MAYO CLINIC

CHARTER
OF
FINANCE COMMITTEE
OF
THE MAYO CLINIC BOARD OF TRUSTEES

ROLE

The Finance Committee is charged with responsibility for financial oversight and prudence consistent with Mayo Clinic's mission. It shall recommend policies to the Board of Trustees for implementation by management in connection with financial planning and performance, financial management practices, and prudent management of assets, liabilities, revenues, expenditures and capital financing.

MEMBERSHIP

The Membership of the Finance Committee shall be appointed annually by the full Board of Trustees upon the recommendation of the Chair of the Board of Trustees. The Committee shall be composed of not fewer than 6 independent trustee members. The Chair and Vice-chair shall serve a three-year term; members shall serve staggered terms to provide continuity. A quorum shall consist of a majority of members. The Finance Committee shall meet at least quarterly, in conjunction with the meetings of the full Board of Trustees. The Committee Chair, in consultation with the appropriate members of management, will develop the Committee's agenda. Each Committee meeting features an update on financial results. Other matters of financial importance that are discussed and reviewed during the year include:

- Proposed operating and capital plan.
- Margin goals and performance relative to goals.
- Year-end financial report relative to plan and prior year performance.
- Multi-year financial forecasts for operations and capital plans in relation to Mayo mission and priorities.
- Capital projects in excess of $5 million and operating contracts with an annual value in excess of $5 million.
- Key business strategies that influence the financial position of Mayo Clinic, e.g., contracting, payer relations, pricing, pension, health plan and other benefit management.
- Post-implementation reviews of major capital projects.
- Key performance statistics and ratios relating to operations, leverage, liquidity, and broad asset and liability management.
- Review of financial plan within the context of the long-term strategic plan.

AUTHORITY

The Finance Committee shall have the resources and authority necessary to discharge its Responsibilities including the authority to retain outside counsel or other experts or consultants as it deems appropriate.

RESPONSIBILITIES

The principal responsibilities and functions of the Finance Committee are as follows:

1. Review and recommend to the Board of Trustees adoption of the annual operating and capital plan.
2. Review the capital plan and financing strategies, including the use of long-term debt.
3. Review asset/liability management strategies and results, particularly in relation to requirements of the operating and capital plan, the pension plans and external debt.
4. Review and recommend to the Board of Trustees approval of proposed issuance of bonds, significant mergers or divestitures of Mayo branded organizations, and significant for profit joint ventures or new company formations with partners that include use of the Mayo brand.
5. Advise the Board of Trustees on other finance matters as appropriate.
6. Annually review long-term strategic plan.
7. Provide risk management oversight with respect to finance and financial performance.

POLICIES AND PROCEDURES

The Finance Committee is governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board of Trustees.