

The Regents of the University of California

COMMITTEE ON COMPENSATION

July 18, 2013

The Committee on Compensation met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members present: Regents De La Peña, Feingold, Kieffer, Reiss, and Ruiz; Ex officio members Lansing, Varner, and Yudof; Advisory member Powell

In attendance: Regents Flores, Gould, Island, Makarechian, Schultz, and Zettel, Regents-designate Engelhorn, Leong Clancy, and Saifuddin, Faculty Representative Jacob, Secretary and Chief of Staff Kelman, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President Brostrom, Chief Financial Officer Taylor, Senior Vice Presidents Dooley and Stobo, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Desmond-Hellmann, Dirks, Drake, Katehi, and Yang, Acting Chancellor Conoley, and Recording Secretary McCarthy

The meeting convened at 8:55 a.m. with Committee Chair Kieffer presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of March 14, 2013 were approved.

2. APPROVAL OF APPOINTMENT OF AND COMPENSATION FOR ACTING CHIEF INVESTMENT OFFICER, OFFICE OF THE PRESIDENT AS DISCUSSED IN REGENTS ONLY SESSION

Background

Approval was requested for the appointment of and compensation for Melvin L. Stanton and Randolph E. Wedding as Co-Acting Chief Investment Officers, Office of the Chief Investment Officer, Office of the President.

This request was in response to the recent retirement of Chief Investment Officer, Vice President – Investments, and Acting Treasurer Marie N. Berggren, effective July 2, 2013.

This position is non-State-funded.

The Chairman of the Board of Regents has appointed a search committee to consider the selection of a new Chief Investment Officer and Vice President – Investments. However, due to the complexity of the search, it is anticipated that it will be a number of months

before a successor is selected. The appointment of Mr. Stanton and Mr. Wedding as Co-Acting Chief Investment Officers was requested to ensure that the Office of the Chief Investment Officer has adequate leadership in place during the recruitment process.

Recommendation

The Committee recommended approval of the following items in connection with the appointment of and compensation for Melvin L. Stanton and Randolph E. Wedding as Co-Acting Chief Investment Officers, Office of the Chief Investment Officer, Office of the President:

- A. Appointment of Melvin L. Stanton and Randolph E. Wedding as Co-Acting Chief Investment Officers, effective upon approval and continuing until a new Chief Investment Officer and Vice President – Investments is appointed.
- B. No change to Mr. Stanton's or to Mr. Wedding's compensation is recommended. Mr. Stanton's annual base salary is \$306,800, and Mr. Wedding's annual base salary is \$374,500.
- C. Both Mr. Stanton and Mr. Wedding are eligible to participate in the Office of the Treasurer Annual Incentive Plan. Mr. Stanton is eligible to participate with a target award of 60 percent of base salary (\$184,080) and a maximum potential award of 120 percent of base salary (\$368,160). Mr. Wedding is eligible to participate with a target award of 60 percent of base salary (\$224,700) and a maximum potential award of 120 percent of base salary (\$449,400). Actual awards will be determined based on performance against pre-established objectives. Awards are paid out over a three-year period, with 50 percent paid out in the first year and 25 percent paid out in each of the following two years.
- D. Per policy, continuation of standard pension and health and welfare benefits for Mr. Stanton and Mr. Wedding.
- E. Per policy, continuation of standard senior management benefits (including senior management life insurance and executive salary continuation for disability) for Mr. Stanton and Mr. Wedding.
- F. Per policy, continuation of a five percent monthly contribution to the Senior Management Supplemental Benefit Program for Mr. Stanton and Mr. Wedding.

The compensation described above shall constitute the University's total commitment until modified by the Regents or President, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: President Yudof

**Reviewed by: Chairman of the Board of Regents Varner
Office of the President, Human Resources**

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Kieffer briefly introduced the item. Executive Vice President Brostrom drew attention to the fact that these appointments were non-State-funded, but paid for from earnings from the University's investment accounts.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 9:00 a.m.

Attest:

Secretary and Chief of Staff