

ANNUAL REPORT OF THE CORPORATION FOR PENN STATE

The Corporation for Penn State is a Pennsylvania non-profit corporation organized in 1985 and is tax-exempt under the Federal Internal Revenue Code. Its Board of Directors is elected annually by the Board of Trustees and the current membership includes:

Rodney A. Erickson
Steve A. Garban
David J. Gray
Edward R. Hintz, Jr.

Robert N. Pangborn
Harold L. Paz
Linda B. Strumpf
John P. Surma

The Chair of the Board of Trustees serves as Chair of the Board of Directors; and the University President serves as President and Chief Executive Officer.

The Corporation has two principal purposes-- it acts as a holding company for a number of affiliates and subsidiaries engaged in activities, which for a variety of reasons, the University cannot or should not do directly.

These include the following three for-profit subsidiaries and affiliates:

1. The Nittany Insurance Company is a captive insurance company incorporated in the State of Vermont, organized for the purpose of providing access to the reinsurance market for various insurance programs.
2. The Research Park Management Corporation is responsible for the administration of the development of Innovation Park.
3. Penn State Hershey Health System was organized for the purpose of investing in joint ventures with healthcare organizations.

There are five non-profit subsidiaries and affiliates:

1. The Penn State Research Foundation is a corporate vehicle for the patenting, licensing and commercialization of intellectual property created by the faculty of the University. The proceeds of these activities are used to support research and technology transfer at the University.
2. The Ben Franklin Technology Center of Central and Northern Pennsylvania is a non-profit corporation which receives funding from the Commonwealth of Pennsylvania Department of Community and Economic Development and exists as a means to help create and preserve jobs in Pennsylvania.
3. The Pennsylvania College of Technology has been a subsidiary and part of Penn State since 1989.
4. The Recycling Markets Center receives its funding from the Commonwealth and was organized in 2005 for the purpose of aiding corporations throughout the Commonwealth to overcome technical barriers to the use of recyclable materials.
5. The Pennsylvania State University Philanthropic Fund was established in 2010 for the purpose of receiving gifts and grants from the public to be used to support and further the educational mission of The Pennsylvania State University

The Board of Directors receives reports from each of these subsidiaries and the affiliates at least once each year.

The second principal purpose of The Corporation for Penn State is that it can, under certain circumstances, accept gifts on behalf of the University that cannot be made directly to the University. This continues to be an important vehicle for the accomplishment of University objectives.