UNIVERSITY OF MISSOURI
Columbia . Kansas City . Rolla . St. Louis

BOARD OF CURATORS

Minutes of the Board of Curators Meeting
June 26-27, 2012
Reynolds Alumni Center, University of Missouri
Columbia, Missouri

BOARD OF CURATORS MEETING – PUBLIC SESSION

A meeting of the University of Missouri Board of Curators was convened in public session at 12:47 P.M., on Tuesday, June 26, 2012, in Columns C, D & E of the

Curator Downing voted yes.
Curator Erdman voted yes.

Curator Bradley voted yes.
Curator Cupps voted yes.
Curator Downing voted yes.
Curator Erdman voted yes.
Curator Goode voted yes.
Curator Henrickson was absent.
Curator Steward voted yes.

The motion carried.

Approval of New Collected Rules and Regulations 530.030, Employee Retirement Investment Plan (new 401(a))

It was recommended by Vice President Rodriguez, endorsed by President Wolfe, recommended by the Compensation and Human Resources Committee, moved by Curator Cupps, and seconded by Curator Erdman, that the following action be approved:

that a new 401(a) defined contribution retirement plan for employees hired af -0.004 T01(nt P

that the University of Missouri-Kansas City be authorized to submit the proposal for a Bachelor of Music, Jazz Studies to the Coordinating Board for Higher Education for approval.

Roll call vote of the Board:

Curator Bradley voted yes.
Curator Cupps voted yes.
Curator Downing voted yes.

2. The degree, diploma and/or certificate was awarded based, in whole or in part, upon the student's satisfying the academic requirements for the award of the degree, diploma and/or certificate by or through actions which involve falsification, misrepresentation, fabrication or other mischaracterization of the nature of or number of credit hours or degrees earned at the University of Missouri or at other institutions of higher education for which the University of Missouri has given credit;

3. The degree, diploma and/or certificate was awarded based, in whole or in part, upon the student's obtaining a waiver of the academic requirements for the award of the degree, diploma and/or certificate by or through actions which involve falsification, misrepresentation, fabrication or other mischaracterization of the reasons for such waiver of the academic requirements for the award of the degree, diploma and/or certificate or the forgery, falsification, fabrication or mischaracterization of the necessary approval of such waiver of the academic requirements for the award of the degree, diploma and/or certificate;
4. The degree, diploma and/or certificate was awarded despite the student's failure to satisfy the academic requirements for the award of the degree, diploma and/or certificate in existence at the time the degree, diploma and/or certificate was awarded and without regard to whether or not the student's conduct contributed, in whole or in part, to the erroneous award of the degree, diploma and/or certificate;
5. Violation of the University's Standards of Conduct, as set forth in Section 200.010 of the Collected Rules and Regulations of the University of Missouri, or applicable Honor Code as provided by Section 200.020E.7. of the Collected Rules and Regulations of the University of Missouri, prior to the award of the degree, diploma and/or certificate under circumstances which, if the University had been aware of such violations prior to the award of the degree, diploma and/or certificate, would, in a majority of violations of that section of the University Standards of Conduct during the five-year peritb(n(onduc)-6(i-2(e)4(d R)-3(ul)-2(e)doer)3-2(a)4(a)4c3(o-2(r)3(e)-6(g

1. The procedure for revocation of a degree, diploma and/or certificate may be initiated by the Chancellor of one the campuses of the University, based upon the recommendation of the Provost of the campus from which the recipient received the degree, diploma and/or certificate. Before submitting a recommendation to the Chancellor to initiate the procedure for revocation of a degree, diploma and/or certificate, the Provost shall consult with the appropriate faculty group or body which recommended the award of the degree, diploma and/or certificate originally and after considering the advice provided by said faculty group or body shall make a recommendation to the Chancellor.
2. If the Chancellor concurs with the recommendation of the Provost that the procedure for revocation of a degree, diploma and/or certificate should be initiated, the Chancellor, in consultation with the Provost, shall appoint an appropriate University administrator or other appropriate University employee to present the information supporting the reason(s) for revoking the degree, diploma and/or certificate (hereinafter referred to as "the Relator"). The Relator shall have the responsibility for preparing written charges setting forth the basis for the Provost's belief that such degree, diploma and/or certificate should be revoked (hereinafter referred to as "Charge") and containing sufficient detail so as to provide the recipient of said degree, diploma and/or certificate (hereinafter referred to as "the Respondent") with a reasonable opportunity to understand the charges and to respond thereto; for serving a copy of said written charges on the Respondent, by hand delivery or by certified or registered mail, along with a notice of an opportunity for the Respondent to request a hearing of the charges before the Campus Degree Revocation Committee (hereinafter referred to as the "Committee"), appointed by the Chancellor; and for representing the Provost at any formal hearing or proceeding conducted as a part of the revocation procedure.

C. **Campus Degree Revocation Committee --** There shall be a Standing Committee on each campus of the University which shall have jurisdiction to consider any case in which revocation of a degree, diploma and/or certificate is proposed. Such Standing Committee shall be called the Campus Degree Revocation Committee. Four (4) members of the Campus Degree Revocation Committee and an alternate to serve in the event one of the four (4) members cannot serve, shall be appointed annually by the Chancellor after consultation with the Faculty Council or Faculty Senate. Each of the members of the Committee and the alternate shall be a faculty member on continuous

appointment at the rank of Professor or Associate Professor. In the event that the Chancellor approves the initiation of the procedures for revocation of a degree, diploma and/or certificate, the Chancellor shall appoint a fifth member of the Campus Degree Revocation Committee, who shall also be a faculty member at one of the campuses of the University of Missouri System on continuous appointment at the rank of Associate Professor or Professor and who shall be from the same discipline or a related discipline as the department faculty who recommended the award of the degree, diploma and/or certificate, but who shall not be a faculty member in such department. The Campus Degree Revocation Committee shall elect a Chair from among its five (5) members.

