MAYO CLINIC

CHARTER, POLICIES AND PROCEDURES OF THE GOVERNANCE & NOMINATING COMMITTEE OF THE MAYO CLINIC BOARD OF TRUSTEES

APPROVED BY THE GOVERNANCE & NOMINATING COMMITTEE: MAY 8, 2014
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ROLE

The Governance & Nominating Committee ("Committee") is charged with responsibility as follows:

1. **Governance Committee:** Serve as the "governance committee" of the Board of Trustees.

2. **Nominating Committee:** Serve as the "nominating committee" of the Board of Trustees. Determine qualifications and priority characteristics of Public Trustees. Recommend to the Board of Trustees nominees to fill current and anticipated vacancies of any Public Trustee position.

3. **Compensation Review and Approval:** Approve compensation policies, salaries and other forms of compensation paid to all Internal Members of the Board of Trustees and to Officers of Mayo Clinic, and compensation policies and salary ranges applicable to all physicians (excluding physicians in resident training programs) and senior administrators employed by Mayo Clinic and its tax-exempt subsidiaries. The Committee's role is to confirm the overall reasonableness of Mayo Clinic compensation policies based upon current and relevant benchmark information and based upon recommendations of consultants, the Mayo Clinic Salary and Benefits Committee, and Mayo Clinic Salary Administration.

MEMBERSHIP

The Committee shall consist of five or more members each of whom must be a Public Trustee. Members shall be appointed by the Chair of the Board of Trustees with the approval of a majority of the Board of Trustees. Each member must satisfy the "independence" requirements established by the Board of Trustees under its Conflict of Interest Policy.

OPERATIONS

The Committee shall meet at least four times per year. Additional meetings may occur as the Chair deems advisable. The Secretary of the Committee shall keep adequate minutes of all of its proceedings. Committee members will be furnished with copies of the minutes of each meeting. The Chair of the Committee or the designee of the Chair will report its actions to the next meeting of the Board of Trustees. The Committee is governed by the same rules regarding meetings, written action without a meeting, electronic meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board of Trustees. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with a) any provision of this Charter, b) any provision of the Bylaws of Mayo Clinic as they may be amended from time to time, or c) the laws of the State of Minnesota.

AUTHORITY

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

RESPONSIBILITIES

The Committee shall undertake the following responsibilities, which are set forth as a guide. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time.

Governance Responsibilities: The principal governance responsibilities and functions of the Committee are as follows:

1. **Governance Best Practices:** Advise the full Board on governance matters as the Committee deems appropriate. It is expected that Mayo Clinic governance will incorporate applicable exempt organization "best practices".

2. **Mayo Governance Documents:** Develop, review, and make recommendations to the full Board with respect to all proposed amendments to the Articles of Incorporation or Bylaws of Mayo Clinic including the document entitled "Mayo Clinic: Governance and Management Structure."

3. **Committee Charter:** Periodically review and make recommendations regarding proposed changes to the Charter, Policies, and Procedures of the Committee.

4. **President/CEO Evaluation Process:** Appoint members of the President/CEO Evaluation Subcommittee and confirm details of the process. Act on the Chair's recommendations in response to the report of the Subcommittee.

5. **Board Effectiveness Review:** In even numbered years, approve process to be coordinated by Board Chair for evaluation of the effectiveness of the Board of Trustees. The Committee shall receive a report from the Chair of the Committee regarding Board effectiveness and related recommendations.

6. **Trustee Orientation:** Periodically review and make recommendations regarding the contents of the Trustee Orientation Information Binder and Public Trustee Orientation process used by the Board of Trustees.

7. **Committee Assignments:** Act on the Chair's recommendations to the full Board regarding proposed Committee assignments.

8. **Endorsement of Officer Nominations:** Review nominations of proposed Officers made by the Mayo Clinic Board of Governors and make endorsement recommendations to the full Board of Trustees.

9. **Conflict of Interest:** Approve form of Annual Disclosure under Trustee Conflict of Interest Policy and the related schedule for Trustee responses. Review findings of Mayo Clinic Conflict of Interest Review Board and make annual determination regarding independence of individual members of the Board of Trustees. Review and make recommendations/decisions regarding proposed transactions that require Committee review under the Trustee Conflict of Interest Policy.

