Statement of Work FY19

This Statement of Work FY19 (this "SOW"), effective the 1st day of July, 2018, is made between UNIVERSITY OF CONNECTICUT ("University"), Connecticut's land grant university, whose statutory authority is set forth in Chapter 185b of the Connecticut General Statutes, and THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED ("Foundation"), a Connecticut nonstock corporation that is exempt from taxation under 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The University and the Foundation have entered into an Amended and Restated Master Agreement dated July 1, 2015 (the "Agreement") under which the Foundation has responsibility for fundraising efforts for the benefit of the University, management of endowment funds designated to benefit the University and for performing alumni relations activities in support of the University.

The Agreement stipulates that the University and Foundation will from time to time, but in no event less frequently than once every five (5) years, enter into statements of work which outline the specific fundraising, investment management and alumni relations activities goals and objectives that the University and Foundation have agreed upon and the consideration to be provided to the Foundation each fiscal year. This SOW covers the period July 1, 2018 through June 30, 2019 ("Period").

1. Payments

The University agreed to provide certain in-kind consideration to the Foundation for its services under the terms of the Agreement. In addition to agreeing to provide such in-kind consideration, the University further agrees to provide the following consideration to the Foundation for each year of the Period:

a) Service Fee: The University will pay a guaranteed amount to the Foundation of $8,065,000 during the Period for development activities and related services, which payments will be made quarterly in advance in equal installments during the Period. In addition, the University will pay to the Foundation an amount not to exceed $2,352,166 for alumni relations activities and services.

b) Other Fees: The University agrees that Foundation operations will also be funded by an advancement fee (formerly referred to as an "endowment administrative fee"), and a gift fee on contributions and earnings on non-endowed Foundation assets.

1) The Foundation will assess and retain an advancement fee, as reasonably determined by the Foundation, on all endowment assets (University and Foundation assets) invested by the Foundation. The Foundation's advancement fee is calculated annually on quarterly ("Calculation Date") and presently equals two percent (2.0%) of the rolling prior twelve (12) quarter average unitized market value of the long-term pooled investment portfolio multiplied by the number of units held by each endowed fund. The Foundation, from time to time, may change the advancement fee and will notify the University, in writing, of any changes to the administrative fee made during the Period. The advancement fee owing to the Foundation will be transferred to Foundation operating funds in four equal installments as of the first day of each quarter following the Calculation Date (April 1st, July 1st, October 1st, and January 1st).

2) The Foundation will assess and retain gift fees on all non-endowed gifts deposited in the Foundation, as reasonably determined by the Foundation. The Foundation's gift fee for non-endowed gifts is presently five percent (5%) of the value of the gift as of the date of receipt. Twenty-five percent (25%)

of any non-endowed gift fee (or 1.25%) may be transferred to Foundation operating accounts supporting the school, college or unit supported by the fund to which the original gift was designated. The remaining seventy-five percent (75%) of any non-endowed gift fees (3.75%) is retained by the Foundation to support its operations. The Foundation, from time to time, may change the gift fees and will notify the University, in writing, of any changes to the gift fees made during the Period.

3) The Foundation will retain all investment earnings on non-endowed Foundation assets.

c) Use of Facilities: The University and the Foundation have entered into a separate Lease agreement dated effective October 22, 2015, which documents the terms and conditions for the Foundation's use of the Alumni Center, located at 2384 Alumni Drive.

2. Foundation Mission

The Foundation's mission statement is: Strengthening UConn One Relationship at a Time. The independent, not-for-profit, tax-exempt organization does this by operating exclusively to promote the educational, scientific, cultural, research and recreational objectives of the University of Connecticut. This is accomplished by providing quality programs and services for its alumni and supporters, and by serving as the primary fundraising vehicle for the University. The Foundation solicits, administers, and invests private funds for the sole benefit of the University and its mission of pursuing excellence in teaching, research, and public service.

3. Fundraising and Alumni Engagement Goals and Benchmarks

In consideration of the compensation provided to Foundation by the University under the terms of the Agreement and this SOW, the Foundation, consistent with its mission, agrees as follows:

The Foundation will continue its efforts to increase total private gift revenue toward an annual target of ninety million dollars ($90M) in new gifts and commitments for the University (inclusive of support for the UConn Health Center), in the Period, such amount to be calculated in accordance with the Foundation's reasonably established gift counting policy, as amended from time to time. The annual strategies will include:

a) Increase donor engagement

1) Utilize the University President, Provost, Deans and Program Directors in strategic donor outreach at the six-figure level and above.
2) Utilize the UConn Foundation Board Work Groups to support increased cultivation, solicitation, and stewardship of major and principal gift prospects.
3) Increase commitments from the various boards' members - the UConn Board of Trustees, UConn Foundation Board of Directors, and the UConn Health Center Board of Directors
4) Continue to focus on building customized engagement strategies for principal gift donors and prospects, understanding this group will have a disproportionate impact on the ability to reach and exceed goals.
5) Increase contact and deepen engagement of donors and prospects at the $50K+ rated level through more efficient deployment of appropriate numbers of full time frontline fundraisers, effectively utilizing prospect research and screening data to drive activity.
6) Facilitate stronger collaboration in donor strategy working across the Foundation and the University, using prospect management meetings to review and discuss the status of top donor strategies and package comprehensive proposals. Engage deans and directors in strategy discussions and direct implementation of fundraising. Increase engagement of University President and Provost with key University stakeholders.