D. **Request for Hearing and Other Pre-Hearing Procedures**

1. If the Respondent desires a hearing, the Respondent shall give written notice of this request to the Provost within sixty (60) consecutive calendar days from the receipt of the formal notice from the Relator. The Respondent shall also send copies of this request for hearing to the Relator and to the Chair of the Committee. The Relator shall thereupon file a copy of the Charge with the Chair of the Committee. Failure by the Respondent to make a timely written request for a hearing shall constitute a waiver of the Respondent's right to a hearing before the Committee.
2. Within thirty (30) consecutive calendar days after submitting the request for a hearing before the Committee to the Provost, the Respondent shall file an Answer to the written charges with the Provost, the Relator and the Chair of the Committee. Such Answer shall specifically admit or deny the allegations contained in the Charge. A failure to answer or to deny an allegation of fact in the Charge may be considered by the Committee as an admission of such fact.

E. **Hearing by Committee**

1. If the Respondent makes a timely written request for a hearing by the Committee, the Chair of the Committee shall notify in writing the Respondent and the Relator of the date, time, and place of hearing before the Committee, which shall be within a reasonable time but not less than twenty (20) consecutive calendar days after the date of the receipt of the request for hearing.
2. Any request for continuance shall be made by the Respondent or Relator in writing to the Chair of the Committee, who shall have discretionary authority to continue the hearing upon determining that the request is timely and made for good cause. Any continuance of more than thirty (30) days shall require the approval of the Committee and of the Provost.

b.The Committee may question witnesses or examine evidence at the

a. To be present at t

made based upon the findings on all charges. The burden of proof shall be on the Relator. Before recommending revocation of a degree, diploma and/or certificate, the Committee shall be convinced by clear and convincing evidence in the record considered as a whole that one or more counts have been sustained and that such count or counts warrant revocation of the degree, diploma and/or certificate.

11. **Official Report of Findings and Recommendation** -- Within ten (10) consecutive days after receipt of the record, the Committee shall make its findings of fact and recommendations in writing and transmit them to the Chancellor, to the Provost, to the Relator, and to the Respondent forthwith.
12. **Record of Case** -- A stenographic record of the hearing shall be taken and shall be maintained for five (5) years. The notice, exhibits, hearing record, and the findings and recommendation of the Committee shall become the "Record of the Case," shall be filed in the Office of the Chancellor of the involved campus, and shall be available only for official purposes, and for the purpose of appeal shall be accessible at reasonable times and places both to the Relator and the Respondent. The Record of the Case shall not be made available to the public unless required by law. In the event of an appeal, no new evidence shall be taken in the case, but the Chancellor or the Board of Curators may remand the matter for further evidence to the Committee. Either party may have any such record of the hearing reduced to writing for the purposes of appeal.

G. **Recommendation by the Chancellor** -- The Chancellor, with the concurrence of the President of the University, shall make a recommendation to the University of Missouri Board of Curators in the matter after giving due consideration to the findings and recommendations of the Committee and may remand the matter to the Committee for further proceedings. Upon reaching this recommendation, the Chancellor shall notify the Respondent, the Relator, the Provost and the Committee in writing of the Chancellor's recommendation and shall forward said recommendation, along with the full Record of the Case, to the University of Missouri Board of Curators whose formal action is necessary to revoke a degree, diploma and/or certificate.

H. **Action by the Board of Curators** -- Both the Relator and the Respondent shall be given the opportunity to file with the University of Missouri Board of Curators a written argument confined to the issues and evidence previously submitted and considered in the Record of the Case by the Committee and by the Chancellor. Said written argument must be submitted within thirty (30) consecutive calendar

days after receipt of the recommendation of the Chancellor unless, for good cause shown, the Chair of the University of Missouri Board of Curators grants an extension of time for filing said written argument. The University of Missouri Board of Curators may, at its discretion, permit the parties to appear personally before the Board or a committee of the Board prior to reaching a final decision on the Chancellor's recommendation. The Board of Curators, after consideration of the Record in the Case, the Committee's findings and recommendation, the Chancellor's recommendations and the written arguments filed by the Relator and/or the Respondent, shall take such final action as it deems appropriate with regard to the revocation of the degree, diploma and/or certificate. The Secretary of the Board shall notify the Respondent and the Relator in w tetarh S15ertieoon on -2(t)-2( )-2(ts)-1

Missouri Federal and State Technical Program	340,000
Missouri Rehabilitation Center	10,337,870
Missouri Kidney Program	1,500,000
Missouri Telehealth Network	437,640
Spinal Cord Injury Research	1,500,000
State Historical Society	1,427,605

- that the President of the University System be authorized to allocate one-time or recurring line-item state appropriations, net of anticipated withholdings;

- that the President of the University System be authorized to: (a) make required changes to working capital and reserve funds and (b) make supplemental allocations within the funds available to the several campuses and programs, such allocations to be made on the basis of priority and need. The President will report periodically to the Board of Curators any material changes in the sources and uses of current funds;

- that the operating budget for FY2013 and allocation as stated herein can be modified as necessary by the President to bring the same into harmony with the state appropriation as finally approved by the governor and any withholdings in excess of those shown above.