10. **Form 990 Review:** Review and develop recommendation for full Board regarding Form 990. The Chief Legal Officer shall prepare a summary to facilitate the Committee's review of the contents of the Form 990 including the following information: financial information; conflict of interest information; compensation information; and the Program Service Statement. The Committee and the full Board may rely on management with respect to the accuracy of the detailed information contained in the Form 990, including specific financial information and tax positions.

11. **Directors & Officers Insurance Review:** Act on annual recommendation of Mayo Clinic Treasury Services regarding terms and limits of Mayo Clinic Directors and Officers insurance coverage.

12. **Department of Defense Security Process:** Make recommendations to the full Board of Trustees regarding resolutions and other actions required to comply with Department of Defense security requirements related to certain Mayo Clinic research.

Compensation Review and Approval Responsibilities: The principal compensation review and approval responsibilities are as follows:

1. **Retain Benchmark Consultant:** The Committee selects and directly retains an independent compensation benchmark consultant. The Committee confirms scope and timing of annual Compensation Review process and whether any amendments are recommended to the Compensation Review Policies and Procedures.

2. **Compensation Review Policies:** Review Compensation Review Policies and related benchmark information; meet with independent compensation benchmark consultant (telephonic or in person as determined by Chair); act on recommendations of Mayo Clinic Salary and Benefits Committee and on recommendations of the Chair of the Committee with respect to specific compensation and benefits decisions pursuant to the Compensation Review Policies.

3. **Report to Board of Trustees:** Chair shall report to full Board whether Committee has completed approval of all compensation and benefit decisions required under the

Compensation Review Policies; however, the details of specific compensation decisions are not expected to be reported unless requested by a Board member since the information for the prior year is presented in a comprehensive format in the Form 990.

Nominating Responsibilities: The principal nominating responsibilities and functions of the Committee are as follows:

1. **Recommend Public Trustee Nominees:** Recommend to the Board of Trustees nominees to fill current and anticipated vacancies of Public Trustee positions.

2. **Assess Qualifications:** Before recommending a nominee, review his or her qualifications and make appropriate inquiries into the individual's background and qualifications including the following:

    a) Educational and professional background;

    b) Relevant characteristics, skills, and experience;

    c) Understanding of disciplines relevant to the success of Mayo Clinic and its activities in clinical practice, medical education, and medical research;

    d) Availability to serve and, in the case of the renomination of a Public Trustee, past attendance at meetings and participation in and contributions to the activities of the Board of Trustees;

    e) Independence and freedom from conflicts of interest,

    f) Level of financial literacy or expertise required for Public Trustee members of the Audit & Compliance Committee; and

    g) Other factors deemed relevant by the Committee.

3. **Assist With Recruitment:** Assist in identifying, interviewing, and recruiting qualified Public Trustee candidates for the Board of Trustees.

POLICIES:

POLICY ON CONFLICTS OF INTEREST AND INDEPENDENCE

The Committee shall assure that each Public Trustee annually completes a Conflict of Interest Disclosure in the form required by the Mayo Clinic Corporate Integrity Program. The Committee shall require new Public Trustees to complete the Conflict of Interest form and any additional information forms deemed appropriate by the Nominating Committee prior to beginning service on the Board of Trustees.

Policy on Manner in Which Offers are Communicated to Prospective New Public Trustees

The Committee shall recommend to the Board of Trustees the nomination of a single candidate to fill each upcoming open Trustee position. The Board of Trustees will act upon the nomination. In the event that the Board of Trustees approves the nomination, an offer will be extended to the nominee through the joint communication of the Chair of the Board of Trustees and one Internal Trustee. No member of the Committee may extend definitive, tentative or so-called "soft" offers to any candidate under consideration for election to the Board of Trustees. The Committee believes this procedure will assure continuity and consistency in the nomination and offer process.

Policy Prohibiting Current CEOs of Pharmaceutical and Medical Device Companies from Serving as Public Trustees

The Committee shall not nominate as a Public Trustee any individual who is a current CEO of a pharmaceutical or medical device company.