GOVERNANCE AND COMPENSATION COMMITTEE
May 24, 2018

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. AMENDMENT OF BYLAWS AND CERTAIN COMMITTEE CHARTERS REGARDING THE GOVERNANCE AND COMPENSATION COMMITTEE AND THE INVESTMENTS SUBCOMMITTEE

A. Contingent on approval by the Finance and Capital Strategies Committee, the Committee recommends that the Governance and Compensation Committee establish a Compensation and Personnel Subcommittee of the Finance and Capital Strategies Committee.

B. The Committee recommends to the Regents that:

(1) Following service of appropriate notice, the Bylaws of the Regents of the University of California be amended as shown in Attachment 1.

(2) The Charter of the Governance and Compensation Committee be amended as shown in Attachment 2, effective upon final approval of the Bylaw amendments in paragraph (1).

(3) The Charter of the Finance and Capital Strategies Committee be amended as shown in Attachment 3, effective upon final approval of the Bylaw amendments in paragraph (1).

(4) The Charter of the Health Services Committee be amended as shown in Attachment 4, effective upon final approval of the Bylaw amendments in paragraph (1).

(5) The Charter of the Investments Committee as shown in Attachment 5 be adopted, effective upon final approval of the Bylaw amendments in paragraph (1).

Committee vote: Regents Kieffer, Lansing, Makarechian, Napolitano, Sherman, and Zettel voting “aye,” and Regents Elliott and Ortiz Oakley voting “no.”

Board vote: Regents Anguiano, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Sherman, Tauscher, and Zettel voting “aye,” and Regent Elliott voting “no.”

2. AMENDMENT OF REGENTS POLICY 1203: POLICY ON EMERITUS TITLE FOR FORMER REGENTS, SENIOR LEADERSHIP, AND STAFF AND RESCISSION OF STANDING ORDER 103.5
The Committee recommends that the Regents:

A. Amend the Policy on Emeritus Title for Former Regents, Senior Leadership, and Staff, as shown in Attachment 7, with new policy language, the Policy on Emerita/Emeritus Title Suffix, as shown in Attachment 6.

B. Following service of appropriate notice, rescind Standing Order 103.5, as shown in Attachment 8.

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

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Sherman, Tauscher, and Zettel voting “aye.”

3. AMENDMENT OF SCHEDULE OF REPORTS TO THE REGENTS

The Committee recommends to the Regents that the Schedule of Reports be amended, as shown in Attachment 9.

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

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Sherman, Tauscher, and Zettel voting “aye.”

4. APPOINTMENT OF ADVISORY MEMBER TO THE HEALTH SERVICES COMMITTEE

The Committee recommends to the Regents that Timothy Goldfarb be appointed as an Advisory Member to the Health Services Committee for the year commencing July 1, 2018.

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

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Sherman, Tauscher, and Zettel voting “aye.”

5. RECOMMENDATIONS FOR ELECTION OF OFFICERS AND APPOINTMENTS TO STANDING COMMITTEES AND SUBCOMMITTEES FOR 2018-19

A. The Committee recommends to the Regents the following appointments of Board officers and Standing Committee Chairs, Vice Chairs and members for 2018-19 be approved:
(1) Regent George Kieffer be elected Chair of the Board of Regents for the year commencing July 1, 2018.

(2) Regent John A. Pérez be elected Vice Chair of the Board of Regents for the year commencing July 1, 2018.

(3) Standing Committee Chairs, Vice Chairs and members, including non-voting advisory members, be appointed for the year commencing July 1, 2018 as shown in Attachment 10.

B. The Chair of the Academic and Student Affairs Committee recommends that the Governance and Compensation Committee appoint the following members of the Academic and Student Affairs Committee to the National Laboratories Subcommittee: Regents Tauscher (Chair), Zettel (Vice Chair), Morimoto, Napolitano, Newsom, and Oakley; and as non-voting advisory members Chancellors Block, Christ, and Yang for the year commencing July 1, 2018, contingent upon their appointment to the Academic and Student Affairs Committee.

C. The Chair of the Finance and Capital Strategies Committee recommends that the Governance and Compensation Committee appoint the following members of the Finance and Capital Strategies Committee to the Investments Subcommittee: Regents Sherman (Chair), Anguiano (Vice Chair), Anderson, and Park; and as non-voting advisory members Chancellors Hawgood and Khosla, contingent upon their appointment to the Finance and Capital Strategies Committee.

Committee vote: Regents Elliott, Kieffer, Lansing, Makarechian, Ortíz Oakley, Pérez, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancia, Monge, Napolitano, Newsom, Ortíz Oakley, Park, Sherman, Tauscher, and Zettel voting “aye.”
Bylaws of the Regents of the University of California

21. Duties and Requirements
Each member of the Board (“Regent”) shall be subject to the duties and requirements specified below.

21.11 Breach of Conduct
Upon recommendation of the Governance and Compensation Personnel Committee, the Board shall adopt procedures to consider any allegation that a Regent, Committee member, Regent-Designate or advisor to a Board Committee has not fulfilled their duties as set forth in University Bylaws, policy or applicable law, and to implement appropriate response(s) when such allegation is found to have merit.

