

**THE PENNSYLVANIA STATE UNIVERSITY**  
**BOARD OF TRUSTEES**  
**CONFLICT OF INTEREST DISCLOSURE AND CERTIFICATION**  
**UPDATED SUMMARY REPORT**

as of June 30, 2019

1. All members of the Board of Trustees are required on an annual basis to disclose known “conflicts of interest” under and as defined in the Bylaws and to make certain other disclosures. Except as noted below, all members completed and signed a “Right to Know Law Questionnaire” and a “Conflict of Interest Disclosure and Certification Questionnaire” distributed by the Office of the Board of Trustees for the period ended June 30, 2019. The questionnaires asked members to disclose financial interests and other matters and whether, to his or her actual knowledge, such member had a “conflict of interest” under and as defined in the University’s Bylaws. In response to the questionnaires, the following disclosures were made. In addition, with the consent of the affected trustee, certain disclosures were supplemented by the University based on its records. Note that these disclosures may include matters that are not necessarily “conflicts of interest” under and as defined in the Bylaws but are provided for informational purposes.

**Richard K. Dandrea**

The University has previously engaged the law firm of Eckert Seamans, of which Mr. Dandrea is a member, to provide legal services to the University, St. Joseph’s Medical Center, or Penn State Health. Mr. Dandrea was not involved with any of the services provided. During the fiscal years ending June 30, 2018 and June 30, 2019, no fees were paid by Penn State University, St. Joseph’s Medical Center, or Penn State Health to Eckert Seamans.

**Valerie Detwiler**

Ms. Detwiler owns a greater than 10% equity interest in Golden Rule Equipment LLC, d/b/a Forshays Ag and Industrial. During fiscal year ending June 30, 2019, the University purchased two items of agricultural equipment for a total of \$16,404 after completion of a bidding process.

**David Han**

Dr. Han is a faculty member and employee of the Penn State Health Milton S. Hershey Medical Center.

**M. Abraham Harpster**

Mr. Harpster owns a greater than 10% equity interest in Evergreen Farms, Inc., Evergreen Acres, LLC and Spruce Creek Land, LLC. The University enters into transactions from time to time with such entities to purchase and/or sell agricultural related goods and services.

## **David Kleppinger**

Mr. Kleppinger is a member of McNees Wallace & Nurick, LLC, a law firm that periodically provides legal services to the University. For fiscal year ending June 30, 2018 no legal fees were paid to McNees Wallace. Subsequent to June 30, 2019, Mr. Kleppinger's firm was engaged to serve as local counsel to the University in a litigation matter in Dauphin County, Pennsylvania. The amount of legal fees associated with this matter are undetermined at this date.

## **Ira M. Lubert**

Mr. Lubert has a beneficial ownership of more than 10 percent of PSRP Developers, Inc. which owns 101 Innovation Boulevard (Lubert Building) and 103 Innovation Boulevard at Innovation Park. The University leases office space for various academic and institutional support programs. In accordance with Article VIII, Section 8.05 (a) of the Bylaws, any recommended leases at 101 and 103 Innovation Boulevard are presented to the Board of Trustees for approval upon conclusion by the University's responsible real estate official that such proposed leases are in the best interest of the University following a thorough analysis and due diligence of alternate space locations. Such due diligence takes into consideration such factors as price, quality, amenities, accessibility and timing of availability, among others.

For fiscal years 2017-18 and 2018-19, the following leases were approved by the Board of Trustees:

In September 2017, the Board of Trustees approved (1) a five-year lease with PSRP Developers, Inc. with two (2) one-year options at 101 Innovation Boulevard, Suite 114, totaling 2,616 square feet at the initial annual base rent of \$43,164; (2) the extension of the current lease at 103 Innovation Boulevard, Suite 205 for an additional 24 months, plus two (2) six-month renewal options, totaling 6,977 square feet at the annual base rent of \$140,410 plus annual CPI escalation, until December 31, 2020; (3) the exercise of the final five-year option to extend the lease at 103 Innovation Boulevard, Suite 212, totaling 4,123 square feet at the annual base rent of \$81,429 plus annual CPI escalation until November 30, 2022; and (4) the extension of the lease at 103 Innovation Boulevard, Suite 214, totaling 3,978 square feet for up to two years at the annual base rent of \$78,804 plus annual CPI escalation until November 30, 2019.

