

MEMORANDUM

BOARD APPROVED
June 6, 2025
Cindy Ream
Corporate Secretary

To: Board of Trustees, Purdue University

From: Chris Ruhl, EVP, CFO and Treasurer
Steve Schultz, SVP and General Counsel

Cc: Mung Chiang, President

Re: Ratification of Distributions Supporting Krach Institute for Tech Diplomacy at Purdue

Date: May 28, 2025

Attachment: MOU Concerning Funding Advance and Backstop dated February 1, 2025

Purpose. The purpose of this memo is to request the Board's ratification, pursuant to Article VII, Section 1(e) of the Bylaws, of the University's commitment to make certain distributions as an advance to the Krach Institute for Tech Diplomacy at Purdue ("KITDP"), under a slightly modified approach to the gift match arrangement ratified two years ago.

Background. In accordance with the terms of various gifts benefiting KITDP following its launch in July 2021, the University agreed to provide certain matching funds to attract and inspire donors to support KITDP's charitable mission, up to a maximum match of \$10 million. The originally planned match, to be made from non-public funds, was intended to leverage a \$25 million major gift from Purdue alum and former trustee Keith Krach (of which \$10 million was in the form of an irrevocable testamentary gift pledge), as well as an additional \$20 million from other sources. This arrangement was ratified at the August 2023 Board meeting.

As reflected in the attached Memorandum of Understanding dated February 1, 2025 (the "MOU"), the University has now agreed to provide an advance on the Krach testamentary gift pledge of \$10 million, subject to certain conditions outlined in the MOU. This advance is to be distributed in three installments through July 1, 2026.

Under Article VII, Section 1(e) of the Bylaws, an agreement imposing financial obligations on the University in excess of \$2,000,000 must be authorized by the Board. Although the arrangement established by the MOU effectively functions as a backstop against KITDP's receipt of additional gift funds and other revenues, the commitment to make the advance falls under this provision of the Bylaws.

Requested Action. We are therefore respectfully requesting that the Board ratify the University's commitment to make the distributions as an advance to KITDP under the MOU. This matter will be presented for approval in the first instance by the Finance Committee, and if approved, it will be placed on the consent agenda for full Board approval.