President Succession Plan

Senate Bill No. 1064 requires CIRM to engage in leadership succession planning for both the Board and the agency to minimize the impact and disruption of a change in leadership and to ensure the successful transfer of knowledge. CIRM's Governing Board has adopted policies and procedures with respect to the selection of the Chair and Vice Chairs of the Governing Board. This document is intended to outline a plan, if necessary, for the succession of CIRM's President, Alan Trounson. This plan is based on the Board's last two presidential searches.

1. Re-establish Presidential Search Subcommittee: The Board relied on a Presidential Search Subcommittee to oversee the last two searches conducted by CIRM. The subcommittee comprised 14 members of the Governing Board and was chaired by the Chairman of the Governing Board. Current Board members who served on the Subcommittee include: Goldberg, Lansing, Bryant, Price, Sheehy, Pizzo, and Samuelson. The Presidential Search Subcommittee recommended criteria for evaluating candidates for President, selected an executive search firm, and conducted interviews of candidates, and recommended candidates to the Governing Board. Although there is no present need for a search committee, we recommend that the Board take action now to ensure that a subcommittee can be established immediately if and when the need arises. Because the composition of the Board will likely change between now and the time a subcommittee is required, we suggest that the Board consider delegating authority to the Chair of the Board to appoint a broad-based search committee composed of Board members drawn from among the patient advocates, life science commercial entity representatives, university representatives, and non-profit research institute representatives at the time a need for the subcommittee arises.

Recommendation: Delegate authority to the Chair of the Board to re-establish the Presidential Search Subcommittee and appoint its members when the need arises.

2. Prepare a Request for Proposals for an executive search firm: For the last two presidential searches, the Board solicited proposals from executive search firms. In response to the first request, the Board received proposals from A.T. Kearney, Spencer Stuart, Isaacson Miller, Kincannon & Reed, and Caliber Associates. The Board selected Spencer Stuart. In response to the second RFP, Spencer Stuart, Opus, Kelly Healthcare, Edward W. Kelley & Partners submitted bids. The Presidential Search Subcommittee selected Spencer Stuart to assist with the second search. Because the process of issuing a Request for Proposals, interviewing potential firms, and selecting a firm can be time-consuming, we propose to draft the specifications for an RFP now so that it can be issued as soon as the need becomes apparent. A copy of the 2007 RFP is attached as Attachment A. We also recommend that the Board delegate authority to the Presidential Search Subcommittee to select and approve a contract with an executive search firm, as it did with the second search, at the appropriate time.

Recommendation: Direct staff to prepare Request for Proposals for executive search firm and authorize Presidential Search Subcommittee, once appointed, to select and approve a contract with an executive search firm at the appropriate time.

3. Determine the eligibility criteria and the most important qualities for candidates for President: The Presidential Search Subcommittee spent a considerable amount of time evaluating and recommending criteria and key qualities for candidates for President. For example, the Subcommittee recommended that the President could not maintain a research laboratory while serving as President due to concerns regarding the time commitment for the President and the potential for conflicts of interest. The Subcommittee also emphasized the desire for the candidate to be prominent scientist and a leader in the stem cell research field. CIRM is now a more mature and established organization, so it is possible that members of the Board may now have different views concerning the criteria and essential qualities for candidates for President and that these views may have evolved further by the time a search becomes necessary. Copies of the 2005 and 2007 candidate specifications prepared by Spencer Stuart, based on criteria approved by the Board, are attached as Attachments B and C, respectively.

Recommendation: At the appropriate time, consider the eligibility criteria and desired qualities for candidates for President.

4. Consider process for appointing an interim President: CIRM has been served by four interim Presidents since its inception. At its meeting in January 2005, before the agency had hired any staff, the Board asked Chairman Bob Klein to serve as interim President. In March of 2005, the Board hired Dr. Zach Hall to serve as interim President before appointing him as President later that year. Immediately after Dr. Hall announced his resignation in April 2007, the Board appointed Dr. Arlene Chiu, the Chief Scientific Officer, and Lori Hoffman, the Chief Administrative Officer, to serve as co-interim Presidents. During its search for a new President, which took approximately six months, the Board appointed Rich Murphy, a former member of the Board, to serve as interim President, providing important stability for the agency during the search and permitting existing staff to focus on their other responsibilities. As demonstrated by this history, there are different models for filling the role of interim President. Because the desirability of these models may turn on the length of the transition to a new President and other factors not known at this time, we recommend that the Presidential Search Subcommittee, at the appropriate time, consider the desirability of the various options and the process for appointing an interim President.

Recommendation: At the appropriate time, consider the options and process for selecting an Interim President to ensure a smooth transition to a new President.

5. Transfer of Knowledge: A smooth transition to new leadership depends upon the successful transfer of knowledge to a new President. CIRM has now been in existence for almost eight years. Many of the original members of the Governing Board continue to serve on the Board and CIRM's staff includes several individuals who were among the agency's early employees and many others who have served the agency for multiple years. In addition, CIRM is now a mature organization with well-established policies and processes. Thus, a new President will have the benefit of guidance from Board members and members of the agency staff who have significant historical knowledge and of policies and processes that have been in existence for some time and with which staff and members of the Board are very familiar. These factors should permit a smooth transfer of knowledge to a new President. To the

extent that the timeframe for a transition to new leadership permits, CIRM would also benefit from a handoff of power from the current President to a new President to permit the transfer of knowledge from one leader to the next. For example, Dr. Murphy and Dr. Trounson overlapped for a period of time to ensure a smooth transition.

Recommendation: At the appropriate time, consider ways in which CIRM can ensure a transfer of knowledge from the current President to the new President.

ATTACHMENT A

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

REQUEST FOR PROPOSAL

February 2, 2007
Executive Search Firm Services
RFP# CIRM 2055

You are invited to review and respond to this Request for Proposal (RFP), entitled RFP#CIRM2055 Executive Search Firm Services for the California Institute for Regenerative Medicine (CIRM). In submitting your proposal, you must fully comply with these instructions. Missing and/or incomplete information may cause your response to be disqualified from further consideration. The RFP seeks qualified executive search firms to submit proposals to conduct a search for a president of CIRM described in Section A, Item 2,

In the opinion of the CIRM, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Contract Manager
Melissa King
(415) 396-9119

All submittals must be received on or before 5 PM Pacific Time, Friday, February 23. Return 4 identical copies (One original signed and three identical copies) to:

California Institute for Regenerative Medicine
210 King Street
San Francisco, CA 94107
Attn: Robert Klein
(415) 396-9107

Faxed submittals will not be accepted
Late submittals will not be accepted

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

Table of Contents

A. Purpose and Description of Services

1. Introduction

The California Institute for Regenerative Medicine (CIRM) was established for the purpose of making grants and loans to California's universities and other advanced medical research facilities throughout the state for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases. Priority will be given to stem cell research that has the greatest potential for therapies and cures, specifically focused on pluripotent stem cell and progenitor cell research among other vital research opportunities that cannot, or are unlikely to, receive timely or sufficient federal funding. Funding for the grants and loans and for the operational costs necessary to accomplish this purpose will come from the issuance by the State Treasurer of $3 billion in general obligation bonds. The grant and loan funding decisions will be made by the Independent Citizens' Oversight Committee (ICOC), a twenty-nine member body charged with governing the CIRM. The ICOC is authorized under Proposition 71 of 2004 to commit an average of $295 million per year in grants and loans over a 10-year period. In addition, the ICOC is authorized to accept real and personal property donations to fund operations and grant programs. Also, the ICOC is authorized to accept general fund loans to finance start up activities for CIRM or to provide bridge financing until the bonds are sold. Finally, the State Treasurer may issue Bond Anticipation Notes (BANS) as bridge financing.

