

The Regents of the University of California

GOVERNANCE AND COMPENSATION COMMITTEE

May 23, 2018

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

Members present: Regents Elliott, Lansing, Makarechian, Ortiz Oakley, Sherman, and Zettel;
Ex officio members Kieffer and Napolitano

In attendance: Regents Lemus and Tauscher, Regents-designate Anderson and Morimoto,
Faculty Representatives May and White, Secretary and Chief of Staff Shaw,
General Counsel Robinson, Executive Vice President and Chief Operating
Officer Nava, Executive Vice President Stobo, Vice President Duckett,
Chancellors Blumenthal and Hawgood, and Recording Secretary Johns

The meeting convened at 4:20 p.m. with Committee Chair Sherman presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 14, 2018 were approved.

2. **AMENDMENT OF SCHEDULE OF REPORTS TO THE REGENTS**

The President of the University recommended that the Schedule of Reports be amended, as shown in Attachment 1.

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

Secretary and Chief of Staff Shaw explained that this amendment represented a technical revision of the Schedule of Reports, based on recent requests by the Regents.

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

3. **AMENDMENT OF REGENTS POLICY 1203: POLICY ON EMERITUS TITLE FOR FORMER REGENTS, SENIOR LEADERSHIP, AND STAFF AND RESCISSION OF STANDING ORDER 103.5**

The President of the University recommended that the Regents:

- A. Amend the Policy on Emeritus Title for Former Regents, Senior Leadership, and Staff, as shown in Attachment 3, with new policy language, the Policy on Emerita/Emeritus Title Suffix, as shown in Attachment 2.
- B. Following service of appropriate notice, rescind Standing Order 103.5, as shown in Attachment 4.

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

Regent Lansing drew attention to language in the proposed new policy, according to which the Board may rescind the emerita or emeritus title for Regents, for the President of the University, and for Principal Officers of the Regents if serious reputational or other issues arise that have impact on the University, if an individual acts in an unfitting way and violates UC standards.

Regent Ortiz Oakley requested clarification of the proposed changes to the policy. Vice President Duckett briefly outlined conferral of the emerita/emertus title for academic appointees. The President's authority to confer or rescind the emerita/emertus title for Senior Management Group appointments was clarified.

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

4. **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 recommended that the Governance and Compensation Committee establish a Compensation and Personnel Subcommittee of the Finance and Capital Strategies Committee.
- B. Chair Kieffer recommended that the Governance and Compensation Committee recommend 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 5.
 - (2) The Charter of the Governance and Compensation Committee be amended as shown in Attachment 6, 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 7, 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 8, effective upon final approval of the Bylaw amendments in paragraph (1).
- (5) The Charter of the Investments Committee as shown in Attachment 9 be adopted, effective upon final approval of the Bylaw amendments in paragraph (1).

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

Chair Kieffer reflected that the Board of Regents had not had a personnel committee per se, to address issues that arise with direct reports to the Regents. He was recommending that the Governance and Compensation Committee take on that role. Prior to a Regents' retreat about two years earlier, the Committee on Governance had been a separate committee dealing with governance documents and restructuring. It was felt that there were too many committees, and an effort was made to combine committees, which in turn led to the creation of subcommittees. Other university governing boards do not have as many committees as UC, but many of these boards are smaller, with six to nine members. In Chair Kieffer's view, the larger a board, the less understanding individual board members may have of developments in the organization. For this reason, a Governance Committee would address matters pertaining to the Regents' direct reports: the President of the University, the General Counsel, the Chief Compliance and Audit Officer, the Chief Investment Officer, and the Secretary and Chief of Staff. This Committee would address personnel issues as they arise. This would give the Regents the opportunity to follow up with their direct reports.

Chair Kieffer recalled that the earlier Committee on Investments had been made a subcommittee during the 2016 restructuring. This Subcommittee meets during the regular Regents meeting and should be recognized as a full committee. In the area of reviewing compensation, the Board had reduced the number of positions whose compensation it reviews to about 200. Most of these positions fit within a Market Reference Zone (MRZ) range, with only a few outside an MRZ range that require Board approval. Only 23 positions had been reviewed in the last two years. For this reason, Chair Kieffer was proposing that compensation be included within the purview of the Finance and Capital Strategies Committee. In future meetings, the Regents would review all the other committees, including the Health Services Committee.