23. Officers of the Corporation

23.1 Designation
The persons holding the following offices shall serve as Officers of the Corporation: the President of the Board; the Chair of the Board; the Vice Chair of the Board; and the following officials, who, collectively, shall be known as the Principal Officers of the Regents (“Principal Officers”): the Secretary and Chief of Staff, the General Counsel; the Chief Compliance and Audit Officer, and the Chief Investment Officer. Officers of the Corporation also shall include those persons who have been recommended by a Principal Officer of the Regents and approved by the Board (“Principal Officer Delegates”).

23.2 Appointment and Qualifications

(a) President of Board
The President of the Board is the Governor of the State of California, and serves in that Board position as President in an ex officio capacity.
(b) **Chair and Vice Chair of Board**

The Chair of the Board and Vice Chair of the Board shall be appointed to their respective positions by election of the Regents in accordance with procedures set forth in the charter of the Governance and Compensation Personnel Committee. No Regent may serve consecutively in the position of Chair or in the position of Vice Chair for more than two terms. Terms shall commence on July 1 and shall continue for one year.

(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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23.4 **Authority and Duties of Board Officers**

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(d) **Inability to Act**

During any period that an officer of the Board is unable to perform the duties assigned under these bylaws, the next officer or member in order of precedence shall perform those duties. For these purposes, the order of precedence is as follows: President of the Board; Chair of the Board; Vice Chair of the Board; Chair of the Governance and Compensation Committee; the Vice Chair of the Governance and Compensation Committee; the next most senior member of the Governance and Compensation Personnel Committee, as determined by seniority, appointment date.

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24. Standing Committees

24.2 Committee Charters
Each Standing Committee shall operate in accordance with a committee charter that shall set forth the purpose and primary responsibilities of the committee. The charter shall be approved by the Board, on recommendation of the Governance and Compensation Personnel Committee. The charters for each of the Standing Committees identified below in paragraph 24.3 are attached as appendices to these Bylaws. In the case of any conflict between the terms of a Committee Charter with these Bylaws, the terms of these Bylaws shall control.

24.3 Designation of Standing Committees
The following Standing committees are hereby established and shall provide strategic direction and oversight on matters within their respective areas of responsibility, as described below and in the Committee Charters (attached to these Bylaws as appendices):

(c) The Finance and Capital Strategies and Compensation Committee
The Finance and Capital Strategies and Compensation Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University’s fiscal and financial affairs, business operations, land use, and capital facilities and strategies, employee compensation and compensation benchmarks. (See Appendix C)

(d) The Governance and Compensation Personnel Committee
The Governance and Compensation Personnel Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the organization and management of the Board, on matters pertaining to the appointment and performance evaluation of the University’s senior leadership, the Principal Officers and the President of the University, and personnel policies, and on matters pertaining to the development, review and amendment of employee compensation and benefits programs and policies. (See Appendix D)

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(e) **The Health Services Committee**

The Health Services Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University’s schools of health, academic medical centers, health systems, clinics and student health and counseling centers (“UC Health”). (See Appendix E)

(f) **The Investments Committee**

The Investments Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to investment strategy and operations, and pertaining to the review and reporting of investment results. (See Appendix E)

(g) **The Public Engagement and Development Committee**

The Public Engagement and Development Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University’s engagement with key constituents, fundraising, and the development of effective advocacy programs for University stakeholders. (See Appendix F-G)

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24.5 **Appointment**

Unless otherwise specified in a Committee Charter, the members (except for ex officio members) of a Standing Committee, and those chosen to serve as Chair and Vice Chair, shall be nominated by the Governance and Compensation Personnel Committee, and approved by the Board. The Chair of the Board shall not also concurrently serve as the Chair of any Standing Committee, except the Chair of the Board shall serve as Chair of the Governance Committee. Candidates for the Chancellor position(s) on Standing Committees, and any other proposed advisory member candidates, shall be forwarded for consideration to the Governance and Compensation Personnel Committee by the President of the University. Vacancies of members shall be filled in the same manner, to serve the unexpired term created by the vacancy.
24.6 **Term**

Unless otherwise specified in a committee charter, voting members of Standing Committees, other than ex officio members, shall be appointed for a term of one year. No Regent may serve consecutively in the position of Committee Chair or in the position of Committee Vice Chair for more than four terms. Advisory members may serve for such terms as recommended by the Governance and **Compensation Personnel** Committee, and approved by the Board, and shall not be subject to any term limits.

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24.10 **Committee Charter Amendments**

The charter of a Standing Committee may be amended by majority vote of the Board. Portions of Committee Charters that pertain to the establishment and roles of a Subcommittee may be amended by the Governance and **Compensation Personnel** Committee, except that any delegation of authority to a Subcommittee or change in plenary authority delegated to a Subcommittee shall be approved by the Board.

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25. **Subcommittees**

25.1 **Establishment**

A Standing Committee may seek to establish one or more subcommittees to assist in the effective conduct of its business. A subcommittee shall be formed, following a recommendation of a Standing Committee, on approval by the Governance and **Compensation Personnel** Committee of a Subcommittee Charter, which shall be incorporated into the charter of the related Standing Committee.

