

Report of the Secretary of the Corporation 2014-2015

Office of the Secretary of the Corporation

The secretary of the Corporation, one of the Institute's four corporate officers, is responsible for administering the operations of the MIT Corporation, the Institute's ultimate governing body. The Office of the Secretary manages and oversees the quarterly meetings of the board, as well as its standing committees and the 31 Corporation visiting committees that conduct biennial reviews of the Institute's academic and research programs. The secretary of the Corporation also serves as secretary of the Executive and Membership Committees, recording officer of the Corporation, and as joint signatory with the president in the awarding of academic degrees.

Corporation Meetings

Orientation Program and Annual Meeting

On October 9, 2014, an orientation program was held in the Emma Rogers Room for new members of the Corporation. During the course of the day, the new trustees heard from members of the Institute's senior administration and faculty. The orientation program concluded with new trustees joining the rest of the Corporation members, the senior officers, and guests for dinner in the Silverman Skyline Room at the Media Lab.

Chairman of the Corporation John S. Reed convened the annual meeting on October 10, 2014, in the Alexander W. Dreyfoos '54 Auditorium in the Media Lab. Two new life members, five new members, six re-elected members, and the 2014-2015 president of the MIT Alumni Association were introduced to the membership.

The Corporation approved the minutes of the June 5, 2014 meeting and accepted the report of the secretary on the actions of the Executive Committee meetings of June 5 and September 5, 2014. The Corporation then approved the awarding of September degrees, as recommended by the officers of the Faculty.

President L. Rafael Reif delivered the Report of the President. Chancellor Cynthia Barnhart delivered the Report of the Chancellor.

Oral reports were presented for the visiting committees for the Department of Earth, Atmospheric, and Planetary Sciences; the Department of Mechanical Engineering; the Department of Athletics, Physical Education, and Recreation; and the Dean for Undergraduate Education.

The following annual reports were delivered at the meeting: Resource Development by Kirk D. Kolenbrander, vice president and secretary of the Corporation; the MIT Investment Management Company (MITIMCo) by Seth D. Alexander, president of

MITIMCo; Treasurer by Israel Ruiz, executive vice president and treasurer; Risk and Audit by Henri A. Termeer, chair of the Risk and Audit Committee. The Report on the President's Compensation was given in executive session by James A. Champy.

A discussion on the term of the Corporation chair was led by Chairman Reed. A report on the Taskforce on the Future of MIT Education was given by Mr. Ruiz, professor Karen E. Willcox, and professor Sanjay E. Sarma.

Chairman Reed gave report of the Membership Committee, after which the Corporation voted to approve the member rosters of the Corporation Joint Advisory Committee on Institute-Wide Affairs (CJAC), and the 31 visiting committees, including the chairs of the visiting committees. Chairman Reed also delivered his final Report of the Chairman.

At the end of the meeting, the chairmanship of the Corporation was transferred from Mr. Reed to Robert B. Millard.

December Meeting

The quarterly meeting of the Corporation – the first chaired by Mr. Millard – was held on December 5, 2014, in the Alexander W. Dreyfoos '54 Auditorium in the Media Lab.

The Corporation approved the minutes of the October 4, 2014 meeting and accepted the report of the secretary on the actions of the Executive Committee at its meetings of October 9, October 25, and November 8, 2014.

President Reif delivered the Report of the President.

Oral reports were presented for the following visiting committees: Department of Chemistry, Department of Physics, and the Humanities.

Chancellor Barnhart delivered a report on the findings of the Institute's survey on sexual assault. Provost Schmidt delivered the annual report on diversity. Chairman Millard and Secretary Kolenbrander reported on the Executive Committee's November 2014 trip to Singapore and Hong Kong. New vice president for resource development Julie A. Lucas delivered a report on the status of the capital campaign.

Chairman Millard delivered the report on membership, and the Corporation voted to elect Smita M. Shah as a member of the Corporation Development Committee.

