GOVERNANCE COMMITTEE
September 17, 2020

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. APPROVAL OF RETROACTIVE APPROVAL OF ATHLETIC CONTRACT COMPONENTS THAT EXCEEDED SEPTEMBER 2008 PARAMETERS AS DISCUSSED IN CLOSED SESSION

The Committee recommends retroactive approval of the contract components exceeding the Amendment of Regents’ Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide (September 2008 Parameters or Parameters) for the following current University of California employees:

A. Justin Frye, Assistant Football Coach, Los Angeles campus

Overall Cumulative Total Guaranteed Compensation in the amount of $1.15 million that Mr. Frye received as Assistant Football Coach, Los Angeles campus, under the contract effective February 23, 2018 to February 28, 2020. This exceeded the September 2008 Parameters because the overall cumulative total of Guaranteed Compensation of $1.15 million was a 35.29 increase over the previous incumbent’s overall cumulative total of Guaranteed Compensation of $850,000, after the calculation is adjusted so that a change in contract duration does not impact the comparison. All other components of the contract were found to be within the Parameters.

B. James Les, Head Coach, Men’s Basketball, Davis campus

Additional deferred compensation in the form of a retention bonus in the amount of $53,333 to be paid for year eight of his contract (July 2024 – June 2025). This exceeds the September 2008 Parameters because this results in total deferred compensation in the form of a retention bonus over the life of the contract of $373,331, although the Guaranteed Compensation for the first year of the contract was $320,000. All other components of the contract were found to be within the Parameters.

C. Angus McClure, former Assistant Football Coach, Los Angeles campus (currently with the Berkeley campus)

Overall Cumulative Total Guaranteed Compensation in the amount of $650,000 that Mr. McClure received as Assistant Football Coach, Los Angeles campus, under the contract amendment effective July 1, 2016 to June 30, 2018. This exceeded the September 2008 Parameters because the overall cumulative total of Guaranteed Compensation of $650,000 was a 36.8 percent increase over the overall cumulative total of Guaranteed Compensation of $475,000 from the amendment effective July 1, 2015 to June 30, 2017, both of which were for the
same duration. All other components of the contract were found to be within the Parameters.

D. Joe Pasternack, Head Coach, Men’s Basketball, Santa Barbara campus

Use of student service fees to fund a portion of Mr. Pasternack’s compensation during the term of his current contract from April 6, 2017 to April 5, 2022. The use of student fees to fund a coach's compensation exceeds the September 2008 Parameters, which require seeking Regental review and approval if the funding of a coach’s contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising. All other components of the contract were found to be within the Parameters.

E. Peter Sirmon, Assistant Football Coach, Berkeley campus

Annual Guaranteed Compensation of $385,000 that Mr. Sirmon received as Assistant Football Coach, Berkeley campus, during year one of his 2018-19 contract. This exceeded the September 2008 Parameters because the annual Guaranteed Compensation of $385,000 in year one was a 47.5 percent increase over the annual guaranteed compensation of $251,000 in the previous incumbent’s final contract year in the position. All other components of the contract were found to be within the Parameters.

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

Committee vote: Regents Anguiano, Drake, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”

2. APPROVAL OF INCENTIVE COMPENSATION USING NON-STATE FUNDS FOR FISCAL YEAR 2019-20 FOR JAGDEEP SINGH BACHHER AS CHIEF INVESTMENT OFFICER AND VICE PRESIDENT – INVESTMENTS, OFFICE OF THE PRESIDENT AS DISCUSSED IN CLOSED SESSION

The Committee recommends approval of an incentive award of $750,611 for Plan Year 2019-20, under the Office of the Chief Investment Officer Annual Incentive Plan (AIP), for Jagdeep Singh Bachher as Chief Investment Officer and Vice President – Investments,
Office of the President. The recommended incentive award represents 109 percent of Mr. Bachher’s total salary paid as of the end of the 2019-20 Plan Year of $690,527.

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

Committee vote: Regents Anguiano, Drake, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”

3. APPROVAL OF COMPENSATION FOR MARTIN JARMOND AS DIRECTOR OF INTERCOLLEGIATE ATHLETICS, LOS ANGELES CAMPUS AS DISCUSSED IN CLOSED SESSION

The Committee recommends approval, as an exception to the Amendment of Regents’ Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide (September 2008 Parameters), of a payment for the benefit of Martin Jarmond, Director of Intercollegiate Athletics, Los Angeles campus, not to exceed $1,491,000 for the income tax costs attributed to him in connection with the payment to Boston College made by the UCLA Foundation for the early contract termination cost, to be funded using allowable funding sources, as noted in the September 2008 Parameters.

Committee vote: Regents Anguiano, Drake, Elliott, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”

4. AMENDMENT OF BYLAW 21.7 – REGENT COMPENSATION – REGARDING REGENTS’ PARTICIPATION IN UNCOMPENSATED UNIVERSITY-AFFILIATED POSITIONS

The Committee recommends that, following service of appropriate notice, the Regents amend Bylaw 21.7 – Regent Compensation as shown in Attachment 1.
Committee vote: Regents Anguiano, Drake, Elliott, Kieffer, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”

5. **DATES OF REGENTS MEETINGS FOR 2022**

   The Committee recommends that the following dates of Regents meetings for 2022 be approved:

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<tr>
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Committee vote: Regents Anguiano, Drake, Elliott, Kieffer, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”

6. **RESOLUTION TO EXCLUDE ACCESS TO FEDERAL CLASSIFIED INFORMATION**

   The Committee recommends that the resolution pertaining to the University’s Facility Security Clearances be approved as shown in Attachment 2.

Committee vote: Regents Anguiano, Elliott, Kieffer, Lansing, Leib, Makarechian, Pérez, Sherman, and Zettel voting “aye” and Regent Drake abstaining.

Board vote: Regents Anguiano, Butler, Cohen, Drake, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, Sures, and Zettel voting “aye.”
21.7 Regent Compensation.

No Regent shall receive salary or other compensation for service as a Regent, nor shall any Regent, other than the President of the University, be eligible for compensated employment or appointment in any University-affiliated position. Notwithstanding the foregoing, the student Regent shall be eligible for part-time compensated University employment and a scholarship per Regents Policy 1202: Policy on Appointment of Student Regent. A Regent shall be eligible for uncompensated employment or appointment to a University-affiliated position upon approval by the Chair and Vice Chair of the Governance Committee. In the case of the inability of the Chair of the Board or the Vice Chair of the Board to approve because of unavailability or conflict, the Chair of the Audit and Compliance Committee may approve. Within limits pursuant to University policy, Regents may be reimbursed for actual expenses incurred by reason of attendance at any Board or Committee meeting or in the performance of other official business of the University.
RESOLUTION

Pursuant to the Policy on Security Clearance for Access to Federal Classified Information adopted on March 29, 2012, and amended on December 30, 2015 and March 16, 2017, and this Resolution, the following named Key Management Personnel member as defined in Regents Policy 1600 shall not require, shall not have, and can be effectively excluded from access to all classified information and/or special nuclear material released to the Regents of the University of California until such individual is granted the required access authorization from the cognizant security agency. And, as a consequence of this Resolution, such individual does not occupy a position that would enable him to adversely affect the policies or practices of the University of California, or its subsidiary, regarding the performance of classified contracts for the United States Government.

NAME                 TITLE

Michael V. Drake     President of the University of California