



SAN FRANCISCO RETIREE HEALTH CARE TRUST FUND (RHCTF)

2.1 - GOVERNANCE PRINCIPLES OF THE RHCTF BOARD

- 1) Board members shall carry out their duties with the highest standards of ethics, integrity, and fiduciary duty.
- ~~2) Whether the Board has made prudent decisions will be judge primarily by the decision-making process the Board employed.~~
- 3)2) The Board’s approach to governance will be proactive rather than reactive; that is, the Board will attempt to address issues of importance before they become urgent.
- 4)3) Board and staff roles must be clear and distinct from one another; the Board’s role is to set policy and oversee the RHCTF trust f(Fund), while staff’s role is to manage-provide administrative support for the trust fFund.
- 5)4) The Board can influence the trust fFund most effectively through the setting, monitoring, and refinement of Board policy.
- 6)5) The Board will devote the majority of its attention to items that have the potential to significantly impact the success of the Fund.
- 7)6) The Board shall hold itself and its members accountable for meeting high standards of fiduciary excellence.
- 8)7) To be effective, the Board must work towards developing its own knowledge regarding managing Fund assets.
- 9)8) The Board’s role extends equally to both investments and Fund administration.
- 10)9) The governance of the Fund will be treated as an important and distinct function.
- 11)10) The Board’s governance policies will be living documents.
- 12)11) With respect to the Fund, Board members do not have power as individuals, but only as part of the Board as a whole.
- 13)12) The role of committees is to perform in-depth discussion and review of Board business, or serve as a forum for education, and to enable the full Board to make informed final decisions in an efficient manner.