CIRM seeks to contract with an executive search firm to assist the CIRM in its search for a president. The California Research and Cures Act, Proposition 71, defines the role of the president as follows:

The president's primary responsibilities are to serve as the chief executive of the institute; to recruit the highest scientific and medical talent in the United States to serve the institute on its working groups; to serve the institute on its working groups; to direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities, and standards as well as to direct and support the ICOC process of evaluating and acting on those recommendations, the implementation of all decisions on these and general matters of the ICOC; to hire, direct, and manage the staff of the institute; to develop the budgets and cost control programs of the institute; to manage compliance with all rules and regulations on the ICOC, including the performance of all grant recipients; and to manage and execute all intellectual property agreements and any other contracts pertaining to the institute or research it funds.

Under Proposition 71, the governing board of CIRM, the Independent Citizens' Oversight Committee ("ICOC") "shall set compensation for the chairperson, vice chairperson, and president...within the range of compensation levels for executive officers...of medical schools within the University of California system and the nonprofit academic and research institutions...."

The ICOC has set the salary level for the President at the following:

Level 10 $275,000-$412,500

The firm that is selected must be technically and professionally capable of providing the services in all subject areas described in Section A, Item 2, Scope of Services and meet the Minimum Qualifications for Proposers in Section B. The firm must be free from actual conflicts of interest not only at the time of selection, but also throughout the term of the contract.

The CIRM expects that the winning firm will be able to start as soon as possible immediately after the execution of the contract. The CIRM anticipates entering into a six month contract with a possible extension based on mutual agreement between the CIRM and the winning firm and a 30-day cancellation clause by either party.

2. Scope of Services

The executive search firm will be expected to provide the CIRM with the following as described herein:

a) Firm's Experience, Personnel and References

1. Detailed information regarding the search firm, including prior relevant experience in placement of senior people in business operations and scientific leadership positions.

    i. Qualifications and Experience of Firm - Discuss the overall experience of your firm that demonstrates your ability to successfully complete the Scope of Services, Section A, Item 2.

    ii. Qualification of Personnel/Resumes - Identify the staff that will be providing the services required by the proposal, including years and type of experience for each person. Experience should include number of years at current firm as well as all prior service. Experience in search firm services should be detailed. The party in charge of the CIRM account must have at least five years prior placement experience of senior people in business operations and scientific leadership positions.

    iii. The firm should insure that the quality and availability of its staff assigned to this agreement will be maintained over the term of the agreement. Any changes in assigned staff are at the discretion of the firm, provided that any replacements have substantially the same as or better qualifications and experience than the original personnel.

2. An all inclusive competitive cost proposal based on a percentage of the president's compensation (contingency) and/or a flat fee (retainer), include all administrative expenses and travel on a not to exceed basis.

3. A detailed timeline for the successful completion of the presidential search. Suggestions to potentially streamline the search timeline can also be presented. Cost implications for streamlining the search process should also be presented, if applicable.

4. Plan to coordinate all Presidential Search Committee meetings with CIRM and the Presidential Search Committee members, as appropriate.

i. The successful executive search firm will be required to meet with the ICOC Presidential Search Sub-Committee at the initiation of the search and to make oral and written presentations to the Sub-Committee, when appropriate.

3. Term of Agreement
The term of the Agreement will be for six months with a possible extension based on mutual agreement between the CIRM and the winning firm.

B) Minimum Qualifications for Proposer(s)

The CIRM expects to have a close working relationship with its executive search firm as evidenced by the nature of the tasks listed above, and requires the demonstration of a high degree of experience, training and proficiency in the conduct of the various functions performed. The executive search firm should have extensive background in placement of senior people in business operations and scientific leadership positions. In addition, the CIRM expects that its executive search firm will comply with current industry standards and will maintain appropriate expertise at the firm's own expense. Proposer must have, at minimum, the following qualifications and experience:

1. Firm must be a professional executive search firm with a specialization in placement of senior business operations and scientific candidates.

2. Firm must have conducted, within the last 5 years, at least three executive searches in the areas outlined above.

3. Firm must have sufficient staff to provide executive search services to the CIRM to meet the requirements outlined in Section A, Item 2, Scope of Services.

4. Independent Consultant Insurance Requirements
   a. General Liability
      i. Comprehensive or Commercial Form (minimum limits)

1. Each Occurrence	$1,000,000.00
2. Products/Completed Operations Aggregate	$1,000,000.00
3. Personal and Advertising Injury	$1,000,000.00
4. General Aggregate*	$1,000,000.00

*Not applicable to comprehensive form.

If the above insurance is written on a claims-made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

   b. Business Automobile Liability (minimum limits): For owned, scheduled, non-owned, or hired automobiles with a combined single limit of not less than $1,000,000 per occurrence.

   c. Workers' Compensation: as required under California State Law.

   d. Professional Liability Insurance (minimum limits):

i. Each Occurrence $1,000,000
ii. Project Aggregate $2,000,000

e. Other insurance in amounts which from time to time may reasonably be required by the mutual consent of the CIRM and the Independent Consultant against other insurable hazards relating to performance.

C) Proposal Requirements and Information

1) Key Action Dates

It is recognized that time is of the essence. All Proposers are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

Date	Action
Friday, February 2	RFP available to prospective firms
Friday, February 23	Final Date for Proposal Submission. Proposals must be received at the CIRM at 210 King Street by **5:00 P.M.**
Wednesday, March 7	Proposed Award Date (Note: The actual award date may be earlier.)

2) References

a) References - Submit a list of at least three references (clients) to which you have provided similar executive search firm services within the past five years and contact numbers for each. See Attachment 1.

3) Submission of Proposal

a) Proposals should provide straightforward and concise descriptions of the Proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.

b) The proposal package should be prepared in the least expensive method.

c) All proposals must be submitted to the California Institute for Regenerative Medicine by the dates and times shown in Section C, Proposal Requirements and Information, Item 1) Key Action Dates.

d) One (1) original plus three (3) copies of the proposal must be submitted.

e) The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

f) The proposal envelope(s) should be addressed as follows and must be plainly marked with the RFP number and title:

Bob Klein
ICOC Chairman
California Institute for Regenerative Medicine
210 King Street
Subject: Request for Proposal for Executive Search Firm
RFP# CIRM 2055

If the proposal is made under a fictitious name or business title, the actual legal name of the proposer must be provided.

g) All proposals shall include the documents identified in Section D, Required Attachments. Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.

h) Mail or deliver proposals to the address as stated in f above.

i) Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.

j) A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CIRM may reject any or all proposals and may waive any immaterial deviation in a proposal. CIRM's waiver of immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.

k) Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the State of California.

l) An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Payee Data Record. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

m) A Proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in Section C, Proposal Requirements and Information, Item 1) Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.

n) A Proposer may withdraw its proposal by submitting a written withdrawal request to CIRM, signed by the Proposer or an authorized agent, addressed in accordance with f above. A Proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.

o) The CIRM may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.

p) The awarding agency reserves the right to reject all proposals. The CIRM is not required to award an agreement.

q) Before submitting a response to this solicitation, Proposers should review, correct all errors and confirm compliance with the RFP requirements.

r) Where applicable, Proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications, if applicable.

s) More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.

t) CIRM does not accept alternate contract language from a prospective Consultant. A proposal with such language will be considered a counter proposal and will be rejected.

u) No oral understanding or agreement shall be binding on either party.

4) Evaluation Process

a) At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.

b) Proposals that contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the proposer, may be rejected.

c) Award, if made, will be to the highest scoring responsible proposal.

d) Proposal Evaluation

The CIRM desires an executive search firm that demonstrates a high degree of experience, training and proficiency in the conduct of placement of senior people in business operations and scientific leadership positions.

The proposals that meet the Minimum Qualifications in Section B and the Proposal Requirements and Information in Section C, will be evaluated and scored according to the criteria indicated below. The selection will be made by an evaluation committee of the Presidential Search Sub-committee of the ICOC on the basis of the following weighted factors (Maximum Points available for each criterion is noted.)

