



## Board Governance Committee

# Agenda Item 7a

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**March 16, 2021**

**Item Name:** Proposed Change to Board Governance Policy: Reporting Investigations to Board

**Program:** Board Governance

**Item Type:** Action

### **Executive Summary**

Per the Board President's direction, management has prepared for committee approval revised language regarding the Board's oversight of allegations of misconduct by senior executives.

### **Background and Analysis**

At its September and November meetings this past year the Committee considered the addition of language to the Governance Policy to formalize the process of providing notification to the Board when there is an allegation of misconduct by certain members of the executive team. Management has reviewed the Committee's discussion and tailored the new language in paragraph 18, Section V.B of the Board Governance Policy (Attachment 1, pg. 9). The revised language provides:

"The Board reserves the following power[] for itself: ...

Through the Board President, monitor investigations into allegations of misconduct by the Chief Executive Officer, Chief Actuary, Chief Compliance Officer, Chief Financial Officer, Chief Health Director, Chief Investment Officer, Chief Operating Officer, or General Counsel. Upon receipt of a plausible, non-frivolous allegation of misconduct by any of the aforementioned personnel and a preliminary determination that the allegation, if substantiated, would constitute misconduct, management (the CEO unless the allegation concerns the CEO) will notify the Board President and the Chair of the Risk and Audit Committee. Management will inform the full Board upon the commencement of a formal investigation into the alleged misconduct."

### **Benefits and Risks**

For Committee discussion.

### **Attachments**

Attachment 1 – Proposed Revisions to Board Governance Policy

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Anne Simpson  
Managing Investment Director, Board Governance and Sustainability

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Matthew G. Jacobs  
General Counsel

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Marcie Frost  
Chief Executive Officer