7) Continue to focus on increasing overall donor count by transforming what was the traditional annual-giving program into a diverse model, influenced by business intelligence, which includes a customized digital strategy.

b) Increase alumni engagement

1) Strengthen lifelong bonds between all members of the UConn family by inspiring pride and providing quality programs and services which enhance the engagement of the diverse university community.
2) Create a means by which to measure alumni engagement and use the data that is generated to better define and focus outreach efforts.
3) Increase alumni gifts of time, talent, and treasure by creating meaningful opportunities for alumni to be engaged and involved on behalf of the University through, for example, local and regional networks, reunion programming and opportunities with new constituencies.
4) Develop an exemplary Alumni organization respected for its energy, expertise, effectiveness, and innovation.

c) Align fundraising with University priorities

1) Continue enrollment management scholarship fundraising with increased focus on the $150 million goal aimed at increasing scholarship support for the University by June 30, 2021. Use reasonable efforts to raise gifts and commitments for student support, including, but not limited to, scholarships, assistantships, fellowships, awards, and prizes, that equal not less than fifteen percent of the total amount of all gifts and commitments raised during the Period.
2) Expand comprehensive grateful patient program through work with identified physician champions and patient rounding with nurse managers.
3) Raise approximately an additional $8 million in commitments in the Period in order to complete fundraising required to initiate construction for soccer, softball, and baseball projects.
4) Maintain an emphasis on endowment fundraising to provide sustaining support of the University.
5) Support University, as well as School and College, fundraising priorities.
6) Begin a formal process to develop transformational priorities within Schools and Colleges that align with University priorities and the University's strategic plan.

d) Enhance external and internal communications

1) Help educate faculty and staff across the University community about the important role of cultivating and stewarding private support.
2) Continue to develop fundraising focused material related to strategic priorities of the University.
3) Coordinate communications to alumni and donors with the University.
4) Continue efforts to educate the general-public, including lawmakers and community leaders, regarding the important role the Foundation plays in providing support to the University.

e) Increase operational efficiencies

1) Strengthen stewardship for donors at various levels, including $1K or more annual donors, as well as lifetime donors of $100K or more.
2) Increase Regional Development program outreach to strengthen engagement and support from alumni and other constituents nationally.
3) Retain staff and increase investment in staff training.

4. Investment Benchmarks

The Foundation in its discretion will establish appropriate investment benchmarks for assets invested for the benefit of the University, both those owned by the Foundation and those owned by the University. The Foundation will provide to the University's President and Executive Vice President for Administration and Chief Financial Officer a summary report of its investment risk and return benchmarks during the Period. The Foundation will use reasonable efforts to maintain the following benchmarks during the Period:

a) The target return on Foundation investments will be 6.25% plus inflation.
b) The Foundation will limit to 12% the level of volatility on an annualized basis based on the Foundation's Board of Director's policy.
c) The Foundation's target risk adjusted return measured by Sharpe ratio will be 1.0 or greater measured over rolling periods.

5. Campaign Support

In FY19 the Foundation intends to build on FY18 planning activities for a significant and concerted fundraising effort for the benefit of the University ("Campaign"), which included, without limitation, constituent data analysis, staffing and technology enhancements. Additional planning and preparation for the Campaign in FY19 is expected to include, without limitation, the following activities:

a) Determining a Campaign model (e.g., initiative-based campaigns, singular campaign, other).
b) Creating a Campaign statement and identifying priorities to be funded.
c) Creating a campaign timeline that identifies all areas of preparedness for a campaign: initial campaign planning, prospect identification and rating, gift solicitation, stewardship, volunteer engagement, campaign communications, and launches and events.
d) Implementing a comprehensive enterprise content management system to support Foundation Campaign operations.
e) Placing even more intentional focus on engaging and soliciting donors at the principal gift level.

It is understood and agreed by the parties that the amount of funds to be raised, the priorities to be funded, and the timing of such Campaign, is to be mutually agreed upon by the parties. The University agrees a comprehensive fundraising campaign is appropriate and in its best interests. Therefore, in consideration of the foregoing, the University agrees to provide additional consideration to the Foundation upon execution of this SOW to support such Campaign planning and preparation. During the Period, such support will total $750,000 and will be provided to the Foundation in the first quarterly installment payment.

6. State Contract Requirements

The state contracting requirements set forth in Section 10 of the Agreement are incorporated herein by reference, to the extent necessary.

7. Amendment

This SOW may be modified or amended in whole or in part by mutual written agreement signed by duly authorized representatives of each of the parties.

8. Governing Law

This SOW is governed by the laws of the State of Connecticut. If there shall be any inconsistency between the provisions of this SOW and the Agreement, the provisions of the Agreement shall control.

FOR THE UNIVERSITY OF CONNECTICUT

Susan Herbst, Ph.D.
President, University of Connecticut

7/10/18
Date

Scott A. Jordan
Executive Vice President for Administration and
Chief Financial Officer, University of Connecticut

7/6/18
Date

FOR THE UNIVERSITY OF CONNECTICUT FOUNDATION, INCORPORATED

Daniel D. Toscano
Chair, The University of Connecticut
Foundation, Incorporated

6/29/18
Date

Joshua R. Newton
President, The University of Connecticut
Foundation, Incorporated.

06/25/18
Date

APPROVED AS TO FORM

Joseph Rubin
Associate Attorney General,
Connecticut State Attorney General's Office

7/13/18
Date