CHARTER
OF THE
FINANCE AND INVESTMENT COMMITTEE
OF
THE MAYO CLINIC BOARD OF TRUSTEES
ROLE

The Finance and Investment Committee (the “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.

In support of the Committee’s role in prudently managing assets, an Investment Subcommittee (the “Subcommittee”) shall approve investment policies and guidelines with respect to the funds of Mayo Clinic and serve as the Committee’s primary oversight of the investment management process.

MEMBERSHIP

The Membership of the Committee and Subcommittee 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 six independent trustee members. The Chair and Vice-chair of the Committee shall each serve three-year terms and the Vice-Chair will also serve as the Chair of the Subcommittee. Members of both the Committee and Subcommittee shall serve staggered terms to provide continuity.

The Investment Subcommittee will consist of not fewer than five voting members, at least two of whom shall be independent trustees and at least two of whom shall be internal trustees. In addition, up to three recognized investment experts who are not trustees or Mayo employees may be invited to become advisory members of the committee, in which role they will neither vote nor be considered fiduciaries of Mayo Clinic investment assets.

OPERATIONS

The Committee and Subcommittee shall meet at least quarterly, in conjunction with the meetings of the full Board of Trustees. The Committee and Subcommittee Chairs, in consultation with the appropriate members of management, will develop the agendas for each meeting.

Each Committee meeting will feature an update on financial results as well as other matters, including matters of financial importance such as:

- Review and approval of proposed operating and capital plans
- Review of margin goals and performance relative to goals
- Review of quarterly financial reports relative to plan and prior year performance, key performance statistics and ratios relating to operations, leverage, liquidity, and broad asset and liability management
- Review of multi-year financial forecasts for operations and capital plans in relation to Mayo mission and priorities
• Review and approval of capital projects in excess of $5 million and operating contracts with an annual value in excess of $5 million
• Review of 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
• Review of financial plan within the context of the long-term strategic plan
• Review of investment performance in the form of a report from the Subcommittee

Each Subcommittee meeting will feature a report of general investment performance including comparisons to external benchmarks and internal investment objective, relevant information on investment allocations to industry and geographic sectors, and similar information on individual manager performance.

**AUTHORITY**

The Committee and Subcommittee shall both have the resources and authority necessary to discharge their 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 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.

The principal responsibilities and functions of the Subcommittee are as follows:

1. Review and approve investment policies and asset allocation guidelines for Mayo Clinic investment funds.
2. Receive and review quarterly investment management reports prepared by Treasury Services, which has the authority to manage all Mayo Clinic investment assets and hire external managers.
3. Oversee Treasury Services’ fund management processes with respect to committee-approved investment policies and guidelines, including the hiring of external managers.
4. Evaluate the performance of Mayo Clinic funds relative to investment objectives, performance benchmarks, and risk management objectives included in committee-approved investment policies and guidelines.

5. Provide advice and counsel to the Treasury Services investment staff.

**POLICIES AND PROCEDURES**

The Committee and Subcommittee are 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.