Regent Makarechian noted that the Finance and Capital Strategies Committee earlier that day had approved the establishment of a Compensation and Personnel Subcommittee of the Finance and Capital Strategies Committee. He expressed support for Standing Committee status for the Investments Committee.

Regent Lansing emphasized the importance of investments and governance issues, and expressed support for an Investments Committee and a Governance Committee focused on

those unique issues, and for including compensation issues within the purview of the Finance and Capital Strategies Committee.

Chair Kieffer noted that the proposal would result in a change to the composition of the Governance Committee. Members would no longer be appointed by the Chair; instead, the Committee would be comprised of the Standing Committee Chairs.

Regent Elliott expressed uneasiness about the proposed change to the Governance Committee. He questioned the reason for limiting the purview of a proposed committee or subcommittee to Regents' direct reports, suggesting that other individuals with significant responsibilities should be included. Compensation matters should not be considered by a subcommittee, which might meet off-cycle. It was not clear why certain changes had to be made at this time; all changes to all committees might be made later, at the same time.

Chair Kieffer explained that the other individuals referred to by Regent Elliott did not report to the Board. If the Regents wished to review one of these individuals, the appropriate way would be through one of the Regents' direct reports. It would be interference and inappropriate to review individuals who do not report directly to the Regents. It would be appropriate to ask the President about individuals who report to her, and to hold the President accountable. The group dealing with compensation matters could be a committee or subcommittee, and meet on-cycle or off-cycle. He expressed support for acting on these recommendations at this time, in particular with regard to personnel issues.

Regent Elliott requested clarification of what the Governance Committee would be reviewing in open and closed session. Chair Kieffer responded that open session meetings would address organizational issues, while closed session meetings would address personnel issues concerning the direct reports and questions about their performance. Regent Elliott asked if there currently was not a structure that allowed the Regents to have these conversations, such as a closed session meeting of the Board. Chair Kieffer responded that in some situations, it might be preferable not to have these discussions with 26 board members. Regent Elliott stated that he did not see how the proposal would enable the Regents to do something they currently could not do. Chair Kieffer responded that for most people, it may be more comfortable to have these kinds of discussions in a smaller group.

Regent Ortiz Oakley expressed support for the reestablishment of the Investments Committee as a Standing Committee. He voiced concern that important compensation issues might not receive sufficient attention if they were discussed by a subcommittee, or that the Regents might not find time to address major compensation issues if the responsible body were a subcommittee. With regard to the Governance Committee, he suggested that its role could be stated more clearly as working specifically with the Regents' direct reports on a regular basis to ensure that the Regents understand the nature of those individuals' performance and can address issues early on. If this Committee worked and focused on these issues and reported back to the Board, this would be a valuable contribution. It would be helpful to further clarify the function of this Committee.

Committee Chair Sherman noted that if compensation matters were assigned to a subcommittee, there was a risk that issues might not be discussed in a timely manner. He suggested that compensation matters could be added to the purview of the Finance and Capital Strategies Committee. Capital projects and compensation actions both represented expenditures of UC assets. Compensation was the University's largest budget line item. Approving new MRZs has the same importance as approving new housing projects. Chair Kieffer stated that this would be an appropriate change. He asked about personnel and policy issues. Committee Chair Sherman responded that in his view, these issues belonged in the category of governance. Good governance involved having effective personnel policies to run an organization. This had to do with policy-setting rather than budgetary numbers.

Committee Chair Sherman suggested that the recommendation be amended and the Finance and Capital Strategies Committee be renamed the Finance, Capital Strategies and Compensation Committee. Regent Ortiz Oakley suggested that the Governance Committee could similarly become the Governance and Personnel Committee.

Chair Kieffer asked if this combination of governance and personnel would create confusion. General Counsel Robinson responded that in his view, it would not create confusion if general personnel policies came within the purview of a Governance and Personnel Committee, and individual compensation approvals were brought to a Finance, Capital Strategies and Compensation Committee.

