

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF TRUSTEES OF THE
UNIVERSITY OF LOUISVILLE

November 30, 2022

In Open Session

Members of the University of Louisville Board of Trustees met in the Boardroom of the University Club, 200 E Brandeis Ave., Louisville, KY 40208, on November 30, 2022, at 10:33 a.m., with members present and absent as follows:

Present: Ms. Mary Nixon, Chair
Mr. Jerry Abramson
Dr. Larry Benz
Mr. Scott Brinkman
Mr. Dorian Brown
Dr. Raymond Burse
Mr. Al Cornish
Ms. Diane Medley
Dr. Eugene Mueller
Ms. Diane Porter
Mr. James Rogers
Mr. John Smith
Ms. Sherrill Zimmerman

From the
University: Ms. Angela Curry, General Counsel & VP for Legal Affairs, & Chief of Staff
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

I. Call to Order

Having determined a quorum present, Chair Nixon called the meeting to order at 10:33 a.m.

Conflict of Interest Affirmation

The Chair reminded all members of the board of their responsibility to avoid conflicts of interest and appearances of conflicts of interest. She stated each member has received the agenda and related information for this Board of Trustees' meeting.

Chair Nixon requested if any board member knows of any conflict of interest or appearance of conflict of interest with respect to any matter coming before the Board of Trustees at this meeting, to please identify the conflict or appearance of conflict at this time.

No conflicts were identified.

Approval of Minutes, 11-18-2022

Mr. Abramson made a motion, which Ms. Zimmerman seconded, to approve the minutes of the November 18, 2022, meeting.

The motion passed.

II. Executive Session

Mr. Smith made a motion, which Mr. Brinkman seconded, to recess to executive session to discuss personnel matters pursuant to KRS 61.810(1)(f).

The motion passed and the open meeting recessed at 10:34 a.m.

III. Open Meeting Reconvenes

The open meeting reconvened at 10:59 a.m. Chair Nixon reported that the board discussed personnel matters.

Appointment of 19th President

Mr. Brown read the following resolution and moved its approval:

WHEREAS, the Board of Trustees, in accordance with the statutory authority of the Commonwealth of Kentucky, is the governing body of the University of Louisville; and

WHEREAS, the Board of Trustees has the powers set forth by Kentucky Revised Statute 164.830(a) to appoint the president of the University; and

WHEREAS, the Board of Trustees' Ad Hoc Presidential Search Committee concluded a nation-wide search for the next president of the university; and

WHEREAS, the Board of Trustees, as prescribed in The Redbook, has consulted with a faculty committee composed of one representative elected for that specific purpose from each of the thirteen academic units;

NOW THEREFORE, BE IT RESOLVED, the Board of Trustees hereby approves the employment of Kim Schatzel as President of the University of Louisville on the terms and conditions set forth above and in the letter of appointment attached hereto.

Mr. Mueller seconded the motion, and the resolution was approved unanimously.

IV. Adjournment

Mr. Smith made a motion, which Dr. Burse seconded, to adjourn.

The motion passed and the meeting adjourned at 11:01 a.m.

Approved by:

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Signature on file
Assistant Secretary

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Present: Ms. Mary Nixon, Chair
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Mr. John Smith
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From the
University: Ms. Angela Curry, General Counsel & VP for Legal Affairs, & Chief of Staff
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

I. Call to Order

Chair Nixon called the executive session to order at 10:34 a.m.

II. Personnel Matters

The board discussed personnel matters.

III. Adjournment

Dr. Benz made a motion, which Dr. Burse seconded, to adjourn the executive session.

The motion passed, and the session adjourned at 10:57 a.m.

Approved by:

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Signature on file
Assistant Secretary

RESOLUTION OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF LOUISVILLE
REGARDING APPOINTMENT OF THE PRESIDENT

Board of Trustees – November 30, 2022

WHEREAS, the Board of Trustees, in accordance with the statutory authority of the Commonwealth of Kentucky, is the governing body of the University of Louisville; and

WHEREAS, the Board of Trustees has the powers set forth by Kentucky Revised Statute 164.830(a) to appoint the president of the University; and

WHEREAS, the Board of Trustees' Ad Hoc Presidential Search Committee concluded a nationwide search for the next president of the university; and

WHEREAS, the Board of Trustees, as prescribed in The Redbook, has consulted with a faculty committee composed of one representative elected for that specific purpose from each of the thirteen academic units;

NOW THEREFORE, BE IT RESOLVED, the Board of Trustees hereby approves the employment of Kim Schatzel as President of the University of Louisville on the terms and conditions set forth above and in the letter of appointment attached hereto.

