

Minutes of Board Governance and Personnel Committee Meeting

Tuesday, July 27, 2021

Attendees:

All Board Members, Designees, and SERS staff participated in person, unless otherwise indicated.

Board Governance and Personnel Committee:

David Fillman, Chair

Treasurer Stacy Garrity

Christopher Craig (designee for Treasurer Stacy Garrity)

Lloyd Ebright (designee for Treasurer Stacy Garrity) (virtual)

Matt Lindsay (designee for Sen. Vincent Hughes)

Gregory Thall

Secretary Richard Vague (virtual)

Alan Flannigan (designee for Secretary Richard Vague) (virtual)

James Bloom (designee for Secretary Richard Vague)

Other Board Members:

Glenn Becker

Susan Boyle (designee for Rep. Paul Schemel)

Sen. John DiSanto (virtual)

Charles Erdman (designee for Sen. John DiSanto) (virtual)

Rep. Dan Frankel

Gregory Jordan

Dan Ocko (designee for Rep. Dan Frankel)

Rep. Paul Schemel

Patrick Shaughnessy (designee for Rep. Dan Frankel) (virtual)

Mary Soderberg

SERS Staff:

Rose Agnew, Executive Secretary

Katie Bates, Administrative Officer

Don Bell, Executive Assistant

Kelly Bernhard, Administrative Assistant

Tom Derr, Communications and Policy Director

Randy Gilson, Director, Technical Support Division

Pam Hile, Communications Director (virtual)

Christopher Houston, Committee Senior Staff (Administration)

Dan Krautheim, Chief Information Officer

Katie Mathews, Committee Senior Staff (HR)
N. Joseph Marcucci, Chief Counsel
Sara McSurdy, Chief Financial Officer
Jim Nolan, Deputy Chief Investment Officer
Terrill Sanchez, Executive Director
Joe Torta, Deputy Executive Director for Member and Participant Services (virtual)
Jo Ann Collins, Chief Compliance Officer
William Truong

1. Call to Order

At 1:51 P.M., Chair David Fillman called the meeting to order.

2. Welcome and Introduction

Chair David Fillman welcomed Committee members, designees, and other non-Committee Board members.

3. Approval of Minutes

Minutes of June 8, 2021, Board Governance and Personnel Committee meeting.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That this Committee approves the meeting minutes of the June 8, 2021, Board Governance and Personnel Committee meeting.

4. Old Business

a. SERS Fiduciary Review and Board Self-Assessment – Final Report Implementation of Recommendations

The Committee reviewed a matrix outlining the recommendations from Funston's final report that were assigned to the Board Governance and Personnel Committee, as well as a proposed timeline and work plan for each recommendation. The Committee specifically reviewed the following recommendations where Committee action or input was requested and those recommendations where alternative action has already been taken:

Action Requested

1.3 The Board should consider term limits of three terms of two years for Board and committee officer positions.

After discussing the recommendation, the Committee was in agreement with this recommendation and it was noted that under New Business that the Committee would be asked to take action to recommend to the Board to adopt an amendment to the Bylaws, which would include providing for two-year terms for committee members, two-year terms

for Committee Chair and Assistant Chair positions, and term limits of three consecutive two-year terms for committee officer positions, commencing in 2022.

4.3 Keep a record of dissenting opinions and concerns on 'no' votes which identify the issue or reason prompting that vote to help staff address the concern and make regular use of roll call votes except for meeting minutes and consent agenda items.

After discussion the Committee took action to implement this recommendation.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board include in the Board and committee meeting operating procedures: (1) roll-call voting being applied to all Board meetings for attendance and all motions, except motions for adoption of agenda, consent calendar and adjournment, (2) roll-call voting being applied to all committee meetings for attendance and all motions, except motions for the election of a committee Chair, minutes, and adjournment, and (3) staff to take note of dissenting opinions and concerns on 'no' votes, if stated.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt	Yes
Designee:	
THALL	Yes
VAGUE	Yes
Designee:	

Input Requested

4.2 Consider a Board policy regarding who can 'speak' on behalf of the 'seat' when both trustee principals and designees participate in a virtual setting.

Following Committee discussion, it was determined that a Board policy was not necessary.

6.1 Consider holding at least some committee meetings in between Board meetings, perhaps virtually, rather than the day before, in order to improve decision making and preparation time for Board meetings.

Following discussion, it was determined that it is best not to hold committee meetings the same day as a Board meeting. It was noted that committee chairs have the flexibility to call for the scheduling of committee meetings at any time (in person or virtually), subject to the notice requirements of the Sunshine Act.

6.3 Require Ad Hoc Committees to be Board Committees and only Board members should vote.

The Committee discussed this recommendation and the fact that the Bylaws provide that standing or special committees consist solely of Board members, which can include designees. The only committees where staff have served together with Board members are evaluation committees to score proposals for procurements under the Commonwealth Procurement Code. It was noted that staff can participate as non-voting members of evaluation committee in order to provide valuable input. Staff will work on a proposed resolution for the Committee's consideration that will provide for the Board Chairperson approving the makeup of the evaluation committees for procurements under the Procurement Code.

6.4 Have Committee Chairs set Committee agendas and work plans, with input from committee members and the Executive Director and executive liaison for the committee.

Following discussion, on Recommendations 6.4 and 6.5, staff will be preparing a revised position description for the committee Chair and Assistant Chair for consideration by the Committee at the September 2021 meeting, which if recommended for adoption by the Board would memorialize the process to follow in the development of the work plans, which would include all committee priorities.

6.5 Each committee, with input from the Executive Director and the committee's executive liaison should develop an annual list of policy priorities to be addressed by the committee, and those recommended policy priorities should be approved by the full Board.

Discussion on this recommendation was combined with Recommendation 6.4

6.6 Committees should recommend the selection of independent advisors to the board within their respective areas of responsibility; staff should not vote on these recommendations.

As noted in the discussion of Recommendation 6.3, the only committees where staff have served together with Board members are evaluation committees to score proposals for

procurements under the Commonwealth Procurement Code. Staff will work on a proposed resolution for the Committee's consideration that will provide for the Board Chairperson approving the makeup of the evaluation committees for procurements under the Procurement Code.

6.7 Review Committee Charters at least every three years.

Following discussion of the fact that the charters already provide that the charters are to be reviewed every two years, the Committee did not take any action on this recommendation at this time. This could be revisited at a later point in time.