Roll call vote of the Board:

Curator Bradley voted yes.
Curator Cupps voted yes.
Curator Downing voted yes.
Curator Erdman voted yes.
Curator Goode voted yes.
Curator Henrickson was absent.
Curator Steward voted yes.

The motion carried.

It was recommended by Vice President Krawitz and Vice President Nichols, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Downing and seconded by Curator Erdman, that the:

> Collected Rules and Regulations, Section 70.070, Entrepreneurial Activity be approved as outlined below and as amended by the Board (on file with the minutes of this meeting).

70.070 Entrepreneurial Activity

A. Outside Entities. This rule applies to the acceptance of equity or similar participation in a separate legal entity for the primary purpose of advancing a university mission and not for the primary purpose of investment, including operating entities that the university controls and uses to conduct university operations, joint venture entities in which the university is a relatively active or significant participant, and minority-interest entities in which the university is a minority owner with a more passive role.

1. Participation in such an entity requires approval by the campus Chancellor (if initiated by a campus) with subsequent approval by the President, or by the President (if initiated by the system office), and approval of documents as to legal form by the Office of the General Counsel.
2. Approval of the Board of Curators is required for operating entities or, in the case of joint venture entities, if the university, or a properly authorized representative, (1) forms the entity, or (2) owns at least 50% or more, or (3) commits to make a contribution of $1.0 million or more.
3. Approval of the Board of Curators is required for minority-

General Counsel. Subsequent changes in such activities will be subject to reporting and approval requirements to be specified in such business policies.

6. The total out-of-

Curator Bradley voted no.
Curator Cupps voted no.
Curator Downing voted no.
Curator Erdman voted yes.
Curator Goode voted no.
Curator Henrickson was absent.
Curator Steward voted no.

The motion failed with one vote in favor and five votes opposed.

It was recommended by Vice President Krawitz, endorsed by President Wolfe,

3. CRR 140.014

a. Hiring of external investment managers for any of the investment pools covered by this policy, consistent with the respective asset sectors and targets established by the Board and the guidelines outlined in CRR 140.011 "*Policy for Investment Manager Selection, Monitoring and Retention.*"
b. Termination of external investment managers for any of the investment pools covered by this policy, consistent with the guidelines outlined in CRR 140.011 "*Policy for Investment Manager Selection, Monitoring and Retention.*"

3. The following authorities are hereby delegated by the Board to the Vice President for Finance and Administration or her/his designees:

a. Specific to the General Pool, the authority to manage funds internally, consistent with the guidelines outlined in CRR 140.012 "*Investment Policy for General Pool*."
b. As appropriate, implementation of securities lending programs, provided that securities included in any program shall be fully collateralized and marked to market daily.
c. Execution of instruments in accordance with CRR 70.020 *"Execution of Financial Instruments."*

4. In making the foregoing delegations, the Board has considered the purposes and circumstances of the investment pools, the qualifications and expertise of the persons to whom it has delegated such authorities, and the scope and terms of the delegated authorities. The Board shall continue to evaluate these and other relevant factors, including the overall performance of the investment pools, in conjunction with its ongoing reviews and monitoring as described herein.

C.

1. The Vice President for Finance and Administration or her/his designees are responsible for the following:
   a. Implement and monitor Investment Pool Policies.
   b. Review Investment Pool Policies on an annual basis, with policy amendments submitted to the Board of Curators as necessary.
   c. Evaluate and monitor master custodians and Investment Consultant; report to the Board as necessary.
   d. Periodic reporting to the Board as outlined in Section D of this policy.
   e. Monitor the effects of the spending policy with respect to endowment funds and recommend modifications to the Board as appropriate.
   f. Management of endowed funds in accordance with any restrictions that may apply at the time of receipt, provided such restrictions do not conflict with applicable state statutes ant age-21.674pes/po/ya751(.)]TJ0 Tc g P9132(ag)3(e)8(m)-i 2(a)-3/-12

securities under its management, owned by the respective investment pool. The voting of proxies must be done in a prudent manner and consistent with the investment objectives of the respective investment pool.

Collected Rules and Regulations Chapter 140: Investments
140.011 Policy for Investment Manager Selection, Monitoring and Retention

A. **Introduction** -- This policy establishes general guidelines for selecting external investment managers, monitoring investment manager effectiveness, identifying issues of concern, and for making decisions concerning investment manager retention. The University shall utilize an Investment Consultant for assistance with the application of this policy. This policy applies to the following investment pools:

140.012 General Pool
140.013 Endowment Pool
140.014 Fixed Income Pool
140.015 Retirement, Disability and Death Benefit Plan
140.016 Other Postemployment Benefits Plan Trust Fund

B. **Responsibilities and Authorities** – See CRR 140.010 "*Policy for Management and Oversight of Selected University [illegible]*

b. Stability: Has the firm been able to retain investment professionals and senior management over time?
c. Strategic direction: Is the firm's growth rate in assets and personnel appropriate? Is there a clear focus on investment management?
d. Business viability: Are the firm's growth prospects, assets under management and capital base sufficient to maintain a healthy business?
e. Assets under management: Are assets sufficient at the product level to accommodate the University's portfolio and, at the other extreme, has excessive asset growth impeded the firm's ability to add value in a given mandate? Generally, the University's combined assets under management across all pools of funds should not exceed 25% of a particular product's total assets under management.

