THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

June 2, 2006

The Regents of the University of California met on the above date at the following locations: UCSF-Mission Bay, 1675 Owens Street, San Francisco; Covel Commons, Los Angeles campus; 111-A University Complex, San Diego campus; 700 South Flower Street, Los Angeles; 1875 Century Park East, Los Angeles; 2121 Avenue of the Stars, Century City; 2220 Lodgepole Circle, Modesto; 1130 K Street, Sacramento; and 2671 Pearpoint Road, Friday Harbor, Washington

Present: Regents Blum, Dynes, Hopkinson, Island, Johnson, Juline, Kozberg, Lozano, Parsky, Pattiz, Rominger, Rosenthal, and Schilling (13)

In attendance: Regents-designate Ledesma and Schreiner, Faculty Representative Oakley, Associate Secretary Shaw, General Counsel Holst, and Recording Secretary Nietfeld

The meeting convened in Regents Only Session at 4:30 p.m. with Chairman Parsky presiding.

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The Regents went into Open Session at 4:35 p.m.

1. **READING OF NOTICE AND STATEMENT OF SERVICE THEREOF**

For the record, it was confirmed that notice was served in accordance with the Bylaws and Standing Orders for a Special Meeting of The Regents to act on the Supplemental Report on Compensation.

2. **PUBLIC COMMENT**

There were no members of the public wishing to address The Regents.

3. **SUPPLEMENTAL REPORT ON COMPENSATION**

A. ***Total Compensation for Wyatt R. Hume as Provost and Senior Vice President–Academic Affairs, Office of the President***

The Committee recommended that contingent upon his appointment as Provost and Senior Vice President–Academic Affairs, 100 percent, an annual salary of $362,500 be approved for Wyatt R. Hume, effective upon Regental approval.

Additional compensation and related items include:

- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program ($18,125 per annum).

- Per policy, an automobile allowance, which may be in the form of a leased vehicle or a monthly cash allowance of $743 ($8,916 per annum).

- Eligibility for a Mortgage Origination Program loan in order to purchase a primary residence while Provost and Senior Vice President, available for 12 months from the date of acceptance of the position offer.

- Continued eligibility for a relocation allowance of $73,750, offered and partially paid when he accepted the position of Executive Vice Provost and Vice President–Academic Affairs in September 2005. Two remaining installment totaling $49,166.66 will be paid in equal amounts in September 2006 and September 2007. If Mr. Hume leaves the University before completing four years of service from his date of rehire, he will be required to repay the relocation allowance at a rate of 25 percent for each year of uncompleted service.

- Per policy, Administrative Fund of $10,000 annually for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.

- Standard Pension and Health and Welfare benefits and standard Senior Management benefit, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

- Between now and the adoption of a Regents' policy on board service, any new boards the candidate wishes to join will come to the Special Committee on Compensation for approval.

- The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supercede all previous oral or written commitments.

B. ***Total Compensation for Marie N. Berggren as Chief Investment Office and Vice President–Investments, Office of the President, and Acting Treasurer of The Regents***

The Committee recommended that contingent upon her appointment as Chief Investment Officer and Vice President–Investments, 100 percent an annual salary of $375,000 be approved for Marie N. Berggren, effective upon Regental approval, including a stipend in the amount of $56,250 to continue for the duration of her service as Acting Treasurer of The Regents.

Additional compensation and related items include:

- Per policy, a five percent monthly contribution to the Senior Management Supplemental Benefit Program ($18,750 per annum).

- Per policy, an automobile allowance, which may be in the form of a leased vehicle or a monthly cash allowance of $743 ($8,916 per annum).

- Eligibility for a Mortgage Origination Program loan in order to purchase a primary residence while Chief Investment Officer and Vice President–Investments available for an additional 12 months.

- Per policy, Administrative Fund of $6,900 annually for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.