(1) Qualification of Personnel (35 points)
The CIRM will evaluate the individuals to be assigned to the contract on the basis of background and experience in related work.

(2) Experience as a Firm (20 points)
The CIRM will evaluate the firm on the basis of the firm's overall experience demonstrating its ability to successfully complete the requirements identified in 1) Introduction and 2) Scope of Services, Section A.

(3) Cost (20 points)
The CIRM will score the cost upon the competitive cost proposal, Scope of Services, Section A, Item 2.

Maximum Total Possible Points **75 points**

The firm receiving the highest score based on the factors listed above will be awarded the contract.

5) Disposition of Proposals

a) Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.

b) Proposal packages may be returned only at the Proposer's expense, unless such expense is waived by the CIRM.

6) Agreement Execution and Performance

a) Service shall start on the express date set by the CIRM and the Consultant, after all approvals have been obtained and the agreement is fully executed. Should the Consultant fail to commence work at the agreed upon time, the CIRM, upon five (5) days written notice to the Consultant, reserves the right to terminate the agreement. In addition, the Consultant shall be liable to the State for the difference between Consultant's Proposal price and the actual cost of performing work by another Consultant.

b) All performance under the agreement shall be completed on or before the termination date of the agreement.

D) Required Attachments

For your proposal to be considered responsive, all required attachments must be included with the RFP by the dates and times shown in Section C, Proposal Requirements and Information, Item 1, Key Action Dates.

Attachment 1 – Proposer References

Attachment 2 – Payee Data Record (STD 204)

E) Exhibits

1. Sample Independent Consultant Agreement

ATTACHMENT 1

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your bid may cause your bid to be rejected and deemed non-responsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 2

STATE OF CALIFORNIA-DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9)
STD. 204 (Rev. 6-2003)

1	**INSTRUCTIONS:** Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. **NOTE:** Governmental entities, federal, State, and local (including school districts), are not required to submit this form.
2	**PAYEE'S LEGAL BUSINESS NAME** (Type or Print) **SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN** (Last, First, M.I.) / **E-MAIL ADDRESS** **MAILING ADDRESS** / **BUSINESS ADDRESS** **CITY, STATE, ZIP CODE** / **CITY, STATE, ZIP CODE**
3 **PAYEE ENTITY TYPE** **CHECK ONE BOX ONLY**	**ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):** ☐☐-☐☐☐☐☐☐☐ ☐ **PARTNERSHIP** ☐ **ESTATE OR TRUST** **CORPORATION:** ☐ **MEDICAL** (e.g., dentistry, psychotherapy, chiropractic, etc.) ☐ **LEGAL** (e.g., attorney services) ☐ **EXEMPT** (nonprofit) ☐ **ALL OTHERS** ☐ **INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER:** ☐☐☐-☐☐-☐☐☐☐ (SSN required by authority of California Revenue and Tax Code Section 18646) **NOTE:** Payment will not be processed without an accompanying taxpayer I.D. number.
4 **PAYEE RESIDENCY STATUS**	☐ California resident - Qualified to do business in California or maintains a permanent place of business in California. ☐ California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding. ☐ No services performed in California. ☐ Copy of Franchise Tax Board waiver of State withholding attached.
5	**I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.** **AUTHORIZED PAYEE REPRESENTATIVE'S NAME** (Type or Print) / **TITLE** **SIGNATURE** / **DATE** / **TELEPHONE** ( )
6	**Please return completed form to:** **Department/Office:** State Controller's Office **Unit/Section:** Contracts Unit **Mailing Address:** 300 Capitol Mall, Suite 622 **City/State/Zip:** Sacramento, CA 95814 **Telephone:** (916) 322-0527 **Fax:** (916) 327-1259 **E-mail Address:** pmoore@sco.ca.gov

EXHIBIT 1

Agreement No. CIRM ___

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
INDEPENDENT CONSULTANT AGREEMENT

THIS AGREEMENT to furnish certain consultant services is made by and between the California Institute for Regenerative Medicine hereinafter called (the CIRM), and _____[Name] hereinafter called (the Consultant).

I. NATURE AND PLACE(S) OF SERVICE

A. The Consultant shall furnish to the CIRM the following described services including a time schedule by which the Consultant is to produce or provide specified materials or perform certain consulting services as well as reports on the progress of the services:

B. In addition to the services described in subparagraph A. above, the Consultant's proposal to the CIRM shall be incorporated herein by reference and made part of this Agreement.

C. If the Consultant is an entity other than an individual, the CIRM requires that _____be assigned to perform the work set forth herein. No reassignment of work to any other individual(s) other than those described in Attachment A shall be made without the written approval of the CIRM.

D. Place(s) of performance of such services shall be:

Consultant's location:

CIRM's location:

210 King Street
San Francisco, CA 94107

E. The CIRM will provide working space, equipment, furniture, utilities, and services, as follows:

II. TERM OF AGREEMENT

A. The term of this Agreement shall be from _____ through _____.

B. CIRM reserves the right to terminate this agreement subject to 30 days written notice to the consultant. Consultant may submit a written notice to terminate this agreement only if the CIRM should substantially fail to perform its responsibilities as provided herein. In addition, this agreement may be terminated immediately for cause. The term "for cause" shall mean that the Consultant fails to meet the terms, conditions, and/or responsibilities of this agreement. In this instance, the termination shall be effective as of the date indicated on CIRM's notification to the Consultant

C. The term of this agreement may be extended by the mutual, written consent of both parties.

III. COMPENSATION AND REIMBURSEMENT FOR EXPENSES

A. The CIRM shall pay the Consultant for services performed on the following basis:

1. Professional Fees::

2. Other Expenses

MAXIMUM TO BE PAID UNDER THIS AGREEMENT

$_____

* Reimbursement for travel and per diem shall be in accordance with established CIRM rates and policies.

B. Payments shall be made upon the Consultant's submission of invoices indicating the Agreement Number and setting forth charges in accordance with rates detailed in Article III-A. Each invoice shall include the Consultant's taxpayer identification number (Social Security or employer identification number). Invoices shall be submitted in triplicate not more frequently than monthly in arrears to:

California Institute for Regenerative Medicine
Chief Finance & Administrative Officer
210 King Street
San Francisco, CA 94107

IV. REPORTING

In performing consulting services under this Agreement, the Consultant shall be accountable to the CIRM and shall provide progress reports to CIRM upon CIRM's request.

V. NOTIFICATION

Notices concerning this Agreement shall be addressed as follows:

CIRM: CONSULTANT:

[Insert name and address]

VI. TAXES

The compensation stated in Article III includes all applicable taxes and will not be changed hereafter as the result of Consultant's failure to include any applicable tax or as the result of any change in the Consultant's tax liabilities. The Consultant acknowledges that compensation payable hereunder may be subject to withholding of state and federal income tax, including state income tax subject to withholding pursuant to California Revenue and Taxation Code Sections 18661-18677.

VII. INDEPENDENT CONSULTANT STATUS

A. Both parties agree that in the performance of this Agreement the Independent Consultant shall not be an agent or employee of the CIRM, shall not be covered by the State of California Worker's Compensation Insurance or Unemployment Insurance, shall not be eligible to participate in the CIRM's retirement programs, and shall not be entitled to any other CIRM employee benefits.

B. The Consultant shall be solely responsible for the conduct and control of the work to be performed by the Consultant under this Agreement, except that the Consultant is accountable to the CIRM for the results of such work. The Consultant's services for the CIRM shall be performed in accordance with currently approved methods and ethical standards applicable to the Consultant's professional capacity.

California State Contract Code 10515 (a) states: No person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract on or after July 1, 2003, for the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

VIII. ASSIGNMENT OR SUBCONTRACTING

The Consultant may not assign or transfer this Agreement, or any interest or claim, or subcontract any portion of the work, without the prior written approval of the CIRM. The withholding or granting of such approval is totally discretionary with the CIRM. If the CIRM consents to such assignment or transfer, the terms and conditions of this Agreement shall be binding upon any assignee or transferee.

