

June 2007

APPROVED

PRE-EMPTIVE RETENTION INCREASE FOR AMIR D. RUBIN AS CHIEF OPERATING OFFICER, UCLA HOSPITAL SYSTEM, LOS ANGELES CAMPUS

Action under interim authority was requested for the pre-emptive retention increase for Amir D. Rubin. This request was in direct response to a critical need to retain the senior management team at the UCLA Medical Center following the resignation of the current Chief Executive Officer.

Compensation:

- (1) As exception to policy, base salary increase of \$142,100 (37.0 percent) to an annual base salary of \$526,500 (at the midpoint of SLCG grade 115 Minimum \$405,000 Midpoint \$526,500 Maximum \$648,000).
- (2) Per policy, continued eligibility for participation in the Clinical Enterprise Management Recognition Program with a maximum payout not to exceed 20 percent of base salary (\$105,300).
- (3) Per policy, continued participation in the Senior Management Supplemental Benefit Program at the rate of 5 percent.
- (4) Payment of remaining portion (\$28,125) of approved relocation allowance totaling \$93,750 per schedule originated at time of appointment in October 2005.
- (5) An effective date of July 1, 2007.

Additional items of compensation include:

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

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments. All compensation (as defined in the Regents' 1993 Principles for Review of Executive Compensation) in this recommendation will be released to the public immediately following approval by The Regents.

BACKGROUND

Mr. Rubin plays a central role in developing and implementing clinical strategy and business plans while serving as the head of operations for the Hospital System, which includes the Westwood-UCLA Medical Center, Mattel Children's Hospital at UCLA, the Stewart and Lynda

Resnick Neuropsychiatric Hospital, and Santa Monica-UCLA Medical Center & Orthopedic Hospital. During his tenure at UCLA, Mr. Rubin has led operations in an exemplary manner by supporting a significant financial turnaround, while also improving the clinical and operational environment on behalf of providers and staff. At present, Mr. Rubin is being solicited by prospective employers on an on-going basis due to his national profile, proven track record, and his extensive experience in academic medical centers and large health systems. With the recent review of the COO salary at UCSF, and available market data collected by Clark Consulting, it is evident that his salary severely lags the marketplace. With the recently announced departure of Associate Vice Chancellor and CEO Callender, Mr. Rubin's role becomes even more critical, and it will be essential to retain him at UCLA during this time of transition. We believe the proposed increase in salary to the market midpoint will acknowledge the University's commitment to retaining Mr. Rubin in his current role.

[Compensation form attached.]

**COMPENSATION FOR AMIR D. RUBIN AS CHIEF OPERATING OFFICER, UCLA HOSPITAL SYSTEM,
LOS ANGELES CAMPUS**

Position Slotted in Grade 115 – Minimum \$405,000, Midpoint \$526,500, Maximum \$648,000

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| ITEM | RECEIVING | | AMOUNT | EXCEPTION TO POLICY | APPROVAL REQUIRED |
|---|-----------|----|-----------|------------------------|----------------------|
| | YES | NO | | | |
| SALARY AND OTHER CASH PAYMENTS | | | | | |
| · Annual Base Salary | X | | \$526,500 | YES** | REGENTS |
| · Health Sciences Compensation Plan | | X | | | |
| · Additional Salary (Stipend, add-ons, etc.) | | X | | | |
| · Clinical Enterprise Management Recognition Plan- up to 20% | X | | \$105,300 | NO | REGENTS |
| *example payout calculated at 20% | | | | | |
| · Any other bonuses/Incentives | | X | | | |
| · Annual Incentive Plan (Treasurer's Office only) | | X | | | |
| · Senior Management Supplemental Benefit Program - eligible to receive 5% as contribution to retirement plan for total annual amount at current base salary | X | | \$26,325 | NO | REGENTS |
| BENEFITS AND PERQUISITES | | | | | |
| · Standard Benefits Package (Health, UCRP, Vision, Dental, etc.) | X | | | NO | |
| · Automobile Allowance | | X | | | |
| · Leased Automobile | | X | | | |
| · Senior Manager Life Insurance | X | | | NO | |
| · Executive Business Travel Insurance | X | | | NO | |
| · Exec. Salary Continuation for Disability | X | | | NO | |
| · Mortgage Origination Program (MOP) Loan | | X | | | |
| · Supplemental Home Loan Program (SHLP) | | X | | | |
| · University-provided Housing President/Chancellors) | | X | | | |
| · Educational Expenses | | X | | | |
| · Other Perqs – please list below | | X | | | |
| ONE-TIME PAYMENTS/REIMBURSEMENTS | | | | | |
| · Payment in Lieu of Sabbatical Pay | | X | | | |
| · Relocation Allowance | X | | \$28,125* | NO | REGENTS |
| · Temporary Housing Allowance - 1 month per policy | | X | | | |
| · Payment in lieu of Vacation Pay | | X | | | |
| · Moving Expenses/Movement of Household Goods | | X | | | |

*Includes a relocation allowance of \$93,750 (25%) paid over a period of four years beginning with appointment on October 10, 2005. Remaining portion to date is \$28,125.

** This is an exception to policy due to an increase amount greater than 25 percent of base salary.

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| ITEM | RECEIVING | | AMOUNT | EXCEPTION TO POLICY | APPROVAL REQUIRED |
|---|-----------|----|-----------|------------------------|----------------------|
| | YES | NO | | | |
| FUTURE BENEFITS | | | | | |
| · Post-retirement Employment Agreements | | X | | | |
| · Consultant/Independent Contractor Compensation Agreement | | X | | | |
| · Severance/Separation Agreement | | X | | | |
| · Sabbatical/Administrative Leave | | X | | | |
| · Special Health Benefits or Other Benefits | | X | | | |
| OTHER | | | | | |
| · Administrative Fund Allocation | | X | | | |
| · Corporate Board Service | | X | | | |
| · Other (Specify) | | X | | | |
| TOTAL ANNUAL EMPLOYEE COMPENSATION (Including, if applicable, Salary, Perquisites, One-time Payments, Future Benefits, and Other) | | | \$686,250 | | |

[Please note that all payments, reimbursements, special benefits, etc. should be listed on this form in order to be authorized by the President and The Regents. This information will be released to the Public.]

The only compensation permitted is what is listed on the summary page that accompanied the item.