

**STATE COMPENSATION INSURANCE FUND
GOVERNANCE COMMITTEE**

MINUTES OF OPEN SESSION MEETING

February 20, 2014

The Governance Committee met on February 20, 2014 at the State Fund Corporate Office, 333 Bush Street, San Francisco, California.

AGENDA ITEM 1: ROLL CALL

The meeting was called to order at 8:35 a.m. and the following Members were present: Lawrence E. Mulryan (Chair); Sheryl A. Chalupa; Daniel M. Curtin; Sen. Michael J. Machado (Ret.); and Thomas E. Rankin.

There was a quorum.

Also present: Acting President and CEO Carol Newman; Board Liaison and Interim Corporate Secretary Hilda B. Padua; and Randall Keen of Manatt, Phelps and Phillips.

AGENDA ITEM 2: ANTITRUST ADMONITION

Mr. Mulryan called attention to and requested confirmation that the Governance Committee members read State Fund's Antitrust Admonition, which is included in each Committee member's meeting materials.

AGENDA ITEM 3: CONSENT CALENDAR

- 3a. Approval of November 14, 2013 Open Meeting Minutes**
- 3b. Governance and Compliance**
- 3c. 2014 Committee Assignments**
- 3d. Board Member, Upcoming Speeches, Articles or Webinars**

Mr. Mulryan asked whether any Board member had any comments on the items on the Consent Calendar of which there were none.

MOTION: Ms. Chalupa

SECOND: Mr. Rankin

To approve the Consent Calendar as presented.

Mr. Mulryan requested public comment of which there was none. Mr. Mulryan called for the vote.

YES: 5

NO: 0

Motion carried.

AGENDA ITEM 4: BOARD CONTINUING EDUCATION UPDATE

Learning and Development Program Manager Andrea Bailey reviewed the training requirements for the Board Governance Fellowship Credential continuing education opportunities with the National Association of Corporate Directors (NACD). In order to maintain the NACD Governance Fellowship, Board members need 4 hours of continuing education units. The following courses are the options offered during the Board Continuing Education in April 2014: "Today's Technology: Increased Risk for Boards and Leaders", "Role of the Board and Management in Risk Oversight", and "Onboarding a new CEO". Ms. Bailey noted that Board Members are able to choose specialized courses on an individual basis through NACD. Discussion ensued on the course "Role of the Board and Management in Risk Oversight" and if it had an emphasis on enterprise risk management. Ms. Bailey reported that this course did not emphasize enterprise risk management but noted that the NACD trainer could customize the class to include this topic.

The Governance Committee Members favored "Today's Technology: Increased Risk for Boards and Leaders" but deferred course selection for Board discussion and approval at the Board Open session.

In addition, Ms. Bailey introduced the MyStateFundCareer learning system to members of the Committee. The portal will allow Board members to take online training and view their training records using their iPads.

AGENDA ITEM 5: PUBLIC COMMENT ON THE APPROPRIATENESS OF CLOSED SESSION ITEMS 8-10

Mr. Mulryan requested public comment on the appropriateness of Closed Session agenda items 8-10, of which there was none.

AGENDA ITEM 6: PUBLIC COMMENT

Mr. Mulryan requested further public comment of which there was none. The Governance Committee immediately convened into Closed Session at 8:45 a.m.

AGENDA ITEM 11: CALL TO ORDER AND ROLL CALL

The meeting was called to order at 11:50 a.m. and the following Members were present: Mr. Mulryan (Chair); Sheryl A. Chalupa; Sen. Michael J. Machado (Ret.), and Daniel M. Curtin and Thomas E. Rankin (joined at item 13).

There was a quorum.

Also present: Acting President and CEO Carol Newman; Board Liaison and Interim Corporate Secretary Hilda B. Padua; and Randall Keen of Manatt, Phelps and Phillips.

AGENDA ITEM 12: COMMITTEE MEMBER PRESENTATIONS

Mr. Mulryan requested presentations from the Committee members of which there were none.

AGENDA ITEM 13: PROPOSALS AND SUGGESTIONS FOR MAY 15 , 2014 AGENDA

Mr. Mulryan requested suggestions for agenda items for the May 15, 2014 Governance Committee meeting other than the standing agenda items, of which there were none.

Mr. Mulryan also requested public comment of which there was none, and he noted that the next Governance Committee meeting is scheduled for May 15, 2014 at State Fund's corporate Office, 333 Bush Street, San Francisco, California unless noticed for a new date and time.

ADJOURNMENT

There being no further business before the Governance Committee, the meeting adjourned at 11:55 a.m.

Respectfully submitted,

Hilda B. Padua,
Board Liaison and Asst. Corporate Secretary