In July 2018, the Board of Trustees approved to exercise the first of two (2) five-year options to extend the current lease at 101 Innovation Boulevard, Suite 201, totaling 4,196 square feet at the annual base rent of \$82,367 plus annual CPI escalation until December 31, 2023.

In November 2018, the Board approved the extension of the lease at 101 Innovation Boulevard, Suites 100, 110, 213, and 215 with PSRP Developers, Inc., totaling 12,413 square feet at the annual base rent of \$242,616 plus annual CPI escalation until April 30, 2021.

## **Matthew Schuyler**

Mr. Schuyler is Chief Human Resources Officer for Hilton Worldwide. The University purchases goods and/or services from time to time from properties of Hilton Worldwide. Mr. Schuyler is not directly involved with negotiations or details for any of the goods and/or services provided.

### **William Shipley**

Mr. Shipley owns a beneficial interest in Shipley Energy Supplies. The University may from time to time purchase goods and/or services from Shipley Energy Supplies. Mr. Shipley has indicated that he will not be directly involved in any contract transactions between the company and the University.

### **Steven Wagman**

Mr. Wagman is an employee of Siemens USA, Inc. He recuses himself from any commercial activities between Siemens and the University and its affiliated entities. He has indicated that he holds less than 1,000 shares of Siemens stock.

### **Governor Thomas Wolf**

Governor Wolf disclosed that his gubernatorial campaign received contributions from members of the Board of Trustees and other members of the University community.

2. Except as provided below, all members of the Board signed and delivered to the Office of the Board of Trustees the following acknowledgement together with the completed Conflict of Interest Disclosure and Certification Questionnaire:

“To the best of my knowledge and belief, the above information is true and correct. I have received a copy of the Board’s Conflict of Interest Policy as expressed in Article VIII of the Bylaws, which I have read and understand, and I hereby agree to comply with the Policy.

I further acknowledge that I have received a copy of the Expectations of Membership, as set forth in the Standing Orders of the Board of Trustees, that I have read and understand the Expectations of Membership and that I will fulfill such Expectations, to the extent not inconsistent with applicable law. I understand and acknowledge that my failure to fulfill the Expectations of Membership could cause significant financial, legal or reputational harm to the University, and compromise my ability to serve as a member.”

With regard to the acknowledgement of the Board’s Expectations of Membership, each of Trustees Brown, and Pope modified his or her Certification Questionnaire prior to submission to delete the following language: “I understand and acknowledge that my failure to fulfill the Expectations of Membership could cause significant financial, legal or reputational harm to the University, and compromise my ability to serve as a member.” Each Trustee added the following language: “I further understand that Trustees have a statutory duty to make reasonable inquiry and that applicable law authorizes Trustees to compel access to corporate information and to publicly disagree with an officer, committee of the board or the full board of the University when knowledge would cause reliance on any of them to be unwarranted.” Trustee Brown did not sign the acknowledgement.

3. No members of the Board disclosed that they had spouses and dependent children employed by the University or an affiliated entity whose compensation exceeded \$10,000, except for Trustee Russell Redding, whose spouse, Nina Redding, is employed as a Business Operations Manager, Cooperative Extension, in the College of Agricultural Sciences. Mr. Shipley disclosed that his son-in-law, Andrew

Shaffer, is employed by the University's Applied Research Laboratory. Trustee Han disclosed that his son received compensation for work as a LEAP mentor Summer, 2018 (during FY 2018/FY 2019). His son also receives a Schreyer Honors College scholarship payment of \$2,500 per academic semester. Trustee Wagman disclosed that his daughter completed an unpaid internship at the Bennett Center as part of the HDFS curriculum. She was paid as a part-time employee 2016-2017.

4. No members of the Board disclosed that they did business with another member of the Board, except for the following: Trustee Mark Dambly is or has been minority investor in funds managed by entities owned or controlled by Trustee Ira Lubert.

5. Trustee Brown disclosed that he and his company are training partners for the United Kingdom based Business Continuity Institute and has a future engagement as speaker at a conference in Beijing for the DRII China.