IX. PROPERTY RIGHTS, INCLUDING PATENTS AND COPYRIGHTS

All written and other tangible material ("Material") produced pursuant to this Agreement by the Consultant shall be considered a work-made-for-hire under the Copyright Act. To the extent said Material does not qualify as a work-made-for-hire, Consultant hereby assigns all right, title, and interest, including, but not limited to, copyright and all copyright rights in the Material to the CIRM and shall execute any and all documents necessary to effectuate such assignment. In the event Consultant uses any individual who is not a full-time employee of Consultant or uses any other entity to perform any of the work required by Consultant hereunder, Consultant shall require said individual or entity to sign an agreement before commencing work for consultant to sign an agreement that contains identical wording to the foregoing two sentences except that the word "Consultant" shall be replaced with the individual's or entity's name.

X. CONSULTANT'S LIABILITY AND INSURANCE REQUIREMENTS

A. The Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages that are caused by or result from the negligent or intentional acts or omissions of the Consultant, its officers, employees, or agents or Consultant's breach of this Agreement. In addition, Consultant agrees to defend, at the CIRM's election, indemnify, and hold harmless the CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages accruing or resulting to any and all contractors, subcontractors, suppliers, or any other person, firm or corporation furnishing services or supplying goods in connection with Consultant's performance of this Agreement

B. The Consultant shall furnish a Certificate of Insurance or statement of self-insurance (contractual liability included) showing minimum coverage as follows:

1. General Liability: Comprehensive or Commercial Form (Minimum Limits)

(i)	General Aggregate (BI, PD)*	$1,000,000
(ii)	Products, Completed Operations	

	Aggregate	$1,000,000
(iii)	Personal and Advertising Injury	$1,000,000
(iv)	Each Occurrence	$300,000

* (not applicable to comprehensive form)

However, if such insurance is written on a claims-made form following termination of this Agreement, coverage shall survive for a period no less than three years. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this Agreement.

2. Business Auto Liability: (Minimum Limits) for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of no less than $1,000,000 per occurrence.

3. Workers' Compensation: as required under California State Law.

4. Professional Liability Insurance: (Minimum Limits)

(1) Each occurrence	$1,000,000
(2) Project Aggregate	$2,000,000

If this insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

5. Other insurance in amounts as from time to time may reasonably be required by the mutual consent of the CIRM and the Consultant against such other insurable hazards relating to performance.

Certificate(s) shall name the CIRM as an additional insured under 1, 2 and 4 above, obligate the insurer to notify the CIRM at least thirty (30) days prior to cancellation of or changes in any of the required insurance and include a provision that the coverage will be primary and will not participate with nor be excess to any valid and collectible insurance program of self-insurance carried or maintained by the CIRM. Premiums on all insurance policies shall be paid directly by the Consultant.

XI. RECORDS ABOUT INDIVIDUALS

A. The Consultant acknowledges that the creation and maintenance of records pertaining to individuals is subject to certain requirements set forth by the California Information Practices Act (Civil Code 1798, et seq.) and by the CIRM policy. Such requirements include provisions governing the collection, maintenance, accuracy, dissemination, and disclosure of information about individuals, including the right of access by the subject individuals.

B. If the Consultant creates confidential or personal records about an individual, as defined by the Information Practices Act, including notes or tape recordings, the information shall be collected to the greatest extent practicable directly from the individual who is the subject of the information. When collecting the information, the Consultant shall inform the individual that the record is being made and of the purpose of the record.

C. Records containing confidential or personal information about individuals are the property of the CIRM and subject to the CIRM's policies and applicable federal and state

laws. The Consultant agrees to deliver all such records, including originals and all copies and summaries, to the CIRM upon termination of this Agreement.

D. The Consultant shall not use recording devices in discussions with the CIRM's employees without notifying all parties to the discussion that the discussion is being recorded.

XII. EXAMINATION OF RECORDS

The Consultant agrees that the CIRM and its authorized agents shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the Consultant. Consultant agrees to maintain such records for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow the CIRM and its authorized agent's access to such records during normal business hours. Further, Consultant agrees to include a similar right of access in any subcontract related to the performance of this Agreement.

In accordance with state law, the Consultant agrees that the CIRM, its authorized agents, the State Controller's Office, and the Bureau of State Audits (collectively, the "Auditors") shall have the right, in connection with an audit, to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the Consultant. Consultant agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow the Auditors access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Consultant agrees to include a similar right of the Auditors to audit records and interview staff in any subcontract related to the performance of this Agreement.

XIII. CONFLICT OF INTEREST

A. The Consultant will not hire any officer or employee of the CIRM to perform any service covered by this Agreement. If the work is to be performed in connection with a federal or state contract or grant, the Consultant will not hire any employee of the government concerned to perform any service covered by this Agreement.

B. The Consultant affirms that to the best of his/her knowledge there exists no actual or potential conflict between the Consultant's family, business or financial interest and the services provided under this Agreement, and in the event of change in either private interests or service under this Agreement, any question regarding possible conflict of interest which may arise as a result of such change will be raised with the CIRM.

C. The Consultant shall not be in a reporting relationship to a CIRM employee who is a near relative, nor shall the near relative be in a decision-making position with respect to the Consultant.

XIV. AFFIRMATIVE ACTION

The Consultant recognizes that as a state government contractor or subcontractor, the Consultant is obligated to comply with all state laws and regulations regarding equal opportunity and affirmative action in government contracts. When applicable, the Consultant agrees that all such laws and their implementing regulations are incorporated herein as though set forth in full. These laws include the nondiscrimination requirements of Government Code sections 12990 and 11135, and the

nondiscrimination program and clause required by Title 2, Division 4, Chapter 5 of the California Code of Regulations.

XV. CONFIDENTIALITY

The Consultant shall keep confidential any information provided by the CIRM or any information conveyed orally to the Consultant by the CIRM with oral notification of its confidentiality (the "Confidential Information"), Consultant agrees to maintain the secrecy of CIRM's Confidential Information and agrees not to use it except in performing the Services under this Agreement and not to disclose it to anyone outside CIRM or anyone within CIRM's organization who does not have a need to know it to perform under this Agreement. This non-disclosure provision shall not apply to any of the following:

1. Information which the Consultant can demonstrate by written records was known to him or her prior to the effective date of this Agreement;
2. Is currently in, or in the future enters, the public domain other than through a breach of this Agreement or through other acts or omissions of the Consultant; or
3. Is obtained lawfully from a third party.

XVI. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

XVII. TERMS TO BE EXCLUSIVE

This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes any prior understanding between the parties, oral or written, regarding the same subject matter.

XVIII. WAIVER OR MODIFICATION OF TERMS

No waiver, amendment or other modifications of the terms of this Agreement shall be binding upon either party unless expressed in writing and signed by both parties hereto.

IX. STANDARD FOR PERFORMANCE

The parties acknowledge that the CIRM, in selecting the Consultant to perform the services hereunder, is relying upon the Consultant's reputation for excellence in the performance of the services required hereunder. The Consultant shall perform the services in the manner of one who is a recognized specialist in the types of services to be performed. All deadlines set forth in the Agreement are binding and may be modified only by subsequent written agreement of the parties. The Consultant shall devote such time to performance of its, her, or his duties under this Agreement as is reasonably necessary for the satisfactory performance of such duties within the deadlines set forth herein. Nothing in the foregoing shall be construed to alter the requirement that time is of the essence in this Agreement.

XX. EXCLUSION. Independent Consultant warrants that it is not excluded from participation in any governmental sponsored program, including, without limitation, the Medicare, Medicaid, or Champus programs (http://exclusions.oig.hhs.gov/search.html) and the Federal Procurement and Nonprocurement Programs (http://epls.arnet.gov/PrivacyActProvisionsEPLS.html). This Agreement shall be subject to immediate termination in the event that the Independent Consultant is excluded from participation in any federal healthcare or procurement program.

