

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
BYLAWS

BYLAWS

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ARTICLE I
BOARD COMPOSITION AND POWERS

Section 1.1. Composition. As provided in the State Employees' Retirement Code (71 Pa. C.S. §5101 *et seq.*) (the "Retirement Code"), the State Employees' Retirement Board (the "Board") shall consist of the following persons: two Senators, two members of the House of Representatives, five members appointed by the Governor, one of whom shall be an annuitant of the State Employees' Retirement System (the "System") or a participant in the State Employees' Defined Contribution Plan (the "Plan") who has terminated state service and is receiving or is eligible to receive distributions, subject to confirmation by the Senate, the Treasurer of the Commonwealth of Pennsylvania (the "Treasurer"), ex officio, and the Secretary of Banking and Securities, ex officio (hereafter, the Treasurer and the Secretary of Banking and Securities shall be collectively referred to as the "Ex officio Members"). At least five members of the Board (each a "Member") shall be active members of the System or active participants in the Plan and at least two Members shall have ten or more years of credited State service or shall have been active participants in the Plan for ten calendar years or have a combination of years of credited state service in the System and calendar years as active participants in the Plan equal to ten or more years. By written notice to the Board, the Ex officio Members and each Member who is a member of the General Assembly (each a "Legislative Member") may appoint one or more duly authorized designees who shall have authority to act in such Member's stead. In the event that a Member, who is designated as an active participant or as a participant in the Plan who is receiving or is eligible to receive distributions, receives a total distribution of his interest in the plan, that Member may continue to serve on the Board for the remainder of his term.

The two Members who are Senators shall be appointed by the President pro tempore of the Senate and shall consist of a majority and a minority member. The two Members who are members of the House of Representatives shall be appointed by the Speaker of the House of Representatives and shall consist of a majority and a minority member. The Legislative Members shall serve on the Board for the duration of their legislative terms and shall continue to serve until 30 days after the convening of the next regular session of the General Assembly after the expiration of their respective legislative terms or until a successor is appointed for the new term, whichever occurs first. Each Member appointed by the Governor shall serve for a term of four years or until such Member's successor is duly appointed and qualified, with the terms of those Members appointed by the Governor and serving on the date of adoption of these Bylaws to have the expiration dates in effect on such date.

Section 1.2. Powers. Except as otherwise provided by law and these Bylaws, all powers of the System shall be exercised by or under the authority of, and the business and affairs of the System shall be managed under the direction of, the Board.

Section 1.3. Vacancies. Each Member shall hold office until such Member's resignation, removal, death or, in the case of Members serving ex officio or as legislative appointees, ceasing to hold office. Any vacancy occurring during the term of an appointed Member shall be filled for the unexpired term by the appointment and confirmation of a successor in the same manner as the predecessor.

Section 1.4. Ex officio Members' and Legislative Members' Designees. The Ex officio Members and each Legislative Member may at any time and from time to time appoint one or more duly authorized designees (and if more than one, either in priority preference or as alternates) to act in his or her stead at any meeting of the Board or of any committee thereof or with respect to official business and activities of the Board conducted outside of meetings. Each appointment shall be made in writing signed by the appointing Member and filed with the Secretary. Designees of an Ex officio Member shall be an officer or employee of the Ex officio Member's agency. The appointment of a designee in the foregoing manner shall remain in full force and effect unless and until revoked in a writing signed by the Member by whom such designee was appointed and filed with the Secretary, or until the earlier removal or resignation of such designee from the office or employment that qualified that person for appointment, or until the Member who appointed such designee ceases to be a Member. Each designee shall have the same rights, duties and obligations as a Member, and shall be subject to the same standard of care as a Member, when acting in the stead of a Member. In these Bylaws, any committee charter, policy or procedure adopted by the Board, any reference to Board "members," "committee members," or "trustees," including the defined terms "Members" or "Committee Members" in these Bylaws, shall be deemed to refer to the authorized designees described in this section where the context permits such interpretation.

