

JOINT PLAN AND REORGANIZATION AGREEMENT

This Joint Plan and Reorganization Agreement ("Agreement") is entered into as of November 1, 2013 ("Execution Date"), to be effective at the close of business on December 31, 2013 (the "Effective Time"), by and between The Trustees of Purdue University, a body corporate organized and existing under the laws of the State of Indiana, and Purdue Research Foundation, an Indiana nonprofit corporation.

RECITALS

WHEREAS, since its founding in 1869 as the land grant university for the State of Indiana under the Morrill Land Grant Act of 1862, Purdue University (the "University") has become one of the nation's leading public research universities and has expanded from its historic West Lafayette campus to a multi-campus system, through which it serves the people of Indiana, the nation and the world through education, research and outreach; and

WHEREAS, responsibility for making rules and regulations to govern the University is vested in its Board of Trustees (the "Trustees"), as prescribed in Section 21-23-3 of the Indiana Code ("IC"); and

WHEREAS, Purdue Research Foundation ("PRF") was created in 1930 as a separately incorporated, nonprofit entity, the primary purposes of which are to promote the educational purposes of the University; to award scholarships, grants, or other financial assistance to students and faculty; to seek, acquire, and hold gifts and endowments for the needs of the University; to acquire property or facilities for the future use or benefit of the University; and to support and assist, in any other manner or by any other means whatsoever, the Trustees in the conduct of the affairs of the University and the accomplishment of its educational purposes; and

WHEREAS, PRF was first conceived by David E. Ross, a former president of the University's Board of Trustees and a prolific Indiana inventor, whose vision was to establish a vehicle to support the University so that its knowledge and discoveries could be more effectively translated into solutions to real-world problems and drivers of economic growth and societal benefits; and

WHEREAS, today PRF is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and it manages and licenses intellectual property developed at the University, supports technology commercialization efforts, accepts gifts, administers trusts, acquires property, and performs other services helpful to the University; and

WHEREAS, PRF's assets have grown significantly in market value, with the revenue generated for its supporting mission and operations largely being comprised of investment earnings from long term investments, gift income, rental income from real estate holdings, and royalty income; and

WHEREAS, in light of its core competencies and its role as a supporting organization to the University, PRF is well-positioned to serve as a focal point for two key functions—the direct development and investment functions—that are vital to the ongoing success of the University's

missions of advancing learning, discovery, engagement, and student affordability and accessibility; and

WHEREAS, the University's direct development and investment functions historically have been maintained within the University, such that internal personnel, resources, and information are spread among several of the University's schools, departments, and other units, with the effect that the University's development and investment efforts sometimes duplicate those of PRF, and vice versa; and

WHEREAS, the model followed by many of the University's peers in higher education is built upon a recognition that foundations are well-suited to raising and managing sources of funding for the benefit of their affiliated colleges and universities, and the Association of Governing Boards has recognized, for example, that such foundations can provide a "margin of institutional excellence" for the institutions they support; and

WHEREAS, in his capacity as Chair of the PRF Board of Directors, and in consultation with the PRF Board (including its three "Group Two" directors who are also members of the University's Board of Trustees), the President of the University asked PRF to assess the feasibility and potential benefits of consolidating into PRF the development and investment functions of the two organizations (the "Development Function" and the "Investment Function," respectively), and the University's Board of Trustees and PRF's Board of Directors have each considered and discussed that assessment; and

WHEREAS, based on that assessment, the University's Board of Trustees and PRF's Board of Directors expect that the consolidation of the development and investment functions within PRF should achieve a number of benefits over time, including:

- Refocusing and enhancing the role of PRF as a supporting organization of the University (consistent with other current PRF initiatives and in alignment with the original vision of David E. Ross);
- Creating a singular focus on raising funds and maximizing returns for the benefit of the University;
- Establishing a platform for a scalable staffing structure that can grow without increasing the overall number of University employees, thus resulting in a more robust platform for increasing fundraising dollars;
- Maintaining the ability to operate the development functions of the University and PRF through current relationships, while affording the opportunity to grow those efforts to become self-sustaining over time;
- Bringing the University and PRF into alignment with the model adopted by peer public universities and their supporting foundations; and
- Achieving efficiencies and cost savings in the management and oversight of investments;
- Creating flexibility in the cultivation and management of donor relationships and donor records.