During lunch, professor J. Meejin Yoon delivered a presentation on the Collier Memorial, after which the meeting was adjourned.

March Meeting

The Alexander W. Dreyfoos '54 Auditorium in the Media Lab was the setting for the quarterly meeting on March 6, 2015.

The Corporation approved the minutes of the December 5, 2014 meeting and voted to accept the report of the Secretary on the actions of the Executive Committee at its meeting of December 4, 2014. The members also approved the awarding of February degrees, as recommended by the officers of the Faculty.

President Reif delivered his quarterly Report of the President. As part of his report, he announced the following changes in leadership: vice president and secretary of the Corporation Kirk D. Kolenbrander would step down as secretary to focus on accelerating progress on Institute-wide initiatives; vice president and general counsel R. Gregory Morgan would assume the title of senior vice president and secretary of the Corporation; and Mark DiVincenzo, then deputy general counsel, would become vice president and general counsel. Toward the end of President Reif's report, Chancellor Barnhart joined President Reif at the podium for a brief discussion about student mental health.

The Corporation heard oral reports from the chairs of the visiting committees for the Department of Materials Science and Engineering, the Department of Civil and Environmental Engineering, the Engineering Systems Division, the Music and Theater Arts section, and the Media Lab/Media Arts and Sciences.

Chairman Millard delivered the Chairman's report, wherein the Corporation voted to elect R. Gregory Morgan secretary of the Corporation.

The Corporation heard the report on sponsored research, given by vice president for research Maria T. Zuber. Provost Schmidt delivered the annual report on tuition and financial aid. Donald E. Shobrys, president of the MIT Alumni Association, delivered the annual report of the Alumni Association. Mr. Millard delivered the Membership report, after which Patricia R. Callahan and Mark R. Epstein were elected to serve on the Risk and Audit Committee. Vice president Lucas provided an update on the status of the capital campaign.

At lunch, members heard a presentation by professors Vladimir Bulović and Fiona E. Murray on the MIT Innovation Initiative. After their talk, the meeting was adjourned.

Commencement Meeting

The final quarterly meeting of the academic year was held in the afternoon on Thursday June 4, 2015, at Gray House.

The Corporation approved the minutes of the March 6, 2015 meeting and voted to accept the report of the secretary on the actions of the Executive Committee at its meetings of February 6, March 5, and April 3, 2015. The Corporation also approved the awarding of June degrees, as recommended by the officers of the Faculty.

Remarks were made for two life members on their transfer to life member emeritus (LME). LME Arthur Gelb read remarks for David H. Koch, and LME Norman Gaut read remarks for Bob Metcalfe. Mr. Metcalfe requested an early transfer to life member emeritus status, as he will become an MIT Visiting Innovation Fellow in the fall of 2015. This early transfer is permitted under Section 5.1 of the Bylaws. Following the reading of each set of remarks, each new LME was presented with the customary watch, engraved with his years of service as a life member of the Corporation.

Brit J. d'Arbeloff read memorial resolutions for Norman B. Leventhal, who passed away on April 5, 2015, and a moment of silence was held in his honor.

President Reif delivered the Report of the President. Chancellor Barnhart delivered the Report of the Chancellor.

The Corporation members heard reports from the chairs of the visiting committees for the MIT Libraries, the Department of Political Science, and the Department of Chemical Engineering.

Mr. Millard gave a brief Report of the Chairman. Sarah Stewart Johnson, chair of the Screening Committee for the Nomination of Recent Graduates, delivered her report, including the announcement of the nomination of Leslie C. Dewan '06 to stand for election to a five-year term on the Corporation. Following the Membership Committee report, given by Chairman Millard, the Corporation voted to elect eight term members. John D. Chisholm was announced as the 2015-16 president of the Association of Alumni and Alumnae of MIT, effective July 1, 2015. The Corporation approved appointments to the standing committees (Executive, Risk and Audit, Membership, and Development) and to the Screening Committee for Nomination of Recent Graduates. Chairman Millard read a resolution expressing appreciation to the eight retiring members of the Corporation and delivered short tributes to those who were present at the meeting.

