GOVERNANCE AND COMPENSATION COMMITTEE
January 25, 2018

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. GOVERNANCE, POLICY, AND COMPLIANCE REFORMS: ADOPTION OF REGENTS POLICY ON COMPLIANCE WITH STATE AUDITS, REGENTS POLICY ON INDEPENDENT REPORTING TO THE BOARD OF REGENTS BY OFFICERS WITH DUAL REPORTING OBLIGATIONS TO THE BOARD AND TO THE PRESIDENT OF THE UNIVERSITY, AND REGENTS POLICY ON APPOINTMENT AND COMPENSATION OF OFFICERS OF THE REGENTS WITH DUAL REPORTING OBLIGATIONS TO THE BOARD OF REGENTS AND TO THE PRESIDENT OF THE UNIVERSITY; AMENDMENT OF BYLAW 23, AMENDMENT OF THE COMPLIANCE AND AUDIT COMMITTEE CHARTER; AND AMENDMENT OF REGENTS POLICY 7702 - SENIOR MANAGEMENT GROUP PERFORMANCE MANAGEMENT REVIEW PROCESS

The Committee recommends that the Regents:

A. Waive service of notice.

B. Adopt a Regents Policy on Compliance with State Audits as shown in Attachment 1.

C. Adopt a Regents Policy on Independent Reporting to the Board of Regents by Officers with Dual Reporting Obligations to the Board and to the President of the University as shown in Attachment 2.

D. Following service of appropriate notice, amend Bylaw 23.5 – Authority and Duties of Principal Officers, as shown in Attachment 3.

E. Direct that the Systemwide Human Resources Division amend the job descriptions of the Chief Compliance and Audit Officer, the General Counsel, the Chief Investment Officer, and the Systemwide Deputy Audit Director, and that the Internal Audit Manual be amended to add the following language: With regard to audits and investigations of the Office of the President, the [officer] reports solely and exclusively to the Board of Regents. The [officer] is expected to report to the Board any significant concerns regarding the Office of the President.

F. Amend the Compliance and Audit Committee Charter as shown in Attachment 4.

H. Following service of appropriate notice, amend Bylaw 23 – Officers of the Corporation – section 2(c) Appointment and Qualifications Principal Officers, and section 3(c) Removal Principal Officers as shown in Attachment 6.

I. Adopt a Regents Policy on Appointment and Compensation of Officers of the Regents with Dual Reporting Obligations to the Board of Regents and to the President of the University as shown in Attachment 7, effective upon approval of amendment to Bylaw 23 as described in paragraph H above.

J. Waive service of notice for amendment of the Bylaws shown in paragraphs D and H above.

Committee vote: Regents Elliott, Kieffer, Lansing, Napolitano, Ortiz Oakley, Pérez, Sherman, and Varner voting “aye.”

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”

2. APPROVAL OF NEW BENCHMARKING FRAMEWORK RESULTING IN REVISIONS TO THE MARKET REFERENCE ZONES FOR UC HEALTH POSITIONS IN THE SENIOR MANAGEMENT GROUP, AS PROPOSED BY THE UC HEALTH EXECUTIVE COMPENSATION WORKING GROUP

The Committee reports its approval of the new Benchmarking Framework revising the Market Reference Zones (MRZs) for UC Health positions in the Senior Management Group, as recommended by the Regents Workgroup on UC Health Executive Compensation and approved by the Regents’ Health Services Committee. Details of the proposed MRZs, which align with other public and not-for-profit academic medical centers and teaching hospitals, are provided in Attachment 8.

Committee vote: Regents Lansing, Ortiz Oakley, Pérez, Sherman, and Varner voting “aye,” and Regent Elliott voting “no.”