WHEREAS, more specifically, the University's Board of Trustees and PRF's Board of Directors have determined that the consolidation of the organizations' development functions into PRF will

have the anticipated effect of both increasing fundraising results for the benefit of the University and strengthening and streamlining the processes used in the overall development program; and

WHEREAS, the University's Board of Trustees and PRF's Board of Directors have also determined that the consolidation of the organizations' investment functions into PRF will alleviate significant overlap and redundant effort in the management and oversight of investments, including an enhanced ability to invest the portfolios of the two organizations in a more efficient, effective, and coordinated manner; and

WHEREAS, the University's Board of Trustees and PRF's Board of Directors have determined to enter into this Agreement to begin implementing the process of consolidating certain development and investment functions of the University and PRF, with January 1, 2014 identified as the target date for substantial completion of the consolidation.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

AGREEMENT

1. Reorganization. The parties hereby agree to undertake and give effect to the plan of reorganization as provided in this Agreement. The transfers of assets and personnel described herein and the services to be undertaken under the Services Agreement, the Investment Agency Agreement and the Master Lease Agreement (as such terms are defined below) shall all be effective or commence upon the Effective Time.
2. Transfer of Personnel.
 - (a) Transfer of Personnel.
 - (i) Effective at the Effective Time, approximately 150 employees of the University who are involved in the Development Function, and all (approximately ten) employees of the University who are involved in the Investment Function, shall be transferred to PRF (together with the personnel described in subsection (ii) below, all of these constitute the "Transferred Employees"). PRF agrees to accept and hire all such personnel on substantially the same salary, wage, and benefits to the fullest extent permitted, it being recognized that PRF is not a governmental entity and therefore is not eligible to participate in the Indiana Public Employees Retirement System ("INPERS").
 - (ii) Effective on April 1, 2014 (or such other date as the parties may agree), the remaining University personnel involved in the Development Function shall transfer to PRF, subject to subsection 2(a)(iii) below.

- (iii) The University and PRF will cooperate and make such arrangements as may be necessary or appropriate to accommodate the preferences of certain Development Function employees whose current years of service place them close to key vesting dates under the INPERS plan and who therefore wish to retain their INPERS enrollment until the next relevant vesting date, it being understood that (A) no such accommodations will augment or modify any such employee's at-will employment relationship with the University pending any subsequent transfer to PRF, and (B) each such employee will, provided he or she remains employed by the University at the time, be transferred to PRF as a Transferred Employee at the earliest practicable date consistent with the expiration of the relevant INPERS vesting period.
 - (b) Employee Benefit Plans. PRF agrees to recognize the Transferred Employees' years of service with the University for purposes of administering vacation and sick days and, as such, to waive any waiting period for the initiation of other benefits with PRF.
 - (c) Health Insurance. The University will continue to include PRF personnel within the University's health insurance plan to the fullest extent permitted by applicable law and regulations.
- 3. Transfer of Assets to and Assumption of Liabilities by PRF. At the Effective Time:
 - (a) Transfer of Assets. The University shall transfer, assign, grant, convey and deliver to PRF all of the University's right, title and interest in the properties, contracts and other assets of every kind, character and description, whether tangible or intangible, whether real, personal or mixed, whether accrued, contingent or otherwise, and wherever located, used in and associated with its Development and Investment Functions, including but not limited to those identified in a fixed assets list to be exchanged between the parties on or before December 31, 2013, as well as any goodwill associated with such functions (the "Transferred Assets"); provided, however, that the University's investment assets identified on a list to be exchanged between the parties on or before December 31, 2013 shall not be included in the Transferred Assets. The records associated with the operation of the Development Function, including, without limitation, all donor records, are expressly included in the Transferred Assets conveyed hereunder. Upon the exchange of the fixed assets list and the excluded investment assets list referred to above, such lists will become Exhibits A and B to this Agreement, respectively, and will be affixed to the fully-executed copies hereof and be deemed to be incorporated into and made a part of this Agreement by reference.
 - (b) Liabilities.
 - (i) PRF shall assume all of the debts, operating expenses, taxes, obligations and other liabilities of every kind, character and

description, whether accrued or unaccrued, known or unknown, contingent or otherwise, that are incurred by PRF in connection with the Transferred Assets and the operation of the Development and Investment Functions but only to the extent arising after the Effective Time (the "Assumed Liabilities").

(ii) The University shall retain all of the debts, operating expenses, taxes, obligations and other liabilities of every kind, character and description, whether accrued or unaccrued, known or unknown, contingent or otherwise, that are or were incurred by the University in connection with the Transferred Assets and the operation of the Development and Investment Functions but only to the extent arising prior to the Effective Time (the "Retained Liabilities").

(c) Effectiveness of Transfer, Assignment and Assumption. The transfer and assignment of any particular Transferred Asset and the assumption of any particular Assumed Liability shall be subject to the consent of such third parties as may be required under the terms of any instrument, contract, indenture or other agreement (collectively, the "Contracts") to which the University is a party or by which it is bound. To the extent such third-party consent has not been obtained on a particular Contract prior to the Effective Time, the University shall use its best efforts to obtain such consent. If such third-party consent on a particular Contract cannot be obtained by the best efforts of the University and if the transfer, assignment or assumption, as the case may be, without the consent of the third party would be a breach of, or result in a violation under, such Contract, the transfer, assignment or assumption of such Contract shall be deemed to not have occurred under this Agreement unless otherwise agreed by the parties to this Agreement.