25.2 **Authority**

The authority of a Subcommittee shall be no greater in scope than the responsibilities assigned, and the authority delegated, to the related Standing Committee. Any delegation of plenary authority to a Subcommittee, and any change in such authority so delegated, shall require the approval of the Board, on recommendation of the Governance and **Compensation Personnel** Committee. Except for matters handled under plenary authority and except as otherwise specified in a Subcommittee charter, the work of the Subcommittee shall be advisory to the related Standing Committee.
25.3 Membership
Unless otherwise specified in its charter, a Subcommittee shall consist of no fewer than three Regents, all of whom must be members of the related Standing Committee. The Chair of the related Standing Committee shall serve ex officio as an additional member of the Subcommittee. Subcommittees may include advisory members of the related Standing Committee (including Chancellors) with expertise relevant to the work of the Subcommittee. Subcommittees may also include additional advisory members with expertise relevant to the work of the Subcommittee, who shall be forwarded for consideration to Chair of the related Standing Committee by the President of the University.

25.4 Appointment
Except for the ex officio member, all members of a Subcommittee, and those chosen to serve as Chair and Vice Chair, shall be approved by the Governance and Compensation Personnel Committee, following a recommendation by the Chair of the related Standing Committee.

25.5 Term
Unless otherwise specified in a subcommittee charter, voting members of Subcommittees, other than the ex officio member, shall be appointed for a term of one year. No Regent may serve consecutively in the position of Subcommittee Chair or in the position of Subcommittee Vice Chair for more than four terms. Advisory members may serve for such terms as determined by the Board or the Governance and Compensation Personnel Committee, in consultation with the Chair of the related Standing Committee, and shall not be subject to any term limits. Notwithstanding the foregoing, no voting members of a Subcommittee shall serve beyond their term on the related Standing Committee.

25.6 Voting and Quorum
Only the Regent members of a Subcommittee may vote on Subcommittee business. Advisory members (including Chancellors) may participate in all respects on matters brought before the Subcommittee, except voting. A quorum of a Subcommittee shall be three Regent members.

25.7 Subcommittee Charter Amendments
Except as provided in Paragraph 25.2 above, the portions of a Committee Charter governing the Subcommittee may be amended on approval of the Governance and Compensation Personnel Committee, following a recommendation by the related Standing Committee.
26 Special Committees

26.1 Establishment and Authority
The Board may establish Special Committees to assist in the effective conduct of its business. A Special Committee shall be formed on approval by the Board of a Special Committee charter, following the recommendation of the Governance and Compensation Personnel Committee. Without limiting the discretion of the Board, Special Committees will be established for purposes of providing more focused review and analysis of a specific issue or event, and will be established for a limited duration determined at the time of formation. Unless the Special Committee charter provides otherwise, the provisions of Sections 24.1 through 24.12 shall apply to all Special Committees.
Appendix D - Charter of the Governance and Compensation Personnel Committee

A. Purpose. The Governance and Compensation Personnel Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the organization and management of the Board, and pertaining to the appointment and compensation and performance evaluation of the President of the University’s and the Principal Officers of the Regents and personnel policies, senior leadership, and pertaining to the development, review and amendment of employee compensation and benefits programs and policies.

B. Membership and Terms of Service. The Committee shall consist of the President of the Board, the Chair and Vice Chair of the Board, the President of the University, and the Chairs of the Standing Committees. The Chair of the Board shall be the Chair of the Committee, and other Regents, appointed by the Chair of the Board, no later than March of each year for the ensuing year.

C. Consent Responsibilities and Delegated Authority. The Committee may establish a Subcommittee of a Standing Committee upon recommendation of that Standing Committee and shall appoint the members of the Subcommittee upon recommendation of the Chair of the related Standing Committee. The Committee may amend the portions of a Committee Charter governing the Subcommittee, following a recommendation by the related Standing Committee, provided that any change in plenary authority delegated to a Subcommittee shall require the approval of the Board, on recommendation of the Governance Committee. The Committee shall be charged with recommending action on the following matters, which, on approval, shall be placed on the consent agenda of the Board for approval without discussion, unless removed from the consent agenda by motion of any member for separate consideration:

- the formation of Subcommittees
- the appointment of Subcommittee members
- those portions of a Committee Charter governing a Subcommittee, provided however that any additions or other changes to the authority delegated to a subcommittee shall be considered and acted upon by the Board in a separate item apart from the consent agenda.

D. Board Leadership and Committee Assignments. The Committee shall be responsible for presenting to the Board no later than May of each fiscal year a slate of candidates for
Chair and Vice Chair of the Board, Chair and Vice Chair of each Standing Committee (other than the Governance and Personnel Committee), and the remaining members of each Standing Committee (except the Governance and Compensation Committee, whose members are selected by the Chair of the Board), for the following fiscal year.

E. 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:

- Review and amendment of the University’s Bylaws, Regents Policies and other governing documents
- Formation and organization of the Board’s Standing Committees, subcommittees and special committees, and development of committee charters
- Appointments in Board leadership or on Board committees
- Review and oversight of the Board code of conduct and other Board policies
- Oversight of member compliance with laws, regulations and University policy
- Development of Board training and performance assessment programs
- Development of Board meeting and other processes
- Appointment and performance evaluation assessment of the President of the University senior leadership and the Principal Officers of the Regents, in accordance with University policy
- Review of University personnel policies
- Approval of senior executive compensation, in accordance with University policy
- Development of University compensation and benefit plans and programs
- Development of compensation benchmarks and other tools to assess the efficiency and competitiveness of the University’s compensation and benefits plans and programs
- Oversight of University collective bargaining practices
- Assuring that appropriate subject matter expertise is available to the Board and its Committees
- Recommending to the Board procedures to consider any allegation that a Regent, Committee member, Regent Designate or advisor to a Board Committee has not fulfilled their duties as set forth in University Bylaws, policy or applicable law; to implement appropriate response(s) when such allegation is found to have merit, and to determine levels of authority to act on such matters.

