THE UNIVERSITY OF LA VERNE
DEFINED CONTRIBUTION RETIREMENT PLAN

CHARTERS AND RULES OF
THE HUMAN RESOURCE COMMITTEE OF THE
BOARD
AND
THE UNIVERSITY RETIREMENT COMMITTEE
FOR RETIREMENT PLAN MATTERS ONLY
CURRENT MEMBERS

As of January 1, 2008

Human Resource Committee of the Board:
Ken Calkins
Cecilia Martinez-Morris
Emmett Terrell
Valerie Romero

University Retirement Committee:
Phil Hawkey, Executive Vice President
Lori Gordien-Case, Associate Vice President of Finance
Frank Montalvo, Chief Human Resources Officer
UNIVERSITY OF LA VERNE

CHARTER FOR OVERSIGHT OF RETIREMENT PLAN

As amended and restated through January 1, 2008

Purpose

The Human Resource Committee of the Board (the “HR Committee”) has assumed the authority and responsibility allocated to it by the Trustees of the Institution (the “Board”) for the governance and operation of the University of La Verne Defined Contribution Retirement Plan (the “Retirement Plan” or “Plan”), which may be amended as outlined in the terms of the official plan document. Pursuant to the terms of the Plan, the HR Committee may delegate its authority and responsibility, in part or in whole, to other committees and individuals as it deems appropriate. The provisions of this document pertain only to Retirement Plan matters and do not dictate other matters for which the Human Resources Committee of the Board has responsibility.

As of January 1, 2008, the HR Committee has established the University Retirement Committee (the “Retirement Committee”) to oversee plan administration and investments for Plan with respect to the responsibilities described below. The Retirement Committee hereby accepts and assumes the authority and responsibility allocated to it by the HR Committee. Specific authority and responsibilities are as set forth in the formal plan document and the Accountability Chart attached hereto. The Accountability Chart is hereby incorporated by reference and made a part of this Charter.

Responsibilities – HR Committee

The HR Committee may in its discretion establish committees (“Committees”), including but not limited to the Retirement Committee, the members of which shall be determined from time to time by the HR Committee or pursuant to procedures established from time to time by the HR Committee.

The HR Committee may delegate its fiduciary authority and responsibility to such Committees or to such other persons designated by the HR Committee. The authority and responsibility delegated to such Committees or persons shall be determined by the HR Committee and shall be subject to such limitations, rules or guidelines as may be established by the HR Committee from time to time.

Each Committee will propose and adopt its own charter, the adoption and amendment of which shall be subject to the approval of the HR Committee.
Except to the extent that the HR Committee may delegate its authority and responsibility from time to time, as described above and as set forth in the Accountability Chart, the HR Committee shall:

- Exercise sole authority and responsibility to retain, evaluate and terminate the trustee(s) and other vendors of the Plan, including the sole authority and responsibility to approve such trustees’ and vendors’ fees and other terms of engagement;

- Exercise sole authority and responsibility to retain and terminate any outside consultant or adviser deemed necessary by the HR Committee to assist the HR Committee in carrying out its duties, including sole authority to approve such consultant or adviser’s fees and other retention terms, which fees may be paid from the assets of the Plan to the extent permitted under the Plan;

- Interpret the Plan and adopt, amend and revoke rules of interpretation and administration under the Plan;

- Perform, periodically, a self-evaluation of the HR Committee, including review of the HR Committee’s compliance with this Charter; and

- Exercise any and all other authority granted to the HR Committee as the principal fiduciary under the Plan.

The actions and determinations of the HR Committee in the exercise the authorities described above or otherwise granted to the HR Committee as the principal fiduciary under the Plan shall be final and binding for all purposes and upon all parties under the Plan.

**Retirement Committee Membership**

The members of the Retirement Committee shall be appointed from time to time by the HR Committee.

In the event that any person selected as a member of the Retirement Committee is unwilling or unable to serve on the Retirement Committee for any period of time, the Retirement Committee shall promptly notify the HR Committee and the HR Committee shall fill any such vacancy as it deems fit.

The Retirement Committee shall, by vote of its members, select one or more of its sitting members to serve as the Chair of the Retirement Committee. The Chair of the Retirement Committee shall be responsible for the order of all Retirement Committee meetings.
The Retirement Committee shall, by vote of its members, select one of its members or an employee of the University, who may, but need not be, a Retirement Committee member to act as Secretary of the Retirement Committee. The Secretary of the Retirement Committee shall be responsible for keeping minutes of all Retirement Committee meetings and performing such other ministerial functions as directed from time to time by the Retirement Committee.

**Responsibilities – Retirement Committee**

The Retirement Committee shall have such authority and responsibility as may be delegated to it from time to time by the HR Committee. Such authority and responsibility shall be set forth on the Accountability Chart, which shall be amended from time to time by the HR Committee.