Recommendations - Alternative Action Taken

Staff reviewed with the Committee the following recommendations and noted that alternative action has already been taken:

6.2 Ensure that each committee effectively reports out to the full Board on all key issues such as investment performance and risk and actuarial risks.

This recommendation will have been addressed upon Board approval of the revised Investment Committee and Finance and Member Services Committee charters.

7.4 Provide specific practical examples during ethics training and allow time for questions and answers.

In the development of ethics training, SERS Staff will provide practical examples during the training and allow time for questions and answers.

7.5 Utilize the Board portal (BoardDocs) to make the most recent orientation packet available to all Trustees and Designees.

The most recent Board orientation packet is available to all Trustees and Designees in BoardDocs.

8.1 Committee chairs should be regularly briefed by the staff liaison in advance of meetings to make sure committee agendas include all desired topics and that briefings and reports are timely and relevant.

Liaison staff are briefing committee chairs in advance of meetings to make sure committee agendas include all desired topics and that briefings and reports are timely and relevant.

Going forward, staff will be reviewing with the Committee the remaining recommendations at future Committee meetings.

b. SERS Strategic Plan – Update

The Committee reviewed updates on the FY 2020-2021 strategic goals and the FY 2021-2022 strategic goals and took action to recommend that the Board approve the FY 2021 – FY 2023 SERS Strategic Business Plan, as amended.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board approve the FY 2021 – FY 2023 SERS Strategic Business Plan, as amended, as set forth in the attachment.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	Yes
Designee:	

5. Special Presentations

There were no special presentations.

6. New Business

a. Charter Amendments

The Committee reviewed requests from the following committees to concur with actions taken by the committees to recommend to the Board to approve amendments to their charters:

- Audit, Risk, and Compliance Committee

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee concur with the recommendation of the Audit, Risk, and Compliance Committee to the State Employees' Retirement Board to approve the amendments to the Audit, Risk, and Compliance Committee charter, as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	Yes
Designee:	

- Finance and Member and Participant Services Committee

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee concur with the recommendation of the Finance and Member Service Committee to the State Employees' Retirement Board to approve the amendments to the Finance and Member Services Committee charter, as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	Yes
Designee:	

- Investment Committee

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee concur with the recommendation of the Investment Committee to the State Employees' Retirement Board to approve the amendments to the Investment Committee charter, as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	Yes
Designee:	

- Securities Litigation Committee

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee concur with the recommendation of the Securities Litigation Committee to the State Employees' Retirement Board to approve the amendments to the Securities Litigation Committee charter, as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	Yes
Designee:	

Bylaws Amendment

The Committee reviewed proposed amendments to the Board bylaws, to provide for the following:

- Eliminating the Defined Contribution Committee as a standing committee;
- Renaming the Finance and Member Services Committee to the Finance and Member and Participant Services Committee; and
- Providing for two-year terms for committee members, two-year terms for committee Chair and Assistant Chair positions, and term limits of three consecutive two-year terms for committee officer positions, commencing in 2022, which addresses the recommendation from Funston, as discussed under the SERS Fiduciary Review and Board Self-Assessment– Final Report - Implementation of Recommendations agenda item.

Following discussion, the Committee took action to recommend to the Board to amend the bylaws.

Motion:

By motion that was moved, seconded, and approved unanimously by Committee members, it was:

RESOLVED: That the Board Governance and Personnel Committee recommend that the State Employees' Retirement Board amend the Commonwealth of Pennsylvania State Employees' Retirement System Bylaws, as set forth in the attached.

The roll call vote tabulation was as follows:

Board Member	Vote
FILLMAN	Yes
GARRITY	Yes
Designee:	
HUGHES	
Designee: Matt Lindsay	Yes
THALL	Yes
VAGUE	Yes
Designee:	

Due to 15 days advance written notice requirement, it was noted that the recommendations to amend the committee charters and Bylaw amendments will be considered by the Board at the September meeting after advance notice is provided to the Board.

7. Executive Session

At 2:39 P.M., the Committee entered into executive session to discuss:

- a. Executive Director search
- b. Executive Director – Mid Year Report

At 3:17 P.M., the public session resumed.

8. Committee Comments/Concerns/Questions

There were no additional comments, concerns, or other questions from committee members.

9. Motion to Adjourn


Motion:

By motion that was moved by Chair David Fillman and approved unanimously by Committee members, it was;

RESOLVED: That this meeting be adjourned at 3:18 P.M.

Respectfully Submitted,


Katie Matthews
Director of Human Resources


Christopher C. Houston
Executive Deputy Chief Counsel
Acting Chief Compliance Officer

SERS Strategic Plan FY 2021 – FY 2023

Vision

To become fully funded and the recognized leader among pension organizations providing innovative, best-in-class services and products to our customers and stakeholders.

Mission

Prepare our members and participants to achieve financial success and security in retirement.

Strategic Priorities

- Modernize Systems
- Leverage External Engagement
- Invest Efficiently and Accountably
- Improve Member and Participant Experiences
- Cultivate Workforce Transformation

Guiding Principles

Demonstrate Integrity

- Commit to honesty, respect, professionalism and truth in every facet of behavior
- Act ethically

Develop and Empower Employees

- Delegate meaningful responsibility, mentor and foster employee growth and development
- Provide and seek constructive feedback and clear expectations to facilitate employee success
- Celebrate success
- Work as a team
- Be accountable and hold others accountable

Focus on the Customer Experience

- Provide accurate, complete and timely information
- Provide quality service at a reasonable cost
- Know and support our customers
- Educate members, participants and employers as to their responsibilities

Fulfill Fiduciary Obligations

- Act solely and exclusively in the interest of the members and participants
- Comply with the Retirement Code and other applicable laws, policies and procedures
- Exercise prudence

SERS Strategic Plan FY 2021 – FY 2023

Lead Innovation and Improvement

- Cultivate Best Practices
- Enhance operational efficiencies
- Consider digital as our first option
- Pursue innovation and continuous improvement in all services
- Identify operational issues and pursue desirable changes
- Monitor and assess service delivery through continuous communication and feedback channels
- Utilize qualitative and quantitative information to enhance operations wherever possible

Learn from Mistakes

- Focus on solving problems, not on assigning blame
- Improve processes to prevent recurrence of problems and mistakes