The assignment of responsibility to this Standing Committee under Paragraphs C and E 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, to the Board or to any other Committee.
F. Consultation With Other Committee Chairs on Compensation Matters. The Governance and Compensation Committee shall consult with the Chairs of other Standing Committees or Subcommittees, as appropriate, in making determinations and recommendations regarding the appointment and compensation of employees within the jurisdiction of those other committees.
Appendix C - Charter of the Finance, and Capital Strategies and Compensation Committee

A. **Purpose.** The Finance, and Capital Strategies and Compensation Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University’s fiscal and financial affairs, business operations, land use, capital facilities and strategies, compensation and compensation benchmarks.

B. **Membership/Terms of Service.** The identity, appointment and terms of service of Committee members shall be as specified in Bylaws 24.4 through 24.6.

C. **Delegated Authority.** The benchmarking framework for the Health MRZs shall be reviewed and approved by the Health Services Committee and the Finance, Capital Strategies and Compensation Committee at least every two (2) years.

C. **Consent Responsibilities.** The Committee shall be charged with recommending action on the following matters which, on approval, shall be placed on the consent agenda of the Board for approval without discussion, unless removed from the consent agenda by motion of any Regent for separate consideration.

- Determination of asset classes (exercised through the Investments Subcommittee)
- Asset and risk allocation policy (exercised through the Investments Subcommittee)
- Selection of benchmarks (exercised through the Investments Subcommittee)

D. **Other Oversight Responsibilities.** In addition to the consent responsibilities assigned to the Committee described above, and to the extent not otherwise within such authority, 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:

- Annual financial statements
- Expenditures and appropriation of funds
- Cash management
- Bank accounts and banking relationships
- External financing
- Capital Financial Plans (e.g. 10 Year Capital Financial Plan)
- Capital planning and capital budget requests
- University Budget and planning
- State Budget requests
- Review of operating and capital budgets on a campus by campus basis
- Indirect cost recovery
The assignment of responsibilities 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.

E. Consultation with Other Committees. The Committee shall consult with the Chair of the National Laboratories Subcommittee in advance of, or concurrent with, consideration, recommendation, or approval, of projects of strategic importance to the National Laboratories. The Committee shall consult with the Health Services Committee on plans for improvements and capital improvement requests involving UC Health or any of its components prior to or concurrent with consideration, recommendation, or approval by the Finance and Capital Strategies Committee. This requirement applies only to those capital projects that are related to patient care or research, or are otherwise of strategic importance to UC Health.

The Finance, Capital Strategies and Compensation Committee shall consult with the Chairs of other Standing Committees or Subcommittees, as appropriate, in making determinations and recommendations regarding the appointment and compensation of employees within the jurisdiction of those committees.

F. Investments Subcommittee. The Committee hereby establishes the Investments Subcommittee to assist the Committee in discharging its oversight responsibilities with regard
to University investments. The duties and responsibilities of the Subcommittee are set forth as follows.

1. **Purpose.** In support of the Finance and Capital Strategies Committee (the “related Standing Committee”), the Investments Subcommittee shall consider, make recommendations, and act pursuant to consent responsibilities on matters pertaining to University investment strategy and operations, and pertaining to the review and reporting of investment results.

2. **Membership/Terms of Service.** The identity, appointment, and terms of service of Subcommittee members shall be as specified in Bylaws 25.3 through 25.5.

3. **Special Requirements for Members/Advisors.** Except as specifically provided in this Charter, neither the Subcommittee nor any of its members or advisors shall direct or attempt to direct the University’s internal or external investment managers with regard to the selection of specific investments, specific funds or specific investment managers. The role and authority of such members and advisors shall be limited to providing general direction through policy and to monitoring and reporting investment results.

4. **Subcommittee consent Responsibilities.** Unless otherwise specified in the Committee Charter, the Subcommittee shall be charged with recommending action on the following matters which, on approval, shall be placed on the consent agenda of the Board, on the terms specified in section C, above, as though approved by the Standing Committee, unless any Regent requests that the matter be taken up for discussion and/or action by the Standing Committee. Unless otherwise specified, any approval authority for these matters that falls outside parameters expressly reserved to the Board or a Committee is delegated to the President or the Chief Investment Officer, within their respective jurisdictions.
   - Determination of asset classes
   - Asset and risk allocation policy
   - Selection of benchmarks

5. **Other Oversight Responsibilities.** In addition to the responsibilities assigned to the Subcommittee described above, and to the extent not otherwise within such responsibilities, the charge of the Subcommittee shall include reviewing and making recommendations to the related Standing Committee with regard to the following matters and/or with regard to the following areas of the University’s business:
   - Investment policy and strategy
   - Physical asset management (e.g., real estate held as investments)
   - Investment accounts/custodian relationships
   - Retirement system investments
   - Endowment funds investments
   - Short term and liquidity investments
   - Investment operations
   - Investment results and reporting
   - Endowment administration cost recovery
Endowment total return expenditure
Campus Foundations investment reporting