2. Investment Philosophy
   a. Well Defined: Is the investment philosophy clearly defined and consistently applied?
   b. Competitive advantages: Are there any aspects to the investment philosophy that provide a competitive advantage such as information/data sources, unique modeling capabilities, unusual perspectives, depth/quality of analytical resources, and/or experience of investment professionals?
   c. Persistence: Is there something about the investment philosophy that provides conviction that historical performance can be repeated?

3. Investment Professionals
   a. Relevant experience: Are the portfolio managers and research analysts experienced in managing this type of mandate?
   b. Team experience: Is there significant experience among the professionals as a team?
   c. Skills: Do the investment and research professionals bring complementary skills to the portfolio management process?
   d. Resources: Has the firm given the team the proper resources to succeed? Are the investment professionals distracted by other responsibilities including other products, firm management, sales, client service, etc.?

4. Historical Performance
   a. Performance vs. relevant benchmarks: Has the firm added value on a net basis to the benchmark over market cycles, typically defined as 3-5 year periods? How much value has been added relative to the risk taken?
   b. Performance vs. peers: Has the firm exhibited an ability to outperform peers over market cycles, typically defined over 3-5 year periods?
   c. Consistency: Has the level of performance been consistent and within expectations for the mandate?

d. Risk metrics: Is the level of absolute and relative volatility appropriate given the mandate? Are the risk metrics of the portfolio over time consistent with expectations given the mandate?
e. Performance attribution: What are the sources of over or under-performance (e.g. industry bets, stock selection, style biases) and do they match the manager's investment process and philosophy?

5. Other
   a. Missouri location and/or minority status: The University has an active and ongoing interest in doing business with firms that are owned, controlled, and operated by citizens of the state of Missouri. In addition, the University is committed to supporting the participation of minority and women-owned and controlled asset management firms (as defined in Section 33.750 (3), (4), and (5), RSMo 2000) in the management of its funds. All potential qualified Missouri and/or minority and women-

manager performance, net of fees, is generally expected to outperform the agreed upon benchmark and fall within the top two quartiles of an appropriate peer group.

2. Adherence to Stated Philosophy, Process and Style: The default expectation would be continued adherence to the manager's stated philosophy, process, and style in existence at the time of hiring.
3. Organizational Matters: Stability is the basic expectation. Any material change in the manager's organizational structure, ownership or personnel should be carefully considered. Ongoing oversight by regulatory agencies should also be monitored, as well as any indications of illegal or unethical behavior.
4. Guidelines: Managers are expected to maintain compliance with guidelines established by the University; exceptions may be granted by the University and Investment Consultant on a case-by-case basis. As circumstances warrant, the manager may provide recommended revisions to the guidelines in writing to the University and Investment Consultant; however, the University and Investment Consultant shall be under no obligation to accept such recommendations.
5. Service and Responsiveness: Managers are expected to be reasonably responsive to the needs of the University and Investment Consultant, including requests for information and/or analysis, requests for periodic meetings to review performance, etc.

To the extent that any significant issues or concerns are identified as part of the review process or at any other time, considering factors including, but not limited to, those noted above, a manager may be classified as "Under Review" or terminated based solely on the determination of the University and Investment Consultant.

G. **Manager "Under Review" Classification** – Managers who are classified as "Under Review" are not eligible for additional funding and may be subject to asset reductions. If circumstances warrant, based solely on the determination of the University and Investment Consultant, the manager may be terminated immediately or at any time thereafter. Otherwise, the following process must be satisfactorily completed prior to the removal of the "Under Review" classification:

1. The University shall notify the manager in writing of their "Under Review" classification. The notification shall indicate the reason(s) why the manager has been classified as "Under Review," request information from the manager on relevant issues, and ask for the manager's input in resolving the concerns identified.

2. Upon notification, the manager shall submit a written response within 15 calendar days of the date of notice. The investment manager's response should provide the following, as applicable:

1. Repurchase agreements collateralized by U.S. Government issues and U.S. Government Agency issues.

2. U.S. Government securities, U.S. Government Agency securities and U.S. Government guaranteed securities, including but not limited to: all direct obligations of the U.S. Government, Federal Farm Credit Banks, Federal Home Loan Banks, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. Included in the definition of U.S. Government Agency securities and U.S. Government guaranteed securities are mortgage-backed securities and collateralized mortgage obligations guaranteed by such entities.

3. Corporate bonds rated A or better by one of the Nationally Recognized Statistical Ratings Organizations.

4. Municipal bonds rated A or better by one of the Nationally Recognized Statistical Ratings Organizations. Eligible municipal bonds shall be restricted to general obligation debt or essential service revenue bonds. Municipal bonds may be taxable or tax-exempt.

5. Certificates of deposit (collateralized) at banks with which the University has a depository agreement.

6. Money market funds which are SEC 2a-7 compliant and have received a AAA rating by at least two Nationally Recognized Statistical Ratings Organizations.

7. Commercial paper which has received the highest letter and numeral ranking (i.e., A1 / P1) by at least two Nationally Recognized Statistical Ratings Organizations, and other similar short-term investment instruments of like or better quality.

