Resolution Authorizing the Execution of a Lease and Expenditures for Build Out of Space to House the Penn Wharton Center in Beijing, China

Intention:

As part of Penn’s strategic international planning, and to position both the University in general and the Wharton School in particular as premiere resources in the world’s largest nation, the University has undertaken an initiative to create a new Penn Wharton Center in Beijing. Goals of the Center include providing support of Penn faculty and students in China; offering various programs capitalizing on the strengths of Penn’s graduate and professional schools; organizing relevant conferences and seminars; and supporting various administrative functions such as admissions, career management, alumni affairs and development.

In 2013, the University established Penn Wharton Consulting (Beijing) Co., Ltd, (“UPW China”) a wholly owned indirect subsidiary of the Trustees of the University of Pennsylvania, incorporated under the laws of the People's Republic of China for the purpose of facilitating these University activities in China. UPW China been authorized to conduct business in the People’s Republic of China and has been working to implement the University’s plan for engagement in China. As part of these efforts, UPW China is negotiating a final lease agreement for space in Beijing that will allow the University, acting through UPW China, to implement the University’s plan for the Penn Wharton Center in Beijing. The rental space is located in the World Financial Center and comprises approximately 2,340 square meters (25,187 square feet) (“Premises”). The lease (“Lease”) provides for a term of five (5) years and the estimated present value of base rental payments under the lease is $9.65 million plus an allocated share of operating costs of the Building and other charges as set forth in the lease and estimated at $725,000. UPW China will contract for building-out and equipping the Premises (“Build-Out”) in accordance with plans that will be subject to final University approval. The expected cost of Build- Out is $6.5 million.

The total cost of the Penn Wharton Center Lease and Build-Out, estimated at $16.875 million will be funded primarily by capital gifts and Penn Wharton Center revenues, supplemented by Wharton School and Provost Office operating funds as needed.

RESOLVED, that the Trustees hereby authorize UPW China, acting through its appropriate officers to execute the Lease for space in the World Financial Center, on the terms set forth above and on such other terms as the Administration deems necessary or appropriate, and to take all other steps, including the execution of such additional documents, certificates and affidavits necessary or appropriate to secure the right of UPW China to occupy the Premises for the purposes contemplated by this Resolution.

FURTHER RESOLVED, that the Trustees authorize the transfer of an estimated $10.375 million to UPenn International for delivery to UPW China to be used for the payment of rent and other occupancy costs under the Lease, provided that the total expenditures incurred by the University for rent and occupancy costs under the Lease shall not exceed $10.375 million by more than ten percent (10%).
FURTHER RESOLVED, that the Trustees authorize the transfer of an estimated $6.5 million to UPenn International for delivery to UPW China to pay for Build-Out of the Premises in accordance with plans that will be subject to final University approval, provided that the total expenditures incurred by the University to Build-Out the Premises shall not exceed $6.5 million by more than ten percent (10%);

FURTHER RESOLVED, that the Vice President for Facilities and Real Estate Services and either the Executive Vice President or the Vice President for Finance are authorized to execute and deliver any other agreements, documents and affidavits necessary or appropriate to consummate the transactions contemplated by this Resolution all on such terms, not inconsistent with the terms set forth herein above as they shall deem appropriate and that any actions heretofore taken by such officers in furtherance of the purposes of this Resolution are hereby ratified and affirmed.
Resolution to Supplement the May 15, 2003 Statement on Responsibility Concerning Endowment Securities, to Adopt New Guidelines for Divestment Consideration, and to Establish the Ad Hoc Advisory Committee on Divestment and Trustee Subcommittee on Divestment

Intention:

In 1996, the Trustee Executive Committee established the Trustee Proxy Voting Subcommittee charged with responsibility for considering shareholder resolutions concerning social and environmental issues.

In 2003, after renewed interest from the University community, the Trustees reviewed the issue of proxy voting, adopted the May 15, 2003 Statement on Responsibility Concerning Endowment Securities, and charged the Social Responsibility Advisory Committee with examining proxy voting issues involving the University’s endowment securities and making appropriate recommendations for action to the Trustee Proxy Voting Subcommittee. This advisory committee was specifically charged to consider only proxy issues, and not issues involving investment, divestment, or management of the University endowment.

The responsibility for all decision-making relating to the management of the University endowment has been and remains a central fiduciary responsibility of the Trustees. Responsibility for investment and divestment decisions has always rested solely with the Trustees. The Trustees, however, have long recognized that the University community has an interest in investment considerations and has in the past considered community input and advice in making any divestment determinations.

The Trustees have determined:

- To establish new Guidelines and Procedures for Consideration by the Trustees of Proposals for Divestment from the University Endowment or Other Holdings Based Upon Social Responsibility Concerns of the Penn Community.
- To create and charge an Ad Hoc Advisory Committee on Divestment consisting of faculty, staff, alumni and students, to study and consider divestment issues.
- To create a Trustee Subcommittee on Divestment, a subcommittee of the Executive Committee, to receive and consider any recommendations from the Ad Hoc Advisory Committee.

RESOLVED, that the Trustees hereby supplement the May 15, 2003 Statement on Responsibility Concerning Endowment Securities by adopting the Guidelines and Procedures for Consideration by the Trustees of Proposals for Divestment from the University Endowment or Other Holdings Based Upon Social Responsibility Concerns of the Penn Community, dated December 12, 2013; and
FURTHER RESOLVED, that the Trustees appoint an Ad Hoc Advisory Committee on Divestment in accordance with the Charge to the Ad Hoc Advisory Committee;

FURTHER RESOLVED, that the Trustees adopt the Charge to the Ad Hoc Advisory Committee;

FURTHER RESOLVED, that the Chair of the Trustees appoint a Trustee Subcommittee on Divestment with authority to consider and provide advice to the Executive Committee concerning divestment proposals in accordance with the principles set forth in the Guidelines; and

FURTHER RESOLVED, that these policies, as set forth above, supersede any and all prior resolutions concerning divestment of securities in the University endowment.