Safeguard Information, Facilities, and Staff

- Understand the importance of information and physical security
- Continuously assess information security
- Comply with the policies for system security, access and use
- Enforce information and physical security
- Comply with internal controls

Share Knowledge

- Share information with others to enhance their knowledge and add value to business operations and processes
- Support and encourage collaboration among internal program areas
- Support and encourage collaboration with customers and stakeholders

Think Strategically

- Envision future opportunities from internal and external sources, that support SERS in its mission
- Keep abreast of changing trends, market opportunities and competitive threats
- Identify strategic responses to issues facing SERS and its members and participants

SERS Strategic Plan FY 2021 – FY 2023

Strategic Priorities and Goals

Modernize Systems

1. Complete the transition to SERIS 2.0

- a. By 11/01/2020, complete an RFP process to establish a 5-year maintenance agreement with a reputable IT Services vendor for the ongoing maintenance and enhancement of SERIS 2.0.
- b. By 07/31/2022, complete the technical implementation of SERIS 2.0.
- c. By, 10/31/2022 complete the business and cultural transition to SERIS 2.0.

2. Extend and enhance the technology infrastructure

- a. By 06/30/2021, develop a plan to address standby battery capacity limitations and implement a datacenter power monitoring and alerting solution.
- b. By 06/30/2021, develop a comprehensive cybersecurity program that provides a robust security posture.
- c. By 06/30/2021, evaluate technology deployed to SERS customer-facing staff based on job requirements, perform a gap analysis, and implement necessary remediation to ensure proper alignment of technology to staff needs.
- d. By 03/31/2022, conduct a study of SERS phone system to produce a roadmap for technology upgrade and service improvements accounting for both onsite and remote workers as well as providing for integrated web/video conferencing technology across all SERS' offices.
- e. By 06/30/2022, conduct a holistic study on the consumption and utilization of insourced, outsourced, production, disaster recovery, intranet, internet, and cloud IT infrastructure services to ensure that critical resources and service levels are sufficient for current and 5-year anticipated demands and that industry best practices are understood and identified.
- f. By 06/30/2022, fully implement the cybersecurity program across the agency.
- g. By 12/31/2022, define and implement continuous improvement processes in the cybersecurity program to maintain a robust and responsive security posture.
- h. By 06/30/2023, develop a plan to implement appropriate recommendations from the IT infrastructure services and best practices study which includes a fully determined scope and timeline of the project and start to make progress on implementing the plan according to established project scope and timeline.
- i. By 06/30/2023, implement SERS phone system modernization and web/video conferencing roadmap for technology upgrade and service improvements.

3. Modernize and enhance financial systems

- a. By 03/31/2021, conduct a study on the flow of money, paper checks, and data within SERS and between participants, employers, Empower, and Treasury.
- b. By 04/30/2021, utilizing the flow of money study and peer comparisons, present a plan to the Board for reducing administrative and record keeping fees and have participants share in those costs.
- c. By 06/30/2021, complete implementation of the Workiva solution in OFA.

SERS Strategic Plan FY 2021 – FY 2023

- d. By 06/30/2022, complete a Request for Information (RFI) for a new Private Equity accounting solution.
- e. By 06/30/2022, require employer payments to be issued via ACH directly from the employers and in real time with their payroll transaction submissions.
- f. By 06/30/2022, complete the upgrade of the current Oracle General Ledger system to maintain vendor support per the maintenance contract.
- g. By 06/30/2023, develop a plan to acquire and implement a new private equity accounting system.
- h. By 06/30/2023, in coordination with OMS and OFA, engage employers and initiate work to develop a plan and high-level design for enhancing the employer data reporting interfaces to drive increased quality of information exchanged and establish an Employer Service Center incorporating results of the data and money flow study.
- i. By 12/31/2024*, progress on the private equity accounting solution implementation according to the approved plan.
- j. By 06/30/2024*, finalize the plan and determine high-level implementation framework for enhancing employer data reporting interfaces and establishing an Employer Service Center.

** - Late stages of multi-step project moved outside of the strategic plan window.*

4. Reduce Dependency on Paper

- a. By 06/30/2022, conduct a study of current document imaging and mail handling processes.
- b. By 06/30/2022, review production printing infrastructure and processes, including post-processing, to develop a roadmap that tightly aligns technology with business needs and processing constraints to streamline operations, promote efficiency, and reduce cost.
- c. By 06/30/2023, develop plan to implement the findings of the document imaging and mail handling study.
- d. By 06/30/2023, make progress on implementing printing process improvements, centralization, and technology integrations as indicated by the approved plan. (Refer to item b. 6/30/2022)

5. Increase member and participant access to their data and create avenues to enable online account management through mobile applications and secure transactions.

- a. By 06/30/2022, conduct member/participant outreach and peer research to determine opportunities for enhancement then develop a plan to increase member and participant access to their data and create avenues to enable online account management through mobile applications and secure transactions.
- b. By 06/30/2023, make progress on the approved plan to increase member and participant access to their data and create avenues to enable online account management through mobile applications and secure transactions. Review and refine goals for subsequent years.

6. Establish a formal IT/project governance process

- a. By 03/31/2021, initiate an evaluation of the current IT/project governance process at SERS and across the enterprise including a review of industry best practice.

SERS Strategic Plan FY 2021 – FY 2023

- b. By 09/30/2021, develop a SERS IT/Project Governance Roadmap that addresses the results of the evaluation and considers lessons learned from the SERIS 2.0 implementation.
- c. By 12/31/2022, implement IT/project governance in accordance with the accepted and approved roadmap.

7. Modernize the SERS Continuity of Operations Plan (COOP)

- a. By 12/31/2021, evaluate and modernize the SERS Continuity of Operations Plan (COOP).

Leverage External Engagement

1. By 12/31/2020, develop an annual Engagement Plan to systematically engage and educate caucuses, the administration, and stakeholders to promote SERS' priorities.
 - a. By 12/31/2020, develop and implement a plan to engage Board members to identify their unique qualifications and experience to promote SERS' priorities.
 - b. By 3/31/2021, seek outreach opportunities to SERS' members and participants, legislative and administration decision makers, and the general public, to accurately report SERS investment performance, investment and administrative costs, and funded status, while ensuring comparisons with other pension systems are fairly and appropriately represented.
2. By 12/31/2020, broaden SERS' social media presence on various platforms to promote SERS' priorities.
3. By 12/31/2021, develop and implement a plan to utilize external subject-matter experts or organizations to promote operational innovation and improvement.
 - a. By 12/31/2020, identify internal point people to prioritize operational areas of focus that may benefit from external subject matter expert input.
 - b. By 06/30/2021 identify external subject-matter experts or organizations to promote operational innovation and improvement.
4. By 12/31/2021, confirm the Board's position on Legislative Positioning.