D. **Restrictions on Instruments –** The maximum amount or percentage of the total internally-managed General Pool portfolio held in each instrument listed above shall be:

1. No restrictions for repurchase agreements remaining in the deposit bank which are fully collateralized by government securities.

2. No more than 15 percent of the total internally-managed portfolio is to be held in one bank, with one allowable exception, as follows: A temporary position of up to 20 percent may be taken in any one bank if the position in that bank will be brought back to 15 percent within five business days.

3.

4. No more than 10 percent of the internally-managed portfolio is to be held in corporate bonds; no more than 1 percent of the internally-managed portfolio is to be held in any one corporate issuer.

5. No more than 10 percent of the internally-managed portfolio is to be held in municipal bonds; no more than 1 percent of the internally-managed portfolio is to be held in any one municipal issuer.
6. No more than 50 percent of the internally-managed portfolio is to be held in commercial paper and no more than 5 percent of the internally-managed portfolio is to be held in the commercial paper of any single commercial paper issuer, with one allowable exception, as follows: A temporary position of up to 10 percent may be taken in any one issuer if the position with that issuer will be brought back to 5 percent within ten business days.

E. The University is authorized to invest General Pool funds in the Endowment Pool, as well as externally managed absolute return or global fixed income funds. The University is also authorized to use external investment managers with respect to any of the investment instruments defined in Section C of this policy. Specific guidelines for externally managed funds are contained in CRR 140.011 "*Policy for Investment Manager Selection, Monitoring and Retention*."

F. **Excluded Instruments –** The General Pool shall not be deemed to include, and the limitations contained herein shall not be deemed applicable to, any program-related funds, instruments, and assets not held primarily for investment such as interests governed by CRR 70.070 "*Entrepreneurial Activity*."

Collected Rules and Regulations Chapter 140: Investments

140.013 Investment Policy for Endowment Pool

A. **Introduction** -- The University's Endowment Pool contains gifts, bequests and other funds directed to be used to support a University program in perpetuity. Some donors require such a commitment as a condition of their gift ("true endowments"). Also, funds may be assigned to function as endowments by the Board of Curators or by University administration ("quasi endowments").

B. **Responsibilities and Authorities –** See CRR 140.010 "*Policy for Management and Oversight of Selected University Investment Pools*."

C**. Investment Objectives --** The Endowment Pool must be managed to provide ongoing support of endowed programs in perpetuity, in conformance with donor stipulations. To accomplish this, investment returns, net of inflation, should be sufficient over time to cover annual spending distributions while maintaining or growing the underlying purchasing power of each endowed gift.

D. **Authorized Investments –** The Endowment Pool shall be invested in externally managed funds, consistent with the guidelines established in CRR 140.011 "*Policy for Investment Manager Selection, Monitoring and Retention*," in the following asset sectors:

Sector	**Target Asset Mix**	**Allowable Range**
Global equity		

allowable range. The need to rebalance shall take into account any logistical issues associated with fully funding a particular asset sector, as well as any tactical decisions to overweight or underweight a particular asset sector based on current market conditions.

Actual sector allocations shall not fall outside of the allowable ranges, with the exception of violations caused solely by periods of extreme market distress, when it may not be possible

D. **Authorized**

It was recommended by Chancellor Deaton, endorsed by President Wolfe, recommended by the Finance Committee, moved by Curator Downing and seconded by Curator Erdman, that the following action be approved:

1. That the Vice President for Finance and Administration be authorized to employ the firm of Populous of Kansas City, Missouri for the design of The Memorial Stadium East Side Addition for a basic services fee of $1,876,200 with the project financing below:

The motion carried.

The public session of the Board of Curators meeting was recessed.

BOARD OF CURATORS MEETING – EXECUTIVE SESSION

A meeting of the University of Missouri Board of Curators was convened in executive session at 5:00 P.M., on Tuesday, June 26, 2012, in the Donrey Media Room 211 of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator David R. Bradley, Chairman of the Board of Curators, presided over the meeting.

Present
The Honorable David R. Bradley
The Honorable Donald L. Cupps
The Honorable Don M. Downing
The Honorable Warren K. Erdman
The Honorable Wayne Goode
The Honorable David L. Steward

The Honorable Pamela Q. Henrickson was absent for the meeting.

Also Present
Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy Harmon, Secretary of the Board of Curators
Miss Amy G. Johnson, Student Representative to the Board of Curators
Ms. Natalie "Nikki" Krawitz, Vice President of Finance and Administration

General Business – Executive Session

[232]Ground Lease, UM – this item is excluded from the minutes and will be given public notice upon completion of the matter.

[233]Property Purchase, MU - this item is excluded from the minutes and will be given public notice upon completion of the matter.

Audit Committee Meeting – Executive Session

Internal Audit Report – presented by Vice President Krawitz and John Tvrdik &

A. upon Mr. Bloch's death, $25 million will be paid to the university in a lump sum, instead of $25 million paid in the amounts of $1.25 million each year for 20 years;
B. clarification that the building that will bear Mr. Bloch's name pursuant to the pledge agreement will not be an addition to an existing building, but rather a separate building;
C. change of the building name from "Bloch Hall" to the "Henry W. Bloch Executive Hall for Entrepreneurship and Innovation"; and
D. completion of construction by the beginning of 2013-2014 academic year.

Roll call vote of the Board:
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The Honorable Pamela Q. Henrickson was absent.