6. Expert Advisors. The Subcommittee shall have the authority to retain independent investment experts and advisors, as necessary to conduct the business of the Subcommittee. The Subcommittee shall include at least three and no more than five non-voting advisory members (in addition to Chancellors) with expertise relevant to the work of the Subcommittee. One advisory member shall be a represented employee of the University of California with expertise in investments and one shall be from a campus foundation. Any advisors not otherwise subject to University policy, shall be subject to the laws and policies applicable to Regents governing compensation and reimbursement of expenses, and shall be subject to conflict of interest disclosure and recusal obligations as specified in the University’s Conflict of Interest Code and other applicable policies.

7. Reporting. In addition to the reports required under Bylaw 25.8, the Subcommittee shall report to the related Standing Committee any material developments in the University’s investments operation and in the University’s investment portfolio.
Appendix E - Charter of the Health Services Committee

A. **Purpose.** The Health Services Committee shall provide strategic direction and oversight, make recommendations to the Board, and take action pursuant to delegated authority, on matters pertaining to the University’s health professions schools, academic health centers, health systems, non-hospital clinics and student health and counseling centers (“UC Health”).

B. **Membership.** The Committee shall consist of sixteen members, constituted as follows:

- The President of the Board, serving in an ex officio capacity
- The Chair of the Board, serving in an ex officio capacity
- The President of the University, serving in an ex officio capacity
- A member of the Regents Finance and Capital Strategies and Compensation Committee
- A member of the Regents Governance and Compensation Personnel Committee
- Three other Regents
- The senior executive in the Office of the President charged with overseeing UC Health, serving in an ex officio capacity
- Two Chancellors of University of California campuses
- One member in good standing of the Academic Senate, holding a clinical appointment at one of the University’s schools of medicine
- Four additional advisory members, demonstrating expertise in health care delivery management, academic health services, health care mergers and acquisitions or other relevant expertise

C. **Appointment.** Except for ex officio members, all members of the Committee, and those chosen to serve as Chair and Vice Chair, shall be nominated by the Governance and Compensation Personnel Committee, and approved by the Board. Candidates for the Chancellor, Academic Senate, and Advisory Member positions on the Committee shall be forwarded for consideration to the Governance and Compensation Personnel Committee by the President of the University.

D. **Term.** Unless otherwise specified by action of the Board, voting members of the Committee, other than ex officio members, shall be appointed for a term of one year. Advisory members may serve for such terms as recommended by the Governance and Compensation Personnel Committee, and approved by the Board, and shall not be subject to any term limits.

E. **Voting and Quorum.** Only the Regent members of the Committee shall be permitted to vote on Committee business. Nonvoting members may be permitted to participate in all
respects on matters brought before the Committee, except for participating in the vote. A quorum of the Committee shall be four Regent members.

F. Special Requirements for Chancellors/Advisory Members. A Chancellor member of the Committee shall be permitted to participate on a matter primarily affecting or benefitting their campus only to the extent of presenting or assisting in the presentation of the matter to the Committee, and shall not otherwise participate in the Committee’s deliberations. This limitation shall not apply when the matter is expected to affect or benefit all or substantially all UC Health campuses.

G. Delegated Authority Over Transactions.

1. General Delegation: Subject to the limitations and other requirements specified below, the Committee shall have plenary authority to approve the following UC Health business transactions, which, on approval, shall require no further action or authorization from the Board or any other committee:
   - alliances and affiliations involving University financial commitments, use of the University’s name, research resources, and the University’s reputation;
   - acquisitions of physician practices, hospitals and other facilities and clinics and ancillary services providers;
   - participation or membership in joint ventures, partnerships, corporations or other business entities; and
   - other business transactions primarily arising from or serving the programs or services of UC Health.

2. Further Delegation: With review and approval of the Chair or Vice Chair of the Health Services Committee, the President may approve any UC Health transaction that can reasonably be anticipated to commit or generate no more than the lesser of (i) 1.5% of the relevant Medical Center’s annual operating revenue for the previous fiscal year, or (ii) $25 million and when combined with other transactions approved by the President for a particular Health Center in the current fiscal year, would reasonably be anticipated to commit or generate no more than the lesser of (i) 3% of the relevant Health Center’s annual operating revenue for the previous fiscal year, or (ii) $50 million; nor to any transaction involving more than one Medical Center.

3. Exclusions From Delegations:
   - When a transaction is predominantly (by revenue committed or generated) a real estate transaction; or
   - when a transaction includes issuance of debt; or
   - when a transaction is anticipated to generate or commit more than 3% of the annual operating revenue of the sponsoring health center(s), as reflected in the audited financial statement(s) for the most recent fiscal year; or
• when a transaction, when combined with the value of other transactions approved by the Committee in the current fiscal year, reasonably is anticipated to generate or commit more than 5% of the annual operating revenue of the sponsoring health center(s), as reflected in the audited financial statements for the most recent fiscal year.

