

**FEDERAL RESERVE BANK OF SAN FRANCISCO (“Bank”)
BOARD OF DIRECTORS (“Board”)
BANK PERFORMANCE & GOVERNANCE COMMITTEE CHARTER**

Purpose: The primary purposes of the Bank Performance & Governance Committee (“BPGC” or “Committee”) are to review the Bank’s strategic direction and the performance of the Bank, as well exercise responsibility for corporate governance issues on behalf of the Board. The Committee also provides advice and direction to Bank management on a variety of operating issues.

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

- (1) reviewing the Bank’s strategic direction and annual objectives, and providing recommendations to the Board 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 prior to forwarding to the Board of Governors;
- (3) in the context of the strategic direction, reviewing and approving the Bank’s annual budget, and reviewing material variances to the budget;
- (4) 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;

- (5) Stay apprised of material issues related to FedCash Services and matters related to Federal Reserve Financial Services (FRFS) that may have a significant impact at the Bank.
- (6) reviewing and approving the Bank's emergency succession list; and
- (7) such other matters as may be delegated to the Committee by the Board.

Membership: The Committee will be comprised of five members. Five members of the BPGC, including the Committee Chair, shall be approved by the Board. The Chair and Deputy Chair of the Board shall serve as *ex officio* members of the BPGC. In the event of a vacancy among the members of the 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 Chair 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 three 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: The Chair shall provide a copy of the minutes, or a meeting summary, to the Board at its next scheduled meeting.

SUBCOMMITTEE OF THE BPGC

Powers and Duties: The primary responsibilities of the Subcommittee of the BPGC (Subcommittee) shall be as follows:

- (1) to assess the annual performance of the President;
- (2) 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;
- (3) in conjunction with the chair of the Financial Services Policy Committee (FSPC), to assess the annual performance and approve the compensation of the Chief Payments Executive for FRFS, while that role resides in the Twelfth District.
- (4) 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;

Membership: The Subcommittee of the BPGC will be comprised of four members, consisting of the Chair of the Board, the Deputy Chair, and two additional class B and class C directors. 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 members of the Subcommittee shall serve for a one-year term, or such longer period until their successors are appointed.

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