Also Present
Mr. Timothy M. Wolfe, President, University of Missouri System
Mr. Stephen J. Owens, General Counsel
Ms. Cindy S. Harmon, Secretary of the Board of Curators
Miss Amy G. Johnson, Student Representative to the Board of Curators
Dr. Gary K. Allen, Vice President for Information Technology
Dr. Brady J. Deaton, Chancellor, University of Missouri-Columbia
Dr. Thomas F. George, Chancellor, University of Missouri-St. Louis
Dr. Steven Graham, Senior Associate Vice President for Academic Affairs
Mr. Stephen C. Knorr, Vice President for Government Relations
Ms. Natalie "Nikki" Krawitz, Vice President for Finance and Administration
Mr. Leo E. Morton, Chancellor, University of Missouri-Kansas City
Dr. Michael F. Nichols, Vice President for Research and Economic Development
Dr. Betsy Rodriguez, Vice President for Human Resources
Dr. Cheryl B. Schrader, Missouri University of Science and Technology
Dr. Robert W. Schwartz, Chief of Staff
Ms. Jennifer Hollingshead, Chief Communications Officer, UM System

System Honorees (program on file)

President's Award for Innovative Teaching – Elizabeth A. Baker, Ed.D., University of Missouri - Columbia

President's Award for Economic Development – Thomas G. Johnson, Ph.D., University of Missouri – Columbia

President's Award for Leadership – Joy D. Swallow, M.A., University of Missouri – Kansas City

President's Award for Service – John D. David, Ph.D., University of Missouri – Columbia

President's Award for Sustained Excellence – Grace Y. Sun, Ph.D., University of Missouri – Columbia

President's Award for Early Career Excellence – Anthony N. Caruso, Ph.D., University of Missouri – Kansas City

President's Award for Community Engagement – Clyde Ruffin, M.F.A., University of Missouri – Columbia

President's Award for Cross-Cultural Engagement – Rangira Bea Gallimore, Ph.D., University of Missouri - Columbia

Student Entrepreneur of the Year Award – Kristin A. Kenney, University of Missouri – Kansas City

Thomas Jefferson Award – H. Carl Gerhardt, Ph.D., University of Missouri – Columbia

C. Brice Ratchford Memorial Fellowship Award – Carl F. Calkins, Ph.D., University of Missouri – Kansas City

BOARD OF CURATORS MEETING – PUBLIC SESSION

A meeting of the University of Missouri Board of Curators reconvened in public session at 8:00 A.M., on Wednesday, June 27, 2012, in Columns C, D & E of the Reynolds Alumni Center on the University of Missouri campus, Columbia, Missouri, pursuant to public notice given of said meeting. Curator David R. Bradley, Chairman of the Board of Curators, presided over the meeting.

Present
The Honorable David R. Bradley
The Honorable Donald L. Cupps
The Honorable Don M. Downing
The Honorable Warren K. Erdman
The Honorable Wayne Goode
The Honorable David L. Steward

The Honorable Pamela Q. Henrickson was absent.

Also Present
Mr. Timothy M. Wolfe, President
Mr. Stephen J. Owens, General Counsel
Ms. Cindy Harmon, Secretary of the Board of Curators
Miss Amy G. Johnson, Student Representative to the Board of Curators
Dr. Gary Allen, Vice President for Information Technology
Dr. Brady J. Deaton, Chancellor for University of Missouri
Dr. Thomas F. George, Chancellor for University of Missouri – St. Louis
Dr. Steven Graham, Senior Associate Vice President for Academic Affairs
Mr. Stephen C. Knorr, Vice President for Government Relations
Ms. Natalie "Nikki" Krawitz, Vice President for Finance and Administration

3. Minutes, April 18, 2012 Board of Curators Executive Committee Meeting
4. Minutes, May 21, 2012 Board of Curators Executive Committee Meeting
5. Minutes, June 1, 2012 Board of Curators Special Meeting
6. Degrees, Summer Semester for all campuses
7. Approval of Spinal Cord Injuries and Congenital or Acquired Disease Processes Research Program Proposal
8. Revised Debt Policy, UM
9. Amendment, Collected Rule and Regulation 10.090 Ethics and Conflict of Interest, UM

1. Minutes, April 5-6, 2012 Board of Curators Meeting – as provided to the curators for review and approval.

2. Minutes, April 5-6, 2012 Board of Curators Committee Meetings – as provided to the curators for review and approval.

3. Minutes, April 18, 2012 Board of Curators Executive Committee Meeting – as provided to the curators for review and approval.

4. Minutes, May 21, 2012 Board of Curators Executive Committee Meeting – as provided to the curators for review and approval.

5. Minutes, June 1, 2012 Board of Curators Special Meeting– as provided to the curators for review and approval.

6. Degrees, Summer Semester 2012 for all campuses -

The action of the President of the University of Missouri System in awarding

I. A Two-Pronged Strategy to Increase SMN Expression in SMA

Christian L. Lorson
Department of Molecular Microbiology & Immunology
University of Missouri-Columbia

Total funding recommended $248,578

8. Revised Debt Policy, UM –

Management recommended updates to the University's Debt Policy (as on file with the minutes of this meeting) that was originally approved by the Board in April 2004.

University of Missouri System
Debt Policy

Policy Statement
The University intends to maintain a debt rating that ensures adequate funding for University capital projects and provides ready access to the capital markets at attractive rates relative to market conditions then existing. It is understood that higher credit ratings provide market access at lower interest rates but also limit the amount of debt that may be issued.

