



## Board Governance Committee

# Agenda Item 6a

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**March 17, 2020**

**Item Name:** Board Workstream 4 Update: Code of Conduct

**Program:** Board Governance

**Item Type:** Information

### **Recommendation**

Second draft reading and discussion of the proposed CalPERS Board of Administration Code of Conduct.

### **Executive Summary**

A draft Code of Conduct has been developed to clearly set out the expectations for board member conduct during board meetings and when acting on behalf of CalPERS. The recommendation to develop and adopt a board Code of Conduct was identified through the findings of the 2018 Board Self-Evaluation facilitated by the National Association of Corporate Directors (NACD). This agenda item gives the Board an opportunity to consider the second draft of a Code of Conduct and determine if it meets the expectations and previous suggestions put forth by the board in November 2019.

### **Strategic Plan**

This agenda item supports the 2017-2022 Strategic Plan goal "Fund Sustainability". The outcomes of the Board Workstream Self-Evaluation and recommendations put forward by board members and reviewed by the NACD should strengthen fund governance.

### **Background**

At the August 2019 meeting, the Board Governance Committee and the full Board approved Board Workstream 4's recommendation to develop a Board code of conduct. The Committee then reviewed and discussed a draft code in November 2019. This new draft responds to that discussion which highlighted the need for brevity and avoidance of duplication with existing board policies.

### **Budget and Fiscal Impacts**

Not Applicable.

## **Benefits and Risks**

Implementing Board Workstream 4's recommendation for the CalPERS' Board to adopt a Code of Conduct would foster an environment where respect, trust, confidentiality and overall cohesiveness among board members is not only a priority, but a requirement. Additionally, it provides an annual attestation of understanding and support for Board policies, to ensure a clear understanding of and the expectations of behavior as a CalPERS board member.

## **Attachments**

Attachment 1 – CalPERS Board of Administration Code of Conduct - Draft

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