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”
3. **ESTABLISHMENT OF NEW POSITION IN THE SENIOR MANAGEMENT GROUP OF ASSOCIATE VICE PRESIDENT – CHIEF TRANSFORMATION OFFICER, UC HEALTH, AND THE MARKET REFERENCE ZONE FOR THE POSITION, OFFICE OF THE PRESIDENT**

The Committee recommends approval of the following items in connection with the establishment of the new Senior Management Group position of Associate Vice President – Chief Transformation Officer, UC Health, Office of the President, and the Market Reference Zone for the position:

A. Establishment of the new Senior Management Group position of Associate Vice President – Chief Transformation Officer, UC Health, Office of the President. This will be a Level Two position in the Senior Management Group.

B. Establishment of a Market Reference Zone (MRZ) for the position of Associate Vice President – Chief Transformation Officer, UC Health, Office of the President, as follows: 25th percentile – $361,000, 50th percentile – $459,800, 60th percentile – $481,400, 75th percentile – $513,700, and 90th percentile – $608,200.

C. This action will be effective upon approval.

Committee vote: Regents Elliott, Kieffer, Lansing, Napolitano, Ortiz Oakley, Pérez, Sherman, and Varner voting “aye.”

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”
REGENTS POLICY ON COMPLIANCE WITH STATE AUDITS

POLICY SUMMARY/BACKGROUND

In response to the independent fact-finding review of the Office of the President’s handling of campus survey responses to the State Auditor, the Regents reviewed their governing documents and hereby adopt revisions that are intended to expressly prohibit obstruction or interference with the State Auditor or disclosures to the State Auditor and to clarify and strengthen the independence of certain administrators when responding to audits or investigations of the Office of the President.

POLICY TEXT

A. Prohibition on Obstruction of State Auditor

Members of the University of California Board of Regents, Officers of the Corporation, and University employees shall not, with intent to deceive or defraud, commit obstruction of the California State Auditor in the performance of his or her official duties related to an audit required by statute or requested by the Joint Legislative Audit Committee of the California State Legislature.

B. Prohibition on Interference with Protected Disclosure to State Auditor

Members of the University of California Board of Regents, Officers of the Corporation, and University employees shall not, directly or indirectly use or attempt to use the official authority or influence of the employee for the purpose of intimidating, threatening, coercing, commanding, or attempting to intimidate, threaten, coerce, or command any person for the purpose of interfering with the right of that person to make a good faith communication to the State Auditor that discloses or demonstrates an intention to disclose information that may evidence improper governmental activity.

C. Communication During State Audits of the Office of the President

If the subject of the State Auditor’s audit or investigation is the Office of the President or any division or department within the Office of the President that reports directly to the President of the University, the Chief Compliance and Audit Officer, when carrying out obligations related to that audit or investigation, shall report solely and exclusively to the Board of Regents, through the Chair of the Compliance and Audit Committee, and the General Counsel, when carrying out obligations related to that audit or investigation, shall report solely and exclusively to the Board of Regents, through the Chair of the Board. Where there is a lack of clarity regarding whether the Office of the President or any division or department within the Office of the President is the subject of the State Auditor’s audit or investigation, the Chief Compliance and Audit Officer and the General Counsel shall consult with the Chair of the Board and the Chair of the Compliance and Audit Committee to determine whether single reporting is in effect for purposes of such audit or investigation. Both the Chief Compliance and Audit Officer and the General
Counsel shall be responsible for keeping the Chair of the Board and the Chair of the Compliance and Audit Committee, respectively, apprised of the status of the State Auditor’s audit or investigation.

D. Training and Compliance

Principal Officers of The Regents and University employees whose jobs are audit-related shall receive training to strengthen their oversight of the University’s handling of State Audit responses. The training will cover any new or amended policies related to State Audit responses and related reporting relationships and other relevant governance documents. Principal Officers and employees receiving such trainings shall provide attestations that they have completed such training, and understand and will comply with the policies. Compliance with the policies will be expressly taken into consideration as part of annual performance evaluations and compensation decisions.
REGENTS POLICY ON INDEPENDENT REPORTING TO THE BOARD BY OFFICERS OF THE REGENTS WITH DUAL REPORTING OBLIGATIONS TO THE BOARD AND TO THE PRESIDENT OF THE UNIVERSITY

POLICY SUMMARY/BACKGROUND

In response to the independent fact-finding review of the Office of the President’s handling of campus survey responses to the State Auditor, the Regents reviewed their governing documents and hereby adopt revisions that are intended to clarify and strengthen the independence of Principal Officers with a dual reporting relationship to the Board of Regents and to the President of the University.

