



**HENNEPIN HEALTHCARE SYSTEM, INC.
BOARD OF DIRECTORS AND FINANCE & OPERATIONS COMMITTEE -
OPERATIONAL ASSET COMMITTEE (OAC) CHARTER**

PURPOSE

Hennepin Healthcare System, Inc. (HHS) and its subsidiary corporations hold certain assets (including endowment funds) which should be prudently invested. Rather than having each organization within the HHS structure create its own infrastructure for making its investment decisions, HHS seeks to provide a system wide forum for obtaining investment advice and making investment recommendations through the creation of an Operational Asset Committee (OAC) of the HHS Finance and Operations Committee. The OAC shall perform in an advisory capacity and have responsibilities described in this Charter.

The OAC oversees and recommends the implementation of investment strategies for organizational investment assets, including monitoring results, and recommending investment decisions in accordance with established criteria.

RESPONSIBILITIES

The OAC fulfills the following responsibilities to oversee the investments of HHS, HHRI, and HHF by:

A) Making Recommendations to the HHS Finance and Operations Committee:

- To hire and fire its investment consultant and manager(s).
- To establish and update a System-wide Investment Policy.
- For investment allocations.

B) Monitoring and Reporting on Investment Matters:

- Monitor the performance of the investment consultant and investment managers and make changes when appropriate.
- Review the recommended asset allocations for the corporation's investments and their likelihood of achieving the cash flows necessary to finance the spending policies for the applicable investments established by HHS.
- Monitor investment funds.
- Receive reports from its investment consultant on the conditions of the capital markets and consider changes to investment strategies and policies, if warranted.
- Report quarterly to the HHS, HHRI, and HHF Finance Committees on the performance of the pooled investment portfolio.

MEMBERSHIP

Membership of the OAC shall consist of up to nine members, determined annually and approved by the HHS Finance and Operations Committee. The Chair of the OAC is approved by the Chair of the HHS Finance and Operations Committee in accordance with this Charter. Members of the Committee shall be recruited consistent with applicable policies and within the following categories:

- Chair; HHS Chief Financial Officer (CAO)
- Chair of the HHRI Finance Committee
- Chair of the HHF Finance Committee
- HHS Chief Administrative Officer (CAO)
- HHS Chief Operating Officer (COO)
- Vice-Chair; VP Finance HHRI HHF
- Two members of the community with substantial investment/portfolio management experience

MEETING TIME AND LOCATION

As determined by the Chair, but at least quarterly.

COMMITTEE CHAIR RESPONSIBILITIES

- Work with staff, plan the agendas and chair the meetings.
- Facilitate discussions at the committee meetings.
- Ensure, along with the Vice-Chair, that the HHS Finance and Operations Committee is informed of actions of the committee and necessary approvals are obtained.