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CHANCELLOR—LOS ANGELES CAMPUS

Delegation of Authority – Approval and Execution of Documents Relating to the University's Participation in a Joint Venture with Centre Testing International (CTI)

Standing Order of The Regents 100.4(oo) provides that:

The President is authorized to administer University participation in corporations, companies, and partnerships, provided that such participations have been approved by the Board for University-related purposes, and to execute all documents in connection therewith on behalf of the University. The President shall be the custodian of all documents related to such participations.

On January 23, 2014, The Regents approved the participation of UCLA Health System in a joint venture with Centre Testing International (CTI) to be named CTI-Pathology/UCLA Health to establish and operate a clinical laboratory in Shanghai, China, subject to the following conditions:

- A. The company will be owned jointly by CTI and The Regents. CTI will have a 51 percent interest in the company and The Regents 49 percent. The Regents' contribution will be in-kind clinical laboratory management and services expertise. CTI will provide all capital needs for the joint venture as well as service functions, such as human resources and accounting. Except for the above-described contribution, The Regents will not be responsible for making any capital contributions to establish the laboratory or to participate in the joint venture.
- B. The company shall be governed by a Board of Directors (Board). The Regents will appoint two members to the company Board through the Vice Chancellor and Dean of the David Geffen School of Medicine, UCLA. CTI will appoint three members to the Board.

- C. UCLA Health System will manage the laboratory on behalf of the University pursuant to management services agreements entered into by first UCLA Health System and an existing sub-unit of CTI, Shanghai CTI-Aipu Medical Laboratory Co., Ltd., and later between the new joint venture company and UCLA Health System.
- D. The use of UCLA's name will be licensed to the new joint venture company for co-branding purposes in connection with operation of the laboratory, subject to a separately approved license agreement, which will be consistent with both California statutes and University of California policy.
- E. Prior to the adoption by the new company, the initial formational documents, including but not limited to the articles of association, and any amendments thereto, shall be subject to the approval of the President following consultation with the General Counsel.
- F. The Regents shall retain the right to terminate the agreement (i) in the event conversion to a contractual joint venture company does not occur within six months of the formation of the company; or (ii) in the event of any uncured material breach by CTI of its obligations to the University.

Further, The Regents authorized me to approve and execute certain documents in connection with the foregoing, after consultation with the General Counsel, as follows:

[The Regents] [a]uthorize the President, following consultation with the General Counsel, to approve and execute (i) any documents reasonably required to participate in the joint venture as described above, including but not limited to a Framework Agreement, a Contractual Joint Venture Agreement, a License Agreement, and a Services Agreement; and (ii) any modifications, addenda, or amendments (collectively, "amendments") provided, however, such amendments do not materially reduce the rights of The Regents or materially increase the obligations of The Regents.

I hereby delegate to you the authorities granted to me by the above action of The Regents and by Standing Order 100.4(oo) in connection with the foregoing. You may redelegate this authority.


Janet Napolitano
President

cc: Members, President's Cabinet
General Counsel Robinson
Secretary and Chief of Staff Kelman
Universitywide Policy Office