Regent Ortiz Oakley clarified his view that the Governance and Personnel Committee would deal not only with personnel regulations, but would also meet with the Regents' direct reports and discuss performance issues. Mr. Robinson summarized that the responsibilities of the Governance and Personnel Committee would include general personnel policies as well as oversight of the Regents' direct reports, while the Finance, Capital Strategies and Compensation Committee would approve individual compensation actions and could set MRZs, although there is a policy aspect to MRZs.

Regent Elliott asked if the Governance and Personnel Committee would be chaired by the Chair of the Board and limited to specified members only. Chair Kieffer stated his view that the Board Chair should be in this role of chairing a group of Committee Chairs and making reviews of direct reports.

Regent Ortiz Oakley opined that there was no reason not to leave the current chairmanship of the Governance Committee as it was. Chair Kieffer stated that the role of this Committee would be changing; it would become a different kind of committee. Having this Committee comprised of the Chairs of all the Standing Committees would provide an overview of the enterprise.

Regent Ortiz Oakley expressed confusion about the proposed role of the Governance and Personnel Committee as opposed to the committee that would deal with compensation issues. Chair Kieffer responded that in an organization with a personnel committee that reviews the President, the Chair of the Board should be the Chair of that committee.

Secretary and Chief of Staff Shaw summarized the proposed amendments. The Investments Subcommittee would again become a Standing Committee, the Investments Committee, and any Regent could be a member of this committee, not only Regents serving on the Finance, Capital Strategies and Compensation Committee. The Finance, Capital Strategies and Compensation Committee would review all individual compensation actions that come to the Board, as well as MRZs. The Governance and Personnel Committee would review governance issues, personnel who report directly to the Regents, and all personnel policies that are appropriately reviewed by the Board. The Governance and Personnel Committee would not be appointed by the Chair of the Board as the Governance Committee has been, but made up of the Chair and Vice Chair of the Board, and the Chairs of all Standing Committees. The Board Chair would serve as Chair of the Governance and Personnel Committee.

Regent Ortiz Oakley expressed doubt about having the Board Chair also serve as the Chair of the Governance and Personnel Committee. Chair Kieffer acknowledged that this would be a change, but in his view it was an appropriate change and not a significant change. Review of the President of the University and the Regents' direct reports should be carried out under the direction of the Chair of the Board. This made sense from the perspective of University governance, the structure of the institution, and how the institution works. One should purposefully bring together the Chairs of all the committees, those who spend the most time working on and preparing agenda items for the Board. It would not make sense to have this group chaired by someone other than the Chair of the Board. The proposed structure made sense, even if it were a new practice and had not existed earlier. Regent Sherman described this as an executive committee. Typically, executive committees, public or private, are chaired by the chair of the relevant board. Regent Ortiz Oakley recalled that at an earlier Regents' retreat, there had been discussions about not moving toward having an executive committee. There was a tension in this issue that still needed to be addressed. Regent Zettel stated that there was some precedent for an executive committee in the working group that had been assembled and chaired by former Chair Lozano to address issues raised by the California State Auditor. Chair Kieffer added that in an emergency, the Board would ask the Chair to assemble such a group.

Upon motion duly made and seconded, the Committee approved the President's recommendation as amended, removing paragraph A, amending the Bylaws as shown in attachment 5A, amending the Charter of the Governance and Compensation Committee as shown in attachment 6A, amending the Charter of the Finance and Capital Strategies Committee as shown in attachment 7A, amending the Charter of the Health Services Committee as shown in attachment 8A, and amending the Charter of the Investments Committee as shown in attachment 9, and voted to present it to the Board, Regents Kieffer, Lansing, Makarechian, Napolitano, Sherman, and Zettel voting "aye" and Regents Elliott and Ortiz Oakley voting "no."

The meeting adjourned at 5:00 p.m.