R. Erich Caulfield, chair of the Corporation Joint Advisory Committee on Institute-Wide Affairs (CJAC) gave his committee's report. Outgoing chair of the Faculty, professor Steven Hall, made retiring remarks.

Then the meeting was adjourned.

That evening, members of the Corporation joined members of the Alumni Association Board of Directors for dinner at Symphony Hall, followed by the Tech Night at the Pops concert.

The following day, members of the Corporation marched in the academic procession at the Institute's 149th Commencement exercises, held in Killian Court. Megan J. Smith, Corporation member and chief technology officer for the United States, gave the commencement address. Following Commencement, members of the Corporation and their guests gathered in the reading room of the Barker Library for a reception and luncheon.

Annals of Corporation Membership, 2014-15

Completed service as *ex officio* Chair of the Corporation effective October 10, 2014: John S. Reed

Elected *ex officio* Chair of the Corporation effective October 11, 2014: Robert B. Millard

Completed service as *ex officio* Vice President and Secretary of the Corporation effective March 6, 2015: Kirk D. Kolenbrander

Elected *ex officio* Senior Vice President and Secretary of the Corporation effective March 6, 2015: R. Gregory Morgan

Completed service as *ex officio* member effective January 8, 2015: Deval L. Patrick

Elected *ex officio* member effective January 8, 2015: Charles D. Baker, Jr.

Completed service as *ex officio* member effective January 8, 2015: Mathew H. Malone

Elected *ex officio* member effective January 8, 2015: James A. Peyser

Completed a five-year term effective June 30, 2015:
David D. Ho, Sarah Stewart Johnson, Anita K. Jones, Martin Y. Tang, Reginald Van Lee, Kenneth Wang, Chiquita V. White, Marjorie M.T. Yang

Elected to a five-year term effective July 1, 2015:
Roger C. Altman, Leslie C. Dewan, Jeffrey S. Halis, Jean Hammond, Ray A. Rothrock, Donald E. Shobry, Jeffrey L. Silverman, Viktor F. Vekselberg

Ex officio member for one year effective July 1, 2015:
John D. Chisholm, 2015-2016, President of the Association of Alumni and Alumnae of MIT

Transfers to Life Member Emeritus

David H. Koch (May 2015)
Robert M. Metcalfe (July 2015)

Deaths

Norman B. Leventhal

Corporation Committees

Risk and Audit Committee

Fiscal year 2015 meetings of the Risk and Audit Committee were held on October 8, 2014, December 3, 2014, March 4, 2015, and June 3, 2015. In attendance were Risk and Audit Committee members, PricewaterhouseCoopers representatives (PwC), MIT Audit Division personnel, the Institute risk officer, MIT financial staff members, and invited members of the MIT administration. There were scheduled telephonic meetings of the Risk and Audit Committee with members of senior management on September 8, 2014 and April 21, 2015.

Committee members serving during the year were: chairman Henri A. Termeer, Patricia R. Callahan, Mark R. Epstein, Sarah Stewart Johnson, Judy C. Lewent, Paul R. Marcus, Victor J. Menezes, A. Neil Pappalardo, and Susan E. Whitehead.

The Risk and Audit Committee supported the MIT Corporation and its Executive Committee in fulfilling their oversight responsibilities with respect to the quality and integrity of MIT's financial statements, systems of internal financial control, internal and external audit processes, systems for compliance with law, regulation, standards of ethical behavior, and systems for prudent risk management.

September 8, 2014 Meeting

The September 8 meeting featured a presentation of the fiscal year 2014 Treasurer's Report to the Risk and Audit Committee for review and discussion prior to public distribution. This meeting was accomplished in teleconference format, and six committee members participated for a quorum. Members of MIT's audit, finance, legal, investment, and risk management teams were present, as well as PwC.

