

**FEDERAL RESERVE BANK OF SAN FRANCISCO ("Bank")
BOARD OF DIRECTORS ("Board")
BANK PERFORMANCE COMMITTEE CHARTER**

Purpose: The primary purposes of the Bank Performance Committee are to review the Bank's strategic direction and the performance of the Bank, the President and the First Vice President on behalf of the Board of Directors. The Committee also provides advice and direction to Bank management on a variety of personnel and operating issues.

Powers and Duties: Subject to the supervision and control of the Board, the powers and duties of the Bank Performance Committee are as follows

- (1) reviewing the Bank's strategic direction and annual objectives, and providing recommendations to the Board of Directors for approval;
- (2) reviewing the performance of the Bank in the context of its strategic direction, and preparing any applicable Directors' summary of District performance for review and approval by the full Board of Directors prior to forwarding to the Board of Governors;
- (3) assessing the annual performance of the President;
- (4) in conjunction with the President, assessing the annual performance and approving the compensation of the First Vice President, operating within the guidance set by the Board of Governors;
- (5) providing oversight of the significant national services provided by the Cash Product Office and reviewing material events involving other significant services provided by or to the Bank;
- (6) in the context of the strategic direction, reviewing and approving the Bank's annual budget, and reviewing material variances to the budget;
- (7) reviewing and approving the annual percentage change in the Bank's salary structure for employees, if the change exceeds the Board of Governors' guidance;
- (8) reviewing and approving the Bank's emergency succession list; and
- (9) such other matters as may be delegated to the Committee by the Board.

Membership: The Committee will be comprised of five members. Four members of the Bank Performance Committee, including the Committee Chair, shall be approved by the Board. The Chairman of the Board shall serve as *ex officio* member of the Performance Committee. In the event of a vacancy among the members of the Performance Committee, the Board shall approve another Director to fill the position for the remaining term.

The members of the Committee shall serve for a one-year term, or such longer period until their successors are appointed, except the Chairman of the Board shall remain a member of the committee during his or her tenure as Board Chair.

Committee Action: Three members of the Committee shall constitute a quorum for the transaction of business, and action of the Committee will be upon the vote of the majority of eligible Directors present at a meeting at which a quorum is present.

Time and Place of Meetings: The Committee will meet as needed, but not less than four times per calendar year. The Committee shall establish the method of giving notice of the time and place of regular and special meetings of the Committee. A meeting may be held by any means of communication that allows each participant to hear and be heard by each other participant.

Minutes: Minutes of all meetings shall be kept and subsequently approved by the Committee at its next scheduled meeting.

Report to the Board of Directors: The Chair shall provide a copy of the minutes, or a meeting summary, to the Board at its next scheduled meeting.