

V. ROLE AND POWERS OF THE BOARD

A. The powers reserved to the Board are set forth in Appendix A for reference. These powers are characterized as one of four types of Board responsibility and authority:

- *Conduct*: the Board performs the tasks described.
- *Set*: the Board is actively engaged in developing the strategies and plans for the delegated activities and has final approval authority.
- *Approve*: the Board has final decision authority on delegated activities.
- *Oversee*: the Board requires adequate information to monitor and provide direction and support, as appropriate, on delegated activities.

B. The Board reserves the following powers for itself; all remaining powers are delegated to a committee of the Board:

1. Conduct administrative hearings and decide appeals.
2. Conduct discipline if a member fails to meet Board standards of conduct.

The Board will be responsible for implementing public disciplinary action against a Board member whose conduct fails to meet the standards outlined in or violates this Governance Policy, or whose conduct is otherwise inconsistent with Board policies. Discipline will be at the discretion of the Board, after considering the nature and number of violations, and may include, but need not be limited to, admonishment, censure, temporary termination of a Board member's travel privileges or the requirement of additional training. Any public discipline will be imposed in open session at a duly-noticed meeting of the Board, and only upon adoption of a motion by the Board.

3. Conduct selection and evaluation of Board and committee consultants except those whose selection and evaluation is delegated to a committee, the Chief Executive Officer or the Chief Investment Officer.
4. Conduct setting of the Board and committee agendas, linked to an annual planning calendar, by identifying, articulating, prioritizing and scheduling matters and reports the Board will regularly address. In addition, the Board agenda will be tied directly to the Board's approval and oversight responsibilities and related

outcomes, which is linked directly to the powers reserved for the Board and those delegated to committees.

5. The Board will define its information requirements, the thresholds or benchmarks that trigger Board attention for each topic, and the frequency of standard reports.
6. Set legislative priorities and approve legislative policy and legislative positions.
7. Approve the initiation or settlement of litigation involving material sums or having a substantial impact on the goals or program operations of CalPERS.
8. Set and approve CalPERS mission and vision.
9. Approve Board delegations.
10. Approve organization performance metrics and oversee overall organization performance.
11. Approve overall communications strategy.
12. Oversee all enterprise diversity programs.
13. Approve and adopt regulations relating to CalPERS.
14. Conduct election of the Board President and Vice President in January of each year.
15. Oversee stakeholder relations.