



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

- 1) highest standards of ethics, integrity, and fiduciary duty.
- 2) It is paramount that Board members carry out their duties in a manner consistent with the 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.