

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

Purpose: The primary purposes of the Bank Governance Committee are to exercise responsibility for corporate governance issues and provide guidance to Bank management on matters of strategic significance.

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

- (1) to exercise responsibility for corporate governance issues, unless otherwise exercised by the Board, including:
 - (a) annually evaluating the effectiveness of the Board and Board committees;
 - (b) reviewing the Board's committee structure, including each committee's charter and size, and recommending changes where appropriate;
- (2) to identify individuals who possess the characteristics, skills, experience and time necessary to serve on the Board;
- (3) to assess the annual performance of the President;
- (4) in conjunction with the President, to assess the annual performance and approve the compensation of the First Vice President, operating within the guidance set by the Board of Governors;
- (5) to review and approve the annual percentage change in the Bank's salary structure for employees, if the change exceeds the Board of Governors' guidance;
- (6) to provide guidance and support to Bank management on matters of strategic significance or that may have a material impact on the Bank; and
- (7) such other matters as may be delegated to the Committee by the Board.

Membership: The Committee will be comprised of five members, consisting of the Chair of the Board, who shall serve as Chair of the Committee; the Deputy Chair who serves as an *ex officio* member; and three other class B and class C directors approved by the Board. In the event of a vacancy among the members of the Governance Committee,

the Board shall approve another class B or class C director to fill the position for the remaining term.

The three members of the Committee shall serve for a one-year term, or such longer period until their successors are appointed. The Chair of the Board shall remain the chair of the committee during his or her tenure as Board Chair, and the Deputy Chair of the Board shall remain an *ex officio* member during his or her tenure as Deputy 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 two 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 by the Secretary of the Board, and shall be 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.