H. Delegated Authority Over Appointments and Compensation.

1. When the appointment of or compensation for an employee serving UC Health or any of its components, whose compensation is paid solely from sources other than State general fund support to the University, otherwise requires approval from the Regents or a Committee of the Regents, the Health Services Committee may review and approve such appointment and/or compensation without further Regents action.

2. The Committee shall develop a benchmarking framework for use in evaluating compensation proposals that may be approved under the authority delegated in paragraph H(1). The benchmarking framework shall identify peer institutions against which UC Health competes for high level positions and identify external salary data for positions comparable to those that may be approved by the Committee. The benchmarking framework shall be reviewed and approved by the Health Services Committee and the Governance and Finance, Capital Strategies and Compensation Committee at least every two (2) years.

I. Other Oversight Responsibilities. In addition to the authority described above, the Committee may review and make recommendations with regard to the following matters and/or with regard to the following areas of the University’s business:

• The general operation of UC Health
• Functions and operations of the governing body of each of the academic health centers
• Systemwide or regional UC Health initiatives
• Patient care and the cost, quality and accessibility of service
• Development of health system performance dashboards
• Strategic plans and budgets for UC Health
• Issuance of debt that may affect UC Health clinical strategy
• Real estate transactions that may affect UC Health clinical strategy
• Capital improvements that may affect UC Health clinical strategy
  o The Health Services Committee shall consider proposals for plans for improvements and capital improvement requests involving UC Health or any of its components prior to or concurrent with consideration, recommendation, or approval by the Finance and Capital Strategies and Compensation Committee.
This requirement applies only to those capital projects that are related to patient care or research, or are otherwise of strategic importance to UC Health.

- Health system acquisitions, affiliations and alliances (for matters not covered by the Committee’s delegated authority)
- Health system procurement
- Health system appointments and compensation (for matters not covered by the Committee’s delegated authority)
- Health system incentive compensation programs
- Participation in government health care programs and contracts with private health plans
- University health benefits self-insurance programs under UC Health (e.g., UC Care)
- Health information privacy, security and data protection
- Regulatory compliance
- All other matters significantly affecting UC Health

The delegation and assignment of responsibilities to this Standing Committee under Paragraphs G through I 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, to the Board or to any other Committee.

J. Administrative Committees. Notwithstanding any other University policy, the Regent members of the Committee shall be permitted to serve on committees or work groups established by the President of the University or other University administrators for the conduct of the business of UC Health.

K. Reporting. In addition to the reports required under Bylaw 24.11, the Committee shall deliver to the Board the following reports, which may be in writing, on at least an annual basis:

- The UC Health strategic plan and budget
- A report on the status of the University student health and counseling centers
- A written report on the status of all health system transactions approved under the Committee’s delegated authority during the previous three years
Appendix F – Charter of the Investments Committee

Charter of the Investments Subcommittee Committee. The Committee hereby establishes the Investments Subcommittee to assist the Committee in discharging its oversight responsibilities with regard to University investments. The duties and responsibilities of the Subcommittee are set forth as follows.

A. **Purpose.** In support of the Finance and Capital Strategies Committee (the “related Standing Committee”), the Investments Subcommittee Committee shall provide strategic direction and oversight, consider, make recommendations to the Board, and take action on matters pertaining to University investment strategy and operations, and pertaining to the review and reporting of investment results.

B. **Membership/Terms of Service.** The identity, appointment and terms of service of Subcommittee Committee members shall be as specified in Bylaws 25.3 through 25.5.

C. **Special Requirements for Members/Advisors.** Except as specifically provided in this Charter, neither the Subcommittee Committee nor any of its members or advisors shall direct or attempt to direct the University’s internal or external investment managers with regard to the selection of specific investments, specific funds or specific investment managers. The role and authority of such members and advisors shall be limited to providing general direction through policy and to monitoring and reporting investment results.

D. **Subcommittee Committee Consent Responsibilities.** Unless otherwise specified in the Committee Charter, the Subcommittee Committee shall be charged with recommending action on the following matters which, on approval, shall be placed on the consent agenda of the Board for approval without discussion, on the terms specified in section C, above, as though approved by the Standing Committee, unless any Regent requests that the matter be taken up for discussion and/or action by the Standing Committee unless removed from the consent agenda by motion of any member for separate consideration. Unless otherwise specified, any approval authority for these matters that falls outside parameters expressly reserved to the Board or a Committee is delegated to the President or the Chief Investment Officer, within their respective jurisdictions.

   - Determination of asset classes
   - Asset and risk allocation policy
   - Selection of benchmarks

E. **Other Oversight Responsibilities.** In addition to the consent responsibilities assigned to the Subcommittee Committee described above, and to the extent not otherwise within such responsibilities, the charge of the Subcommittee Committee shall include reviewing and making recommendations to the related Standing Committee Board with
regard to the following matters and/or with regard to the following areas of the University’s business:

- Investment policy and strategy
- Physical asset management (e.g. real estate held as investments)
- Investment accounts/custodian relationships
- Retirement system investments
- Endowment funds investments
- Short term and liquidity investments
- Investment operations
- Investment results and reporting
- Endowment administration cost recovery
- Endowment total return expenditure
- Campus Foundations investment reporting

The assignment of responsibilities to this Standing Committee under Paragraphs D and E 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, to the Board or to any other Committee.