BOARD ACTION:

Passed X

Did Not Pass

Other

 Dr. Signature on file
Assistant Secretary

November 30, 2022

Kim E. Schatzel, Ph.D.
Towson, Maryland

Dear Dr. Schatzel:

It is a pleasure to inform you that the Board of Trustees of the University of Louisville (the "University") voted at its meeting today to appoint you as President of the University of Louisville, effective February 1, 2023 (the "Effective Date"). Congratulations! On behalf of the Board of Trustees (the "BOT"), please accept this letter as an offer of employment as President, subject to the following terms and conditions:

1. Your appointment to the Office of President is subject to the general policies of the University, including 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. Any 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 fifth annual anniversary thereof. Your service as President may be terminated by the University during the Term for "cause," as described in Section 164.830(1)(b) of the Kentucky Revised Statutes, in which case no severance benefits will be provided. If your employment is involuntarily terminated by the University during the Term without "cause," the University will, upon receipt of a written release from you in a form provided by the University and which you do not revoke, pay you a severance benefit equal to twelve months of your then current base salary, payable in twelve equal monthly installments over the twelve months following receipt from you of the executed written release. The severance payments will commence 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.

Your appointment may be renewed subject to approval by the BOT. If the BOT chooses to renew your term, the BOT will notify you no later than June 30 of the year preceding the end of the contract term.

4. Beginning on the Effective Date, your annualized base salary will be \$925,000 per year, less applicable taxes and withholdings, paid monthly. The University's regularly scheduled pay days are currently on the last day of every month.

Your service as President will be reviewed annually, pursuant to Sec. 2.1.3 of the Redbook and the Bylaws of the BOT. Your total compensation package will be reviewed on an annual basis beginning March 2025 and any proposed increases will be considered at that time. This compensation review will be conducted within the context of your performance as President and in consideration of current national compensation levels for presidents of public research universities. 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.

5. The BOT will establish a retirement plan with a feature under Section 415(m) of the Internal Revenue Code ("Plan") to be sponsored by the University and providing for monthly University contributions or credits (as applicable) to an account on your behalf, subject to the following terms and conditions and the provisions of the underlying plan documents:
 - a. The University shall make a contribution or credit of \$200,000 to the Plan on your behalf each calendar year for a period of five consecutive calendar years beginning February 1, 2023 and ending on December 31, 2027 for a maximum potential aggregate contribution or credit for the period between February 1, 2023 and December 31, 2027 of \$1 million. The University shall determine in its discretion when in a calendar year the contribution or credit for such year will be made. You will not receive any contributions or credits to the Plan for the final month of your Term, which is January 2028. If prior to December 31, 2027, your employment with the University ceases for any reason, or you continue employment with the University in a position other than as its President for any reason, you will cease receiving contributions or credits to your Plan account, except with respect to payment of any pro rata contribution. If you terminate or otherwise cease being the University's President prior to December 31, 2027, the contribution or credit for the calendar year in which such termination or cessation occurs will be prorated. The amount of the prorated contribution shall equal \$200,000 multiplied by a fraction, the numerator of which is the number of full months during such calendar year during which you were employed as the University's President, and the denominator of which is 12.
 - b. The retirement contributions and credits made by the University on your behalf will be 100% vested in five years on January 31, 2028. If you terminate employment prior to such date for any reason other than your death, permanent disability, or involuntary termination without cause with a signed release provided by the University that you do not revoke, you will forfeit your account balance in the Plan.
 - c. Should your employment be involuntarily terminated by the University without cause as described in Section 164.830(1)(b) of the Kentucky Revised Statutes and you sign and do not revoke the University-provided release form, or should your employment with the University terminate due to your death or you becoming permanently disabled, you shall become 100% vested in your Plan account for any contributions made up to that point, including any pro rata contributions applicable pursuant to Section 5(a). The timing of payment of your vested Plan account upon separation pursuant to this section will be within thirty (30) days of your separation due to death, permanent disability, or involuntary termination without cause. Except as set forth in the preceding sentence, your Plan benefits will not become payable

prior to the later of February 1, 2028 and the date your employment with the University terminates.

- d. In addition to the foregoing, and except as provided in the following sentence, you will forfeit your Plan account balance if prior to February 1, 2028 your employment position changes and you continue employment with the University in a position other than President. Notwithstanding the preceding sentence, if prior to February 1, 2028, the University removes you from the President position without cause as described in Section 164.830(1)b) of the Kentucky Revised Statutes or due to your permanent disability but you continue employment with the University in another capacity and sign and do not revoke a University-provided release form, you shall become 100% vested in your Plan account. Your Plan benefits will not become payable prior to the later of February 1, 2028 and the date your employment with the University terminates.
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 reported as taxable on 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. Automobile. The University shall provide you with an automobile allowance in the amount of \$1,000 per month. You will obtain and maintain at all times during the Term casualty and liability automobile insurance coverage with limits of not less than \$100,000/\$300,000 for any vehicle(s) funded with the allowance. You will also be responsible for all repairs, maintenance, and operating expenses with respect to the vehicle(s) (other than expenses which may be reimbursable under Section 7 of this Agreement), and for fines for moving or parking violations incurred in the use of the automobile.
 - d. Indemnification/D&O Coverage. You will be covered under the University's indemnification policies and directors and officers liability insurance with respect to the actions you take (or do not take) within the scope of your authority as

President of the University pursuant to the terms and conditions of such University and insurance policies. Subject to the terms and conditions of applicable policies, the coverage provided pursuant to this section will survive your employment as President of the University.