Section 1.5. Oath of Office. Each Member shall, before exercising any power or privilege of office as a Member, take and subscribe to the oath of office in the form prescribed by law. Such oath shall be certified to by the officer before whom it is taken and immediately filed in the office of the Secretary of the Commonwealth. Designees of the Ex officio Members or the Legislative Members shall take and subscribe to the same oath of office as Members do. No person shall be allowed to take the oath of office or enter or continue upon his or her duties as a Member or as a designee of the Ex officio Members or Legislative Members unless that person has filed a statement of financial interests for the preceding calendar year pursuant to the Public Official and Employee Ethics Act, 65 Pa. C.S. §§ 1101-1113 and, if applicable, pursuant to the Governor's Code of Conduct, promulgated by Executive Order 1980-18, as amended, in accordance with State Employees' Retirement System policies or other applicable law and has filed copies thereof (through the Chief Compliance Officer) with the Board.

Section 1.6. Removal and Resignation from Office. A Member shall be subject to removal from office only in accordance with the provisions of Article VI of the Constitution of

Pennsylvania or other applicable law. Any Member may resign at any time. Such resignation shall be in writing filed with the Secretary, but acceptance thereof by the Secretary or by any other party shall not be necessary to make it effective.

Section 1.7. Compensation. Members who are members of the System or participants in the Plan shall serve without compensation. Members who are not members of the System or participants in the Plan shall receive \$100 per day when attending meetings of the Board or committees established by the Board. All Members shall be reimbursed for any necessary expenses while attending to official business.

Section 1.8. Attendance. Each Member, or the Member's duly appointed designee, is expected to attend substantially all Board meetings and committee meetings for the committees to which such Member has been appointed. The Board may establish a process to grant excused absences for good cause. Non-committee Members are invited to participate in committee meetings as non-voting observers. Absences shall be noted in the minutes of the Board or committee meeting.

ARTICLE II MEETINGS OF THE BOARD AND COMMITTEES

Section 2.1. Place of Meetings. Meetings of the Board and any committee of the Board shall be held at the main office of the System, 30 North Third Street, Harrisburg, PA, unless another place within the Commonwealth of Pennsylvania is designated in the notice of the meeting. When determined necessary by the Chairperson in his/her sole discretion either to achieve a quorum or due to special circumstances, Members may participate in regular or special meetings of the Board by means of conference telephone or similar communications equipment, provided that during the conduct of such meeting all persons participating therein can hear each other and the meeting is conducted in accordance with the Pennsylvania Sunshine Act (65 Pa. C.S. §701 *et seq.*) (the "Sunshine Act"). Any Member may participate in a committee meeting by means of conference telephone or similar communications equipment, provided that during the conduct of such meeting all persons participating therein can hear each other and the meeting is conducted in accordance with the Sunshine Act. A roll call shall be taken for all votes during the attendance of any Members by telephone or teleconferencing. In the event there is a technical problem with the connection at any time during the meeting, or during a vote, the meeting will be temporarily held in abeyance until the connection has been restored or three unsuccessful attempts have been made to restore the connection. Participation in a meeting pursuant to this section shall constitute a presence in person at such meeting.

Section 2.2. Regular Meetings. The Board shall hold at least six regular meetings annually. The committees shall hold as many meetings as may be required in their respective committee charters. The Chairperson, after consulting with Members, shall establish the agenda for each regular meeting of the Board and shall give notice of the agenda to the Members prior to the meeting. The committee chair, after consulting with the Members of the committee, shall

establish the agenda for each regular meeting of the committee. The Board and each committee required to have regular meetings shall give public notice of its first regular meeting in each year as required by the Sunshine Act and other applicable law and, prior thereto or immediately thereafter, shall give public notice of other scheduled regular meetings for the year in compliance with the Sunshine Act and other applicable law.

Section 2.3. Special Meetings. Special meetings of the Board shall be held whenever called by the Chairperson or two-thirds of Members. Special meetings of committees shall be held whenever called by the committee chair or two-thirds of the committee members. Notice of a special meeting shall be given to the public as required by the Sunshine Act and other applicable law.

Section 2.4. Emergency Meetings. The Chairperson may call an emergency meeting of the Board for the purpose of dealing with a real or potential emergency involving a clear and present danger to life or property.

Section 2.5. Notice of Meetings.

(a) Regular Meetings. No notice shall be required to be given of any regular meeting held on the date specified in the public notice referred to in Section 2.2 and at the location established for holding the meeting. In the event any regular meeting is to be held on a date which has not been so advertised or at a different location, notice shall be given as required by the Sunshine Act or other applicable law.

