

**Minutes of the Meeting of the
Board of Directors of the
F. M. Kirby Foundation, Inc.
April 29, 2020**

A meeting of the Board of Directors of the F. M. Kirby Foundation, Inc. was held on April 29, 2020 via Zoom conference. Following the Members meeting (see separate minutes), the Directors meeting was called to order at 4:10 p.m.

The following Directors were present:

Wilson M. Compton
Alice K. Horton
Leigh Kirby Klein
Jefferson W. Kirby
S. Dillard Kirby
Sandra B. Sherman

Mr. S. Dillard Kirby, President, presided and Mrs. Diana L. Kostas, Treasurer & Secretary, recorded the minutes of the meeting. Mr. Justin J. Kiczek, Executive Vice President, Mrs. JoAnn F. Tiefau, Program Officer, and Ms. Erin C. Clifford, Communications and Program Associate, were invited to attend the meeting. The President welcomed Mr. Ward K. Horton, Mr. F. Morgan Kirby, IV, Mr. J. Walker Kirby, Jr., Ms. Elizabeth M. Kirby, Mr. Stark D. Kirby, and Mrs. Laura H. Virkler to the Zoom meeting as guests.

The minutes of the meeting of the Board of Directors held December 13, 2019, previously distributed to the Directors, were approved. The President then moved on to the next agenda item: The Report of the President.

The President expressed his regret that the Board was unable to convene at Mt. Vernon due to its closure as a result of the COVID-19 pandemic, but thanked Mrs. Virkler and Mrs. Linda M. D'Addario for their hard work in preparation for the off-site meeting. The President

also expressed gratitude to the F.M. Kirby Foundation staff and Directors for their hard work and timely endorsements during the pandemic. On a final note, the President informed the Board that the dedication ceremony for the Walker D. Kirby Primary Care & Wellness Center was postponed due to the pandemic. The Board thanked the President for his report. The President's Report is attached hereto as part of the minutes.

Mr. Jefferson W. Kirby, Chairman of the Investment Committee, began his report highlighting the tumultuous period since the Board last met in December 2019. He reviewed the long-term approach that the Investment Committee takes and the highly variable expense structure, with grants being the largest expense line. The Committee's decision to liquidate one of the Foundation's holdings raised \$22 million in cash, which should address liquidity requirements for 2020 and 2021. As of March 31, 2020, the Foundation's portfolio totaled \$277 million, down 15.7% YTD versus the 75/25 benchmark down 16.4%. On a positive note, the portfolio value as of the market close on April 27, 2020, totaled \$294 million (after YTD expenses of \$3.2 million). The best performing asset class YTD was cash. Both the active and indexed products detracted from performance relative to their respective benchmarks, apart from the J.P. Morgan Global Allocation Fund (down 14.5% YTD).

The Chairman reviewed manager performance and noted that while the Committee doesn't typically review results for such a short duration, given the circumstances the time frame was perhaps of the greatest interest to the Board. Mr. Jefferson W. Kirby addressed questions from the Board and the President thanked Mr. Jefferson W. Kirby for his report.

The President referred the Board to a cumulative list of grants from December 1, 2019 through March 30, 2020 of \$75,000 or less approved by management, attached to the Agenda, and asked for ratification thereof. Mr. Justin J. Kiczek highlighted American Enterprise Institute,

Interfaith Food Pantry, Teach for America and Zufall Health Center. The Board inquired about the two new grantees, Wind of the Spirit and Hearing Health Foundation. Subsequently, a motion was made and seconded that the list be ratified. The motion was approved. The above-mentioned list is attached hereto as part of the minutes.