XXI RESOLUTION OF DISPUTES

If the Consultant disputes any action by the CIRM arising under or out of the performance of this contract, the Consultant shall notify the CIRM of the dispute in writing and request a claims decision. CIRM shall issue a decision within 30 days of the Consultant's notice. If the Consultant disagrees with the CIRM's claims decision, the Consultant shall submit a formal claim to the President of CIRM. The decision by the President of the CIRM shall be final and conclusive on the claim unless the decision is arbitrary, capricious or grossly erroneous or if any determination of fact is unsupported by substantial evidence. The decision may encompass facts, interpretation of the contract and determinations or applications of law. The decision shall be in writing following an opportunity for the Consultant to present oral or documentary evidence and arguments in support of the claim. Consultant shall continue with the responsibilities under this Agreement during any dispute.

INDEPENDENT CONSULTANT	THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
_____	_____
Signature Date	Lorraine Hoffman
Date	Chief Finance & Administrative Officer
Name _____	
Title _____	
_____	
Social Security or Employer Identification Number*	

*Pursuant to Federal Privacy Act of 1974, you are hereby notified that disclosure of your Social Security number is mandatory. Disclosure of the Social Security number is required pursuant to Sections 6011 and 6051 of Subtitle F of the Internal Revenue Code and Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The Social Security number is to verify your identity. The principal uses of the Social Security number shall be to report payments you have received to the Federal and State governments.

Item 6445-502-6047001/H&S Code 125291.20/Statutes 2004/FY 06/07
Account/Fund to be charged

ATTACHMENT B

525 Market Street, Suite 3700
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POSITION AND CANDIDATE SPECIFICATION

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE (CIRM)

PRESIDENT

Prepared by: Mimi Hancock, Ph.D.
Ira Isaacson, M.D., M.B.A.
Lisa R. Pieper, M.D., M.B.A.

Assignment: 50717-001

Date: March 2005

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POSITION SPECIFICATION

Client

The California Institute for Regenerative Medicine (CIRM) was created to support the California Stem Cell Research and Cures Act as an established institute that will issue bonds to support stem cell research, emphasizing pluripotent stem cell and progenitor cell research, and other vital medical technologies for the development of life-saving regenerative medical treatments and cures. The purpose and intent of the initiative is to:

- Authorize an average of $295 million per year in bonds over a 10-year period to fund stem cell research and dedicated facilities for scientists at California's universities and other advanced medical research facilities throughout the state.
- Maximize the use of research funds by giving priority to stem cell research that has the greatest potential for therapies and cures that cannot, or are unlikely to, receive timely or sufficient federal funding, unencumbered by limitations that would impede the research. Research shall be subject to accepted patient disclosure and patient consent standards.
- Assure that research is conducted safely and ethically by including provisions to require compliance with standards based on national models that protect patient safety, patient rights, and patient privacy.
- Prohibit the use of bond proceeds of the initiative for funding of human reproductive cloning.
- Improve the California health care system and reduce the long-term health care cost burden on California through the development of therapies that treat diseases and injuries, with the ultimate goal to cure them.
- Require strict fiscal and public accountability through mandatory independent audits, open meetings, public hearings, and annual reports to the public. (i.e., Independent Citizen's Oversight Committee (ICOC)).
- Protect and benefit the California budget by: postponing general fund payments on the bonds for the first five years; by funding scientific and medical research that will significantly reduce state health care costs in the future; and by providing an opportunity for the state to benefit from royalties, patents, and licensing fees that result from the research.
- Benefit the California economy by creating projects, jobs, and therapies that will generate millions of dollars in new tax revenues for the state.
- Advance the biotechnology industry in California to a position of world leadership, serving as an economic engine for California's future.

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The Institute is governed by the Independent Citizen's Oversight Committee (ICOC). The Institute's purpose is to:

- Make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries and orphan diseases.
- Support all stages of the process of developing cures, from laboratory research through successful clinical trials.
- Establish the appropriate regulatory standards and oversight bodies for research and facilities development.

The California Institute for Regenerative Medicine was created as a result of the successful passage of Proposition 71, known as the California Stem Cell Research and Cures Act, which was approved by a 59% vote in the last statewide elections in November 2004. Relevant aspects of the legislation have been included as an addendum to this document. The full text of Proposition 71 may be viewed on the following website http://www.voterguide.ss.ca.gov/propositions/prop71text.pdf.

The State of California is an equal opportunity employer.

Position Summary

The CIRM President will act as the chief executive and will oversee the many aspects of implementing and operating the requirements of Proposition 71, including: recruiting an exceptional team of leading scientific and medical minds in the United States for the institution's working groups; developing and managing an appropriate executive and administrative operating team for the Institute; and, developing recommendations for the grant of research monies from the Institute, as well as the corresponding licensing and intellectual property framework.

The President of the CIRM must be a nationally recognized leader with vision, scientific credibility and exceptional leadership skills, unassailable integrity, a keen appreciation of the financial and business aspects of scientific research, a sense of urgency and ability to deliver results, and a profound respect for the ethical issues involved in this project. He or she also must be comfortable operating in a very public capacity, adept at working with a board or other oversight body, have a good rapport with regulators, and sufficiently self-possessed to not be perturbed by criticism or controversy.

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Key Relationships

Reports to:	Independent Citizens Oversight Committee (ICOC), a board of 29 citizens established by Proposition 71 and composed of patient advocates, President and Deans of leading schools in the state of California, including Schools of Medicine, a Chancellor of the UC System, Presidents of Research Institutes and experienced executives from industry.
Direct reports:	The President will oversee all of the operational executives that s/he appoints to the management team. It is anticipated that this will include the key executives typical of a research organization of this size, including a Chief Scientific Officer, a Chief Operating Officer, a Chief Financial Officer, a Chief Administrative Officer, a Head of Human Resources and additional specialized counsel.
Other key relationships:	The President will oversee three key committees and working groups, including the Grants Committee, the Facilities Committee, and the Standards Committee. The President will also coordinate with the office of the Chairman (Robert Klein) of the ICOC, who manages the public policy, external communications, and non-scientific external aspects of the CIRM, as outlined in Proposition 71.

Major Responsibilities

The President's primary responsibilities are to:

- Serve as the chief executive of the institute;
- Recruit the best scientific and medical talent in the United States to serve the Institute on its working groups;
- Collaborate with the established working groups to develop recommendations on grants, loans, facilities, and standards; facilitate the evaluation of working group recommendations by the ICOC and, when approved, lead the implementation of these recommendations.
- Implement all decisions on the aforementioned and on general matters of the ICOC;
- Hire, direct and manage the staff of the Institute;
- Develop the budgets and cost control programs of the Institute;
- Participate in developing the Institute's strategic plan;

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- Manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients; manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or research it funds.

CANDIDATE SPECIFICATION: KEY SELECTION CRITERIA

Ideal Experience

The successful candidate will have some combination of the following:

- Track record of setting, and effectively communicating, the vision for an organization.
- Demonstrated excellence in managing a research-based, or research-funding-based, organization in academia or industry, ideally in a multi-disciplinary and public environment.
- An MD, PhD or MD/PhD. While the specific academic discipline or area of expertise is less important than scientific accomplishments and professional reputation, there is a requirement of a personal commitment to stem cell research or related medical therapies and technologies. A demonstrated commitment to best-in-class research that positively impacts medical practice and patient care is essential.
- A firm commitment to both basic and applied research, translational medicine and moving biomedical research efforts into clinical trials and/or the development of successful therapies and/or relevant technology.
- Track record of attracting and developing top-tier scientific talent for biomedical research.
- Experience designing an organization and creating and managing the infrastructure to enable an innovative high-functioning, rapidly growing scientific enterprise.
- Public speaking and/or extensive experience communicating scientific subjects to both professional and non-technical audiences, and comfort with and tolerance of managing diverse and conflicting opinions and input.

