

MINUTES OF THE MEETING OF THE
EXECUTIVE AND COMPENSATION COMMITTEE
OF THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF LOUISVILLE

August 4, 2021

In Open Session

Members of the Executive and Compensation Committee of the University of Louisville Board of Trustees met in the President's Conference Room, Grawemeyer Hall, both in-person and virtually at 8:01 a.m. on August 4, 2021, with members present and absent as follows:

Present: Ms. Mary Nixon, Chair
Mr. Scott Brinkman
Dr. Raymond Burse
Ms. Diane Medley
Ms. Ugonna Okorie
Mr. Jim Rogers

Other Trustees

Present: Mr. John Chilton
Mr. Al Cornish
Prof. David Schultz
Mr. John Smith

From the

University: Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Dr. Michael Wade Smith, Vice President for External Affairs and Chief of Staff
Ms. Mary Elizabeth Miles, Vice President for Human Resources
Mr. Adam Okuley, University Counsel
Mr. John Karman, Executive Director, Office of Communications & Marketing
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

I. Call to Order

Chair Nixon called the roll. Having determined a quorum present, she called the meeting to order at 8:01 a.m.

Approval of Minutes, 6-24-2021

Mr. Brinkman made a motion, which Dr. Burse seconded, to approve the minutes of the June 24, 2021 meeting. The motion passed.

II. Executive Session

Dr. Burse made a motion, which Mr. Brinkman seconded, to recess to executive session to discuss personnel matters which might lead to the reappointment and/or dismissal of an individual employee pursuant to KRS 61.810(1)(f).

The motion passed the open meeting recessed at 8:02 a.m.

III. Open Meeting Reconvenes

The open meeting reconvened at 8:17 a.m. Chair Nixon reported that the committee discussed personnel matters.

President's Contract Amendment

Dr. Burse made a motion, which Mr. Brinkman seconded, to approve the

Chair's recommendation that the Executive and Compensation Committee approve an amendment to President Neeli Bendapudi's contract, as attached.

The motion passed.

President's Contract Renewal

Dr. Burse made a motion, which Mr. Brinkman seconded, to approve the

Chair's recommendation that the Executive and Compensation Committee approve a revised employment contract for President Neeli Bendapudi, as attached.


The motion passed.

IV. Adjournment

Having no other business to come before the committee, Dr. Burse made a motion, which Mr. Brinkman seconded, to adjourn.

The motion passed and the meeting adjourned at 8:19 a.m.

Approved by:


Signature on file
Assistant Secretary

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In Executive Session

Present: Ms. Mary Nixon, Chair
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Mr. Adam Okuley, University Counsel
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

I. Call to Order

Chair Nixon called the executive session to order at 8:02 a.m.


II. Personnel Matters

The committee discussed personnel matters which may lead to the reappointment and/or dismissal of an individual employee.

III. Adjournment

Mr. Rogers made a motion, which Mr. Brinkman seconded, to adjourn the executive session. The motion passed and the session adjourned at 8:16 a.m.

Approved by:


Signature on file

Assistant Secretary

RECOMMENDATION TO THE UNIVERSITY OF LOUISVILLE
BOARD OF TRUSTEES REGARDING AN AMENDMENT
TO THE PRESIDENT'S CONTRACT

Executive and Compensation Committee – August 4, 2021

RECOMMENDATION:

The Chair recommends the Executive and Compensation Committee approve an amendment to President Neeli Bendapudi's contract, as attached.

BACKGROUND:

On July 15, 2021, the Board of Trustees approved adjustments to President Bendapudi's employment contract, and specifically authorized the Executive and Compensation Committee to approve the final contractual documents on behalf of the board.

Board Action:

Passed X

Did Not Pass _____

Other _____

ⁿ
Signature on file

Assistant Secretary

July 30, 2021

Neeli M. Bendapudi, Ph.D.
2515 Longest Avenue
Louisville, Kentucky 40204

Dear Dr. Bendapudi:

On April 3, 2018, the Board of Trustees of the University of Louisville (the "BOT") sent you a letter (the "2018 Contract") announcing your appointment as President of the University of Louisville and outlining the terms of your employment. The 2018 Contract was subsequently revised by a Recommendation of the Board of Trustees Regarding Presidential Compensation dated May 9, 2019 (the "2019 Amendment"). This letter is to inform you that the BOT has voted to revise the terms of the 2018 Contract, as amended, in accordance with the terms and conditions detailed below. If accepted, the terms and conditions contained in this offer shall be considered in all respects to be effective as of July 1, 2020.

The revised terms and conditions offered by the BOT are as follows:

1. On or before September 15, 2021, the BOT shall deliver to you a one-time payment in the amount of \$150,000, which payment is an adjustment to your base salary due to certain services you provided to the University of Louisville on and after June 30, 2020.
2. The discretionary bonus referred to in the 2019 Amendment is eliminated.
3. Other than as stated in this letter, the terms of the 2018 Contract, as amended by the 2019 Amendment, shall remain in full force and effect. In the event that any of the terms of this letter conflict with the terms of the 2018 Contract or the 2019 Amendment, the terms of this letter shall control.