POLICY TEXT

A. Chief Compliance and Auditor Officer Meetings with Chair of Compliance and Audit Committee and Chair of the Board

To facilitate an effective working relationship between the Chief Compliance and Audit Officer (CCAO) and the Regents and to enhance independent oversight by the Regents, to whom the CCAO owes a direct reporting obligation, the Chair of the Compliance and Audit Committee and the Chair of the Board shall confer with the CCAO alone on a regular basis and shall meet with him or her alone not less than twice a year.

B. Systemwide Deputy Audit Director Meetings with and Access to Compliance and Audit Committee

The principal avenue for the Systemwide Deputy Audit Director to communicate with the Committee on Compliance and Audit shall be through the Chief Compliance and Audit Officer (CCAO). Notwithstanding the foregoing, the Systemwide Deputy Audit Director shall have the authority to bring the following matters to the attention of the Chair of the Compliance and Audit Committee, after advising the CCAO of such matters: (1) failure by a senior University official or officials to investigate and/or resolve allegations of improper governmental activities in accordance with law and University policies; (2) violations of law or policy by a senior University official that could result in substantial financial, reputational, or other harm to the University; and (3) obstruction or interference with an audit initiated by the California State Auditor or by the University’s independent financial accountants. Additionally, the Systemwide Deputy Audit Director shall have the opportunity to meet annually with the Chair of the Committee on Compliance and Audit outside the presence of other University officials.

C. General Counsel Meetings with Board Chair

To facilitate an effective working relationship between the General Counsel and the Regents and to enhance independent oversight by the Regents, to whom the General Counsel owes a direct reporting obligation, the Chair of the Board shall confer with the
General Counsel alone on a regular basis and shall meet with him or her alone not less than twice a year.

D. **Chief Investment Officer Meetings with Chair of Investments Subcommittee and Chair of the Board**

To facilitate an effective working relationship between the Chief Investment Officer and the Regents and to enhance independent oversight by the Regents, to whom the Chief Investment Officer owes a direct reporting obligation, the Chair of the Investments Subcommittee and the Chair of the Board shall confer with the Chief Investment Officer alone on a regular basis and shall meet with him or her alone not less than twice a year.
AMENDMENT OF BYLAW 23.5 – AUTHORITY AND DUTIES OF THE PRINCIPAL OFFICERS

Additions shown by underscoring; deletions shown by strikethrough

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(b) General Counsel

The General Counsel serves as the Chief Legal Officer of the University, having general charge of all legal matters pertaining to the Corporation and to the University. The General Counsel represents the Regents in all legal, regulatory and administrative proceedings, attends all meetings of the Board and its committees, and has direct access to the Regents. The General Counsel functions as an independent authority providing advice and counsel to the Regents, to University leaders, and to the Academic Senate on legal and regulatory developments, and on the legal risks and opportunities facing the University. Together with the Secretary and Chief of Staff, the General Counsel advises on the University’s governing documents and other Regents Policies and procedures pertaining to the governance of the University. The General Counsel oversees all attorneys employed or retained by the University to represent the Regents. Subject to the direction of the President of the University, the General Counsel oversees the delivery of legal services to University administrators. The General Counsel reports to the Board and to the President of the University. **The General Counsel is expected to report to the Board any significant concerns regarding the Office of the President that could result in substantial financial, reputational or other harm to the University.** With regard to audits and investigations of the Office of the President, the General Counsel reports solely and exclusively to the Board.