Invest Efficiently and Accountably

1. By 12/31/2020, finalize a format for an annual report of manager fees for Board approval and public view.
2. By 12/31/2020, update the Proxy Voting Guidelines.
3. By 02/28/2021, conduct an additional analysis on rebalancing.
4. By 03/31/2021, complete a study on the DC/DCP investment fees and Target Date Fund Suitability Analysis.
5. By 04/30/2021, finalize Board review of the PPM AIRC recommendations.
6. By 06/30/2022, develop an approach to benchmark against our peers (i.e., Callan, CEM).
7. By 09/30/2021, complete a Board fiduciary review and self-assessment.
8. By 12/31/2021, evaluate ESG/Sustainable investing to determine policy direction.

SERS Strategic Plan FY 2021 – FY 2023

9. By 12/31/2021, update the Investment Manager Monitoring Policy for Defined Benefit, Defined Contribution, and Deferred Compensation plans.
10. By 12/31/2021, refine the process of asset/liability review.
 - a. By 02/28/2021, implement asset/liability concepts within the fixed income portfolio.
 - b. By 12/31/2021, using the results of the fiduciary review, make further refinements to the asset/liability review process.
11. By 06/30/2023, continue with opportunities to achieve investment objectives while reducing costs.
 - a. By 12/31/2021, determine the feasibility of an internal trading platform.
 - b. By 06/30/2023, continue to expand the Internal Co-Invest Program to a meaningful size.
12. By 06/30/2023, complete the deployment of new IT services for the Investment Office.
 - a. By 12/31/2021, conduct a study of Investment Office technology needs.
 - b. By 06/30/2022, develop a plan and roadmap to deliver additional products and services to support the Investment Office mission.

Improve Member and Participant Experiences

1. By 03/31/2021, create and release a new employee video (subject to Commonwealth media services availability).
2. By 06/30/2021, determine a strategy for educating members and participants in coordination with the third-party administrator.
3. By 09/30/2021, determine a strategy for providing counseling sessions for retiring members.
4. By 01/31/2022, issue the annuitant statements with deferred comp balances stated.
5. By 12/31/2023, produce additional videos content of which to be determined.
6. By 12/31/2024, synthesize Member and Participant services by SERS/TPA by enhancing the "One Stop Shop" capability for inquiries to create a better overall experience.
 - a. By 12/31/2020, create an on-line calculator for new employees to include all Act 2017-5 benefit classes and the defined contribution plan. (new member plan comparison calculator)
 - b. By 06/30/2021, add Act 2010-120 and Act 2017-5 defined benefit class calculations to the On-Line Member Services Calculator and determine the future direction of the on-line calculators including deferred compensation plan.
 - c. By 12/31/2021, finalize and implement the on-line calculator strategy.
 - d. By 12/31/2022, conduct study and develop an implementation plan to develop and improve real-time access to data, account information, and functionality.
 - e. By 12/31/2023, progress according to the plan to provide real-time access to data and account functionality to Members and Participants.

SERS Strategic Plan FY 2021 – FY 2023

Cultivate Workforce Transformation

1. By 09/30/2020, complete the 2020 SERS structural reorganization.
2. By 03/31/2022, initiate a study to determine the most appropriate virtual training development products and delivery platform for remote staff.
 - a. By 06/30/2022, develop a roadmap and implementation plan to deploy a more robust appropriate virtual training development products and delivery platform for remote staff based on study outcomes.
3. By 06/30/2022, develop and promote comprehensive guidelines for employee training, development, and certifications.
4. By 06/30/2023, develop and implement a SERS-specific attraction and retention plan.
 - a. By 12/31/2020, initiate quarterly meetings with the Executive Director and new employees hired in the previous quarter. (first session with new hires since April 2020; develop standard agenda)
 - b. By 12/31/2020, survey new hires (within the last two years) for suggested agency-wide enhancements to the on-boarding process to make a positive, strong first impression.
 - c. By 12/31/2020, conduct a study to determine remote work options.
 - d. By 06/30/2021, revamp and restart the State of SERS gatherings. (requires additional discussion to determine scope)
 - e. By 09/30/2021, survey staff regarding desired workplace culture enhancements. (allowing time for strategic plan roll out and transitioning to new normal/permanent telework may result in responses that are more reflective of direction we need to head and potentially less focused on some of the initial issues when rapidly transitioned to temporary telework)
 - f. By 06/30/2022, conduct a study to determine flexible work schedule options.
 - g. By 12/31/2022, implement compensation policies for attorney, compliance, and investment professional positions.
 - i. By 12/31/2022, complete classification and compensation study of attorney, compliance, and investment professional positions.
 - ii. By -06/30/2023, have draft compensation policies for attorney, compliance, and investment professional positions to SERS Board for consideration.
5. By 06/30/2023, integrate SERS's Guiding Principles and Code of Conduct into the SERS culture.
 - a. By 12/31/2020, develop and introduce an employees' Code of Conduct policy.
 - b. By 12/31/2020, roll-out the strategic plan to SERS including a virtual agency meeting, updating SERS website, onboarding welcome packet materials, and general performance standards. (date dependent upon plan adoption by the Board)
 - c. By 03/31/2021, develop language to include on job announcements.
 - d. By 06/30/2021, update interview question bank to add categories of questions aligned with guiding principles.
 - e. By 12/31/2022, overhaul the agency's recognition program to focus on recognition alignment with the guiding principles.

Revision – 07.12.2022

PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEMBOARD

AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER

I. PURPOSE.

The Audit, Risk and Compliance Committee's purpose is to assist the ~~board (the "Board") of the~~ Pennsylvania State Employees' Retirement ~~System ("SERS")~~ Board (the "Board") in fulfilling its oversight responsibilities in the areas of internal controls, risk assessment, audit, and compliance ~~of the State Employees' Retirement System, the State Employees' Defined Contribution Plan, and the Commonwealth's IRC §457 Deferred Compensation Plan (collectively "SERS").~~

II. AUTHORITY.

The Board hereby delegates all necessary power and authority to the Audit, Risk and Compliance Committee (the "Committee") to perform the duties and responsibilities described in this Charter and as may otherwise be delegated by the Board from time to time. Except as expressly granted herein, nothing in this Charter shall be construed as giving the Committee the authority to take any action on behalf of the Board without first obtaining the approval of the Board.