The Board of Curators sets policy regarding debt. The Board delegates authority to implement the policy to the Vice President for Finance and Administration.

Goals of Issuing Debt
When the University issues debt, its goals are as follows:

1. to provide cost-effective funding for acquiring or replacing long-lived capital assets;

2. to match the cost of funding with the benefits received over the useful life of capital improvements;

3. to leverage other capital funding sources, such as preserving cash for building financial flexibility and funding short-term capital and operating needs and matching state, federal and private funding; and

4. as needed, to meet short-term operating or emergency cash flow needs.

Use of Derivatives

process provides for a competitive underwriter's discount while retaining flexibility in timing of debt issuance.

2. Competitive Sales will be used when the University believes it may yield more competitive pricing than a negotiated sale and flexibility in the timing of debt issuance is not as important.

3. Private Placements will be considered for debt issuance where the size is too small or the structure is too complicated or not appropriate for a public debt issuance.

Taxable Debt
The University may use taxable debt for projects that cannot be financed using tax-exempt debt. The University will allocate its capital funding sources in a manner that will minimize the need for taxable debt to keep its cost of borrowing as low as possible. The issuance of taxable debt will require Board approval.

Reporting to Board
The Office of the Vice President for Finance and Administration will annually present a report to the Board of Curators on debt issued, debt outstanding, the University's estimated debt capacity and credit ratings.

9. Approval of Amendment to Collected Rules and Regulations 10.090, Ethics and Conflict of Interest, UM

It was recommended by General Counsel Owens, endorsed by President Wolfe, that the Amendment to the Collected Rules and Regulations, Section 10.090, Ethics and Conflict of Interest be approved as outlined below (and on file with the minutes of this meeting).

Collected Rules and Regulations Chapter 10: Board of Curators

10.090 Ethics and Conflict of Interest

Board Minutes 7-21-06, Amended 2-6-09, Amended 1-27-11, Amended 6-27-12.

Each member of the University of Missouri Board of Curators (hereinafter "Board") has a fiduciary obligation and responsibility with respect to his or her service on the Board, which is ultimately responsible and accountable for governing the University pursuant to Article IX, Section 9(a) of the Missouri Constitution of 1945 and applicable statutes. Each member of the Board is expected to serve the public trust and to exercise his or her duties and responsibilities solely in the interest of the public, the University and the Board and not in the member's own interest, the interest of his or her spouse, parents,

siblings or children or in the interest of any business with which any of the foregoing are associated.

To implement the foregoing general principles, the Board has adopted the following:

A. **Prohibited Transactions**

1. No member of the Board shall vote on, attempt to influence the vote of other members of the Board or attempt to influence the decision of the University with regard to any matter under consideration by the Board or by the University in which said action will result in a material financial gain or personal gain for said Board member, his or her spouse, parents, siblings or children or any business with which any of the foregoing are associated.

2. No member of the Board shall act or refrain from acting, in connection with his or her duties and responsibilities as a member of the Board, by reason of the payment, offer to pay, promise to pay, or receipt of anything of actual pecuniary value by said Board member, by his or her spouse, parents, siblings or children or any business with which any of the foregoing are associated.

3. No member of the Board shall use in any manner whatsoever or disclose to others confidential information obtained in connection with his or her duties and responsibilities as a member of the Board with the intent to result in material financial gain or personal gain for said Board member, for his or her spouse, parents, siblings or children or any business with which any of the foregoing are associated.

4. Consistent with Section 320.115 of the Collected Rules and Regulations of the University of Missouri, no member of the Board shall be employed by the University, either full-time or part-time, during his or her service as a member of the Board or for two (2) years after the cessation of such service. Further, no member of the Board shall enter into any contract to provide goods or services under contract with the University during his or her service as a member of the Board or for two (2) years after the cessation of such service; provided, however, that such prohibition shall not apply if the goods or services are donated to the

related by blood or marriage to any member of the Board shall, during said Board member's service as a member of the Board, be appointed to any position in the University as officer, member of any faculty or employee.

B. **Full Disclosure**

spouse, parents, siblings or children or with any business with which any of the foregoing are associated, the Board member shall inform the other members of the Board at the earliest opportunity and, if possible, prior to the execution of the permitted transaction. The disclosure required in this paragraph shall be required whether or not the Board is expected to be involved in discussing or approving the permitted transaction.

C. **Prohibition Against Acceptance of Gifts**

Members of the Board of Curators of the University of Missouri shall avoid accepting gifts for personal use, directly or indirectly, from prohibited sources, except as permitted in Section 10.090 C.2. below.

1. For the purposes of this policy, the following definitions shall apply:

a. **Gift** -- Gift shall mean any tangible or intangible item or items having a monetary value in excess of $75.

b. **Prohibited Source** -- Prohibited source shall mean any person or entity, public or private, outside the University, with interests, financial or otherwise, that may be substantially affected by the recommendations, decisions, performance or non-performance of the official duties of the Board member.

2. Exceptions -- The following shall not be considered a violation of this policy:

a. Gifts that are available to the Board member on the same conditions as for the general public;

b. Educational materials utilized in the performance of the Board member's official duties;

c. Awards or honoraria administered by or through the University;

d. Gifts from the Board member's relatives, by blood or marriage; and

e. Any item of food, refreshment, entertainment or other benefit provided to the Board member while attending a meeting, conference or convention, as long as such item is provided on the same conditions as for other attendees and could not be considered as lavish.

