STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DELEGATION RESOLUTION

Subject: Board Governance Committee Delegation No: BG-16-01

WHEREAS, (1) In accordance with Government Code sections 20120, 9353, 75005, 75505, 21661, 21670, 21759, 22200, 22201, 22794, 22940 and 22970.30, the Board of Administration of the California Public Employees' Retirement System (the "Board") is charged with the administration and management of the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Act, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act, the Annuitants' Health Care Coverage Fund and the Supplemental Contributions Program (collectively, the "System").

WHEREAS, (2) In accordance with Government Code sections 20171, 9354.1, 75105, 75607, 21664, 21677, 21759, 22601, 22910, 22911, 22940 and 22970.41, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement System II Fund, the Public Employees' Long-term Care Fund, the Public Employees' Deferred Compensation Fund, the Replacement Benefit Custodial Fund, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, the Public Employees' Health Care Fund, the Annuitants' Health Care Coverage Fund and the Supplemental Contribution Program Fund (collectively, "the Fund").

WHEREAS, (3) In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally.

RESOLVED, (A) That, pursuant to the foregoing, the Board hereby authorizes and ratifies the annual appointment by the Board President of a Board Governance Committee (the "Committee") to be comprised of not less than seven (7) members of the Board.

RESOLVED, (B) Except as otherwise provided within this Resolution, the Board Governance Committee is authorized to:

(1) Conduct and oversee periodic board self-assessment of effectiveness, policies governing board conduct, and utilization of board resources, time and processes.

(2) Approve board committee roles including creating and disbanding standing and ad hoc committees.

(3) Approve board governance principles and policies.

(4) Approve board member election calendar.

(5) Approve board member self-development education program and budget.

(6) Oversee board processes and organizational accountability.

(7) Conduct an annual review of the delegation to the Chief Executive Officer, and update, as appropriate.

(8) Oversee the process of and compliance with the requirement for board member, Chief Executive Officer, and Chief Investment Officer disclosure statements.

(9) Conduct the selection of the Board's consultant on self-assessment and recommend the finalist to the Board.

(10) Set the benchmarks and triggers for information that comes to the Committee for review, as well as approve performance metrics to be reported to the Committee.

(11) Approve positions on legislation affecting board governance.

(12) Adopt regulations affecting board governance.

(13) Oversee management of risks related to the duties delegated to the Committee.

RESOLVED, (C) That the authority granted under this Resolution is subject to the following conditions:

(1) The Committee must discharge its duties "solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system... In exercising this responsibility, the Committee shall place the interests of system members

and beneficiaries above all other interests. (Cal. Const. art. XVI, sec. 17(b).)

(2) The Committee must discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. (Cal. Const. art. XVI, sec. 17(c).)

RESOLVED, (D) That, notwithstanding any other provision within this Resolution, all acts of the Board Governance Committee shall be reported to the Board, at its next regular meeting, and shall be subject to review and ratification or reversal by the Board.

RESOLVED, (E) That this Resolution shall be effective immediately upon adoption, and supersedes all previous delegations of authority to this, or any predecessor, committee.

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I hereby certify that on the 18th day of May, 2016, the Board of Administration of the California Public Employees' Retirement System made and adopted the foregoing Resolution.

ROB FECKNER
President, Board of Administration
California Public Employees' Retirement System