(b) Special Meetings. Notice of special meetings shall be given as required by the Sunshine Act or other applicable law.

(c) Emergency Meetings. Advance public notice of an emergency meeting of the Board is not required; but, to the extent practicable, the Chairperson shall attempt to give actual advance notice of such meeting, especially to individuals or organizations with a direct and substantial interest in the official action scheduled for consideration.

Section 2.6. Quorum and Voting. A majority of the Members or Committee Members in office shall be necessary to constitute a quorum for the transaction of business at a Board or committee meeting, and the acts of a majority of the Members or Committee Members present and voting at a meeting at which a quorum is present (so long as such majority constitutes a majority of a quorum) shall be the acts of the Board or committee. If there is no quorum present at a duly convened meeting of the Board or committee, a majority of those present may adjourn the meeting from time to time.

Section 2.7. Open Meetings. Official actions and deliberations by a quorum of the Board or any committee shall take place at a meeting open to the public unless permitted otherwise by the Sunshine Act or other applicable law.

Section 2.8. Executive Sessions. The Board or any committee may hold an executive session for any one or more of the reasons enumerated in the Sunshine Act or as permitted by other applicable law, including, without limitation, the discussion of personnel matters, the purchase or lease of real property, pending or expected litigation, agency business which, if conducted in public, would violate a privilege or lead to the disclosure of information or confidentiality protected by law, or quasi-judicial deliberations. “Information or confidentiality protected by law” shall include, without limitation, any information submitted to the Board under the terms of an express confidentiality agreement with a business entity offering any security for sale to and purchase by the Board in a non-public offering; deliberations with respect to the purchase, holding or sale of, or the exercise of voting rights with respect to, the publicly traded securities of any business entity, which deliberations, if conducted in public, may or might have a material bearing on the market for such securities; and any other deliberations with respect to any proposed or actual investment of the Board which, if conducted in public, may or might so substantially affect the price or terms of any transaction concerning such investment, or the value thereof, as to adversely affect the System and its participants.

Section 2.9. Voting Conflicts. Any Member who by voting would be voting on a matter that would result in a conflict of interest shall abstain from voting on such matter, refrain from participating in any discussions concerning such matter, and, prior to the vote being taken on such matter, publicly announce and disclose the nature of his or her interest as a matter of public record. A conflict of interest does not arise in connection with an action which would have an insignificant economic effect on any interest of the Member or which affects the Member only as a member of the general public or of a not de minimus subclass of the general public, or as a member of the System, Plan, or Commonwealth Deferred Compensation Plan as a whole; provided, however, that no Member shall vote on any quasi-judicial matter to which such Member or a member of his or her immediate family is a party; and provided, further, that this Section 2.9 applies only to the possible use by a Member of his or her vote for private pecuniary benefit and does not in any way affect the Member’s other fiduciary responsibilities to the members of the System in connection with official actions in which the Member has no private interest.

Section 2.10. Notational Voting. Members may cast votes by notational voting by ballot whereby a vote is taken of members individually upon a recommended written motion, resolution, rule, proposal, regulation, report or order prepared by the staff of the System or an individual Member and circulated for approval to all Members. Absent unusual circumstances to be determined by the Chairperson, the Board will resort to notational voting only in quasi-judicial matters to promote timely decision-making after full deliberations have been completed in executive session, or in certain financial or investment transactions in which a resolution or other similar formal action of the Board is required to expedite or complete the appropriate documentation. In quasi-judicial matters, the Chairperson or the Secretary shall, at the first open meeting after the adoption of written opinions or orders by notational voting, announce the substance of matters so decided and cause the record of the votes cast by individual members on each such matter to be entered in the minutes of the meeting.

Section 2.11. Rules of Order; Construction. Except to the extent otherwise provided by law or by these Bylaws, the rules of order for meetings of the Board and committees thereof shall follow as closely as practicable those prescribed for small assemblies or similar small bodies in the most recently published revision of Robert's Rules of Order. Such rules of order shall be construed to promote the orderly and efficient conduct of business and to avoid procedural complexity which may delay or hinder the taking of action required by law or advisable in the prudent exercise of the Board's fiduciary responsibility to members of the System.