Attest:

Secretary and Chief of Staff

Additions shown by underscoring; deletions shown by strikethrough**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 <u>November</u>
Health Systems Transactions Approved by Health Services Committee (<i>mbm</i>)	March <u>July</u>

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 (<i>mbm</i>) ¹	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 (<i>mbm</i>)	January
Annual Compensation Monitoring Report for Calendar Year ____: Actions for Certain Athletic Positions and Coaches Systemwide (<i>mbm</i>)	July

COMPLIANCE AND AUDIT COMMITTEE

Biennial Report on Risk Management (<i>mbm</i>)	November
Annual Report on Use of Outside Counsel (<i>mbm</i>)	January
Annual Report on Settlements and Separation Agreements (<i>mbm</i>)	January

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 <u>March</u>
Annual Report on Self-Supporting Professional Degree Programs (mbm)	August
Annual Accountability Sub-Report on Diversity at the University of California	January <u>May</u>
University of California Technology Commercialization Report (mbm)	May
<u>Annual Report on Implementation of Regents Policy on Student-Athletes and the Guiding Principles to Enhance Student-Athlete Welfare</u>	<u>September</u>

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
<u>Significant Information Technology Projects</u>	<u>March</u> <u>July (mbm)</u> <u>November (mbm)</u>

HEALTH SERVICES COMMITTEE

Biannual Activity and Financial Status Report on Hospitals and Clinics (mbm)	March
<u>University of California Medical Centers Reports (mbm)</u>	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 <u>March</u>

INVESTMENTS SUBCOMMITTEE

Annual Endowment Investment Report (mbm)	February <u>December</u>
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

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/emmeritus 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/emmeritus 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/emmeritus 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/emmeritus 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/emmeritus 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/emmeritus 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 120](#) – Academic Personnel Manual – Emeritus Titles for procedures for conferral of emerita/emeritus title on faculty and other academic appointees.

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.

Additions shown by underscoring; deletions shown by strikethrough

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.

Additions shown by underscoring; deletions shown by strikethrough

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.~~

Additions shown by double underscoring; deletions shown by strikethrough

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~~ 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~~ 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.

23.4 Authority and Duties of Board Officers

(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~~ Committee, as determined by seniority, appointment date.

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~~ 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 Committee

The Finance and Capital Strategies 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, benefits, employee relations, and the development, review and amendment of employee policies. (See Appendix C)

(d) The Governance ~~and Compensation~~ Committee

The Governance ~~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 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 ~~on matters pertaining to the development, review and amendment of employee compensation and benefits programs and policies.~~ (See Appendix D)

(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 F)

(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)

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~~ 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~~ 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 Committee, and approved by the Board, and shall not be subject to any term limits.

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 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.

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 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 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~~ 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~~ 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~~ 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 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.

Additions shown by double underscoring; deletions shown by strikethrough

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.

23.4 Authority and Duties of Board Officers

(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~~ Personnel Committee; the next most senior member of the Governance and ~~Compensation~~ Personnel Committee, as determined by seniority. ~~appointment date.~~

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)

(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 F)

(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)

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 and Personnel 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.

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.

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.

Additions shown by double underscoring; deletions shown by strikethrough

Appendix D - Charter of the Governance and Compensation Committee

- A. Purpose. The Governance ~~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 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. ~~senior leadership, and pertaining to the development, review and amendment of employee compensation and benefits programs and policies.~~
- B. Membership and Terms of Service.¹ 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~~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

¹ As amended 3-16-17

than the Governance 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
- ~~Approval of senior executive compensation, in accordance with University policy~~
- ~~Review 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.~~

Additions shown by double underscoring; deletions shown by strikethrough

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 ~~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.¹ 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~~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

¹ As amended 3-16-17

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~~
- ~~Review 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.~~

Additions shown by double underscoring; deletions shown by strikethrough

Appendix C - Charter of the Finance and Capital Strategies Committee

A. Purpose. The Finance and Capital Strategies 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, benefits, employee relations and employment policies.

