

**THE JAMES S. KEMPER FOUNDATION  
MEETING OF BOARD OF TRUSTEES  
MAY 20, 2020**

A meeting of the Board of Trustees ("Board") of The James S. Kemper Foundation ("Foundation") was held on Wednesday, May 20, 2020 at 2:30 p.m. at the offices of Kemper Corporation ("Kemper"), 200 East Randolph Street, Chicago, Illinois. The following Trustees were in attendance: John M. Boschelli, Charles T. Brooks, John K. Conway (Trustee Emeritus), C. Thomas Evans, Jr., Joseph P. Lacher, Jr., James J. McKinney and Christine F. Mullins. At the request of the Board, Jerome E. Fuller, President of the Foundation, Mark A. Green and Jane Wong were also present at the meeting.

Mr. Lacher acted as Chairman of the meeting and Mr. Evans acted as Secretary. The meeting materials were made available to the Board in advance of the meeting.

Mr. Evans advised that the Foundation's sole member, Kemper Corporation, recently took action to set the number of Board trustees of the Foundation at seven (7) trustees. A discussion ensued regarding the newly-created vacancy on the Board, and the following recitals and resolution were adopted:

WHEREAS, that pursuant to Article 4.2 of the Amended Bylaws of the Corporation, the number of Trustees of the Foundation shall be not less than three nor more than eight, as may be determined from time to time by its Member, Kemper Corporation;

WHEREAS, Kemper Corporation, acting in accordance with Article 3.4 of the Amended Bylaws, has executed a written document dated May 18, 2020, setting the number of trustees at seven (7) until further changed by the Member; and

WHEREAS, the Board of Trustees desires to fill the newly created vacancy on the Board of Trustees.

RESOLVED, that pursuant to Article 4.12 of the Amended Bylaws of the Corporation, Mark Green is immediately elected to fill the vacancy on the Board of Trustees for a term ending with the Annual Meeting of Trustees in November 2020 or until his successor is elected and qualified.

The minutes from the Board's previous meeting, held on December 4, 2019, were reviewed, which minutes were distributed with the meeting materials. After review, the following resolution was adopted:

RESOLVED, that the Minutes of the Meeting of the Board of Trustees on December 4, 2019, are hereby ratified, confirmed and approved.

Mr. Boschelli then provided the Investment Committee's report on the performance of the

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Foundation's investment portfolio, which report included an overview of the recent performance of the financial markets. Overall, the financial markets have experienced significant disruption due to the COVID-19 pandemic, though they did bounce back in April. The long-term forecast for the markets is murky due to uncertainty as to the severity and duration of the pandemic.

For the first quarter of 2020, the Foundation's portfolio had negative total return but outperformed its benchmarks. Mr. Boschelli noted that the portfolio is in compliance with its investment protocols. Going forward, he advised that there are no immediate plans to make significant changes to the portfolio as a result of the pandemic, but the situation is being monitored.

The report of the Board's Audit and Administration Committee was supplied by Mr. McKinney, joined by Mr. Fuller. The current projections for the FY 20 budget were reviewed, along with the preliminary budget for FY21.

Mr. McKinney then discussed the proposed auditor engagement with CliftonLarsonAllen LLP ("CLA"), which firm provides audit and tax services to the Foundation. The engagement of CLA for the audit of the Foundation's financial statements for FY20 was considered, including the engagement letter with CLA. The following recitals and resolutions were approved after a brief discussion:

WHEREAS, the Board of Trustees has responsibility for the appointment, compensation, retention and oversight of the Foundation's independent auditors;

WHEREAS, CliftonLarsonAllen LLP has served as the Foundation's independent auditors for the fiscal year ended July 31, 2019; and

WHEREAS, the Board of Trustees has considered the performance of CliftonLarsonAllen LLP and determined that it is in the best interests of the Foundation to retain the firm as the Foundation's independent auditors for the fiscal year ended July 31, 2020.

RESOLVED, that CliftonLarsonAllen LLP is appointed as the independent auditor for the statement of the financial position of the Foundation as of July 31, 2020, and the related statements of activities, functional expenses, cash flows, and federal and state tax filings for the year then ended; and

RESOLVED, that the proposed engagement letters with CliftonLarsonAllen LLP are approved.

The President's Report was next provided by Mr. Fuller. He noted that the internships planned for Kemper Scholars in the summer of 2020 have had to transition to virtual internships due to the COVID-19 pandemic. Additionally, as a result of ongoing discussions as to the future structure of the Kemper Scholars program, the decision was made to not select an incoming

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class of Kemper Scholars. Mr. Fuller also discussed efforts to identify endowments at various universities that had previously been funded by the Foundation; a summary report on these endowments was included in the meeting materials.

The Foundation's grant-making activities over the prior six months were reviewed, which consisted of a single grant in the amount of \$7,500 to the Peggy Notebaert Nature Museum.

Mr. Fuller concluded his President's Report by noting that the Foundation had recently completed both a cybersecurity audit as well as migration to SharePoint for Foundation recordkeeping.

There being no further business to come before the Board of Trustees, the meeting was adjourned at 3:45 p.m.

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Joseph P. Lacher, Jr.  
Chairman

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C. Thomas Evans, Jr.  
Secretary