If the above terms are acceptable to you, please sign a copy of this offer letter below and return it to me.

With high regard,

Signature on file
Mary R. Nixon
Chair, Board of Trustees

My signature below indicates acceptance of the offer described in this letter, dated as of August 10, 2021.

Signature on file
Signature

8-10-2021
Date

RECOMMENDATION TO THE UNIVERSITY OF LOUISVILLE
BOARD OF TRUSTEES REGARDING THE RENEWAL
OF THE PRESIDENT'S CONTRACT

Executive and Compensation Committee – August 4, 2021

RECOMMENDATION:

The Chair recommends the Executive and Compensation Committee approve a revised employment contract for President Neeli Bendapudi, as attached.

BACKGROUND:

On July 15, 2021, the Board of Trustees approved adjustments to President Bendapudi's employment contract, and specifically authorized the Executive and Compensation Committee to approve the final contractual documents on behalf of the board.

Board Action:

Passed X

Did Not Pass _____

Other _____

ⁿ
Signature on file

Assistant Secretary

July 30, 2021

Neeli M. Bendapudi, Ph.D.
2515 Longest Avenue
Louisville, Kentucky 40204

Dear Dr. Bendapudi:

This letter is to inform you that the Board of Trustees for the University of Louisville ("BOT") has voted to offer you a revised contract of employment to reappoint you as President of the University of Louisville. This revised contract of employment shall be subject to the terms and conditions of your employment as detailed below. If accepted, the terms and conditions contained in this offer shall be considered in all respects to be effective as of July 1, 2021 (the "Effective Date"). Upon acceptance of this offer, this agreement shall govern the terms of your employment as President, and any previous contracts and amendments shall be deemed to be superseded by this letter and shall be of no further effect.

The revised terms and conditions offered by the BOT are as follows:

1. Your appointment to the Office of President is subject to the general policies of the University, including the Board of Trustees Bylaws and policies, and the terms of the University of Louisville Redbook, all as amended from time to time. An online copy of the Redbook can be found at: <http://louisville.edu/provost/redbook/>.
2. You agree to perform as President of the University of Louisville to the best of your ability. Your responsibilities will be as set forth in Section Sec. 2.1.2 of the Redbook. Your service as President will be your exclusive employment, except that you will be permitted to continue your current corporate board service. All other external activities for pay will require the prior written approval of the Chair of the BOT.
3. The term of your appointment as President will be for five years (the "Term") and will begin on the Effective Date and expire on the five-year anniversary thereof. Your service as President may be terminated by the University during the Term for "cause," as defined in Section 164.830(1)(b) of the Kentucky Revised Statutes, in which case no severance benefits will be provided. If you are terminated during the Term without "cause," the University will, upon receipt of a written release from you, pay you a severance benefit equal to twelve months of your then current base salary, payable in twelve equal installments over the twelve months following receipt from you of the executed written release. The severance payment will be paid to you on the 80th day following your termination without cause, provided the University has received a properly executed release from you and the revocation period during which you are entitled to revoke such release expired on or prior to the 80th day following your termination without cause.
4. Beginning on the Effective Date, your annualized base salary will be \$875,000 per year. You agree to work with the BOT to establish annual performance goals and to work towards the successful attainment of those goals each year during the Term.

However, you shall not be eligible for any performance bonus in addition to your annualized salary based on the attainment of those goals.

5. The BOT will establish a deferred compensation plan providing for annual employer contributions subject to the following terms and conditions and the provisions of the underlying plan:
 - a. The University shall make an annual payment of \$200,000 into the University of Louisville 415(m) Retirement Plan at the beginning of each fiscal year (or when the 415(c) Contribution Limit has been reached, whichever is later) for a period of five consecutive years beginning July 1, 2021 and ending June 30, 2025.
 - b. The retirement contribution made by the University on your behalf will vest on June 30th of each year of the Term, beginning June 30, 2022, and ending June 30, 2026.
 - c. The payments will be 100% vested each year of the Term on June 30th for the contributions made to the Plan for that fiscal year. Should you become disabled or upon your death, any contributions that are not vested will become vested immediately. You will be eligible to receive a payout of the vested balance from the plan upon your departure from the University, less applicable taxes and withholdings. The terms of the plan payout upon separation will be mutually agreed upon at the start of the deferral period.
 - d. You will forfeit any unvested balance or future deferrals provided under this deferred compensation plan if you do not continue to serve as President for the entirety of the Term.