October 8, 2014 Meeting

The chairman opened the October 8 meeting with an introduction of Mr. Menezes who had rejoined the Risk and Audit Committee. The meeting featured PwC's unqualified report on the audit of the Institute's fiscal year 2014 financial statements,

and management's presentation of the fiscal year 2014 financial statements. Additionally, PwC performed audits of MIT's Basic Retirement, Supplemental 401(k), and Retiree Welfare Benefit for plan year 2013, and Singapore MIT Alliance for Research and Technology Centre for the financial year ended March 31, 2014, which received unqualified opinions. Michael J. Moody, Institute auditor, presented the Audit Division's final report on the fiscal year 2014 Audit Plan. Anthony P. Sharon, deputy executive vice president, provided updates on the risk assessment performed within the executive vice president and treasurer's areas including information technology and emergency preparedness. Deborah L. Fisher, Institute risk officer, provided updates on activity of the Office of Risk Management. Other updates discussed by the Risk and Audit Committee related to Uniform Guidance, and the faculty effort reporting initiative for summer salary charges to federal awards. The committee met in Executive Sessions with members of senior administration, PwC and the Institute auditor.

December 3, 2014 Meeting

The chairman opened the December 3 meeting with an introduction of Robert B. Millard, the new chairman of the Corporation. The chairman also announced that Ms. Lewent resigned from the Risk and Audit Committee due to scheduling conflicts. The meeting included discussions related to the approval of PwC as the Institute's external auditor for fiscal year 2015, and related audit fees. First quarter 2015 financial results were presented by Israel Ruiz, executive vice president and treasurer, and Basil Stewart, controller. Mr. Moody responded to questions related to materials distributed on the interim status of the fiscal year 2015 Audit Plan. The Risk and Audit Committee received a privileged summary report on litigation from Mark DiVincenzo, deputy general counsel, and a report on MIT's insurance programs from Sandra L. Mitchell, insurance manager. Executive sessions were held with members of senior administration and the Institute auditor.

March 4, 2015 Meeting

The chairman opened the March 4 meeting with an introduction of the new vice president for finance, Glen Shor. Discussion at the meeting included review of the PwC engagement scope for fiscal year 2015 and second quarter 2015 financial results. Other informational briefings included a discussion of the draft report on FY2014 OMB Circular A-133 audit, an interim update on the fiscal year 2015 Audit Plan, and the activity of the Office of Risk Management. The Risk and Audit Committee approved the Audit Division charter submitted by Mr. Moody. The committee also approved technical changes to the committee charter and forwarded the revised charter to the Executive Committee for approval. The committee held an executive session with PwC, members of senior administration, and the Institute auditor.

Subsequent to the meeting, members completed a survey intended to assess the effectiveness of the Risk and Audit Committee as called for by the charter to be performed annually.

April 21, 2015 Meeting

The chairman opened the April 21 meeting by welcoming new committee members Patricia R. Callahan and Mark R. Epstein. The purpose of the meeting was to provide timely review of the Form 990 for fiscal year 2014 prior to approval by the Executive Committee. This meeting was accomplished in teleconference format, and seven Risk and Audit Committee members participated for a quorum (Mr. Termeer participated in person). Members of MIT's audit, finance, legal, risk, and tax management teams were present.

Prior to the meeting, new committee members participated in a first-time web-based Risk and Audit Committee orientation presented by the controller, Institute risk officer, and the Institute auditor.

June 3, 2015 Meeting

At the final meeting of the fiscal year, the chairman recognized Sarah Stewart Johnson for her service to the Risk and Audit Committee. Informational briefings included the third quarter 2015 financial results, approval of PwC's fiscal year 2015 audit engagement letter, review of the Institute practices for evaluating the external auditor, and an update on MIT's Uniform Guidance Project. Mr. Moody presented the fiscal year 2016 Audit Plan and the Risk and Audit Committee received updates from Ms. Fisher and senior management that pertained to select operational and safety risks. The committee held executive sessions with PwC and members of senior administration.