(c) Chief Compliance and Audit Officer

The Chief Compliance and Audit Officer serves as the chief University official having charge of developing and maintaining the University’s corporate ethics, compliance and audit programs. The Chief Compliance and Audit Officer has direct access to the Regents and functions as an independent authority to review, audit and evaluate University compliance with law, regulation, policy and ethical principles. The Chief Compliance and Audit Officer is charged with providing regular reports to the Regents and University leadership regarding the outcome of such reviews. The Chief Compliance and Audit Officer is further charged with overseeing the design and implementation of training and other programs to facilitate faculty and staff compliance with applicable law, regulation and policy. The Chief Compliance and Audit Officer is authorized to implement all steps necessary to achieve the objectives of effective and accountable ethics, compliance and audit programs. **The Chief Compliance and Audit Officer is expected to report to the Board any significant concerns regarding the Office of the President that could result in substantial financial, reputational or other harm to the University.** With regard to audits and investigations of the Office of the President, the Chief Compliance and Audit Officer reports solely and exclusively to the Board.
(d) Chief Investment Officer

The Chief Investment Officer serves as the chief University official having charge of all investment matters pertaining to the Corporation and University. The Chief Investment Officer provides advice and counsel to the Regents, to Board leadership and to University leadership regarding investment policy and performance and has direct access to the Board. The Chief Investment Officer oversees the acquisition, management and disposition of all assets held for investment purposes, as directed by Regents Policy, the Board and/or the President of the University, and acts as the custodian of all investment assets belonging to University. Subject to the administrative oversight of the President of the University, the Chief Investment Officer provides investment services to the University and oversees all investment managers retained by the University to deliver such services. The Chief Investment Officer reports to the Board and to the President of the University. **The Chief Investment Officer is expected to report to the Board any significant concerns regarding the Office of the President that could result in substantial financial, reputational or other harm to the University.** With regard to audits and investigations of the Office of the President, the Chief Investment Officer reports solely and exclusively to the Board.
AMENDMENT OF COMPLIANCE AND AUDIT COMMITTEE CHARTER

Additions shown by underscoring; deletions shown by strikethrough

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D. Other Oversight Responsibilities.

In addition to the responsibilities assigned to the Committee described above, and to the extent not otherwise within such responsibilities, the charge of the Committee shall include reviewing and making recommendations to the Board with regard to the following matters and/or with regard to the following areas of the University’s business:

- Monitoring University compliance with applicable laws, regulations and policies, including those concerning conflicts of interest and financial disclosure, those presenting a risk of a material financial impact to the University, and those relating to the University’s policies prohibiting discrimination and harassment
- Developing and implementing the University’s compliance program
- Development of a culture attentive to the University’s commitment to ethics and compliance
- Developing an effective program for receiving, monitoring and investigating complaints of alleged improper governmental activities (i.e. a whistleblower” program)
- The functional reporting relationship of the Senior Vice President – Chief Compliance and Audit Officer with the Committee
- Operational risk management enterprise wide
- Cyber security risks and management response
- Establishing and overseeing the University’s internal audit program
- Internal Audit compliance with the Institute of Internal Auditors’ (IIA’s) International Standards for the Professional Practice of Internal Auditing
- Establishing an effective environmental health and safety program
- Responding to external inquiries such as state and federal regulatory investigations and audits
- Litigation settlements and other settlements of disputed claims
- Monitoring and assuring governance, risk management, and control environment related to financial controls, operational controls and legal compliance are effective
- Developing and implementing corrective actions for identified deficiencies in financial controls or legal compliance
- The appointment of the external independent financial auditor, the external audit plan and the general delivery of these services
- Resolving any disputes between the independent financial auditor and management
- Assuring that the independent financial auditor has access to the Committee for independent discussions, where appropriate
- Reviewing with the independent auditors matters required to be discussed under external auditing standards
• Overseeing development and regular review of the University’s ethics policies and statements of ethical principles with particular attention to compliance with University policies and applicable laws and regulations

• Monitoring and assuring the independence and accountability of the Chief Compliance and Audit Officer and General Counsel to the Board with regard to ethics, compliance, and risk management issues concerning the Office of the President

The assignment of responsibility to this Standing Committee under Paragraphs C and D signifies that it is the Committee to which matters otherwise appropriate for Board consideration generally will be referred and does not create an independent obligation to present a matter to this Standing Committee or its Subcommittee, to the Board or to any other Committee.