- Participation in the Treasurer's Office Incentive Plan with the incentive award as a percentage of base salary plus the stipend prorated for the period of service as Acting Treasurer to be 50 percent for threshold performance, 100 percent for target performance, and 150 percent for maximum performance.

- Standard Pension and Health and Welfare benefits and standard Senior Management benefit, including Senior Manager Life Insurance, Executive Business Travel Insurance, and Executive Salary Continuation for Disability.

- Between now and the adoption of the Regents' policy on board service, any new boards the candidate wishes to join will come to the Special Committee on Compensation for approval.

- The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supercede all previous oral or written commitments.

Consistent with University policy, service by Ms. Berggren on compensated corporate boards will require the prior approval of the President, and vacation must be used for such service. Any future changes made to the policy on outside compensated professional activities will apply to Ms. Berggren.

C. ***Total Compensation for Jeffrey A. Blair as Acting General Counsel of The Regents and Vice President–Legal Affairs, Office of the President***

The Committee recommended that contingent upon his appointment as Acting General Counsel and Vice President–Legal Affairs, an administrative stipend of $67,200 (44.9 percent) be approved for Jeffrey A. Blair, to bring his annual salary from $149,500 to $216,700, effective upon Regental approval. Under Senior Management policy, administrative stipends may be authorized for up to 15 percent of pay for a period not to

exceed one year. In this case, the recommended amount of the stipend would be an exception to policy and was determined based upon the duties to be assumed, the salary for the Deputy General Counsel positions that are now vacant, and is intended to provide an appropriate salary in relation to other attorneys in the Office of the General Counsel.

Additional compensation and related items include:

- Standard Pension and Health and Welfare benefits.

- Per policy, Administrative Fund of $8,300 annually for official entertainment and other purposes permitted by University policy. Adjustments may occur annually as allowed by policy.

- Between now and the adoption of the Regents' policy on board service, any new boards the candidate wishes to join will come to the Special Committee on Compensation for approval.

- The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supercede all previous oral or written commitments.

Chairman Parsky reported that, in its Regents Only Session, The Regents had approved the appointments of Wyatt R. Hume as Provost and Senior Vice President–Academic Affairs; Marie N. Berggren and Chief Investment Office and Vice President–Investments, Office of the President, and Acting Treasurer of The Regents; and Jeffrey A. Blair as Acting General Counsel of The Regents and Acting Vice President–Legal Affairs, Office of the President. The Regents also acted on elements of compensation for certain national laboratory personnel at the Los Alamos National Laboratory, decisions that involve only the fee that is provided by the Department of Energy to the University for the management of the laboratories and does not include the expenditure of any State funds.

President Dynes stated his unconditional support for the appointments that were reported by Chairman Parsky. He believed that all three had proven themselves to be dedicated professionals committed to the mission of the University. He commented on Provost Hume's long-term association with and devotion to the University and called upon him for his remarks.

Provost Hume stated that he felt honored to have been chosen by The Regents to the position. He looked forward to working with the faculty, students, and staff in the University community.

President Dynes observed that the appointment of Provost Hume represents the first step in a sea change for the culture of the University.

Chairman Parsky commented that several other positions will be filled over the coming months as part of the reorganization of the Office of the President. They will include the Office of Compliance, a Chief Operating Officer, and a Chief Financial Officer.

Faculty Representative Oakley reported that the Academic Council welcomes the appointment of Rory Hume and looks forward to working closely with him in the pursuit and achievement of ever-higher standards of excellence in UC's systemwide performance of its academic mission.

Upon motion of Regent Hopkinson, duly seconded, the recommendations of the Special Committee on Compensation were approved, Regents Blum, Dynes, Hopkinson, Island, Johnson, Juline, Kozberg, Lozano, Parsky, Pattiz, Rominger, Rosenthal, and Schilling (13) voting "aye."[1]

The meeting adjourned at 4:45 p.m.

Attest:

Associate Secretary

[1] Roll call vote required by State law for all meetings held by teleconference