The actions and determinations of the Retirement Committee in its exercise of the authority and responsibility delegated to it by the HR Committee shall be final and binding for all purposes and upon all parties under the Plan.

**Investment Responsibilities**

In addition to any other responsibilities which may be assigned to the Retirement Committee from time to time by a written resolution adopted by the HR Committee and delivered to the Retirement Committee, the Retirement Committee has sole discretion, authority and responsibility with respect to the following matters:

To determine and modify from time to time at its discretion the menu of mutual funds or other investments made available to participants under the Plan, including the responsibility to review the performance of such investments.

The Retirement Committee shall make and provide such written and oral reports to the HR Committee as the HR Committee shall direct from time to time.

**Administrative Responsibilities**

In addition to the investment responsibilities outlined above and any other responsibilities which may be assigned to the Retirement Committee from time to time by a written resolution adopted by the HR Committee, the Retirement Committee has sole discretion, authority and responsibility with respect to the following administrative matters under the Plan:

- To establish procedures for the processing of all claims submitted by participants under the Plan;

- To receive and decide all claims appeals under the Plan; and
• To review and evaluate the performance of Plan vendors from time to time, and make recommendations to the HR Committee with respect to Plan vendors.

The Retirement Committee shall make and provide such written and oral reports to the HR Committee as the HR Committee shall direct from time to time.

**Procedures**

The Retirement Committee shall meet as often as it determines is appropriate to carry out its responsibilities, but not less than twice annually. The Retirement Committee shall determine the frequency and length of the Retirement Committee meetings and shall set meeting agendas. The Secretary of the Retirement Committee shall see that all Retirement Committee members receive equal advanced notice of each Retirement Committee meeting and are each provided with similar materials relating to the business of the Retirement Committee.

All actions of the Retirement Committee shall be taken by vote of the members of the Retirement Committee. Business shall be conducted and votes taken at a meeting of the Retirement Committee only if a quorum is present in person or by telephone or teleconference at such meeting. A majority of the entire Retirement Committee shall constitute a quorum. All actions of the Retirement Committee taken at a meeting of the Retirement Committee shall be taken by a resolution of the Retirement Committee approved by a majority of the votes cast.

Notwithstanding anything to the contrary, any action permitted to be taken by the Retirement Committee may be taken without a meeting if all members of the Retirement Committee consent in writing to the adoption of the resolution authorizing the action.
RULES OF
THE HUMAN RESOURCE COMMITTEE OF THE BOARD
AND THE UNIVERSITY RETIREMENT COMMITTEE

As of January 1, 2008

The purpose of the following rules (the “Rules”) is to give guidance to the members of the Human Resource Committee of the Board (the “HR Committee”) and the University Retirement Committee (the “Retirement Committee”) to act in a manner consistent with their fiduciary responsibility with respect to the University of La Verne Defined Contribution Retirement Plan and the participants and beneficiaries of such Plan. These rules apply to the HR Committee of the Board only when the HR Committee is addressing Retirement Plan matters.

A. Orientation of Members

1. Plan Documents. Prior to commencement of active service on the HR Committee or Retirement Committee, each member of any such body shall be provided with current copies of the Plan, any trust agreement under the Plan, and the Charters and Rules of the HR Committee and Retirement Committee.

2. Orientation Training. Each person designated to serve as a member of the Retirement Committee must receive initial orientation training from the HR Committee, Retirement Committee, or its designated agent. Such orientation training shall include a full description of: the Plan documents and ancillary service provider agreements, including the core provisions of the Plan and any Plan trust or custodial documents; the governance structure of the Plan; the duties and responsibilities of the HR Committee and the Retirement Committee; the standard of care, skill and prudence applicable in carrying out such duties and responsibilities; the sources of additional information and guidance relating to such duties and responsibilities; a description of the legal prohibitions and principles applicable in carrying out such duties and responsibilities; the manner in which a member should proceed if he or she becomes aware of information indicating a breach or potential breach by any party of the parties’ duties and responsibilities with respect to the Plan; potential conflicts of interest under which it would be impermissible for a party to act with respect to the Plan or which should cause a party to seek the advice of Plan counsel, the Chair of the HR Committee or the Executive Committee of the Board; appropriate and inappropriate transactions and expenses relating to the Plan; the appropriateness and benefits of asking questions and seeking a full understanding of all potential aspects and impacts of matters to be acted upon by the member; and the right and duty of such member to remove himself or herself from decision making on any
matter, or to resign from the HR Committee and any Committee, without fear of retaliation of any kind, if such member concludes for any reason that they are unfit for such task when acting upon Retirement Plan matters.