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AMENDMENT OF REGENTS POLICY 7702 – SENIOR MANAGEMENT GROUP PERFORMANCE MANAGEMENT REVIEW PROCESS

Additions shown by underscoring; deletions shown by strikethrough

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POLICY TEXT

A. Five-Year Senior Leadership Development Assessment

A Leadership Development Assessment will be conducted once every five years. The purpose of this assessment is to provide the Senior Management Group (SMG) member with feedback from a broader perspective than is usual with an annual performance evaluation. This is a managerial coaching and development exercise, rather than an evaluation of achievement toward specific goals. Individuals who have direct and specific knowledge of a SMG member’s performance and contribution will be consulted to collect their input and feedback relevant to the SMG member’s performance. Those consulted should include individuals, as appropriate, from among the following constituents: the Academic Senate, academic unit heads, staff (including subordinates), deans, other administrators within the University, other pertinent external groups and, in the case of the President and Principal Officers of the University, Regents.

The process for conducting the leadership development assessment, the format and any related materials may be developed by each location. The official document of record will reside with each location; however, a copy of the document will be provided to the Office of the President. The Chancellor will determine the appropriate contributors to the assessment of campus SMG members. The Leadership Development Assessment will be initiated by the direct supervisors at each location. As processes are developed, proper consultation with the Academic Senate will occur, where appropriate. For those positions reporting to the President and/or the Regents, the Office of the President will be responsible for establishing a process consistent with this policy.

B. Annual Performance Evaluation

Performance evaluations will be conducted annually by the direct supervisor for each SMG member on the University of California Performance Management for Senior Administrators evaluation form. For campus positions, the Chancellor shall determine the key components in the performance evaluation process, which may include self-appraisals; internal and external sources of information, including client feedback; and input from key stakeholders. The official document of record will reside with each location; however, a copy of the document will be provided to the Office of the President and the overall rating will be recorded in the Senior Leadership Information System (SLIS).
For Principal Officers of the Regents reporting to both the Board of Regents and the President, the incumbent will complete a self-assessment and the President will collect input from the Chair of the Board and the designated Regent. The President will develop agreement on the overall assessment and then meet with the Principal Officer to provide the overall performance assessment.

For the President and Principal Officers of the Regents reporting solely to the Board of Regents, the Chair of the Board will develop the overall assessment and then meet with the President or Principal Officer to provide the overall performance assessment.

The designated Regent for the General Counsel is the Chair of the Board. The designated Regent for the Chief Investment Officer is the Chair of the Investment Committee. The designated Regent for the Chief Compliance Officer is the Chair of the Committee on Compliance and Audit.

For Principal Officers of the Regents reporting to both the Board of Regents and the President, the incumbent will complete a self-assessment and provide it to the President and to the Chair of the Board. Upon receipt of the Principal Officer’s self-assessment, the President will review the self-assessment and conduct a preliminary overall performance assessment. The Chair of the Board, in consultation with other appropriate Regents, will also review the self-assessment and conduct a separate preliminary overall performance assessment, which will include assessment of the Principal Officer’s independence from the Office of the President, where necessary, and the Principal Officer’s fulfillment of reporting obligations to the Board. Upon completion of the preliminary assessments, the Chair of the Board and the President shall meet to develop agreement on an overall assessment and then both shall meet with the Principal Officer to provide that assessment to him or her.

