

Board Governance Operative Principles *(proposed revisions – clean version)*

The CalSTRS board is committed to maintaining its role as a leader in governance for the benefit of its members (active, retirees, and beneficiaries). To accomplish this objective, the board has developed the following Governance Operative Principles. They are equally important and, as such, appear in no specific order of priority.

- **Fiduciary Primacy and Systemwide Responsibility**
 - The board's fiduciary duty is to the System and to its members. The board does not act in the interest of any individual, subgroup of membership, or other entity.
 - The board strives to conduct its business as efficiently and effectively as possible, consistent with applicable law.
- **Excellence in Governance, Oversight, and Long-term Focus**
 - The board maintains a policy-level focus and board leadership mindset in carrying out its governance and oversight responsibilities.
 - Continuous improvement, adaptation, and innovation are important values of the organization as a whole and of the board to remain viable and resilient.
 - The board approaches its work and stewardship of the System through a long-term, systemwide lens that prioritizes the financial health, institutional integrity, and sustained credibility of CalSTRS over pressures or individual interests.
- **Engaged Participation of all Trustees**
 - Trustees contribute to the board's work by providing their individual insights and thoughts on strategy and risk within the context of collective deliberation and decision-making.
 - Trustees value the board's consensus-oriented and productive culture.
- **Transparency to and Engagement of its Members and the Public**
 - The board values productive relationships with CalSTRS members and the public as essential to achieving the CalSTRS mission, including sustaining trust.
 - The board welcomes and listens to its members and the public as a part of the total input to its deliberations. These perspectives inform board decisions, but do not determine them or create an obligation to respond to or act on behalf of particular interests.
 - The board seeks to ensure fair and equitable treatment of all members and avoids communications or actions that could create real or perceived preferential access, endorsement, or undue influence.
 - The board speaks with a unified institutional voice. Individual trustees communicate on behalf of CalSTRS only in policy-authorized circumstances and consistent with collective board direction to preserve role clarity and institutional credibility.