F. **Expert Advisors.** The Subcommittee shall have the authority to retain independent investment experts and advisors, as necessary to conduct the business of the Subcommittee. The Subcommittee shall include at least three and no more than five non-voting advisory members (in addition to Chancellors) with expertise relevant to the work of the Subcommittee. One advisory member shall be a represented employee of the University of California with expertise in investments and one shall be from a campus foundation. Any advisors not otherwise subject to University policy, shall be subject to the laws and policies applicable to Regents governing compensation and reimbursement of expenses, and shall be subject to conflict of interest disclosure and recusal obligations as specified in the University’s Conflict of Interest Code and other applicable policies.

G. **Reporting.** In addition to the reports required under Bylaw 25.8, the Subcommittee Committee shall report to the related Standing Committee Board any material developments in the University’s investments operation and in the University’s investment portfolio.
REGENTS POLICY ON EMERITA/EMERITUS TITLE SUFFIX

POLICY SUMMARY/BACKGROUND

This Regents Policy consolidates University policies on the conferral of Emerita/Emeritus titles suffix and makes the criteria for conferral consistent for all staff employees.

POLICY TEXT

A. Conferral on Regents. The title "Regent Emerita" or "Regent Emeritus" shall be conferred on all appointed and alumni Regents at the completion of their terms on the Board of Regents, or at the conclusion of their service as Regents provided that they serve for at least five years. Regents who are unable to complete their terms due to illness shall also be eligible for the title. The title also shall be conferred on all former Regents who completed the term to which they were appointed or served at least five years. The Board may rescind emerita/emeritus title for Regents if serious reputational or other issues arise that have impact on the University.

B. Conferral on Senior Management Group Appointees. For Senior Management Group appointments, emerita/emeritus title suffix may be conferred if the employee has served at least five years in the position for which the title is being conferred and has made meritorious contributions to the fulfillment of the mission and programs of the University. Serious breaches of policy or law, dismissal from service, or serious discipline while holding the position for which emerita/emeritus title is requested disqualifies the employee from conferral of the title.

1. Emerita/Emeritus title suffix may be conferred by the Board on the President and the Principal Officers of the Regents upon retirement or resignation from the position. The Board may rescind such emerita/emeritus titles suffix if serious reputational or other issues arise that have impact on the University.

2. Emerita/Emeritus title suffix may be conferred by the President of the University or designee on all other Senior Management Group appointments, upon retirement or resignation from the position. The President may rescind such emerita/emeritus title suffix if serious reputational or other issues arise that have impact on the University.

3. For those academic appointees who also hold a Senior Management Group appointment, the criteria in paragraph B will apply to the Senior Management Group appointment only. The criteria for emerita/emeritus title suffix in their academic appointment is governed by section C, below.

C. Conferral on Academic Appointees

1. The title suffix Emerita/Emeritus shall be conferred, upon retirement, on every Professor and Associate Professor.

2. Upon recommendation of the Academic Senate to the President of the University or designee, the title suffix Emerita/Emeritus for positions held at the time of retirement
may be conferred, upon retirement, on those members of the Academic Senate who are not included in section (C)(1).

3. Upon recommendation of the Academic Senate to the President of the University or designee, the title suffix Emerita/ Emeritus may be conferred, upon retirement, on other academic appointees who are not members of the Academic Senate but who meet specific criteria established by the President.

COMPLIANCE/DELEGATION

The Regents delegate to the President of the University authority for conferring emerita/emeritus title on all Senior Management Group members, excluding the President and the Principal Officers, who are under the Regents’ authority. The President retains authority over direct reports but may re-delegate this authority to the Chancellors, Laboratory Director, and Executive Vice President-Chief Operating Officer for Senior Management Group members at their respective locations. This authority may not be delegated further.

The Regents delegate to the President of the University authority for conferring the title suffix emerita/emeritus on academic appointees as described in sections (C)(2) and (C)(3) above. The President or their designee may re-delegate this authority to the Chancellors for academic appointees at their respective locations. This authority may not be delegated further.

Exceptions should be rare and must be approved by the Regents for positions where the President has retained authority and by the President for positions where authority has been re-delegated.

NO RIGHT OF ACTION

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California, its officers, employees, or agents.

PROCEDURES AND RELATED DOCUMENTS


See APM 016 – Academic Personnel Manual – University Policy on Faculty Conduct and the Administration of Discipline for procedures on the denial or curtailment of emerita/emeritus titles for faculty.

Changes to procedures and related documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.
Regents Policy 1203: Policy on Emeritus Title for Former Regents, Senior Leadership, and Staff

Adopted November 15, 2007
Amended March 16, 2017

The title "Regent Emeritus" or "Regent Emerita" shall be conferred on all appointed and alumni Regents at the completion of their terms on the Board of Regents, or at the conclusion of their service as Regents provided that they serve for at least five years. Regents who are unable to complete their terms due to illness shall also be eligible for the title. The title also shall be conferred on all former Regents who completed the term to which they were appointed or served at least five years.

Emeritus status may be conferred by the Board on Principal Officers of the Regents upon retirement or completion of service, on the basis of their contributions to the University.