Goals and objectives will be established for each employee holding a position which has been designated as a participant at the commencement of or during the performance period. Goals and objectives are to clarify and delineate accountability, create opportunity for the individual to add value to the work of the unit and/or campuses, be aligned with higher level objectives and strategies established by University leadership, and encourage growth and development of the individual. Performance will be measured relative to the attainment of the stated goals and objectives, and significant accomplishments related to the strategic goals and objectives of the University.

C. Annual Performance Review Standards and Competencies

Standards and competencies will be incorporated into the annual performance management and review process to measure performance in such areas as vision, leadership, people management, creativity and innovation, interpersonal and communication skills, work productivity and quality, resource management and financial budget, diversity, client service, health service, and principles of community. An SMG member with dual reporting responsibilities (General Counsel, Chief Compliance and Audit Officer, and Chief Investment Officer) shall also be evaluated on his or her
independence from the Office of the President with respect to audits or investigations of the Office of the President; oversight over legal risks concerning the Office of the President; and reporting relationship with the Board.

Standards and competencies incorporated into the annual performance management and review process for SMG members with dual reporting responsibilities must include compliance with University policies. Failure to comply with University policies may affect the employee’s performance rating and shall be handled in accordance with the Regents’ Guidelines for Corrective Actions Related to Compensation Practices and Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews.

D. Standardized Overall Performance Rating

To provide a standard University-wide format and rating system for Senior Management Group members, the following scale will be incorporated into the review:

Overall Performance Rating:
- Exceptional Performance is significant overachievement of expectations. A performance rating of “Exceptional Performance” shall not be given if the Senior Management Group employee fails to materially comply with University policies.

- Above Expectations Performance is often beyond expectations. A performance rating of “Above Expectations Performance” shall not be given if the Senior Management Group employee fails to materially comply with University policies.

- Satisfactory Performance consistently fulfills expectations, including but not limited to the expectation of material compliance with University policies. A performance rating of “Satisfactory Performance” shall not be given if the Senior Management Group employee fails to materially comply with University policies.

- Improvement Needed Performance is inconsistent performance, with expectations, including but not limited to the expectation of material compliance with UC policies, only partially achieved. Deficiencies should be addressed in the performance appraisal.
- Unsatisfactory Performance is the failure to achieve the majority of expectations. Deficiencies should be addressed in the performance appraisal.

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AMENDMENT OF BYLAW 23 – OFFICERS OF THE CORPORATION

Additions shown by underscoring; deletions shown by strikethrough

23. OFFICERS OF THE CORPORATION

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23.2 Appointment and Qualifications

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(c) **Principal Officers**
The Principal Officers each shall be appointed by the Board on the occurrence of a vacancy and shall continue in service at the pleasure of the Board. Each of the Principal Officers other than the Secretary and Chief of Staff, in addition to serving as Principal Officers, shall serve as Officers of the University. None of the Principal Officers shall be Regents.

Appointment (including temporary appointment or acting or interim status) of the General Counsel, the Chief Compliance and Audit Officer and the Chief Investment Officer, shall be voted by the Board upon joint recommendation of the Chair of the Board and the President of the University, following consultation with an appropriate Standing Committee or Subcommittee of the Board, as determined jointly by the Chair of the Board and the President, or with a special committee established for that purpose.

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23.3 Removal

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(c) **Principal Officers**
Principal Officers may be removed from their positions as Principal Officers, and as Officers of the University, only on the affirmative vote of a majority of the Regents then in office.