Critical Competencies For Success

Scientific Credibility:

The successful candidate will have a reputation for scientific credibility, as demonstrated, for example, by peer-reviewed publications of their research; other relevant experience might include oversight or experience in patents/IP, contribution to the creation of successful therapeutic products, editorial board positions, relevant society memberships, leadership positions in industry or academia, or other forms of acknowledgement of stature in scientific and/or medical circles.

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Team Leadership Abilities:

Evidence of an ability to create and inspire high-performance teams is sought in the ideal candidate, as seen in a history of identifying, developing and retaining top-tier talent, removing barriers to success, providing resources to accomplish agreed-upon objectives, and using a variety of techniques to facilitate the subordination of individual needs in order to achieve a common goal. Exemplary leadership will have been demonstrated by having overcome significant complexity in forging a team-based culture.

Collaborative Skills:

The ideal candidate will work as well through influence as through direct authority. (S)he will initiate the forging of collaborations and be comfortable sharing responsibility and engaging others in successfully arriving at joint decisions. To be successful, the candidate will show an awareness of sources of conflict and an ability to constructively manage the issues and stakeholders in order to arrive at mutually beneficial outcomes. Experience in successfully overcoming cultural, historical or political barriers in forging new relationships or teams, or a leadership role in aligning disparate stakeholders in establishing innovative partnerships, is particularly valued.

Other Personal Characteristics

- Organized and results-oriented; able to prioritize and willing to hold others and self accountable regarding commitments and goals.
- An inspiring presence; confident, yet low-ego.
- A personable, inclusive style of interaction.
- A high degree of personal and professional integrity and credibility.

LOCATION

Temporary location: Emeryville, California

Permanent location: The permanent location will be in the state of California, and it is anticipated that the decision regarding the permanent location will be made by the second quarter of 2005.

COMPENSATION

The CIRM is committed to providing a competitive compensation package commensurate with the experience and accomplishments of the new President, and the challenges of establishing a new institute. Under Proposition 71, the governing board of CIRM, the Independent

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Citizens' Oversight Committee ("ICOC") has authority to establish the salary for the president "within the range of compensation levels for executive officers . . . of medical schools within the University of California system and the nonprofit academic and research institutions" from which members of the ICOC are appointed.

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ADDENDUM – ADDITIONAL INFORMATION (as excerpted directly from Proposition 71)

Role of Independent Citizens Oversight Committee (ICOC)

- Oversee the operations of the Institute.
- Develop annual and long-term strategic research and financial plans for the Institute.
- Make final decisions on research standards and grant awards in California.
- Ensure the completion of an annual financial audit of the Institute's operations.
- Issue public reports on the activities of the Institute.
- Establish policies regarding intellectual property rights arising from research funded by the Institute.
- Establish rules and guidelines for the operation of the ICOC and its working groups.
- Perform all other acts necessary or appropriate in the exercise of its power, authority, and jurisdiction over the Institute.
- Select members of the working groups.
- Adopt, amend and rescind rules and regulations to carry out the purposes and provisions and to govern the procedures of the ICOC.
- Request the issuance of bonds from the California Stem Cell Research and Cures Finance Committee and loans from the Pooled Money Investment Board.
- Modify funding and finance programs to optimize the Institute's ability to achieve the objective that its activities be revenue-positive for the State of California during its first five years of operations, without jeopardizing the progress of its core medical and scientific research program.

Role of ICOC Chairperson

The Chairperson's primary responsibilities are:

- To manage the ICOC agenda and work flow, including all evaluations and approvals of scientific and medical working group grants, loans, facilities and standards evaluations.
- To supervise all annual reports and public accountability requirements.
- To manage and optimize the Institute's bond financing plans and funding cash flow plan.
- To interface with the California Legislature, the United States Congress, the California health care system and the California public.
- To optimize all financial leverage opportunities for the Institute and to lead negotiations for intellectual property agreements, policies and contract terms.

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- Serve as a member of the Scientific and Medical Accountability Standards Working Group and the Scientific and Medical Research Facilities Working Group and as an ex-officio member of the Scientific and Medical Research Funding Working Group.

Role of ICOC Vice Chairperson

The Vice Chairperson's primary responsibilities are to support the Chairperson in all duties and to carry out those duties in the Chairperson's absence.

Role of CIRM President

The President's primary responsibilities are to:

- Serve as the chief executive of the Institute.
- Recruit the highest scientific and medical talent in the United States to serve the Institute on its working groups.
- Provide scientific leadership pertaining to grant programs and research standards.
- Direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities and standards as well as to direct and support the ICOC process of evaluating and acting on those recommendations and the implementation of all decisions on these and general matters of the ICOC.
- Hire, direct and manage the staff of the Institute.
- Develop the budgets and cost control programs of the Institute.
- Develop the strategic plan for the Institute.
- Manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients.
- Manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or the research it funds.

For more information, please visit:

http://www.cirm.ca.gov
or
http://www.voterguide.ss.ca.gov/propositions/prop71text.pdf

ATTACHMENT C

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Stamford
Stockholm
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Sydney
Tokyo
Toronto
Vienna
Warsaw
Washington, D.C.
Zurich

POSITION AND CANDIDATE SPECIFICATION

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE (CIRM)

PRESIDENT

Prepared by: Lisa R. Pieper, MD., MBA
Mimi Hancock, Ph.D.
Ben J. Holzemer

Assignment: 50717-002

Date: March 2007

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POSITION SPECIFICATION

Client

The California Institute for Regenerative Medicine (CIRM) was created to support the California Stem Cell Research and Cures Act as an established institute that will use the proceeds of bonds to support stem cell research, as well as other related, vital medical technologies for the development of life-saving regenerative medical treatments and cures. The purpose and intent of the initiative is to:

- Authorize an average of $295 million per year in bonds over a 10-year period to fund stem cell research and dedicated facilities for scientists at California's universities and other advanced medical research facilities throughout the state. The sale of bonds had been put on hold pending the outcome of two lawsuits questioning the constitutionality of Proposition 71. However, on April 21, 2006 the Superior Court gave Proposition 71 a resounding victory, affirming the constitutionality of Proposition 71. On February 26, 2007, the Appellate Court upheld the trial court's ruling, with an extremely favorable opinion for CIRM, and later denied the plaintiffs' request for a rehearing. The Appellate Court's decision is expected to be appealed by the Plaintiff to the California Supreme Court within 40 days. The California Supreme Court must then decide whether it will hear the case within 90 days. To bridge the funding gap, an initial closing of $14 million in State of California BANs (Bond Anticipation Notes) was made on April 6, 2006, which will be paid off with bond proceeds after the lawsuits are resolved. These proceeds funded the first grant program, 169 stem cell research training fellowships at 26 institutions – competitively selected – throughout California. CIRM closed an additional $41 million in BANs in November 2006, and Governor Schwarzenegger has also provided CIRM with a loan of $150 million from the State's General Fund. This allowed CIRM to issue its initial grants of approximately $45 million in early 2007. Together with the $76 million of grants approved at the March 16th, 2007 ICOC meeting, CIRM has now become the largest single source of funding for embryonic stem cell research in the world.
- Provide multi-year training grants to increase the number of young investigators (pre-doctoral, post-doctoral, and clinical fellows) with the technical and academic skills necessary to conduct basic and applied stem cell research. The first year of funding for these grants was issued to the institutions on April 7, 2006.
- Maximize the use of research funds by giving priority to stem cell research that has the greatest potential for therapies and cures that cannot, or are unlikely to, receive timely or sufficient federal funding, unencumbered by limitations that would impede the research. Research shall be subject to accepted patient disclosure and patient consent standards.