- e. Family Travel. The University shall pay the reasonable travel expenses incurred by your spouse in attending University business-related events held outside the City of Louisville.
- f. 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 (including, without limitation, deadlines for submitting request for reimbursement and supporting documentation) 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. Subject to normal academic review and approval procedures, the Board of Trustees will appoint you as a tenured full Professor.

10. 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 your assigned department (prorated to reflect the regular academic year appointment in the assigned department, if appropriate).
11. 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>. You will be entitled to standard University salary adjustments, such as merit and COLA increases, on a substantially similar basis as other senior administrators of the University.
12. 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. To the extent that necessary renovations render the house uninhabitable, the University shall provide you with temporary housing on mutually agreeable terms until such renovations are complete. The University shall be responsible for maintenance and operating expenses of the House, including upkeep, grounds keeping, general maintenance and utilities, as well as regular housekeeping of the meeting and entertainment areas of the house but not the private quarters. 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) or your moving expenses are not exempt from federal or state income tax.
13. The University agrees to provide the choice of either a relocation stipend in the amount of \$45,000 to cover your moving and other reasonable relocation expenses, or use of the University's relocation provider for this benefit, wherein the provider will invoice the University directly for this service. In addition, the University will pay a gross-up so that net of required federal and state income and FICA tax withholdings, you net the \$45,000 stipend or University-paid relocation services, as applicable.

In addition, if prior to February 1, 2028, your employment with the University is involuntarily terminated without cause, the University will pay or reimburse your expenses to relocate your residence up to a maximum of \$45,000. In addition, the University will pay a gross-up so that net of required federal and state income and FICA tax withholdings, you net the lesser of your relocation expenses or \$45,000.

14. Kentucky State law requires a state and national criminal history background check as a condition of employment, which can be initiated when this letter is returned.

15. Termination

- a. Voluntary Resignation You recognize that your agreement to serve as President for the entire Term is of the essence of this Agreement to the University. The University agrees that you may, nevertheless, terminate your employment under this Agreement prior to the end of the term, by giving the University not less than ninety (90) days prior written notice. You agree that under no circumstance will you, your spouse, partner, agents, representatives, or advisors reveal your termination to anyone other than your spouse, partner, agents, representatives or advisors for a period of seventy-two (72) hours following notification to the University. In the event of your resignation for any reason, the University's sole obligation shall be to pay you any Accrued Obligations (as defined in Section 15(d) below).
- b. Death-in the event your employment hereunder ceases prior to the end of the Term by reason of your death, the University's sole obligation shall be to pay you any Accrued Obligations (as defined in Section 15(d) below).
- c. Disability. If, as a result of your incapacity due to physical or mental illness, you are unable to perform the essential function(s) of your duties as President with or without reasonable accommodation for 120 consecutive days or for a total of 180 days or more out of a period of 300 consecutive days ("Disability"), your employment may be terminated by the University for Disability, subject to any requirements that may be imposed by applicable law. In such event, the University's sole obligation shall be to pay you any Accrued Obligations (as defined in Section 15(d) below), and for any disability benefits to which you may be entitled under a University group disability plan. If the University has a reasonable, good faith belief that you have suffered a Disability, the University reserves the right to require you to submit to a medical, psychological, and/or psychiatric examination, by a qualified independent physician selected and paid for by the University. You agree to submit to such examination as soon as reasonably possible after being notified about such examination. You hereby waive any physician-patient privilege that you may have with respect to the results of any examination conducted pursuant to this section and will provide whatever consent may be reasonably necessary for the disclosure of these results to the University.
- d. Accrued Obligations. As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of your Base Salary through the date of death or termination of employment, as the case may be, which has not yet been paid; and (ii) any other compensation previously earned and accrued that has not yet been paid, including any deferred compensation payments due to you pursuant to Section 5(c) of this Agreement. "Accrued Obligations" shall not include any form of severance payment or contingent bonus or benefit not yet vested in accordance with the terms of the applicable plan.

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

The BOT is very excited at the prospect of your joining the University of Louisville. We look forward to working with you to build on the University's current strengths, to achieve our mission of preeminence as a metropolitan research university, and to propel this great University forward to unparalleled success.

With high regard,


Signature on file

Mary H. Nixon
Chair, Board of Trustees

My signature indicates acceptance of the offer described in this letter, dated November 30, 2022.


Signature on file

Kim E. Schatzel


Date