III. COMPOSITION.

The Committee shall consist of three (3) to five (5) current members of the Board, who may be the designees of Board members (the "Committee Members"), as provided in the Board's Bylaws (the "Bylaws").

The terms of appointment for Committee Members shall be as provided for in the Bylaws.

IV. MEETINGS.

Committee meetings shall be conducted in accordance with the Bylaws, except as otherwise provided in this Charter. The Committee shall meet at least four (4) times every year. The Committee Chair, after consulting with the Committee Members, shall fix the dates and times of the committee meetings and shall request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

The Committee may invite the Executive Director, Internal Audit Director, SERS Chief Counsel's ~~Office of Chief Counsel~~ (the "OCECCO"), Chief Financial Officer, Chief Investment Officer, Chief Compliance Officer, other members of SERS management, external auditors, internal auditors, consultants, and others to attend meetings and provide pertinent information, as it deems necessary or desirable.

V. RESPONSIBILITIES.**A. Internal Controls.**

1. The Committee shall provide for and oversee the periodic assessment of internal controls by internal and external auditors.
2. The Committee shall review auditor recommendations for improving internal controls and recommend changes to the Board.
3. The Committee shall review the effectiveness of SERS' corporate governance process.
4. Except as provided under subparagraph a., SERS shall conduct an internal control audit at least every five (5) years.
 - a. If an annual independent audit prepared under section C. identifies a material weakness or significant deficiency or an internal control audit identifies a material weakness or significant deficiency, an additional internal control audit of SERS shall be conducted for the year subsequent to the report or audit in which the weakness or deficiency was identified.

B. Risk Assessment.

1. The Committee shall review SERS' annual internal audit plan and comprehensive risk assessment and recommend any changes to the Internal Audit Director and the Board.
2. The Committee shall review SERS' enterprise risk framework and management process and recommend any changes to the Board.
3. The Committee shall review the effectiveness of SERS' processes for risk management, including risk identification, assessment, mitigation and aggregate reporting and recommend any changes to the Board.
4. The Committee shall oversee the steps SERS management has taken to monitor and control such risks, including risks associated with information technology systems.

C. Audit Process and Procedures.

1. The Committee shall oversee all internal and external audits, as well as any investigations or audits conducted on SERS operations.
 2. The Committee shall oversee the annual audit of SERS by an independent certified public accountant. The audit shall include the Board's accrual and expenditure of directed commissions. The Board may use the same independent auditor for all SERS external audits. The Committee shall, with participation from the Internal Audit Director, recommend the selection and retention of the independent auditor. The Committee shall review the annual audit and present the
-

annual audit to the Board along with its recommendations for Board consideration in accepting the report of the independent auditor.

3. The Committee shall meet at least annually with the Internal Audit Director to review internal audit plans, including the scope and objectives of audits and the allocation of internal audit resources.
4. The Committee shall review audit findings and recommendations. The Committee shall recommend to the Board any required actions for the implementation of such auditor recommendations.
5. The Committee shall review the effectiveness of internal audits every two (2) years and make recommendations to the Board for improving the effectiveness of such audits.

D. Compliance.

1. The Committee shall oversee SERS' system for monitoring compliance with applicable laws, policies, procedures, codes, and other legal requirements.
 2. The Committee shall oversee SERS' compliance with applicable whistleblower laws.
 3. The Committee shall oversee SERS' investigations of and responses to instances of non-compliance.
 4. The Committee shall review information and reports from the Executive Director and the [OECCCO](#) regarding compliance matters. The Committee shall recommend any proposed responses and/or actions that are to be taken to the Board.
 5. The Committee shall review any recommendations made by external service providers regarding SERS' compliance processes and make any recommendations for changes to the Board.
 6. The Committee shall oversee investment program compliance audits.
 7. The Committee shall collaborate with SERS staff and the [OECCCO](#) to oversee Board member compliance with applicable law, the Board Bylaws, ethics code provisions, and policies and procedures applicable to Board members.
 8. The Committee shall review the SERS compliance program and risks with the Chief Compliance Officer, including the program's design, implementation and effectiveness.
 9. The Committee shall oversee the Chief Compliance Officer's coordination with the SERS Manager of the Board Member Education Program of [boardBoard](#) member education pursuant to the Board Education Policy.
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10. The Committee shall oversee the Chief Compliance Officer's logging and reporting of ~~board~~Board member referrals and communications of potential investment or service provider opportunities.

E. Other Responsibilities.

1. The Committee shall meet with the independent auditor at least annually to review the audited financial statements, associated management letter, and all other independent communications of the annual audit. The Committee shall also be provided an opportunity to discuss any significant issues that may have surfaced during the course of the independent audit.
2. The Committee shall review policies and procedures related to internal controls, risk assessment, audit processes and procedures and compliance. The Committee shall recommend any changes to such policies and procedures to the Board.
3. The Committee shall, with input from the Executive Director, collaborate with SERS management to evaluate the Internal Audit Director, and the Committee shall report such evaluation to the Board.
4. The Committee shall have input into the candidate search process and selection of the Chief Compliance Officer. In addition, the Committee shall, with input from the Executive Director, collaborate with SERS management to evaluate the Chief Compliance Officer, and the Committee shall report such evaluation to the Board.
5. The Committee shall perform such other activities related to the Committee's functions and duties as are reasonably appropriate or are requested by the Board from time to time.

VI. REPORTING.

- A. Following a Committee meeting, the Committee Chair shall provide a written report to the Board at the next regularly scheduled Board meeting to update the Board as to its activities, findings, recommendations, and any other relevant issues. Committee meeting minutes shall be distributed to the Board.
- B. The Committee Chair shall share the agenda for an upcoming Committee meeting with the entire Board ~~at the Board meeting taking place immediately prior to the Committee meeting or, in the case of a special meeting called without the opportunity to provide the agenda at such prior Board meeting, the agenda is to be shared with the Board~~ as soon as practicable.