4. Services Agreement. The parties shall amend and restate the existing Services Agreement between them to provide for the terms and conditions under which PRF will perform and supply the University's requirements for development and investment services (in addition to services presently performed by PRF for the University and pursuant to which the University provides resources and services to PRF). At the Effective Time, the Amended and Restated Services Agreement (the "Services Agreement") shall become effective.
5. Facilities Leases. The University hereby agrees to lease physical facilities to PRF as required for PRF to operate the Development Function in substantially the same manner as it was operated prior to the Effective Time. Such facilities shall consist of the physical locations or areas identified on a list to be exchanged between the parties on or before December 31, 2013. Upon the exchange of such physical location list, it will become Exhibit C to this Agreement, and will be affixed to the fully-executed copies hereof and be deemed to be incorporated into and made a part of this Agreement by reference. The terms and conditions of such leases shall be set forth in a master lease agreement (the "Master Lease Agreement") to be entered into between the parties on or before the Effective Time.
6. Investment Agreement. The parties shall enter into an investment agency agreement pursuant to which PRF shall, through the Investment Function transferred to PRF, provide all

necessary services for the proper administration of the investment of the University's endowments and other investable assets in accordance with guidelines approved by the Board of Trustees and the PRF Board. At the Effective Time, such investment agency agreement (the "Investment Agency Agreement") shall become effective.

7. PRF Terms and Conditions.

- (a) Organization. PRF represents and warrants that it is a nonprofit corporation duly organized and validly existing under the laws of the State of Indiana with full corporate and other power and authority to carry on its business as it is now being conducted, to own or hold under lease the assets which it owns or holds under lease and to perform all of its obligations under the agreements and instruments to which it is a party or by which it is bound.
- (b) No Assumption of Liabilities. Other than the Assumed Liabilities, PRF shall not assume any obligations or liabilities of the University, including the Retained Liabilities which the University agrees to pay or settle in compliance with all of its legal requirements.

8. University Terms and Conditions.

- (a) Organization. The University represents and warrants that it is duly organized and existing under the IC with full corporate and other power and authority to carry on its business as it is now being conducted, to own or hold under lease the assets which it owns or holds under lease and to perform all of its obligations under the agreements and instruments to which it is a party or by which it is bound.
- (b) Absence of Undisclosed Liabilities. The University represents and warrants that it has no material indebtedness or liability with respect to the Transferred Assets or the Development and Investment Functions which has not been disclosed to PRF.
- (c) Retained Liabilities. The University acknowledges its responsibility to pay or settle all of the Retained Liabilities.

9. Communication and Notice. The University shall promptly forward to PRF any notices, statements, actions, and related documents or correspondence received by the University and related to the ongoing purposes or uses of the Transferred Assets and the conduct of the Development and Investment Functions.

10. Notices. All notices shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid as follows:

If to University:

Purdue University
Attention: Steven R. Schultz, Esq.
Hovde Hall
610 Purdue Mall

West Lafayette, IN 47907-2040

If to PRF:

Purdue Research Foundation
Kurz Purdue Technology Center
Attention: Joseph Hornett
1281 Win Hentschal Blvd.
West Lafayette, IN 47906

11. Further Cooperation. Following the Effective Time and from time to time thereafter, the parties hereto covenant and agree to execute and deliver, or cause to be executed and delivered, such other documents, agreements and instruments, and to take such further actions, as may be reasonably required or desirable to effect the transactions contemplated herein or otherwise to effectuate a smooth transition of the Development Function and the Investment Function to PRF.
12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Indiana without regard to the conflict of laws and rules of such state.
13. Expenses. Except as may be otherwise provided in the Services Agreement, the Investment Agency Agreement or the Master Lease Agreement, each of the parties will pay its own costs, expenses and fees incident to this Agreement and in preparing to consummate and consummating the transactions contemplated hereby.
14. Entire Agreement. This Agreement (including the exhibits hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement (including the exhibits hereto) supersedes all prior agreements and understandings and representations and warranties between the parties with respect to the subject matter hereof.
15. No Assignment. Neither this Agreement nor any of the rights or obligations of the parties hereunder may be assigned to or assumed by any other person or entity.
16. No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto, and nothing herein express or implied will give or be construed to give any person or entity other than the parties hereto any legal or equitable rights hereunder.
17. Counterparts. This Agreement may be signed in any number of counterparts, each of which will be an original, with the same effect as if signatures hereto were upon the same instrument.
18. Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of any of the provisions hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

THE TRUSTEES OF PURDUE UNIVERSITY

By: _____

Its: _____

PURDUE RESEARCH FOUNDATION

By: _____

Its: _____