

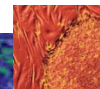
**Recommendations of Governance  
Subcommittee Regarding:**

- (1) Board Bylaws;**
- (2) Board Code of Conduct; and**
- (3) CIRM Conflict of Interest Code**

**Agenda Item 14**

# Board Bylaws

- Board adopted bylaws in 2005 and provided for two standing subcommittees – Governance and Legislative – and authorized creation of additional subcommittees as Board deemed necessary
- Under current bylaws, Governance Subcommittee has jurisdiction over CIRM budget
- In 2007, Board created Finance Subcommittee and for the last several years Finance Subcommittee has reviewed CIRM budget
- Amend article VI, section 4 (p. 7) to conform bylaws to current practice



# Board Bylaws (Continued)

- In 2010, Board adopted amendment to bylaws to implement SB 1064, which authorized compensation for Patient Advocates for their service on the GWG and leadership of SWG and FWG
- Bylaws include an annual cap on compensation but do not specify whether it is on a calendar or fiscal year basis
- Amend article IV, section 7 (p. 4) to clarify that cap applies on fiscal year basis, consistent with CIRM's budget year

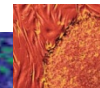
**Recommendation: Approve the proposed amendments to article VI, section 4, and article IV, section 7, of the Board's bylaws**



# Code of Conduct

- At direction of Chair of Governance Subcommittee, prepared Code of Conduct for Board
- Surveyed codes of other government agencies and nonprofits to develop code
- Code includes statement of expectations for Board members, including attendance at meetings, protection of confidential information, interaction with media on behalf of CIRM, and requests of CIRM staff

**Recommendation: Approve Board Code of Conduct**



# Conflict of Interest Code

- Political Reform Act requires every state agency to adopt a conflict of interest code and to conduct biennial review of code
- Code identifies who has to disclose financial interests and what they have to disclose
- Fair Political Practices Commission, which is responsible for reviewing and approving CIRM's code, recommended that CIRM drop its broadest disclosure category and adopt narrower disclosure category focused on nature of CIRM's work



# Conflict of Interest Code (Continued)



- Governance Subcommittee considered recommendation but determined that CIRM should continue to set an example by requiring the broadest disclosure of members of the Governing Board and high level staff because of CIRM's unique mission and the agency's longstanding commitment to transparency

**Recommendation: Maintain Disclosure Category 1 in CIRM Conflict of Interest Code for Board members and executive staff and proceed with technical amendments to the Code, including consideration of the appropriate level of disclosure for non-executive staff**