VII. SELF-EVALUATION.

- A. The Committee shall collaborate with the Internal Audit Director and ~~OECCCO~~ to review this Committee Charter and the policies and procedures described in this Charter or otherwise overseen by the Committee on a biennial basis. The Committee shall recommend any changes to the Board.
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- B. The Committee and each Committee Member shall comply with the Board's self-assessment policies and processes and shall participate in any independent fiduciary reviews.

VIII. MISCELLANEOUS.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bylaws.

PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEMBOARD
FINANCE AND MEMBER AND PARTICIPANT SERVICES
COMMITTEE CHARTER

I. PURPOSE.

The Finance and Member and Participant Services Committee's purpose is to assist the ~~board (the "Board") of the~~ Pennsylvania State Employees' Retirement ~~System~~ ("SERSBoard (the "Board")") in fulfilling its oversight responsibilities in the areas of budgeting and procurement, accounting, financial reporting, and member ~~services and participant services for the State Employees' Retirement System, the State Employees' Defined Contribution Plan (the "401(a) Plan"), and the Commonwealth's IRC §457 Deferred Compensation Plan (the "457 Plan")~~ (collectively, "SERS"). The Board accomplishes these tasks through the shared administrative staff of the State Employees' Retirement System, which it also utilizes to administer and operate the 457 Plan and 401(a) Plan, and for which it charges those plans appropriate cost sharing expenses.

II. AUTHORITY.

The Board hereby delegates all necessary power and authority for the Board Finance and Member and Participant Services Committee (the "Committee") to perform the duties and responsibilities described in this Charter and as may otherwise be delegated by the Board from time to time. Except as expressly granted herein, nothing in this Charter shall be construed as giving the Committee the authority to take any action on behalf of the Board or Board Chairperson without first obtaining the approval of the Board.

III. COMPOSITION.

The Committee shall consist of three (3) to five (5) current members of the Board, who may be the designees of Board members ("Committee Members"), as provided in the Bylaws.

The terms of appointment for Committee Members shall be as provided for in the Bylaws.

IV. MEETINGS.

Committee meetings shall be conducted in accordance with the Bylaws, except as otherwise provided in this Charter. The Committee shall meet at least two (2) times every year. The Committee Chair, after consulting with the Committee Members, shall fix the dates and times of the ~~committee~~Committee meetings and shall request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

The Committee may invite the Chief Financial Officer, Deputy Executive Director ~~or~~ Member and Participant Services, Deputy Executive Director for Administration, other

members of SERS management, members of the SERS Chief Counsel's Office of Chief Counsel ("OCC"), ("CCO"), and others to attend meetings and provide pertinent information, as it deems necessary or desirable.

V. **RESPONSIBILITIES.**

A. Budgeting and Procurement.

1. The Committee shall oversee procurement policies and processes and recommend any changes to the Board.
2. The Committee shall oversee the SERS budgeting process, including sources of funding if applicable, and recommend the approval of any budgets that require Board approval.
3. The Committee shall oversee the overall financial operations and cost effectiveness of SERS.

B. Accounting and Financial Reporting.

1. The Committee shall keep abreast of relevant accounting pronouncements and their impact ~~to~~ on SERS.
2. The Committee shall oversee SERS' financial reporting practices and recommend any changes to the Board (provided that the Audit, Risk and Compliance Committee shall oversee audits of financial reports).

C. Actuarial Services.

- ~~1.~~ The Committee shall recommend the selection and retention of the Actuary.
- ~~2.~~ The Committee shall review any draft actuarial policies and recommend such policies to the Board as necessary.
- ~~3.~~ The Committee shall review actuarial assumptions and valuations as necessary and recommend any changes proposed by ~~SERS~~' actuary to the Board.
- ~~4.~~ The Committee shall review the results of the annual actuarial report, annual stress testing and risk report, actuarial experience study, and/or asset liability study prepared by ~~SERS~~' consultants, and provide recommendations to the Board and the Investment Committee, as applicable.

D. Member and Participant Services.

1. The Committee shall oversee, review, discuss, and make recommendations to the Board for ~~their~~ approval of policies, actions, and other matters related to SERS' administration of the rights, duties, and benefits of SERS members and participants and the duties of Commonwealth employers under the State Employees' Retirement Code; and shall review, discuss, and make recommendations to the

Board on customer service issues relating to SERSSERS' members and participants and Commonwealth employers, including, but not limited to, the dissemination of information to ~~members and employers~~ same.

2. The Committee shall oversee information technology plans and budgets that directly impact member and participant services functions and operations.
3. The Committee shall oversee any significant issues in member and participant services operations that impact the cost effectiveness of SERS as necessary.

~~4. The Committee shall, in collaboration with the Defined Contribution Committee:~~

~~4. The Committee shall oversee the implementation of, or change in, any administrative fees (excl. investment management fees) that are charged to participants in the 401(a) Plan and 457 Plan. The Committee will review fees periodically to ensure they remain reasonable over time or otherwise comply with any fee policy that the Board may adopt. The Committee shall make recommendations to the Board, as needed.~~

~~5. The Committee shall:~~

- a. Oversee the research and due diligence performed by SERS staff to identify and evaluate qualified third party administrators for the 401(a) Plan and 457 Plan; and report any findings and recommendations to the Board.
- b. Review any recommendations from SERS staff regarding the engagement or termination of third party administrators and update the Board.
- c. Make recommendations to the Board on customer service matters relating to the administration of the ~~State Employees' Retirement Board's IRC §457 Deferred Compensation 401(a)~~ Plan and ~~IRC §401(a) Defined Contribution~~ the 457 Plan, including the application of information technology.

~~6. The Committee shall oversee the plan and trust for both the 401(a) Plan and 457 Plan and make recommendations to the Board for any amendments thereto.~~

E. Other Responsibilities.

~~1. The Committee shall monitor member participation in the 401(a) Plan and 457 Plan and advise SERS staff of communications to plan participants as necessary.~~

2. The Committee shall perform such other activities related to the Committee's functions and duties as are reasonably appropriate or are requested by the Board from time to time.

VI. REPORTING.

- A. Following a Committee meeting, the Committee Chair shall provide a written report to the Board at the next regularly scheduled Board meeting to update the Board as to its activities, findings ~~and,~~ recommendations, and any other relevant issues. Committee minutes shall be distributed to the Board.
- B. The Committee Chair shall share the agenda for an upcoming Committee meeting with the entire Board ~~at the Board meeting immediately prior to the Committee meeting or, in the case of a special meeting called without the opportunity to provide the agenda at such prior Board meeting, the agenda is to be shared with the Board~~ as soon as practicable.