Section 2.12. Minutes of Meetings. Written minutes shall be kept of each open meeting; and after approval by the Board or committee, such minutes shall be made available for public inspection and copying. The minutes shall be prepared as required by Section 6 of the Sunshine Act or other applicable law. Audio tape recordings of open Board meetings may be made solely for the purpose of facilitating the preparation of written minutes. Such tape recordings shall be retained until Board approval of the minutes to which they relate.

ARTICLE III COMMITTEES

Section 3.1. Board Committees. The Board may establish by resolution one or more standing or special committees, each to consist of two or more Members. In addition, the Chairperson may establish special advisory or review committees. Any committee, to the extent, but only to the extent, provided in an applicable resolution of the Board, committee charter or in these Bylaws, shall have and may exercise any of the powers and authority of the Board. The Board has established the following standing committees, which may be changed from time to time by Board resolution: Audit, Risk and Compliance Committee; Investment Committee; Board Governance and Personnel Committee; Finance and Member and Participant Services Committee; and Securities Litigation Committee (collectively, the "Standing Committees"). The Board shall delegate to the Standing Committees the authority to take such actions and perform such duties as expressly stated in the Standing Committees' committee charters; provided that no committee shall have the power to amend, modify or repeal a resolution of the Board or to amend these Bylaws or to take any action on matters committed by Board resolution or applicable law to the full Board under terms or provisions that make such action non-delegable.

Section 3.2. Committee Membership. Unless designated by resolution, the Members of any committee ("Committee Members") shall be appointed by the Chairperson, with the Board's advice. The Chairperson may appoint a Member to multiple committees. The Chairperson shall appoint each Member to a committee as the Chairperson may reasonably determine.

Section 3.3. Committee Member Terms. Except for the Treasurer of the Commonwealth of Pennsylvania and the Secretary of Banking and Securities, who are permanent Committee Members on the Investment Committee, commencing January 2022, and biennially thereafter, in January of every other year, the Chairperson shall appoint the Committee Members, who shall have terms through December 31st of the following year, with service at the

pleasure of the Chairperson. In the event of a vacancy on a committee, the Chairperson shall appoint a replacement Committee Member for the balance of the term of the vacating Committee Member. Except as to membership on the Audit, Risk and Compliance Committee, there shall be no limitation on the number of full terms for which a Committee Member may be reappointed. No Member shall serve on the Audit, Risk and Compliance Committee for more than two consecutive full terms, except that a Committee Member may be reappointed to the Audit, Risk and Compliance Committee by the Chairperson following a one-year absence from the committee. Notwithstanding the foregoing, each Committee Member shall serve until his or her successor is duly appointed or until his or her earlier death, resignation or removal, it being understood that termination of membership on the Board shall constitute a resignation from the committee.

Section 3.4. Committee Chairs. For elections after January 1, 2022, biennially, Committee Members shall elect a chair of the committee ("Committee Chair") at such time as the first committee meeting of the year or at such time as the Committee Chair position becomes vacant. The Chairperson may not serve as a Committee Chair, except that the Chairperson may serve as the Committee Chair for the Board Governance and Personnel Committee. The Committee Chair shall take office effective as of the day of his or her election and shall serve as Committee Chair through December 31st of the following year or until the Committee Chair's successor is duly elected or such officer's earlier death, resignation or removal. If the Committee Chair does not complete his or her term, then the Committee Members shall elect an interim Committee Chair at the Committee meeting following the Committee Chair's departure from the Committee. The interim Committee Chair shall serve until the new Committee Chair takes office according to the procedures outlined above. The Committee Chair shall preside at all meetings of the committee. The Committee Chair shall have such other powers and perform such other duties as may be delegated by the Board and as described in the Committee Chair Position Description. No Committee Chair shall serve for more than three consecutive terms.

Section 3.5. Committee Assistant Chairs. For appointments after January 1, 2022, biennially, the Committee Chair shall appoint a committee assistant chair with the advice and consent of the Committee ("Committee Assistant Chair"). The Committee Assistant Chair shall preside at all meetings of the committee in the absence of the Committee Chair. The Committee Assistant Chair shall have such other powers and perform such other duties as may be delegated by the Committee Chair and as described in the Committee Assistant Chair Position Description. The Committee Assistant Chair shall serve through December 31st of the following year or until the Assistant Chair's successor is duly appointed or such officer's earlier death, resignation or removal, with service at the pleasure of the Committee Chair. No Assistant Chair shall serve for more than three consecutive terms.