B. Qualifications and Continuing Education of Members

1. Qualifications of Retirement Committee Members. In selecting the persons to serve as members of the Retirement Committee, the HR Committee must determine that such persons possess the qualifications necessary to perform the duties and responsibilities required of the members of such Retirement Committee. Members of the Retirement Committee must possess a full understanding of financial and investment concepts and a clear ambition and capability to keep current on developments and learning in these areas, as well as the ability to fully understand the terms of the participation, benefit and administrative provisions of the Plan and the administration of the Plan.

If any person selected to serve as a member of the Retirement Committee feels unfit to so serve, he or she must resign from refuse to serve or resign from such Retirement Committee. If any member of a Retirement Committee believes that any other member of the Retirement Committee is unfit to serve on the Retirement Committee he or she must report this to either the Chair of the HR Committee who must take appropriate action.

2. Continuing Education. The HR Committee should ensure that adequate resources and time are made available to the members of the HR Committee and the Retirement Committee to allow them to continually develop their technical understanding and their understanding of the processes and approaches that ensure the highest level of skill, diligence and prudence in carrying out their duties and responsibilities with respect to the Plan, and to ensure that the members of the HR Committee and the Retirement Committee are aware of the resources available to them.

C. Meetings Notices, Agendas and Materials when Matters of the Plan Are Acted Upon

1. Meeting Notices and Agendas. When Retirement Plan matters are acted upon, meetings of the HR Committee and/or the Retirement Committee shall be held at such place, on such date and at such time as may be determined by the Chair of the HR Committee and the Chair of the Retirement Committee, as relevant. Generally, notices of a meeting of the HR Committee or Retirement Committee must be provided to each participating member at least two weeks in advance of such meeting. The proposed agenda for such meeting and any materials deemed relevant to the matters to be acted upon at such meeting must generally be provided to each participating member at least one week in advance of such meeting.
Each member of the HR Committee or Retirement Committee is permitted to add Retirement Plan items to any meeting agenda by making a written request subject to the discretion of the Chair of the HR Committee or Retirement Committee, as the case may be. A request refused by the Chair may nonetheless be raised anew at the relevant meeting of the HR Committee or Retirement Committee. Exceptions should be made to the immediately foregoing rules as necessary or appropriate, but in all cases each member of the HR Committee and Retirement Committee should be given adequate notice of meetings which they are entitled to attend and the matters acted upon at such meetings must be properly briefed for all attending member prior to any action on such items.

2. **Meeting Materials.** When dealing with Retirement Plan matters, each meeting agenda item should generally be supported by a written summary of the relevant background, pros, cons and rationale for the proposed course action, and, where relevant, the estimated cost of such action or other economic impact on the Plan or on Plan participants and beneficiaries. Such summary should be included, together with any supporting information, in the meeting materials distributed in advance of the meeting at which the relevant action is proposed to be taken. Exceptions should be made to the immediately foregoing rules as necessary or appropriate, but in all cases the materials provided to HR Committee and Retirement Committee members should be in a form that provides a clear and complete description of the key data and concepts addressed by such materials.

If any member of the HR Committee or Retirement Committee finds any Retirement Plan materials to be unclear or inadequate he or she must seek clarification or a more complete understanding by raising objections or questions either to the Chair of the HR Committee or Retirement Committee, as the case may be, or to the full HR Committee or Retirement Committee. Any member of the HR Committee or a Retirement Committee who believes that a lack of clarity or an inadequacy of relevant Retirement Plan information has not been properly resolved shall note this objection at the meeting in which the information is relevant to a matter to be acted upon.

**D. Meeting Procedures and Records**

1. **Full Discussion and Consideration of Action Items.** When dealing with Retirement Plan matters, the Chairs of the HR Committee and Retirement Committee shall ensure that each meeting of those bodies is conducted in a manner that encourages participation and questions by all members and attempts to answer all questions asked and fully analyze the critical aspects of each matter to be acted upon prior to such action.

2. **Meeting Minutes.** When dealing with Retirement Plan matters, the Secretaries of the HR Committee and Retirement Committee will maintain complete, accurate and timely minutes and any written materials that were provided at each meeting. The minutes will include the date of the meeting, the
individuals who attended the meeting as well as any advisor present or participating in the meeting. The minutes will contain a summary of the issues discussed as well as questions that were raised to any participating advisors.

3. **Record Retention.** The HR Committee and the Retirement Committee are responsible for complying with the University’s document management and record retention procedures, as well as all applicable laws and regulations relating to the preservation of documents and records. The HR Committee and the Retirement Committee are to preserve Retirement Plan documents and records that are known to be relevant to pending or reasonably foreseeable litigation, audits or investigations, and as directed by the University’s legal counsel.

