

**POLICY NUMBER:** 1.00.110**EFFECTIVE DATE:** 9/19/13**TITLE:** Board Charter**SUPERSEDES:** 9/16/10**BOARD ADOPTION:** 9/19/13**APPROVED:** 

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**INTRODUCTION:**

The Board is responsible for overseeing the management of the business and affairs of the WSIB in accordance with applicable laws.

The Board shall exercise all of the powers and perform all duties prescribed by law with respect to the investment of public trust and retirement funds. (RCW [43.33A.010](#))

The Board may delegate any of its powers and duties to its Executive Director as deemed necessary for efficient administration and when consistent with the purposes of RCW [43.33A.030](#) and [43.33A.035](#).

The Board has established charters describing which duties the Board shall retain, and which duties it shall delegate to Board Committees, Board Officers, the Executive Director, and the Internal Auditor.

**DUTIES AND RESPONSIBILITIES:****Policy and Strategy Setting**Governance Policy

- 1) The Board shall establish charters describing the roles of:
  - a) The Board;
  - b) The Chair;
  - c) The Vice Chair;
  - d) Committees of the Board;
  - e) The Internal Auditor;
  - f) The Executive Director; and
  - g) Key advisors.
- 2) The Board shall establish governance-related policies designed to guide the conduct of its own affairs.

Investment Policy and Strategy

- 1) The Board is responsible for establishing the investment philosophy and policies for each fund that the WSIB manages and for periodically reviewing, confirming, or amending said philosophies and policies. These policies include, without limitation, an asset allocation policy, a proxy voting policy, and a portfolio rebalancing policy, as applicable to the funds managed by the WSIB.

### Financial and Accounting Policy

- 1) The Board shall ensure that appropriate accounting policies and internal controls are in place to safeguard the assets of the WSIB.
- 2) The Board shall ensure that internal and external audits are conducted in respect of the WSIB to assess that:
  - a) The WSIB's assets are safeguarded and controlled;
  - b) The WSIB's transactions are in accordance with applicable laws and the policies of the Board; and
  - c) The WSIB's financial, human and physical resources are managed economically and efficiently and that the WSIB's operations are carried out effectively.

### Operations

- 1) The Board shall approve the basic organizational structure of the WSIB.
- 2) The Board shall approve the general processes to be used to establish the strategic and/or business plans, and operational budgets of the WSIB.
- 3) Based on the recommendations of the Executive Director, the Board shall approve:
  - a) Business and/or strategic plans; and
  - b) The biennial operating budget.
- 4) The Board shall ensure that an effective process of enterprise risk management is in place.

### Human Resources and Compensation Policy

- 1) The Board shall approve a broad human resource policy and a compensation policy for the WSIB, addressing:
  - a) General principles that will guide the management of the WSIB's human resources;
  - b) The compensation philosophy and guidelines of the WSIB, including compensation goals and objectives, relevant comparison groups and target compensation levels. As indicated in RCW [43.33A.100](#), this includes compensation range for the executive director, confidential secretary, and investment officers.

### Key Appointments

- 1) The Board shall:
  - a) Establish any committees that it considers necessary;
  - b) Appoint and, when deemed necessary, remove committee members; and
  - c) Select, appoint, and, when necessary, replace the Executive Director, and delegate to that individual the responsibility and authority for the management of the business and affairs of the WSIB.
  - d) Review and take action on nominations of the Administrative Committee for the nonvoting positions on the Board.
- 2) The Board shall appoint named service providers as specified in the Service Provider Selection Policy.

### Stakeholder Communications

- 1) The Board shall approve a communications policy designed to help ensure effective communications with constituents of the WSIB. The Board shall establish a primary spokesperson(s) for the WSIB.
- 2) The Board shall approve an annual report on the operations of the WSIB.

Advice and Counsel

- 1) The Board and individual members shall be available to provide advice and counsel to the Executive Director, as required.

Reporting and Monitoring

- 1) The Board shall ensure that the necessary reporting and monitoring practices are established to provide the Board with the information it requires to effectively oversee the operations of the WSIB and meet all requirements in law.
- 2) The Board shall, among other things:
  - a) Monitor the application of the conflict of interest policy;
  - b) Monitor to ensure compliance with the investment policies, standards, and procedures established by the Board;
  - c) Evaluate the performance of the Executive Director;
  - d) Review the investment performance of the WSIB;
  - e) Approve the investment policies of the Board;
  - f) Approve all other policies of the Board, including those pertaining to governance, compensation, finance and accounting, organizational planning, and corporate communications on a regular and appropriate basis;
  - g) Review the performance of the Board on an annual basis; and
  - h) Ensure that monitoring mechanisms are in place to make certain that the WSIB operates within applicable laws and regulations.

**POLICY REVIEW:**

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

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Policy Adopted 8/1/03  
Revised 7/20/06  
Reviewed 4/16/09  
Revised 9/16/10  
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