Action to demote or dismiss the General Counsel shall be taken only upon recommendation of either the Chair of the Board or the President of the University. Action to demote or dismiss the Chief Compliance and Audit Officer shall be taken only upon recommendation of the Chair of the Board or the President of the University, in consultation with the Chair of the Compliance and Audit Committee. Action to demote or dismiss the Chief Investment Officer shall be taken only upon recommendation of the Chair of the Board or the President of the University, in consultation with the Chair of the Investments Subcommittee.
REGENTS POLICY ON APPOINTMENT AND COMPENSATION OF OFFICERS OF THE REGENTS WITH DUAL REPORTING OBLIGATIONS TO THE BOARD OF REGENTS AND TO THE PRESIDENT OF THE UNIVERSITY

POLICY SUMMARY/BACKGROUND

In response to the independent fact-finding review of the Office of the President’s handling of campus survey responses to the State Auditor, the Regents reviewed their governing documents and hereby adopt revisions that are intended to clarify and strengthen the independence of those officers with a dual reporting relationship to the Board of Regents and to the President of the University.

POLICY TEXT

A. Appointment

In accordance with Bylaw 23.2 (c) appointment (including temporary appointment or acting or interim status) of the General Counsel, the Chief Compliance and Audit Officer and the Chief Investment Officer, shall be voted by the Board upon joint recommendation of the Chair of the Board and the President of the University, following consultation with an appropriate Standing Committee or Subcommittee Chair, as determined jointly by the Chair of the Board and the President, or with a search committee established for that purpose.

Any search committee established for the purpose of searching for and/or recommending selection of the General Counsel must include, at a minimum, the Chair of the Board, the Vice Chair of the Board, the President of the University, and two additional Regents. Any search committee established for the purpose of searching for and/or recommending selection of the Chief Compliance and Audit Officer must include, at a minimum, the Chair of the Board and the Chair of the Compliance and Audit Committee. Any search committee established for the purpose of searching for and/or recommending selection of the Chief Investment Officer must include, at a minimum, the Chair of the Board and the Chair of the Investments Subcommittee. The appointment of the General Counsel, the Chief Compliance and Audit Officer and the Chief Investment Officer requires the recommendation of the Chair of the Board and the President of University and the approval of the Board.

B. Compensation

1. The appointment compensation of the General Counsel shall be determined by the Board upon the joint recommendation of the Chair of the Board and the President of the University. Any increase or decrease in base salary shall require the joint recommendation of the Chair of the Board and the President and the approval of the Regents.
2. The appointment compensation of the Chief Audit and Compliance Officer shall be determined by the Board upon the joint recommendation of the Chair of the Board and the President of the University, in consultation with the Chair of the Compliance and Audit Committee. Any increase or decrease in base salary shall require the joint recommendation of the President and the Chair of the Board, in consultation with the Chair of the Compliance and Audit Committee and the approval of the Regents.

3. The appointment compensation of the Chief Investment Officer shall be determined by the Board upon the joint recommendation of the Chair of the Board and the President of the University, in consultation with the Chair of the Investments Subcommittee. Any increase or decrease in base salary requires the joint recommendation of the Chair of the Board and the President, in consultation with the Chair of the Investments Subcommittee and the approval of the Regents.
## Attachment 8: Proposed Market Reference Zones

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<td>Chief Operating Officer</td>
<td>Canotta</td>
<td>$600.0</td>
<td>UCI</td>
<td>$381.5</td>
<td>$504.6</td>
<td>$559.7</td>
<td>$592.3</td>
<td>$752.4</td>
</tr>
</tbody>
</table>
## Attachment 8: Proposed Market Reference Zones