(submitted by Deborah L. Fisher, Institute Risk Officer, and Michael J. Moody, Institute Auditor)

Corporation Development Committee

The Corporation Development Committee (CDC) continued to be actively engaged in donor outreach, identification, and engagement for the Campaign in fiscal year 2015.

The focus of the CDC remains on individual prospect engagement, with many members maintaining active portfolios of leadership and principal gift prospects. Members conducted over 100 visits in partnership with development team members. These visits ranged from the identification, qualification, and cultivation of potential donors as well as the stewardship of existing donors. The continued global expansion

of the CDC allowed for engagement of prospects and donors in areas outside the United States in Argentina, Brazil, Columbia, Hong Kong, London, and Peru.

In the last year, CDC members hosted or played a significant role in over 20 cultivation and broad-based outreach events. These events featured prominent faculty, notable alumni, and MIT leadership including president L. Rafael Reif, chairman Robert B. Millard, chancellor for academic advancement W. Eric Grimson, president of the MIT Investment Management Company Seth Alexander, former dean of the School of Architecture and Planning Adèle Naudé Santos, professor Angela Belcher, professor Vladimir Bulović, professor Anantha Chandrakasan, professor Gang Chen, professor Munther Dahleh, professor Peter Fisher, professor Donald Sadoway, and professor Sanjay Sarma.

Members convened on campus for the 2014 CDC Annual Meeting, which was held again in conjunction with the Alumni Leadership Conference on September 19. Chairman emeritus John S. Reed presided over the one-day meeting, which featured:

- A new member orientation breakfast focused on CDC operations, resources, and best practices led by associate vice president and chief operating officer for resource development David Woodruff.
- A leadership meeting for CDC Regional chairs and vice chairs led by interim vice president for resource development Kirk Kolenbrander to discuss campaign activities and infrastructure.
- A welcome luncheon featuring a leadership update from chairman emeritus John S. Reed and remarks by chairman Robert B. Millard.
- Fundraising and financial updates from executive vice president and treasurer Israel Ruiz, president of the MIT Investment Management Company Seth Alexander, and interim vice president for resource development Kirk Kolenbrander.
- A campaign update featuring fundraising progress and information on the planning for and progress of the major initiatives. Presenters included chancellor for academic advancement W. Eric Grimson, executive director for the Office of Foundation Relations Lindley Huey, executive director for the Office of Corporate Relations Karl Koster, and executive director of resource development communications & events Whitney Espich.

The crowning event of the Annual Meeting was the Friday evening dinner at the Media Lab Complex, hosted by chairman emeritus John S. Reed. The dinner featured a conversation with provost Martin Schmidt and chancellor Cynthia Barnhart on

their new roles including their perspectives on key priorities of the Campaign that impact education and research at MIT. The 2013 Marshall B. Dalton '15 Award recipient Claude L. Gerstle presented the 2014 award to long-time CDC member John M. Begg for his extraordinary leadership in developing resources for MIT.

Following the Annual Meeting, fall regional CDC meetings focused on strategic discussions and tactical planning around how best to engage regional alumni and friends in partnership with resource development leadership and staff. Spring regional meetings provided CDC members the opportunity to meet and hear from chairman Robert B. Millard.

Regional meetings occurred as follows:

- November 18, 2014: Northern California
- November 19, 2014: Southern California (Los Angeles)
- November 20, 2014: Southern California (San Diego)
- December 8, 2014: Texas
- March 14, 2015: Florida
- March 19, 2015: Mid-Atlantic
- April 6, 2015: Midwest
- April 15, 2015: New England
- May 18, 2015: Northern California
- May 19, 2015: Southern California (San Diego)
- May 19, 2015: Southern California (Los Angeles)
- May 26, 2014: Metropolitan New York

Two new staff members were hired and on boarded in fiscal year 2015: CDC director Jennifer Schraut beginning August 18, 2014, and CDC assistant director Stephanie Hansen on April 13, 2015.