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. 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)~~

DC. 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
- Financial Performance of Insurance programs
- Captive insurance affiliates and programs
- Procurement
- Significant financial programs (e.g. Fiat Lux, Procurement, asset management)

- Large-scale enterprise systems (e.g. UC PATH)
- Annual valuations for UCRP and the retiree health program
- ~~University Investments~~
- University of California Employee Housing Assistance Program
- Real estate sales, purchases and leases, easements, licenses, mineral rights
- Physical design framework
- Design approvals
- Facilities Operations
- Long Range Development Plans (LRDPs) and environmental policy matters
- Energy matters
- Sustainability matters
- Approval of appointment and compensation of University senior leadership, other than individuals within the express jurisdiction of another Committee, in accordance with University policy
- Review of University compensation and benefit plans and programs
- Development of compensation benchmarks (MRZs) and other tools to assess the efficiency and competitiveness of the University's compensation and benefits plans and programs, unless otherwise specified in a committee charter
- Oversight of University collective bargaining practices

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.

ED. 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.

E. Compensation and Personnel Subcommittee. The Committee hereby establishes the Compensation and Personnel Subcommittee to assist the Committee in discharging its oversight responsibilities with regard to University compensation. 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 Compensation and Personnel Subcommittee shall consider

and make recommendations on matters pertaining to University compensation, benefits, employee relations and employment policies.

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. Delegated Authority. The benchmarking framework for the Health MRZs shall be reviewed and approved by the Health Services Committee and the Compensation and Personnel Subcommittee at least every two (2) years.
4. Other Oversight 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:
 - Approval of appointment and compensation of University senior leadership, other than individuals within the express jurisdiction of another Committee, in accordance with University policy.
 - Review 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
5. Consultation with Committee Chairs on Compensation Matters. The Compensation and Personnel Subcommittee 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 though 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.~~

Additions shown by double underscoring; deletions shown by strikethrough

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

- Financial Performance of Insurance programs
- Captive insurance affiliates and programs
- Procurement
- Significant financial programs (e.g. Fiat Lux, Procurement, asset management)
- Large-scale enterprise systems (e.g. UC PATH)
- Annual valuations for UCRP and the retiree health program
- ~~University Investments~~
- University of California Employee Housing Assistance Program
- Real estate sales, purchases and leases, easements, licenses, mineral rights
- Physical design framework
- Design approvals
- Facilities Operations
- Long Range Development Plans (LRDPs) and environmental policy matters
- Energy matters
- Sustainability matters
- Approval of appointment and compensation of University senior leadership, other than individuals within the express jurisdiction of another Committee, in accordance with University policy
- Development of compensation benchmarks (MRZs), unless otherwise specified in a committee charter

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 though 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.~~

Additions shown by double underscoring; deletions shown by strikethrough

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 Committee
 - A member of the Regents Governance ~~and Compensation~~ 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~~ 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~~ 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~~ 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~~ Compensation and Personnel Subcommittee ~~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
 - 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 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

Additions shown by double underscoring; deletions shown by strikethrough

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
 - 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

Additions shown by double underscoring; deletions shown by strikethrough

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~~ The Investments Subcommittee Committee shall provide strategic direction and oversight, consider, make recommendations to the Board, and take action ~~act pursuant to delegated authority consent responsibilities~~ 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~~ Committee members shall be as specified in Bylaws ~~25.3~~ 24.4 through ~~25.5~~ 24.6.
- C. Special Requirements for Members/Advisors. Except as specifically provided in this Charter, neither the ~~Subcommittee Committee~~ 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 though policy and to monitoring and reporting investment results.
- D. Subcommittee Committee Consent Responsibilities. ~~Unless otherwise specified in the Committee Charter, the~~ 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.
 - o Determination of asset classes
 - o Asset and risk allocation policy
 - o Selection of benchmarks
- E. Other Oversight Responsibilities. In addition to the consent responsibilities assigned to the ~~Subcommittee Committee~~ Committee described above, and to the extent not otherwise within such responsibilities, the charge of the ~~Subcommittee Committee~~ 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~~ Committee shall have the authority to retain independent investment experts and advisors, as necessary to conduct the business of the ~~Subcommittee~~ Committee. The ~~Subcommittee~~ Committee 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~~ Committee. 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.