Section 3.6. Committee Officers. Except as otherwise provided in these Bylaws or by Board resolution, Committee Members may, in their discretion, elect such other officer(s) for the committee as they shall determine from time to time.

Section 3.7. Bylaws Apply to Committee Governance. The term "Board," when used in any provision of these Bylaws relating to the organization or procedures of, or the manner of taking action by, the Board, shall be construed to include and refer to any committee of the Board. Any provision of these Bylaws relating or referring to action to be taken by the Board or the procedure required therefor shall be satisfied by the taking of corresponding action by a committee of the Board to the extent authority to take the action has been delegated to such committee pursuant a resolution of the Board, committee charter or these Bylaws.

ARTICLE IV OFFICERS

Section 4.1. Officers and Terms. The System shall have a Chairperson, Assistant Chair, and a Secretary. The Secretary also shall serve as Executive Director. The Chairperson shall be designated by the Governor from among the Members. The Assistant Chair shall be appointed by the Chairperson after consulting with the Board. The Secretary shall be appointed by the Board. The Board may appoint one or more other officers or assistant officers having such powers and duties as may be assigned to such officers by the Board. Each officer other than the Chairperson and the Assistant Chair shall serve at the pleasure of the Board, until such officer's earlier death, resignation or removal.

Section 4.2. Powers and Duties of the Chairperson. The Chairperson shall preside at all meetings of Board. In the absence of the Chairperson at a duly convened meeting of the Board, or the inability of the Chairperson to participate in a meeting telephonically, the Assistant Chair shall preside at such meeting of the Board. The Chairperson shall have such other powers and perform such other duties as may be assigned to such officer by the Board or as described in the Chairperson Position Description.

Section 4.3. Powers and Duties of the Assistant Chair. The Assistant Chair shall preside at all meetings of the Board in the absence of the Chairperson, as described in Section 4.2. The Assistant Chair shall have such other powers and perform such other duties as may be delegated by the Chairperson or as described in the Assistant Chair Position Description. The Assistant Chair shall serve a nominal two-year term, with service at the pleasure of the Chairperson, or until such officer's earlier death, resignation or removal.

Section 4.4. Powers and Duties of the Secretary/Executive Director. The Executive Director in his or her capacity as Secretary, shall have the powers and duties set out in Section 5902(a.1) of the Retirement Code and such other powers and duties as have been or are assigned to the Secretary and the Executive Director by the Board and generally shall have the usual duties of an executive officer with general supervision over and direction of the affairs of the System. The Executive Director/Secretary shall serve as the primary point of contact between the Board and the System. Except as otherwise established by Board approved policy, the Executive Director/Secretary shall be responsible for providing and/or delivering all information, reports, documents and communications from the System, other than from the Chief Counsel or

the Chief Compliance Officer, but including from the Investment Office, to the Board. Notwithstanding the foregoing, the Executive Director/Secretary may delegate such responsibilities to System staff, agents and independent contractors as the Executive Director/Secretary may reasonably determine, provided that the Executive Director/Secretary shall remain responsible for overseeing such reporting to the Board.

ARTICLE V AMENDMENTS

The Board (but not a committee thereof) shall have the power to modify, amend and repeal these Bylaws or any committee charter by a two thirds (2/3) vote of the Members present and voting at any open meeting at which a quorum is present after 15 days advance written notice to all Members. Such notice shall set forth the proposed modifications or amendments or specify the provisions proposed to be repealed. The text of each modification, amendment or repeal of the Bylaws or committee charter shall be attached to the Bylaws or committee charter (as appropriate) with a notation of the date of such modification, amendment or repeal. At any time and from time to time, the Chairperson may direct the Executive Director/Secretary to certify and publish a restatement of these Bylaws or any committee charter, as amended as of the date of such certification.

ARTICLE VI INDEMNIFICATION

The System shall, to the extent required by applicable law or policy adopted by the Board, indemnify each Member against any and all liabilities and advance any and all reasonable expenses (including attorneys' fees) as incurred by such person, arising out of or in connection with any proceeding to which such person is a party because such person is or was a Member.