FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM

GOVERNANCE COMMITTEE CHARTER

INTRODUCTION

1) Internal board governance refers to the policies and practices a board establishes to govern how it will function. It encompasses such issues as roles and responsibilities, committee structure, selection of board officers, and board education practices. The Board recognizes that sound board governance policies and practices are critical to the long-term effectiveness of the Board and the System. To help develop and maintain such policies and practices, the Board has established a Governance Committee to consist of three board members.

2) The duties of the Governance Committee and the manner in which it shall operate are set out below.

COMMITTEE OPERATIONS

3) The Governance Committee shall operate in accordance with all applicable legislation, city requirements, and board policy. These include but are not limited to the following:

   a) The Board shall annually appoint a Chair of the Governance Committee on the recommendation of the Board Chair.

   b) The Chair of the Governance Committee shall preside over meetings of the Governance Committee.

   c) The Governance Committee shall annually elect from among its members a Vice-Chair, who shall assume the role of the Committee Chair in the event the Committee Chair is unavailable.

   d) The presence of a majority of Governance Committee members shall constitute a quorum.

   e) All actions of the Governance Committee shall be by an affirmative vote of the majority of the members present at a meeting of the Governance Committee, provided a quorum is present.

   f) All actions of the Governance Committee shall be approved by the Board to be effective, unless otherwise provided herein.

   g) The Governance Committee shall meet at least semi-annually.

   h) The meetings of the Governance Committee shall be open to the public and noticed and held in accordance with the Ralph M. Brown Act (Govt. C. §54950 et seq.) and City Sunshine Ordinances.

   i) The Governance Committee shall keep minutes of its public meetings.

COMMITTEE RESPONSIBILITIES

4) The Governance Committee shall focus generally on recommending governance policies and practices to the Board, and may assist in coordinating the implementation of certain governance policies. Ensuring compliance with governance policies shall be the responsibility of the Audit Committee and the Board.

5) The Governance Committee shall:

   a) Recommend charters to the Board describing the roles of the Board, Board Officers, committees of the Board, the Chief Executive Officer, Chief Investment Officer, and other parties as may be necessary.

b) Recommend to the Board any governance policies that may be necessary, which may include by-laws.

c) Review the Board's governance policies and charters as required, and recommend any amendments to the Board.

d) Review any recommendations by other board committees to modify the governance policies or charters and provide further recommendations to the Board, as appropriate.

e) Review the committee structure of the Board from time to time and recommend any modifications (i.e., the addition or elimination of committees).

f) Review and provide recommendations to the Board concerning the general framework of Board reporting, including but not limited to dashboard reports.

g) Coordinate and oversee the implementation of the Board Performance Assessment Policy.

h) Support the Chief Executive Officer in developing and maintaining a board education plan.

i) Select any advisors that may be required to assist the Governance Committee in carrying out its responsibilities, subject to Board approval and budget authorization.

j) Be available to advise the Board and the Chief Executive Officer as required.

6) The Governance Committee shall address any other governance-related matters assigned to it by the Board.

7) The Governance Committee shall report to the Board on its activities after each of its meetings.

REVIEW AND HISTORY

8) The Board shall review this charter at least every five years.

9) The Board adopted this charter on April 16, 2015. Reviewed and amended December 21, 2017; March 18, 2021.