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- Assure that research is conducted safely and ethically by including provisions to require compliance with standards based on national models that protect patient safety, patient rights, and patient privacy.
- Prohibit the use of bond proceeds of the initiative for funding of human reproductive cloning.
- Improve the California health care system and reduce the long-term health care cost burden on California through the development of therapies that treat diseases and injuries, with the ultimate goal to cure them.
- Require strict fiscal and public accountability through mandatory independent audits, open meetings, public hearings, and annual reports to the public. (i.e., Independent Citizen's Oversight Committee (ICOC)).
- Protect and benefit the California budget by: capitalizing general fund payments on the bonds for the first five years; by funding scientific and medical research that will significantly reduce state health care costs in the future; and by providing an opportunity for the state to benefit from royalties, patents, and licensing fees that result from the research.
- Benefit the California economy by creating projects, jobs, and therapies that will generate millions of dollars in new tax revenues for the state.
- Advance the biotechnology industry in California to a position of world leadership, serving as an economic engine for California's future.

The Institute (CIRM) is governed by the Independent Citizen's Oversight Committee (ICOC). The Institute's purpose is to:

- Make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries and orphan diseases.
- Support all stages of the process of developing cures, from laboratory research through successful clinical trials.
- Establish the appropriate regulatory standards and oversight bodies for research and facilities development.

CIRM was created as a result of the successful passage of Proposition 71, known as the California Stem Cell Research and Cures Act, which was approved by a 59% vote in the statewide election in November 2004. The Act provided $3 billion in funding for stem cell research at California universities and research institutions. Relevant aspects of the legislation have been included as an addendum to this document. The full text of

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Proposition 71 may be viewed on the following website
http://www.voterguide.ss.ca.gov/propositions/prop71text.pdf.

The State of California is an equal opportunity employer.

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Position Summary

The CIRM President will act as the chief executive of the Institute and will oversee the many aspects of managing the institute to meet the goals of the California Stem Cell Research and Cures Act (Proposition 71). This position requires a visionary and highly committed individual whose leadership can transform the Institute into a catalyst not only for funding leading edge research, but also ensuring that this research leads to cures and therapies that enhances patients' lives. Specific duties to carry out this mission include: creating with the board and implementing a strategic vision to optimize achievement of the mission; recruiting an exceptional team of leading scientific and medical minds for the Institute's working groups; developing and managing an appropriate executive and administrative operating team for the Institute; and developing recommendations for the grant of research monies from the Institute, as well as the corresponding licensing and intellectual property framework.

The President of the CIRM must be a well-recognized leader with vision, scientific credibility, exceptional leadership skills, unassailable integrity, a keen appreciation of the financial and business aspects of scientific research, a sense of urgency and ability to deliver results, and a profound respect for the ground-breaking effort represented by CIRM and the ethical issues involved in this project. He or she also must be comfortable operating in a very public capacity, be adept at working with a board or other oversight body, have a solid reputation for ethics and integrity, and be sufficiently self-possessed to not be perturbed by criticism or controversy.

The next President will be expected to successfully build upon the foundation established in the first two years of the Institute's operations and by the first President, working to continue issuing grants in the context of the current legal and financial circumstances, while developing a strategy for increased activity when the legal issues are resolved, bonds are floated and increased funding is available. An initial team is in place, an operating framework has been established, and CIRM is now located in its own facilities in San Francisco. While there has been significant progress over the last two years, the next President will need to lead efforts to map a compelling long-term strategy and build the Institute to fully realize the goals established by Proposition 71 and the voters of California.

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Operational Responsibilities and Key Relationships

As specifically defined in CIRM's amended Internal Governance Policy approved by the Independent Citizens Oversight Committee on March 16th, 2007:

INTERNAL GOVERNANCE POLICY
THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

The California Institute for Regenerative Medicine (the Institute) was established by the California Constitution (California Constitution, article XXXV, Section 1).

The purposes of the Institute are as follows:

(a) To make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases.

(b) To support all stages of the process of developing cures, from laboratory research through successful clinical trials.

(c) To establish the appropriate regulatory standards and oversight bodies for research and facilities development.

(Cal. Const., art. XXXV, § 2.)

Organization of the Institute:

Section 1. (The Independent Citizens' Oversight Committee) The Institute shall be governed by its board, the Independent Citizens' Oversight Committee (ICOC). (Health & Safety Code, §§ 125290.15 & 125290.40.)

(a) The Chairperson of the ICOC's primary responsibilities are:

(i) To manage the ICOC's agenda and work flow, including all evaluations and approvals of scientific and medical Working Group grants, loans, facilities, and standards evaluations;

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(ii) To supervise the annual report and the annual financial plan[1] of the Institute, the public accountability requirements for the ICOC and its subcommittees, including compliance with public meeting and conflict of interest requirements, and the legal and financial accountability of the ICOC;

(iii) To provide oversight for the annual audit of the Institute and for the legal and financial accountability of the Institute;

(iv) To manage and optimize the Institute's bond financing plans and funding cash flow plans;

(v) To optimize all financial leverage opportunities for the Institute; and

(vi) To provide oversight of, and establish the policies for, the Institute with respect to legislation through the ICOC and the Legislative Subcommittee and, consistent with these policies, to assist in carrying them out by interfacing with the California Legislature, the United States Congress, the California healthcare system, and the California public.

(b) The Vice-Chairperson of the ICOC's primary responsibilities are:

(i) To assist the Chairperson in carrying out his or her duties; and

(ii) To lead negotiations for intellectual property agreements, policies and contract terms.

Section 2. (President) The President shall serve as Chief Executive of the Institute and shall perform the duties of his or her office as set forth in the Act and such other duties as may be approved by the ICOC. The President's primary responsibilities are:

(a) To recruit the highest scientific and medical talent in the United States to serve the Institute on its Working Groups;

(b) To direct the staff of the Institute's Working Groups ;

(c) To direct ICOC staff and participate in the process of supporting all working group requirements to develop recommendations on grants, loans, facilities, and standards as well as to direct and support the

[1] The "annual financial plan" is not the annual budget or the scientific strategic plan. Rather, the annual financial plan involves the Institute's bond financing and funding cash flow plans and financial leverage opportunities. (Health & Saf. Code, § 125290.45(b)(1)(A).)

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ICOC process of evaluating and acting on those recommendations, the implementation of all decisions on these and general matters of the ICOC;

(d) To hire, direct and manage the staff of the Institute;

(e) To develop the budgets and cost control programs of the Institute;

(f) To manage compliance with all rules and regulations of the ICOC, including the performance of all grant recipients;

(g) To manage and execute all intellectual property agreements and any other contracts pertaining to the Institute or research it funds;

(h) Supervise and direct the Policy Office of the Institute and implement the policies established by the ICOC and the Legislative Subcommittee with respect to legislation.

Section 3. (Organization and Administrative Structure)

(a) The President shall recommend to the Governance Subcommittee for its consideration the organizational structure of the Institute. The ICOC shall approve the organizational structure of the Institute based on the recommendation of the Governance Subcommittee.

(b) The staff of the Institute, other than the President, shall be organized into the following offices as depicted in Exhibit A:

Office of the President, which is responsible for support of the President in the performance of his or her duties, and for support of the Standards Working Group.

Office of the Chair, which is responsible for support of the Chairperson and Vice-Chairperson of the ICOC in the performance of their respective duties and for support of the ICOC and its subcommittees.

Science Office, which is responsible for scientific programs, scientific review (including support for the Grants Working Group) and for grants administration.

Administrative Office, which is responsible for financial administration, personnel and facilities and for support of the Facilities Working Group.

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Communications Office, which is responsible for informing the scientific and research communities, patient advocates, the press and media, other government officials and the general public about CIRM activities.

Legal Office, which is responsible for all legal matters related to the Institute.

Policy Office, which is responsible for analyzing the impact of proposed legislation and implementing the ICOC's policy directives through outreach to the Legislature, Congress, Constitutional Officers and to other constituents, including the patient advocate, life science and public health communities.

Information Technology Office, which is responsible for the information systems of the institute, both for office functions and for the grants program.