VII. SELF-EVALUATION.

- A. The Committee shall collaborate with SERS staff and ~~OECCCO~~ to review the Committee Charter and the policies and procedures described herein or otherwise overseen by the Committee on a biennial basis. The Committee shall recommend any changes thereto to the Board.
- B. The Committee and each Committee Member shall comply with the Board's self-assessment policies and processes and shall participate in any independent fiduciary reviews.

VIII. MISCELLANEOUS.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bylaws.

PENNSYLVANIA STATE EMPLOYEES' RETIREMENT ~~SYSTEM~~BOARD

INVESTMENT COMMITTEE CHARTER

I. PURPOSE:

The Investment Committee's purpose is to assist the ~~board (the "Board") of the~~ Pennsylvania State Employees' Retirement Board (the "Board"), which conducts business in part as the State Employees' Retirement System (the "SERS"), in fulfilling its responsibilities in the ~~areas~~oversight of investment ~~policy, investment strategy, investment manager oversight, related matters for SERS' Defined Benefit Plan.~~ The Board also conducts business in part as the State Employees' Defined Contribution Plan (the "401(a) Plan"), and ~~corporate governance program oversight as trustee of the Commonwealth's IRC §457 Deferred Compensation Plan (the "457 Plan")~~ (collectively the Defined Benefit Plan, 401(a) Plan and 457 Plan are referred to as the "Plans"). The Board administers and operates the Plans through the shared administrative staff of SERS and for which it charges the Plans appropriate cost sharing expenses.

II. AUTHORITY:

The Board hereby delegates all necessary power and authority to the Investment Committee (the "Committee") to perform the duties and responsibilities described in this Charter and as may otherwise be delegated by the Board from time to time. Except as expressly granted herein, nothing in this Charter shall be construed as giving the Committee the authority to take any action on behalf of the Board or Board Chairperson without first obtaining the approval of the Board. The Committee may form subcommittees to assist the Committee and may delegate to such subcommittees such power and authority as the Committee deems appropriate to perform the duties and responsibilities described in a Board approved subcommittee charter; provided, however, that the Committee shall not delegate to a subcommittee any power or authority required to be exercised by the Committee or the Board as a whole.

III. COMPOSITION:

The Committee shall consist of the Treasurer of the Commonwealth of Pennsylvania ~~and~~, the Secretary of Banking and Securities, and no less than five (5) other current members of the Board, who may be the designees of Board members (the "Committee Members"~~");~~) as provided in the Board's Bylaws (the "Bylaws").

The terms of appointment for Committee Members shall be as provided for in the Bylaws.

IV. MEETINGS:

Committee meetings shall be conducted in accordance with the Bylaws, except as otherwise provided in this Charter. The Committee shall meet at least four (4) times every calendar year. The Committee Chair (after consulting with the Committee

Members) shall fix the dates and times of the Committee meetings, and shall request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

The Committee may invite ~~SERS' Chief Investment Officer (the "CIO"), Executive Director, employees of SERS' Investment Office and/or SERS' Office of Chief Counsel (the "OCC"), SERS' employees, investment consultants,~~ and others to attend meetings and provide pertinent information, as it deems necessary or desirable.

V. **RESPONSIBILITIES:**

A. Investment Policies and Controls:

~~1. The Committee shall collaborate with review the Finance and Member Services Committee, SERS' Investment Office, Executive Director and OCC to:~~

~~1. a. Review the Plans' Investment Policy Statement (the "IPS") and Statements and make recommendations to the Board on an annual basis.~~

~~The Committee shall review the Defined Benefit Plan's policy target asset allocation on an annual basis.~~

~~b. Recommend specific strategies to achieve investment goals and objectives of SERS.~~

~~1.2. c. Oversee SERS' Investment Office in its development and utilization of investment risk tolerance and strategy, and The Committee shall recommend any changes to the Board.~~

~~2.3. d. Oversee SERS' Investment Office in its development. The Committee shall oversee, review, evaluate, and utilization of report to the Board on investment allocations performance, strategies, costs, and benchmark targets, risks of the Plans and recommend any changes to the Board, based on recommendations from the Investment Office (IO) and investment consultant.~~

~~3.4. 2. The Committee shall make recommendations oversee investment menu design and investment options of the Defined Contribution Plan and Deferred Compensation Plan. The Committee shall recommend any changes to the Board regarding revisions to the IPS.~~

~~3.5. The Chief Compliance Officer shall monitor SERS staff to ensure SERS' staff's compliance with the IPS Plans' Investment Policy Statements and make recommendations to the Committee and to the Board to improve compliance.~~

~~4.6. The Committee shall monitor investment policies and controls and report any findings and recommendations to the Board.~~

B. Investment Manager Selection and Oversight:

1. 1.—The Committee shall review recommendations from the CIO and/or the IO regarding the hiring or firing of investment managers for the Plans and make recommendations to the Board for approval, except as otherwise delegated to the Committee and the CIO.

2. The Committee shall oversee the research and due diligence performed by the IO and investment consultant to identify and evaluate qualified investment managers for the Plans and report any findings and recommendations to the Board, except as otherwise delegated to the Committee and the CIO.

1.3. The Committee shall oversee the implementation of the investment manager selection process performed by SERS' Investment Office the IO to identify and evaluate qualified investment managers and opportunities for the Plans and recommend any changes to the Board on at least a biennial basis.

2.4. 2.—The Committee shall monitor the implementation of the investment manager monitoring process performed by the SERS Investment Office IO for the Plans, upon selection of an investment manager by the Board.

~~2.—The Committee shall review any recommendations from the CIO and/or SERS' Investment Office regarding the hiring or firing of investment managers, and make recommendations to the Board for approval in a timely manner.~~

~~C.—Investment Advisor/Consultant Oversight.~~

C. Investment Consultant Oversight

1. The Committee shall oversee the research and due diligence performed by SERS' Investment Office the IO to identify and evaluate qualified investment ~~advisors/consultants,~~ for the Plans and make recommendations to the Board.

2. The Committee shall review any recommendations from the CIO and/or SERS' Investment Office the IO regarding the hiring or firing of investment ~~advisors/consultants,~~ for the Plans and make recommendations to the Board.

