20 out of 23 of the Trustees' annual goals, as recommended by the Board of Trustees.

Dr. Selvidge made a motion, which Mr. Denny seconded, to approve the

The Chairman's recommendation that the Board of Directors approve

- **A merit increase for 2015-16 of three (3) percent of Dr. Ramsey's Foundation salary, as recommended by the Board of Trustees, in recognition of his outstanding performance during 2014-15; and**
- **A bonus for the President in an amount equal to 25% of Dr. Ramsey's 2014-15 total salary for achievement of 20 out of 23 of the Trustees' annual goals and as recommended by the Board of Trustees.**

The motion passed unanimously.

Vice Chair Hagen noted Chairman Hughes requested the Board's counsel regarding a letter from Mr. J.D. Nichols. Chairman Hughes recommended the Board inform Mr. Nichols that the contracts with Dr. Ramsey and key individuals were authorized by the Foundation Board, and while Mr. Nichols' offer is appreciated, the board has decided his very generous donation should support the urgent priorities of the University as designated by Dr. Ramsey. This position was consistent with Mr. Nichols' original gift made last year.

Dr. Lynn made a motion, which Dr. Selvidge seconded, to concur with Chairman Hughes and accept his recommendation. Ms. Hagen stated she would inform Dr. Hughes of the Board's decision.

VI. Adjournment

Having no other business to come before the board, Mr. Weisberg made a motion, which Ms. Handmaker seconded, to adjourn the meeting at 3:09 p.m. The motion passed.

Approved by:

Signature On File

Assistant Secretary

**UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
BOARD MEMBER COMPENSATION POLICY**

The Bylaws of the Foundation require that any compensation paid by the Foundation to any person be fixed by a resolution of the Board of Directors of the Foundation. This resolution may take the form of a resolution addressing a specific individual's compensation or a resolution approving the Foundation's operating budget. It is the intent of this policy to make clear that, notwithstanding that provision of the Bylaws, no member of the Board of Directors shall be compensated by the Foundation solely because of his or her service to the Foundation as a member of the Board of Directors. The Foundation may reimburse members of the Board of Directors for travel and other expenses so long as such reimbursement complies in all respects with the Foundation's Travel and Expenses Reimbursement Policy. The Foundation may also enter into contractual or other arrangements with members of the Board of Directors so long as those contractual or other arrangements comply in all respects with the Foundation's Ethics and Conflicts of Interest Policy.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

Board Action:

Passed: X

Did not Pass:

Other:

Date:

Signature On File

Assistant Secretary

**UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
CHARITABLE CONTRIBUTION POLICY**

The Foundation may make donations of cash to charitable organizations or non-profit corporations when deemed appropriate by authorized representatives of the Foundation. The Foundation shall fund all such donations from its business operations accounts.

All requests for donations received by the University of Louisville or the Foundation should be submitted to the Foundation's Assistant Treasurer. All requests for donations will be evaluated by the Foundation's staff and a recommendation will be forwarded to the President. If the request is approved by the Foundation, the donation will be paid to the charitable organization or non-profit corporation directly by the Foundation for the Foundation or on behalf of the University of Louisville, as applicable.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

Board Action:

Passed: X

Did not Pass:

Other:

Date:

Signature On File
Assistant Secretary

**UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
ETHICS AND CONFLICTS OF INTEREST POLICY**

It is of critical importance that decisions made on behalf of the Foundation by members of its Board of Directors and its officers be in the best interest of the Foundation and the University of Louisville and not be influenced by any potential financial gain to the decision-makers. Furthermore, to assure public confidence in the integrity of the Foundation and the University, it is important that the Foundation not appear to be influenced by the personal financial interests of those in decision-making positions. In order to assure public confidence in the integrity of the Foundation, no member of the Board of Directors of the Foundation nor any officer of the Foundation should use such person's position, or appear to use such person's position, to influence the decisions of the Foundation for such person's personal financial gain. At the same time, the Foundation should be able to take advantage of contracts that are advantageous to the Foundation and the University of Louisville and should avoid having service to the Foundation be so restrictive that persons with substantial financial interests will be reluctant to serve. In order to accomplish these goals, the Board of Directors has adopted and enforces a policy governing conflicts of interest of the members of the Board of Directors and the officers of the Foundation. Each member of the Board of Directors and each officer of the Foundation shall comply with this policy.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

Board Action:

Passed: X

Did not Pass:

Other:

Date:

 Signature On File

 Assistant Secretary

**UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
NEPOTISM POLICY**

Because the Foundation seeks to employ and promote the best qualified person for a position, the Foundation shall not reject and no employee shall be restricted or favored in matters of pay, promotion, assignment, working conditions, or any other factor as a result of a familial relationship with any Foundation or University of Louisville employee.