<table>
<thead>
<tr>
<th>Title</th>
<th>Incumbent Data as of December 1, 2017</th>
<th>Entity</th>
<th>Market Base Salary Data Effective July 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name</td>
<td>Salary</td>
<td>Name</td>
</tr>
<tr>
<td>CNOs</td>
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</tr>
<tr>
<td>Chief Nursing Officer and Assistant Dean in the School of Nursing</td>
<td>Ormley</td>
<td>$391.4</td>
<td>UCLA</td>
</tr>
<tr>
<td>Chief Nursing Officer</td>
<td>Marsh</td>
<td>$358.4</td>
<td>UCD</td>
</tr>
<tr>
<td>Chief Nursing Officer</td>
<td>Patton</td>
<td>$315.0</td>
<td>UCI</td>
</tr>
<tr>
<td>CMOs</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>EVP, Physician Services and Vice Dean-Clinical Affairs</td>
<td>Adler</td>
<td>$548.9</td>
<td>UCSF</td>
</tr>
<tr>
<td>Chief Medical Officer</td>
<td>York</td>
<td>$546.8</td>
<td>UCD</td>
</tr>
<tr>
<td>Chief Medical Officer</td>
<td>Scoccia</td>
<td>$454.0</td>
<td>UCSF</td>
</tr>
<tr>
<td>Chief Medical Officer</td>
<td>Wilson</td>
<td>$470.0</td>
<td>UCI</td>
</tr>
<tr>
<td>CIOs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>Vincent</td>
<td>$0.0</td>
<td>UCD</td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>Podesta</td>
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<td>UCI</td>
</tr>
<tr>
<td>CFOs</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Strickland</td>
<td>$738.0</td>
<td>UCSF</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Staton</td>
<td>$662.9</td>
<td>UCL</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Sill</td>
<td>$574.8</td>
<td>UCI</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Maurice</td>
<td>$466.0</td>
<td>UCD</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Donaldson</td>
<td>$373.0</td>
<td>UCSF</td>
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</tbody>
</table>
# Proposed Market Reference Zones

<table>
<thead>
<tr>
<th>Title</th>
<th>Incumbent Data as of December 1, 2017</th>
<th>Entity</th>
<th>Market Base Salary Data Effective July 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Name</td>
<td>Salary</td>
<td>P25</td>
</tr>
<tr>
<td><strong>UCOP</strong></td>
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</tr>
<tr>
<td>Associate VP, Chief Medical Officer - Self Insured Plans</td>
<td>Lucas</td>
<td>$346.8</td>
<td>$290.3</td>
</tr>
<tr>
<td>Medical Director, Student Health Insurance Plan</td>
<td>Buchman</td>
<td>$367.9</td>
<td>$203.6</td>
</tr>
<tr>
<td>Associate VP, UC Health</td>
<td>Nation</td>
<td>$269.7</td>
<td>$174.9</td>
</tr>
<tr>
<td>Associate VP, Chief Strategy Officer, UC Health</td>
<td>Engel</td>
<td>$365.0</td>
<td>$384.0</td>
</tr>
<tr>
<td>Chief Legal Counsel for Health Services</td>
<td>Nosowalsky</td>
<td>$303.6</td>
<td>$412.6</td>
</tr>
<tr>
<td>Chief Procurement Officer</td>
<td>Vacant</td>
<td>$0.0</td>
<td>$281.7</td>
</tr>
<tr>
<td>Chief Transportation Officer</td>
<td>Vacant</td>
<td>$0.0</td>
<td>$361.0</td>
</tr>
<tr>
<td><strong>Other Roles</strong></td>
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<tr>
<td>SVP, Clinical Practice and Ambulatory Care</td>
<td>Vacant</td>
<td>$0.0</td>
<td>$295.1</td>
</tr>
<tr>
<td>SVP UCSF Health Affairs</td>
<td>Vacant</td>
<td>$0.0</td>
<td>$389.5</td>
</tr>
<tr>
<td>SVP, Adult Services/President-UCSFMC</td>
<td>Antram</td>
<td>$697.0</td>
<td>$504.5</td>
</tr>
<tr>
<td>SVP, Children’s Services/President of Benioff Children’s Hospital</td>
<td>Anderson</td>
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<td>$625.2</td>
</tr>
<tr>
<td>Chief Clinical Officer</td>
<td>Biggert</td>
<td>$390.1</td>
<td>$280.3</td>
</tr>
<tr>
<td>VC, Business Development, Innovation and Partnerships</td>
<td>Seldick</td>
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</tr>
<tr>
<td>Chief Administrative Officer, Santa Monica</td>
<td>Watkins</td>
<td>$404.7</td>
<td>$304.0</td>
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