



Board of Administration Agenda Item 6c

December 19, 2018

Item Name: Approval of Board Member's Continuing Term on Outside Board

Program: Board of Administration

Item Type: Action Consent

Executive Summary

Board President Mathur seeks the Board's approval to serve out the remaining two years of her three-year term on the Board of the PRI Association (PRI).

Background

Ms. Mathur is currently completing the first year of a three-year term on the board of PRI. This is Ms. Mathur's third three-year term, which is the maximum number of terms a PRI board member may serve. Although Ms. Mathur will be leaving the CalPERS Board in January 2019, the PRI's rules would permit her to serve the remainder of her three-year term if this Board "notifies [PRI] in writing . . . that it wishes the Director to complete his or her term off office, in which case, the Director, if he or she is so willing, may remain in office for the rest of that term." This agenda item is the mechanism by which the Board can approve or disapprove of Ms. Mathur's request. Ms. Mathur has recused herself from voting on this request.

PRI's board is composed of an independent chair and ten directors, seven of whom are elected by asset owner members, two of whom are elected by investment managers, and one of whom is elected by service provider members. Ms. Mathur holds an asset owner seat.

The relevant provision of the PRI's rules provides in full: "If a Director, having been elected under Article 10, ceases to hold the position as Relevant Officer of a particular Signatory (an Original Signatory) that qualified him or her to be so elected, that Director will automatically retire from his or her office upon such cessation unless, before that retirement, the Company is notified in writing by the Original Signatory that it wishes the Director to complete his or her term of office, in which case, the Director, if he or she is so willing, may remain in office for the rest of that term. Any Director who retires from office in accordance with this Article 11.2 may be permitted to stand for re-election as a Director provided that he or she satisfies the eligibility requirements of Article 10.2." (PRI Articles of Incorporation, § 11.3, <https://www.unpri.org/Uploads/g/e/r/2016-11-14-Articles-of-Association-of-PRI-Association-.pdf>). The question to the Board is whether it "wishes Ms. Mathur to complete her term."

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