When one family member might be in a position to make final decisions regarding employment, promotion, pay, assignment, or working conditions of another immediate family member, the final decision in any such matter must be referred to the next higher level of authority.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

Board Action:

Passed: X

Did not Pass:

Other:

Date:

Signature On File
Assistant Secretary

**UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
POLITICAL CONTRIBUTIONS POLICY**

The Articles of Incorporation and Bylaws of the Foundation prohibit the Foundation from (i) directly or indirectly engaging in propaganda, (ii) attempting to influence legislation, or (iii) participating or intervening in any political campaign on behalf of any candidate for public office. Nothing, however, in the Articles of Incorporation or the Bylaws of the Foundation prohibit the Foundation from engaging in lobbying and other similar activities within the limits proscribed by the Internal Revenue Code. Under the Internal Revenue Code, all section 501(c)(3) organizations, of which the Foundation is one, are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Therefore, the policy of the Foundation is to prohibit any contributions to political campaign funds and to prohibit any public statements of position (verbal or written) in favor of or in opposition to any candidate for public office.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

Board Action:

Passed: X

Did not Pass:

Other:

Date:

Signature On File

Assistant Secretary

UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

**RESOLUTIONS OF THE BOARD OF
DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.,
REGARDING METACYTE BUSINESS LAB LLC**

September 24, 2015

WHEREAS, the University of Louisville Foundation, Inc. (the "Foundation") is the sole Member of Metacyte Business Lab LLC, a Kentucky limited liability company (the "Company");

WHEREAS, as a result of the Company's prior investment in Zynerba Pharmaceuticals ("Zynerba"), the company received shares of stock (the "Stock") in Zynerba as the result of Zynerba's recent initial public offering; and

WHEREAS, because the Company is no longer active, the officers of the Foundation recommend that the Board of Directors of the Foundation, in its capacity as the sole member of the Company, cause the Company to transfer the Stock to the Foundation so that the Foundation can sell the Stock and invest the proceeds of that sale in ordinary course (the "Stock Transaction");

WHEREAS, the Board of Directors of the Foundation, in its capacity as the sole Member of the Company, deems it to be in the best interest of the Company and the Foundation to enter into the Stock Transaction.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Foundation hereby authorizes the officers (each an "Authorized Officer" and collectively, the "Authorized Officers") of the Foundation, acting together or individually, to execute and deliver any and all documents required of the Company and the Foundation to complete the Stock Transaction, including, without limitation, stock powers, assignments, and all other documents, instruments and certificates as any such Authorized Officer shall, in their sole discretion, deem necessary, convenient or desirable to evidence the Stock Transaction (collectively, the "Documents"), in such form and with such changes, additions, deletions and/or amendments to the Documents as may be approved by any such Authorized Officer, such approval to be conclusively evidenced by the execution thereof by such Authorized Officer, and when so executed, such Documents, as modified or amended, shall be binding and enforceable against, as applicable, the Company or the Foundation;

FURTHER, RESOLVED, that any and all Documents previously or hereafter executed and delivered on behalf of the Company or the Foundation in connection with the Stock Transaction and pursuant to the foregoing resolutions shall be deemed to be the act and deed of, as applicable, the Company or the Foundation and shall be binding and enforceable against, as applicable, the Company or the Foundation in all respects; and

FURTHER RESOLVED, that all actions taken previously or hereafter by the officers of the Foundation, with respect to the preparation, execution and delivery of the Documents, and all

other actions taken in connection with the Stock Transaction referred to by the foregoing resolutions be, and they hereby are, in all respects, approved, ratified and confirmed.

Action:

Passed: X

Did Not Pass:

Other:

Signature On File _____

Assistant Secretary

**RECOMMENDATION TO THE FINANCE COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

September 24, 2015 (Finance Committee)

September 24, 2015 (Board of Directors)

RESOLUTION

RESOLVED THAT:

- (1) PNC Bank (“Bank”) is designated a depository of funds of the University of Louisville Foundation, Inc. (“Foundation”).
- (2) This resolution applies to all accounts opened by the University’s Controller’s Office at the Bank under University of Louisville Foundation, Inc., name.
- (3) The following officers of the Foundation, listed below, are 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 Bank is authorized to pay and charge the Accounts for checks or withdrawal requests:

James R. Ramsey
President

R. Jason Tomlinson
Assistant Vice President of Finance

Signature On File



- (4) The following employees of the University of Louisville Foundation Inc., listed below, are authorized to obtain Treasury Management services and sign checks on or withdraw funds from the Accounts as agents of the Foundation and the Bank is 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
Director of Accounting Operations

Susan D. Magness
Director of Budget and Accounting

Michael D. Kramer
Dir, Investment & Financial Mgmt