Emeritus status may be conferred by the President on Chancellors and systemwide senior leaders, upon retirement or completion of service, based on criteria established by the Board.

Emeritus status may be conferred by the President on University employees, at the time of their retirement, who meet criteria established by the President.
STANDING ORDER 103.5 – EMERITUS STATUS

103.5: Emeritus Status

a.—The title Professor Emeritus shall be conferred, upon retirement, on every Professor and Associate Professor. The title suffix Emeritus for positions held at the time of retirement shall be conferred, upon retirement, on every member of the Academic Senate. With the approval of the President, Emeritus status shall be conferred, upon retirement, on every academic appointee who is not a member of the Academic Senate but who meets specific criteria established by the President.

b.—Emeritus status may be conferred by the Board on Principal Officers of The Regents and Officers of the University, upon retirement or completion of service, on the basis of their contributions to the University. For Officers of the University, Emeritus status, upon retirement or completion of service, may be conferred by the President based on criteria established by the Board.

c.—For positions held at the time of their retirement, Emeritus status may be conferred by the President on University employees who meet criteria established by the President.
SCHEDULE OF REPORTS TO THE REGENTS
[Pursuant to the Policy on Reports to Regents]

Amended March 2017 May 2018
Month(s) Provided
to Regents

BOARD

Annual University of California Accountability Report

July

UC Health Strategic Plan and Budget

July November

Health Systems Transactions Approved by Health Services Committee (*mbm*)

March July

GOVERNANCE AND COMPENSATION COMMITTEE

Annual Reports on Executive Compensation for Calendar Year___: (a) Incumbents in Senior Management Positions and (b) Deans and Certain Faculty Administrators (*mbm*)

July

Annual Report on Compensated Outside Professional Activities for Calendar Year ___: Incumbents in Senior Management Positions

July

Semi-Annual Report on Outside Professional Activities Approved in the Preceding Six Month Period: Incumbents in Senior Management Positions

January July

Annual Report on Compensated Outside Professional Activities for Calendar Year ___: Deans and Faculty Administrators (*mbm*)

January

Annual Compensation Monitoring Report for Calendar Year ___: Actions for Certain Athletic Positions and Coaches Systemwide (*mbm*)

July

COMPLIANCE AND AUDIT COMMITTEE

Biennial Report on Risk Management (*mbm*)

November

Annual Report on Use of Outside Counsel (*mbm*)

January

Annual Report on Settlements and Separation Agreements (*mbm*)

January

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1 *mbm*: Report is sent to all Regents as a mailing between meetings (*mbm*)
Bi-Monthly Report on New Litigation (mbm)  
January  
March  
May  
July  
September  
November  

Internal Audit Plan  
July  

Annual Review of External Audit of Hastings College of the Law (mbm)  
March  

Summary of Results of the University’s A-133 Audit (mbm)  
March  

Annual Ethics and Compliance Plan  
July  

Annual Report on Ethics and Compliance  
September  

Annual Report of External Auditors for the Year Ended June 30, ____  
November  

Annual Report on Internal Audit Activities  
November  

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE**  

Annual Report on Student Financial Support (mbm)  
March  

Annual Report on Undergraduate Admissions Requirements and Comprehensive Review (mbm)  
February  
March  

Annual Report on Self-Supporting Professional Degree Programs (mbm)  
August  

Annual Accountability Sub-Report on Diversity at the University of California  
January  
May  

University of California Technology Commercialization Report (mbm)  
May  

**FINANCE AND CAPITAL STRATEGIES COMMITTEE**  

Annual Report on University Housing Assistance Programs (mbm)  
January  

University of California Financial Reports  
November  

Annual University of California Retirement Plan-Actuarial Valuation Report  
November
Annual Actuarial Valuation of the University of California Retiree Health Benefit Program  
November

Annual Report on Debt Capital and External Finance Approvals (mbm)  
January

Annual Report on Administrative Efficiencies (mbm)  
September

Annual Report on Major Capital Projects Implementation (mbm)  
October

Ten-Year Consolidated State and Non-State Capital Financial Plan  
November

Significant Information Technology Projects  
March
  July (mbm)
  November (mbm)

HEALTH SERVICES COMMITTEE

Biannual Activity and Financial Status Report on Hospitals and Clinics (mbm)  
March

University of California Medical Centers Reports (mbm)  
November

Annual Report on Health Sciences Compensation Plan Participants’ Compensation that Exceed the Reporting Threshold (mbm)  
November

Annual Report on Student Health and Counseling Centers and UC Student Health Insurance Plan (mbm)  
September
  March

INVESTMENTS SUBCOMMITTEE

Annual Endowment Investment Report (mbm)  
February
  December

Annual Report of the Chief Investment Officer  
September

Annual Report on UC Ventures  
September

PUBLIC ENGAGEMENT AND DEVELOPMENT COMMITTEE

Annual Report on Private Support, Major Donors, and Namings and Endowed Chairs  
November

Annual Report on Sustainable Practices  
January
## STANDING COMMITTEE ASSIGNMENTS FOR 2018-19

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**Health Services**

*Regents*
- Lansing (Chair)
- Sherman (Vice Chair)
- Blum
- Makarechian
- Zettel

*Chancellors*
- Block
- Hawgood

*Advisors*
- Hernandez
- Hetts
- Lipstein