Members of the Corporation Development Committee continue to show leadership in their personal philanthropy and in their outreach as MIT's fundraising ambassadors, sharing the extraordinary progress being made by the Institute's faculty and students with our alumni and friends throughout the United States and around the world.

(submitted by Jennifer E. Schraut, director)

Executive Committee

Ten business meetings of the Executive Committee took place last year (including one held in Asia). Among the major topics for discussion were finance and budget; capital planning; international, national, and regional activities; initiatives and

developments in education and research; online education; and capital campaign planning.

MIT Investment Management Company Board

In June 2004, the Executive Committee recommended and the Corporation approved an amendment to the Corporation Bylaws to establish an internal Investment Management Company as a constituent part of the Institute and to permit its governing body (the Investment Management Company Board) to perform the functions of the Investment Committee. The activities of the Investment Management Company Board for the year 2014-15 are outlined in the Report of the Treasurer.

Membership Committee

The Membership Committee held three meetings during the academic year to discuss matters concerning membership on the Corporation and nominations to the Corporation's standing committees and committees of annual recurrence. Individuals elected to serve on the Corporation are listed above in "Annals of the Corporation." The 2014-15 rosters of standing committees and committees of annual recurrence are on file in the Office of the Corporation.

Corporation Screening Committee for Nomination of Recent Graduates

In adherence to the Corporation Bylaws, the Screening Committee, in cooperation with the Alumni Association, is responsible for the nominating process for Recent Classes members of the Corporation. In 2014-15, the Screening Committee was chaired by Sarah Stewart Johnson, and its other members were Tanguy M. Chau, Paul M. Kominers, K. Anne Street, and Alia Whitney-Johnson.

The committee reviewed applications for candidacy to serve on the Corporation and interviewed individuals out of the applicant pool. Eight candidates appeared on the final ballot. Voting took place during the month of April, using an electronic ballot accessed by eligible voters via the Internet. Leslie C. Dewan '06 received the most votes and was elected by the full Corporation in June to serve a five-year term, beginning July 1, 2015.

Corporation Visiting Committees

Sixteen Corporation visiting committees convened for regular two-day meetings during academic year 2014-15: Chemistry; Physics; Materials Science and Engineering; Humanities; Civil and Environmental Engineering; Engineering Systems Division; Music and Theater Arts; Media Lab/Media Arts and Sciences; Economics; Political Science; Libraries; Biology; Electrical Engineering and Computer Science; Architecture; Chemical Engineering; and Brain and Cognitive Sciences.

In 2014-2015, the Institute's 31 visiting committees were composed of 412 persons filling 539 membership positions: 68 Corporation members filled 184 slots; 169

presidential nominees filled 176 slots; and 172 alumni nominees filled 179 slots. Three people filled both a presidential nominee slot and an alumni nominee slot.

Women made up 33 percent of the visiting committee membership; minorities comprised 17 percent; and underrepresented minorities comprised 8 percent of the visiting committee membership.

Office Activities and Personnel

During FY2015, Pamela Nedbalek Fraser and Liz Vena in the Corporation Office continued to provide concierge-level service to the members of the Corporation, while scheduling, coordinating, and facilitating four Corporation meetings, three Membership Committee meetings, three CJAC meetings, and 16 visiting committee meetings. We are deeply grateful for their effort and their professionalism.

We express our gratitude to Martha Jane Gagnon, in the institute's Audit Division, who staffs the Risk and Audit Committee. We also wish to recognize the steadfast dedication of Kathleen Mitchell and Aaron Weinberger in working with the Executive Committee. Jennifer Schraut was named director of the Corporation Development Committee and has stepped into the role with great enthusiasm. Additionally, Jennifer Vieira has helped provide essential support on an interim basis to Secretary Morgan as he transitioned into his new role.

R. Gregory Morgan
Senior Vice President and Secretary of the Corporation

and

Christie L. Taylor
Associate Secretary of the Corporation

More information about the MIT Corporation and its committees can be found on the web at <http://web.mit.edu/corporation>.