The President then referred the Board to a cumulative list of grants proposed by the President from December 1, 2019 through April 22, 2020 in excess of \$75,000, attached to the Agenda, and asked for approval thereof. [Subsequent to the meeting it was determined that the date on the list should have technically reflected December 7, 2019]. As part of the grant list discussion, highlights of the American Red Cross response to COVID-19, Children's Hospital and Yale University were made. The President and Mr. Jefferson W. Kirby updated the Board on the request from Lafayette College for funding of a new wellness and performance facility, including a portion dedicated to women's and men's varsity lacrosse programs, that will cost approximately \$10 - \$12 million. While they consider recommending future support using RFD funds, they felt it premature to endorse such a grant at this time. Mrs. Tiefert noted the comprehensive and rapid response by United Way Greater Triangle to the COVID-19 pandemic. A motion was then made and seconded that the list, as outlined above, be approved. The motion was approved. Both the President's Report and above-mentioned grants list are attached hereto as part of the minutes.

The President then asked the Board for consideration of authorizing Management approval of grants of \$125,000 or less from May 1, 2020 – August 31, 2020 as a method to respond in a very timely fashion to grant submissions during the pandemic. Mr. Jefferson W. Kirby stated that many grantees were grateful to be able to accelerate their requests and Mrs. Alice Horton expressed her pleasure that the Foundation was able to assist the smaller nonprofits

with general operating support. A motion was made and seconded that granted Management the higher approval level noted above. The motion was approved.

The President then invited attention to and asked the Board to consider accepting the Independent Auditors' (EisnerAmper LLC) Report dated March 9, 2020 for the calendar year 2019. He mentioned that this year's audit once again resulted in no reportable exceptions. Mrs. Kostas provided an update on a few items of note in the audit, including the reclassification of investment expenses against net dividends and interest. After a discussion, a motion was made and seconded to accept the Report. The motion was approved.

After a motion duly made by Mrs. Horton, Chair of the Nominating Committee, seconded and carried, the following resolution was adopted by the Directors of the Corporation:

RESOLVED, that the following persons be, and they hereby are, elected to the offices set after their respective names, each to serve until the next Annual Meeting of the Directors of the Corporation and until their respective successors shall have been qualified or as otherwise provided in the By-Laws of the Corporation.

S. Dillard Kirby – President
Jefferson W. Kirby – Vice President
Justin J. Kiczek – Executive Vice President
Diana L. Kostas – Secretary & Treasurer
Alice K. Horton – Assistant Secretary

After motion duly made by Mrs. Horton, Chair of the Nominating Committee, seconded and carried, the following resolution was adopted by the Directors of the Corporation:

RESOLVED, that the following persons be, and they hereby are, appointed to the committees set before their respective names, each to serve until the next Annual Meeting of the Directors of the Corporation and until their respective successors shall have been qualified, or as otherwise provided in the By-Laws of the Corporation.

Executive Committee – Jefferson W. Kirby, Alice K. Horton,
and S. Dillard Kirby

Investment Committee - Jefferson W. Kirby, S. Dillard Kirby,
and William J. Raver as an advisory member

Nominating Committee - Alice K. Horton, Leigh Kirby Klein,
and Wilson M. Compton

Compensation Committee – Sandra B. Sherman, Ashley H. Freedman and
Jefferson W. Kirby

The chairperson of each committee was designated by the Board as being the person whose name is underlined above.

The President raised the idea of hosting Dan Stein, President of Federation for American Immigration Reform, at the upcoming September 11, 2020 Board of Directors meeting. The Board considered coordinating Mr. Stein’s presentation with a Kirby Alliance meeting but ultimately decided that it would be best to keep it a Board-only presentation. In cooperation with Mr. Kiczek, Mrs. Ashley H. Freedman is developing a discussion on the topic of immigration reform for the September board meeting. Mr. Kiczek shared with the Board the office plans for installing new videoconferencing technology. Mrs. Clifford provided an overview of the historical narrative she created for Fuqua to aid in the preparation of promotional materials for the Fred Morgan Kirby Prize for Scaling Social Impact.

The President then excused Mr. Kiczek, Mrs. Kostas, Mrs. Tiefau and Ms. Clifford from the meeting at 5:40 p.m. so the Board could engage in an executive session. Family “guests” were included in the executive session, which covered the staff’s team performance during the pandemic. The meeting was adjourned at 5:50 p.m.