The Senior Officers of the Institute will be the Chief Finance and Administrative Officer, the Chief Scientific Officer (and/or the Head, Scientific Program and Review), the Chief Communications Officer and the Chief Legal Officer. All Senior Officers will report directly to the President who is responsible for hiring, directing and supporting them. The hiring of the Chief Legal Officer will be subject to the concurrence of the Chairperson of the ICOC. The Chief Legal Officer's duties will include coordinating with the Chairperson in financing and litigation matters.

The organization of the Offices and their reporting relationships are shown in the accompanying Organization Chart.

(c) The Office of the Chair shall be limited to no more than three (3) employees whose primary duties are to support the Chairperson and one (1) employee whose primary duty is to support the Vice-Chairperson. The President may assign additional CIRM staff to assist the Chairperson or Vice-Chairperson as necessary, consistent with the priorities of the Institute. The Governance Subcommittee may review these staff allocations on a periodic basis and recommend any adjustments to the ICOC.

(d) All employees, except the Chairperson and Vice-Chairperson of the ICOC, shall report to the President, either directly or through one of the Senior Officers of the Institute. Each Senior Officer shall be responsible to the President for management of those personnel who report to them. Each Senior Officer is responsible for managing the internal affairs of his or her office, including its organization, reporting relationships within the office, assignment of duties, allocation of time, employee evaluations, and

recommendations for hiring, firing, salary, promotion and merit increases. The President shall have final responsibility for hiring, firing, and personnel management of Institute employees, except the Chairperson and Vice-Chairperson of the ICOC. All employees of the Institute, except the Chairperson and Vice-Chairperson of the ICOC, are subject to personnel policies of the Institute whose execution is the responsibility of the President. These policies include, but are not limited to, compensation policy as established by the ICOC, merit increases, office assignment, approval for travel, parking privileges and policies in the Personnel Handbook. When the ICOC travel requests exceed the pre-approved budget, the decision authority on such requests rests with the President or the Governance Subcommittee.

(e) The President shall be responsible for setting the salary for all employees, except the Chairperson and Vice-Chairperson of the ICOC, within the range for each salary level established and approved by the ICOC pursuant to section 125290.45(b)(4) of the Health and Safety Code, with two exceptions: (1) for employees in levels 6 through 10, the President shall obtain the approval of the Governance Subcommittee in order to set the salary in an amount that is 80 percent or higher than the minimum salary for that level; and (2) for employees in all levels, the President shall obtain the approval of the ICOC in order to set the salary in an amount that would exceed the maximum salary for that level.

(f) Each office of the Institute is responsible for supporting the President, the Chairperson of the ICOC, and the Vice-Chairperson of the ICOC in the performance of their duties as described herein.

Section 4. (Leadership and Management Committees)

(a) The President and any Senior Officers he wishes to attend will be available on a regular basis for an executive committee meeting of the ICOC. The ICOC Executive Committee will meet on all board matters. The Chairperson of the ICOC shall set the agenda, chair the meeting, and prepare the minutes for the meeting.

(b) There shall be an "Executive Committee" of the Institute, comprised of the President of the Institute, the Chairperson of the ICOC, and the Vice-Chairperson of the ICOC, the Chief Financial and Administrative Officer, the Chief Legal Officer, other Senior Officers or staff whom the President wishes to include, and staff whom the President, Chairperson, and Vice-Chairperson unanimously agree should be included. A member of the Chairperson's staff of his or her choosing may attend as staff to the Chair. The Executive Committee will hold regular meetings. The President will

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chair the Executive Committee and shall be responsible for preparing the agenda for, and the minutes of, its meetings.

(c) There shall be a "Senior Management Committee," comprised of the President, the Senior Officers, and other staff members whom the President wishes to include. The President will chair the meetings of the Senior Management Committee and will be responsible for preparing the agenda for, and the minutes of, its meetings.

Section 5. (Budget)

(a) The President, with the assistance of the Chief Finance and Administrative Officer shall develop the budgets and cost controls of the Institute. Where possible, budget decisions will be made by consensus within the Executive Committee, but all final budget decisions will be made by the President.

(b) Annual budgets will be prepared for the approval of the ICOC. The President has the responsibility to implement the approved budget and to report on any significant changes in a timely manner to the ICOC for approval.

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CANDIDATE SPECIFICATION: KEY SELECTION CRITERIA

Ideal Experience

The successful candidate will have some combination of the following:

- Track record of setting, and effectively communicating, the vision for an organization.
- Demonstrated excellence in managing a research-based, or research-funding-based, organization in academia or industry, ideally in a multi-disciplinary and public environment.
- While an MD, PhD or MD/PhD background is ideal, equivalent industry experience or a similar body of knowledge developed in professional roles is also potentially relevant. While the specific academic discipline or area of expertise is less important than scientific accomplishments and professional reputation, there is a requirement of a personal commitment to stem cell research or related medical therapies and technologies. A demonstrated commitment to best-in-class research that positively impacts medical practice and patient care is essential.
- A background in translating basic or applied research into clinical trials and/or the development of successful therapies or relevant technology.
- Track record of identifying and, ideally, developing top-tier talent for biomedical research.
- Experience growing and transitioning an organization, including the development and management of the infrastructure to facilitate an innovative, high-functioning, and rapidly growing scientific enterprise.
- Public speaking and extensive experience communicating scientific subjects to both professional and non-technical audiences, and comfort with and tolerance of managing diverse and conflicting opinions and input.
- Track record in innovation in grant-making and/or grants administration.
- Experience managing or developing academic research institution and industry collaboration/s.

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Critical Competencies For Success

Strategic Leadership Abilities:

An executive who has demonstrated the ability to provide strategic leadership and insights in an area of rapidly evolving science, medicine or related technology by identifying early and important trends in research and development, and driving success in an organization by embracing and adopting leading-edge practices to enable successful research and development. Evidence of these abilities will be apparent from prior successes in industry or academia, where the individual was responsible for shifting an organization's strategy to capture the advantage of newly available technologies, techniques or trends, thereby helping to translate such research into the development of successful therapies.

Collaborative Skills:

The ideal candidate will work as effectively through influence as through direct authority. He or she will initiate the forging of collaborations and be comfortable sharing responsibility and engaging others in successfully arriving at joint decisions. To be successful, the candidate will show an awareness of sources of conflict and an ability to constructively manage the issues and stakeholders in order to arrive at mutually beneficial outcomes. Experience in successfully overcoming cultural, historical or political barriers in forging new relationships or teams, or a leadership role in aligning disparate stakeholders in establishing innovative partnerships, is particularly valued.

Team Leadership Abilities:

Evidence of an ability to create and inspire high-performance teams is sought in the ideal candidate, as seen in a history of identifying, developing and retaining top-tier talent, removing barriers to success, providing resources to accomplish agreed-upon objectives, and using a variety of techniques to facilitate the subordination of individual needs in order to achieve a common goal. Exemplary leadership will have been demonstrated by having overcome significant complexity in forging a team-based culture.

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Other Personal Characteristics

- A leader recognized for leveraging vision and passion to accomplish great things.
- An individual motivated primarily by the opportunity to make a significant impact by relieving the suffering of individuals through new medical and scientific advances.
- An inspiring presence; confident, yet low-ego.
- A personable, inclusive style of interaction.
- A high degree of personal and professional integrity and credibility.

LOCATION

The position is located at CIRM's headquarters in San Francisco, California.

COMPENSATION

CIRM is committed to providing a competitive compensation package commensurate with the experience and accomplishments of the new President, and the challenges of managing a significant institute. This job is a Level 10 position at the CIRM. Under Proposition 71, the governing board of CIRM, the Independent Citizens' Oversight Committee ("ICOC") has authority to establish the salary for the president "within the range of compensation levels for executive officers . . . of medical schools within the University of California system and the nonprofit academic and research institutions" from which members of the ICOC are appointed.

APPLICATION CONTACT

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