

MINUTES OF THE BOARD OF DIRECTORS MEETING
OLIN B. AND DESTA SCHWAB FOUNDATION, INC.
March 23, 2011

The Board of Directors of the Olin B. and Desta Schwab Foundation, Inc. met on Wednesday, March 23, 2011, at 8:00 a.m. at the Frontier Communications Headquarters located at 8001 W. Jefferson Blvd., Fort Wayne, Indiana. Present were M. James Johnston, President; Edward Beck, Vice President; Dolores Klocke, Secretary; Darrell Blanton, Treasurer; and Directors Joe Ruffolo, John Ferguson, Bill Zielke, Courtney Tritch, Matt Bell, Kathleen Randolph, and Shannon McNett-Silcox. Also attending was the Board's legal counsel, Thomas Hardin, Shine & Hardin LLP, and Janet Chrzan and Sherri Miller of Vision Management Consulting.

President Johnston called the meeting to order at 8:05 a.m.

Mr. Johnston welcomed the new Board Members to the meeting.

The first item of business conducted was approval of the Consent Agenda, which included the minutes of the December 9, 2010 Board meetings, the contract between the Schwab Foundation and Mike Gorman, and the confirmation to elect Matt Bell, Kathleen Randolph, Courtney Tritch, and William Zielke as Directors of the Schwab Foundation. The motion to approve was made by Mr. Blanton and seconded by Shannon McNett-Silcox, then approved by the board unanimously.

The Treasurer's report was given by Mr. Blanton (see attached Financial Statements). Mr. Blanton stated that the Expenses & Income through December 31, 2010 are in line. The motion to approve the Treasurer's report was made by Mr. Blanton and seconded by Mr. Bell, then approved by the board unanimously.

The Investment Committee report was given by Mr. Ruffolo. He reported the foundation's investment portfolio allocation consisted of 36% in Fixed Income, 60% in Equities and the balance in Cash. The Market Value of the investment portfolio is \$6,471,444.85. The motion to approve the investment committee report was made by Mr. Ruffolo and seconded by Mr. Beck, then approved by the board unanimously.

The Nominating Committee Report was presented by Shannon McNett-Silcox. A motion was made by Mrs. McNett-Silcox and seconded by Mr. Ferguson to nominate Kerry Burda as a new Director. This was unanimously approved. Also, the Committee recommended that President Johnston communicate with Jerrilee Mosier, Chancellor of IVY Tech, about her expressed interest in serving as a Director on the Schwab Foundation Board. Shannon McNett-Silcox also stated that the Treasurer position will be open.

The Grant Committee report was given by John Ferguson (\$289,011 for grants in 2011).

The Schwab Foundation's website update was presented by Janet Chrzan. An Adhoc Committee of the Board has been formed and will be holding interviews with several

website design firms in the month of April. The Website Committee consists of Matt Bell, Courtney Tritch, and Bill Zielke. A standard rating process was developed to ensure consistent evaluation across all candidates. The Committee will bring a finalist to the full Board for discussion and approval.

The By-Laws and Articles of Incorporation Update was presented by Tom Hardin, the foundation's legal counsel. Discussion included revisions to the By-Laws to create a President-Elect position, term limits, email voting, and a revised date for the annual meeting. Mr. Hardin will bring proposed changes to the June Meeting. Mr. Hardin will also work with the Indiana Attorney General's Office to eliminate the existing requirement that the foundation conduct an annual public meeting.

President Jim Johnston discussed the Annual Conflict of Interest Statement requirement set forth in the By-Laws. Conflict of Interest Statements were distributed, reviewed, and signed by each director.

Mr. Johnston also suggested that he approach Kerry Burda to determine her interest in serving as the foundation's Treasurer (to replace outgoing Treasurer, Darrell Blanton). Subsequent to the meeting, President Johnston contacted Kerry Burda, who accepted the position. This was approved unanimously via email vote.

The Board recognized Darrell Blanton and Ed Beck for their numerous contributions and dedication to the Schwab Foundation. A more appropriate expression of the Board's appreciation will be presented at the June meeting.

Committee Assignments were distributed by President Johnston. (see attached)

The next Board Meeting will be held on June 22, 2011, at a place and time to be determined.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,
Francene Foster

Dolores J. Klocke, Secretary
