

Annual Review of Board Governance Committee Charter (BGM Section 3)
As of February 8, 2024
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REDLINE – CURRENT MERGED WITH PROPOSED WITH TRACK CHANGES

TEACHERS' RETIREMENT BOARD

BOARD GOVERNANCE COMMITTEE CHARTER

INTRODUCTION

The Board Governance Committee has been established to support the CalSTRS board in promoting the best interests of CalSTRS, its members, retirees and beneficiaries through the implementation of sound board governance policies and practices that enhance good, fair and open decision making.

AUTHORITY

To engage professional services consultants and counsel as necessary to assist the board in its strategic planning and governance activities. All committee actions must be ratified or adopted by the board.

COMPOSITION

The committee shall consist of at least five (5) members.

MEETINGS

The committee shall meet on an as-needed basis as determined by the committee chair in consultation with the board chair.

RESPONSIBILITIES

The Board Governance Committee shall have the authority and responsibility for the following:

- ~~1. Oversight of the routine review of the board's governance manual, and its periodic review, by developing processes to ensure policies are current and that CalSTRS' actions are compliant with such policies.~~
~~— To review and make recommendations to the board for the format and organization of the board's policies.~~
- ~~2.1. To and review and make recommendations recommend changes to the board for~~
~~—, and the content of~~ Section 2 (Board Governance), Section 4 (Ethical and Fiduciary Conduct), and Section 6 (Compensation Policy) of the board governance manual's policies.

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- ~~3-2.~~ To review ~~the overall board~~ effectiveness ~~of the board~~ and recommend improvements ~~as directed by the board where warranted.~~
- ~~4.~~ ~~To recommend changes in the structure of the board meetings and the preparation of materials and records of board actions.~~
- ~~5-3.~~ To oversee and facilitate educational opportunities for board members.
- ~~6-4.~~ To recommend the roles and responsibilities of the various committees of the board.
- ~~7-5.~~ ~~To oversee the process for the election of those board members elected by members.~~
- ~~8-6.~~ To review and recommend to the board the Delegation of Authority to the Chief Executive Officer.
- ~~7.~~ To provide a framework and oversight for the board consultant evaluation process.
~~review and recommend to the board the schedule of evaluation of board consultants.~~
- ~~9-8.~~ To Periodically conduct an evaluation of the board consultants under the eCommittee's purview.
- ~~10-9.~~ To identify the need for and to recommend to the board positions on proposed legislation relating to board governance.
- ~~11-10.~~ To adhere to the Risk Management Policy established by the board.
- ~~12-11.~~ To review emerging and significant risks specific to the area of responsibility of the Board Governance Committee and to report those risks to the board.
- ~~13-12.~~ To conduct the committee's work in a manner appropriately aligned with the CalSTRS strategic plan, including its mission and vision.

History: Adopted April 6, 2005; Amended April 2, 2009; Amended February 6, 2014 [to delineate Board and Committee responsibility in the oversight of risk]; Amended November 6, 2014 [responsibilities to include reviewing and making recommendations to the Board for format and organization changes to the Board Policy Manual]; Revised June 10, 2015 [Item Number 2 of the Responsibilities changing the wording from Section 700 (Administration) to read Section 700 (Compensation Policy)]; Revised February 7, 2018 [Item Number 5 regarding trustee education]; Amended January 31, 2020 [to update section references].

To add with date if committee recommends and board approves proposed changes:
Incorporated minor changes to further clarify committee's role related to BGM oversight and consultant evaluations.