6. For so long as you are employed and actively performing your duties as the University of Louisville President, you will be eligible to receive the following benefits with the understanding and acknowledgement that certain benefits (or portions thereof) are taxable, and the value of such benefits (or such portions thereof) will be added to your IRS Form W-2 and will be subject to deductions and withholdings as applicable.
 - a. Life Insurance. You shall receive a life insurance policy worth \$1,000,000 for 10 years on a preferred basis. The University shall pay the annual life insurance premium on your behalf. You shall have the option of assuming responsibility for the life insurance premium payments following your departure from the University or at the end of the Term, whichever occurs first.
 - b. Club Membership. The University shall, at its expense, provide you with a family membership at the University of Louisville Golf Club. Payment of these membership fees shall include a one-time initiation fee, annual dues, and any special assessments that may arise during the contract term. All entertainment expenses incurred at such club which are properly chargeable to the University in accordance with University policy will be paid by the University, subject to compliance with Section 7(a) of this Agreement. Other expenses incurred at such club shall be your sole responsibility.
 - c. Family Travel. The University shall pay the reasonable travel expenses incurred by your spouse in attending games held outside the city of Louisville.
 - d. Athletic Tickets and Parking Passes. The University shall make available to

you eight (8) premium tickets for discretionary use for each home, away, conference tournament, and post-season game for any University varsity athletics sports team, and two (2) priority 1 parking passes for each home basketball and football game. All use of such tickets shall be subject to applicable rules and policies for each venue and event, as applicable. You will be required to maintain a log of the names of individuals who have received all complimentary and purchased admissions issued to you for each event and shall provide the log to the Chair of the BOT or his/her designee upon request.

7. Reimbursement of Expenses.

- a. General Expense Reimbursement. For so long as you remain employed and actively performing your duties as University of Louisville President, in addition to payment of expenses expressly provided for in this Agreement, the University shall pay on your behalf all reasonable expenses necessarily incurred by you in the performance of your duties, including, but not limited to, reasonable travel, business and entertainment expenses. All such expenses shall be reimbursed in accordance with University policies and shall be subject to the approval of the Executive Vice President for Finance and Administration, which approvals shall not be unreasonably withheld or delayed. The University will also reimburse you in accordance with normal policies and procedures for expenses incurred for attendance of your spouse at appropriate events where the predominant purpose of your spouse's participation is to serve the University's business purpose in a substantial manner.
- b. Timing of Reimbursement. Any expenses that are eligible for reimbursement under this Agreement shall be paid as soon as reasonably practicable following submission of supporting documentation in accordance with University policy, but in no event later than thirty (30) days following submission of such supporting documentation.

8. Your service as President will be reviewed annually, pursuant to Sec. 2.1.3 of the Redbook and the Bylaws of the BOT. In addition, at your request, the BOT and the Board Chair will look for opportunities to engage with you in regular and consistent conversation regarding your success in achieving the University's goals and priorities.
9. Following your service as President, if you continue your service at the University as a faculty member, you will receive a twelve-month administrative leave at your then current base salary to prepare to assume faculty duties, provided your service as President has been for at least five years and you have agreed that, following your leave, you will return for at least one full academic year to full-time responsibilities as a professor. When your one-year administrative leave has concluded, your entitlement to administrative benefits (e.g., vacation benefits for administrators), if any, will end. Your salary and benefits as a tenured professor will be equal to the average of the three highest paid full-time professors within your discipline within the College of Business (prorated to reflect the regular academic year appointment in the College of Business, if appropriate).

10. In addition to the benefits outlined in Section 6 of this Agreement, you will be entitled to standard University benefits (e.g., retirement, health, life, long-term disability and other insured and uninsured benefit programs) on a substantially similar basis as other senior administrators of the University. A link to the University's 403(b) plan document can be found at: <https://louisville.edu/hr/benefits/retirementplans/403-b-plan-document>. In addition, the University will provide you with membership in the University Club for business use.

11. With respect to housing, the BOT believes that it is imperative that you perform substantial job responsibilities that extend beyond the typical workday. These responsibilities will require you to use your home on a regular basis for activities such as entertaining civic leaders, hosting fundraising activities, meeting with faculty or students, and working on administrative matters in the evenings and on weekends. As a condition of your employment and for the University's convenience, you shall be required to reside at Amelia Place (the "House") during the Term. The University shall be responsible for maintenance and operating expenses of the House, including upkeep, grounds keeping, general maintenance and utilities. The University shall indemnify you from any determination of the Internal Revenue Service or a state taxation authority that the housing expenses (including the House) are not exempt from federal or state income tax.

If the above terms are acceptable to you, please sign a copy of this offer letter below and return it to me.

The BOT has greatly appreciated your service to the University of Louisville amid unprecedented challenges. We are excited to offer you an extended term as President, and hope that we can continue to work together to advance the University to even greater heights in the years to come.

With high regard,

Signature on file
Mary R. Nixon
Chair, Board of Trustees

