



**SAN FRANCISCO RETIREE HEALTH CARE TRUST FUND (RHCTF)
GOVERNANCE PRINCIPLES OF THE RHCTF BOARD**

- 1) It is paramount that Board members carry out their duties in a manner consistent with the highest standards of ethics, integrity, and fiduciary duty.
- 2) Whether the Board has made prudent decisions will be judged primarily by the decision-making process the Board employed.
- 3) 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) Board and staff roles must be clear and distinct from one another; the Board's role is to set policy and oversee the organization, while staff's role is to manage the organization.
- 5) The Board can influence the organization most effectively through the setting, monitoring, and refinement of Board policy.
- 6) The Board will devote the majority of its attention to items that have the potential to significantly impact the success of the Fund.
- 7) A linear organizational structure best supports accountability and excellence in the governance and administration of the Fund.
- 8) The Board is best positioned to hold itself and its members accountable for meeting high standards of fiduciary excellence.
- 9) To be effective, the Board must work towards developing its own knowledge regarding managing Fund assets.
- 10) The Board's role extends equally to both investments and Fund administration.
- 11) The governance of the Fund will be treated as an important and distinct function.
- 12) The Board's governance policies will be *living* documents.
- 13) With respect to the Fund, Board members do not have power as individuals, but only as part of the Board as a whole.
- 14) The role of committees is to perform in-depth discussion and review of Board business, or serve as a forum for education, to enable the full Board to make informed final decisions in an efficient manner.

Adopted by the RHCTF Board on INSERT DATE

DRAFT GOVERNANCE PRINCIPLES OF THE RHCTF BOARD