**E. Protection and Proper Use of Plan Assets**

In order for a fiduciary to pass through expenses to an ERISA plan, the expenses must be both necessary and direct expenses incurred in the performance of the fiduciary’s duties on behalf of the plan. Members of the HR Committee and Retirement Committee should watch for the following:

- Inaccurate financial records, such as overstated expense reports or erroneous invoices;
- Inappropriate expenses charged to the Plan; or
- Any circumvention of review and approval procedures.

**F. Prudent Selection of Service Providers to the Plan**

1. **Screening of Plan Service Providers.** Outside Retirement Plan service providers for the Plan should generally be selected through an open, competitive bidding process. Where appropriate, members of the HR Committee or the Retirement Committee should prepare a list of questions or a written request for proposal and interview several candidates. Information considered in the selection process should include any of the following elements that are relevant to the proposed service relationship: the ownership of the service provider; prior experience of the service provider and its staff; prior performance of the service provider on similar mandates for other clients; special expertise possessed by the service provider and its staff in matters within the proposed service mandate; the channels and types of communication, information and reporting that can be provided by the service provider; whether particular personnel of the service provider are critical to the service offered and whether a future loss of such personnel would disadvantage the Plan; the backgrounds of the personnel of the service provider; the types and levels of insurance coverage maintained by the service provider; the compliance of the service provider with applicable regulatory requirements and the eligibility of the service provider for any necessary or appropriate exemptions from regulations that would inhibit the
proper provision of the services requested; and any other factors that would help
to ensure adequate levels and quality of service and proper reporting and risk
controls with respect to such service.

2. **Selection of Service Providers.** The terms of the chosen bid should be at
least as favorable as the most favorable terms available from other parties. In
deciding the most favorable terms, the HR Committee or Retirement Committee
should take into account any prior experience with any retirement service
provider and any other factors that may help to insure the appropriate level of
service will be provided.

**G. Conflicts of Interest**

1. **Avoidance of Conflicts.** Each member of the HR Committee and the
Retirement Committee should exercise due care to avoid situations that present a
potential or actual conflict between his or her personal interests and the interest of
the Plan and its participants and beneficiaries. The following are examples of
situations which may constitute a conflict of interest:

- Working, in any capacity, for a service provider to the Plan while
  employed by the University;

- Accepting gifts of more than nominal value or receiving personal
discounts or other benefits from service providers to the Plan or other
parties who do business or seek to do business with the University or the
Plan except in strict compliance with the University’s conflict of interest
policy;

- Having an interest in a transaction involving the Plan or a service provider
to the Plan (other than as an employee or officer of the University and not
including ownership of less than one percent of the securities of a publicly
traded company); or

- Directing business to a service provider of the Plan or party in which a
relative or close friend has an interest or in which the University has an
interest.

2. **Reporting of Conflicts.** Potential conflict situations and new Retirement
Plan relationships and activities that may present conflicts should be disclosed
promptly as they arise. Each member of the Retirement Committee must disclose
to the Chair of the Retirement Committee any transaction or relationship that
reasonably could be expected to give rise to a conflict of interest and the Chair of
the Retirement Committee shall notify the HR Committee of any such disclosure.
Each member of the HR Committee must disclose to a member of the Executive
Committee of the Board any potential or actual conflicts of interest.
3. **Conflict Resolution.** With respect to members of the Retirement Committee, the resolution of any Retirement Plan conflict or perceived conflict will be determined by the HR Committee. With respect to members of the HR Committee, the resolution of any Retirement Plan conflict or perceived conflict will be determined by the University’s Executive Committee of the Board in accordance with its standards and procedures. The interested Retirement Committee or HR Committee member must answer any questions from the HR Committee or Executive Committee of the Board regarding the potential or actual conflict. These questions are intended to elicit the member’s interest or level of involvement in the situation and any prospective benefit or detriment to the Retirement Plan and its participants and beneficiaries.

**H. Reporting of Illegal or Unethical Behavior**

Any member of the Retirement Committee who has reason to believe that any fellow member of such Retirement Committee has violated, may violate or is acting in a manner that appears to violate any law, regulation, any provision of the University’s Code of Ethics, or the foregoing Rules should promptly report such activity to the Chair of the HR Committee. Any member of the HR Committee who has similar concerns about a fellow HR Committee member should promptly report such activity to a member of the Compliance Committee.

**I. Interpretation and Amendment of the Rules**

Nothing in this document is intended to alter any applicable legal standards. These Rules may be revised by the HR Committee to reflect developments in the law, questions of interpretation and application of practical experience, as well as new policies of the University. Upon any revision of these Rules, any Charter of the HR Committee or a Retirement Committee or the Plan or trust agreements under the Plan, the Chair of the HR Committee shall see that all members of the HR Committee and each Retirement Committee receive full notice of such revision.