D. **Permitted Transactions**

1. Contingent upon compliance with the requirements of this Board Policy on Ethics and Conflict of Interest, it shall not be inappropriate for a Board member, his or her spouse, parents, siblings or children or for any business with which any of the foregoing are associated to enter into a contract with the University if the goods or services are donated to the University or if the contract is entered into in conformity with the University's rules and regulations pertaining to acquisition of goods or services, the University's competitive bidding processes, if applicable, and after compliance with all applicable conflict of interest statutes and policies.

E. **Definitions**

1. For purposes of interpreting and applying the provisions of this Board Policy on Ethics and Conflict of Interest, the phrase "business with which any of the foregoing are associated" shall include the following:

2. Any sole proprietorship owned by the Board member, the Board member's spouse, parents, siblings or children;

3. Any partnership or joint venture in which the Board member, the Board member's spouse, parents, siblings or children is/are a partner, other than as a limited partner of a limited partnership, and any corporation or limited partnership in which the Board member, the Board member's spouse, parents, siblings or children is/are an officer or director or of which either the Board -2(c)4(h t)-2(he)e 7(s)-1(hi)-2(p
gDv 2rf gomtpdd(p)-10s(ppl)-2(i)-2(c)4(a)-6(bl)-2(e)4(,)]TJ 0.002 Tc -0.002 Tw T* [(a3)3( )-

support by the Board member; and shall mean any and all parents, stepparents, foster parents, siblings, stepsiblings, foster siblings, children, stepchildren or foster children residing in the Board member's household or who receive in excess of fifty percent of their support from the Board member.

7. For purposes of interpreting and applying the provisions of this Board Policy on Ethics and Conflict of Interest, the phrase "material financial gain" shall mean a financial gain of more than a nominal amount and which is distinguishable from the anticipated realizable financial gain of the public at large or of a special class of the public at large. For example, a curator will not be considered to have the potential for material financial gain if he or she participates in a decision on whether or not there should be a change in tuition and/or fees at the University of Missouri for all similarly situated students even if such curator, his or her spouse and/or dependent child or children will be affected by such increase.

F. **Conflict of Interest Disclosure Form**

1. Conflict of Interest Disclosure Form

G. Family Disclosure Form

1. Family Disclosure Form

Roll call vote of the Board:

Curator Bradley voted yes.
Curator Cupps voted yes.
Curator Downing voted yes.
Curator Erdman voted yes.
Curator Goode voted yes.
Curator Henrickson was absent.
Curator Steward voted yes.

The motion carried.

General Business

Naming Opportunity, Henry W. Bloch Executive Hall for Entrepreneurship and Innovation, UMKC – presented by Chancellor Morton

It was recommended by Chancellor Morton, endorsed by President Wolfe, moved by Curator Erdman and seconded by Curator Goode, that the following actions be approved:

> that the building to be constructed at the University of Missouri – Kansas City pursuant to the Charitable Pledge Agreement, as modified, between the university and Henry W. Bloch be named the "Henry W. Bloch Executive Hall for Entrepreneurship and Innovation."
>
> Roll call vote:
>
> Curator Bradley voted yes.
> Curator Cupps voted yes.
> Curator Downing voted yes.
> Curator Erdman voted yes.
> Curator Goode voted yes.
> Curator Henrickson was absent.
> Curator Steward voted yes.
>
> The motion carried.

Good and Welfare

Draft July 2012 Board of Curators meeting agenda – no discussion (on file)

It was moved by Curator Steward and seconded by Curator Downing, that the public session of the Board of Curators meeting, June 26-27, 2012, be adjourned.

> Roll call vote:
>
> Curator Bradley voted yes.
> Curator Cupps voted yes.
> Curator Downing voted yes.
> Curator Erdman voted yes.
> Curator Goode voted yes.
> Curator Henrickson was absent.
> Curator Steward voted yes.

The motion carried.

The public session of the Board of Curators meeting adjourned at 10:06 AM on Wednesday, June 27, 2012.

BOARD OF CURATORS MEETING – EXECUTIVE SESSION

A meeting of the University of Missouri Board of Curators was reconvened in executive session at 10:25 A.M., on Wednesday, June 27, 2012, in the Donrey Media Room 211,

Curator Erdman voted yes.
Curator Goode voted yes.

The motion carried.

There being no other business to come before the Compensation and Human Resources Committee the meeting was adjourned at 10:50 AM.

General Business

General Counsel's Report – presented by General Counsel Owens.

University President's Report to the Board of Curators on contracts, property and personnel – presented by President Wolfe

Litigation Report – presented by General Counsel Owens (report on file in General Counsel's Office)

It was moved by Curator Downing and seconded by Curator Cupps, that the meeting of the Board of Curators, June 26-27, 2012, be adjourned.

Roll call vote:

Curator Bradley voted yes.
Curator Cupps voted yes.
Curator Downing voted yes.
Curator Erdman voted yes.
Curator Goode voted yes.
Curator Henrickson was absent.
Curator Steward voted yes.

The motion carried.

There being no further business to come before the Board of Curators, the meeting was adjourned at 11:45 A.M., on Wednesday, June 27, 2012.

Respectfully submitted,

Cindy S. Harmon
Secretary of the Board of Curators
University of Missouri System