D. Corporate Governance

1. The Committee shall oversee the corporate governance program.

2. The Committee shall monitor the implementation of SERS' Proxy Voting Policy and review the ~~Investment Office's IO's~~ recommendations for changes ~~to SERS' Proxy Voting Policy, thereto~~ and recommend changes to the Board on at least an annual basis.

3. The Committee may review ~~particular~~ specific proxy voting concerns and make recommendations to the Board regarding how such proxies may be voted.

4. The Committee shall oversee corporate governance developments that may affect the value of SERS' investments and report any findings and recommendations to the Board.
 5. The Committee shall collaborate with ~~SERS' Investment~~the IO and the Chief Counsel's Office ~~and OCC~~ to recommend to the Board participation by SERS in any shareholder rights initiatives.
- E. Other Responsibilities
1. The Committee shall oversee the cost effectiveness of ~~SERS' the Plans'~~ investment ~~program~~programs.
 2. The Committee shall have input into the candidate search process and selection of the CIO.
 3. The Committee, along with the Executive Director, shall develop quantitative performance goals to be incorporated in the CIO's performance expectations, and perform an annual evaluation of the CIO in correspondence with such performance expectations.
 4. The Committee shall seek input from the Board and collaborate with the Executive Director in the annual evaluation of the CIO.
 5. The Committee Chair, along with the Executive Director, shall deliver the Committee's annual evaluation to the CIO. The Committee may recommend discipline or the termination of the CIO to the Board and Executive Director, if appropriate.
 6. The Committee shall oversee the Department of Treasury's recommendation of the selection of SERS' custodial bank.
 7. The Committee shall collaborate with the IO to establish and maintain a function to evaluate and manage financial risks associated with SERS' assets and liabilities.
 8. The Committee shall perform such other activities related to the Committee's functions and duties as are reasonably appropriate or ~~are~~ requested by the Board from time to time.

VI. **REPORTING**

- A. Following a Committee meeting, the Committee Chair shall provide a written report to the Board at the next regularly scheduled Board meeting to update the Board as to its activities, findings, recommendations, and any other relevant issues. Committee meeting minutes shall be distributed to the Board.
- B. If a Committee meeting has been scheduled, the Committee Chair shall share the agenda for the upcoming Committee meeting with the entire Board ~~at the Board meeting taking place immediately prior to the scheduled Committee meeting or, in the case of a special meeting called without the opportunity to~~

~~provide the agenda at such prior Board meeting, the agenda is to be shared with the Board as soon as practicable.~~ as soon as practicable.

VII. SELF-EVALUATION:

- A. The Committee shall collaborate with ~~SERS' Investment~~ the IO and the Chief Counsel's Office ~~and OGC~~ to review this Committee Charter and the policies and procedures described herein (or otherwise overseen by the Committee) on a biennial basis. The Committee shall recommend any changes thereto to the Board.
- B. The Committee and each Committee Member shall comply with the Board's self-assessment policies and processes, and shall participate in any independent fiduciary reviews.

VIII. MISCELLANEOUS:

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bylaws.

PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEMBOARD
SECURITIES LITIGATION COMMITTEE CHARTER

I. PURPOSE.

The Securities Litigation Committee's (the "SLC") purpose is to assist the ~~board (the "Board") of the~~ Pennsylvania State Employees' Retirement Board (the "Board"), which conducts business as the State Employees' Retirement System ("SERS"), and acts as trustee of the State Employees' Defined Contribution Plan, and as trustee of the Commonwealth's IRC §457 Deferred Compensation Plan (collectively, "SERS"), in fulfilling its oversight responsibilities in the area of securities litigation, including but not limited to class actions involving securities fraud, antitrust, appraisal, and/or common law-based causes of action. This Charter is supplemental to the authority previously granted by the Board to the SLC in Resolution 2019-73 adopting the Third Amended Securities Litigation Policy (the "SLP"), and/or in any preceding or subsequent amending Board resolutions (collectively, the "Board Resolutions"), and does not in any way amend those Board Resolutions ~~and/or the~~ SLP duly adopted by the Board. In case of a conflict between this Charter, on the one hand, and any Board Resolutions or the SLP, on the other hand, the duly adopted Board Resolutions or the SLP shall control.

II. AUTHORITY.

The Board has delegated all necessary power and authority to the SLC ~~for the SLC~~ to perform the duties and responsibilities described in this Charter, as well as in the Board Resolutions and the SLP, and as may otherwise be delegated by the Board from time to time. Except as expressly granted in Board Resolutions, the SLP, and herein, nothing in this Charter shall be construed as giving the SLC the authority to take any action on behalf of the Board or Board Chairperson without first obtaining the approval of the Board.

III. COMPOSITION.

The SLC shall consist of three (3) to five (5) current members of the Board, who may be the designees of Board members, ⁷ as provided in the Bylaws (the "SLC Members").

The terms of appointment for SLC Members shall be as provided for in the Bylaws.

IV. MEETINGS.

The SLC shall meet upon request of the SLC Chair or a majority of the SLC Members. The SLC may invite members of SERS management, the SERS Chief Counsel's Office of Chief Counsel (the "OCCECO"), ⁴ and other SERS staff to attend meetings and provide pertinent information, ⁷ as it deems necessary or desirable. The SLC Chair shall request that the Secretary of the Board provide notice of meetings in accordance with the Bylaws.

V. RESPONSIBILITIES.

- A. The ~~SEERCO~~ shall keep the SLC informed concerning SERS' securities litigation activity.
- B. The SLC shall determine whether SERS should: (i) seek lead or co-lead plaintiff status in a class action securities litigation or take any other active role, including but not limited to, serving as a class representative, (ii) initiate or join an "opt out" securities litigation, -or object to any portion of a proposed settlement of a class action securities litigation as a putative/passive member of the class of claimant investors, (iii) initiate an independent, or join a group that has an established, opt-in securities litigation -filed outside of the United States/Canada, and/or (iv) collaborate with Pennsylvania Public School Employees' Retirement System, other Commonwealth entities, and/or non-Commonwealth entities regarding securities litigation matters.
- C. The ~~SEERCO~~SLC shall have the ~~SLC~~/Board's authority to: (a) select outside legal counsel in accordance with procedures established by the ~~SEERCO~~, and (b) approve the amount of compensation to be paid to outside legal counsel (subject to court approval, where applicable).
- D. For securities litigation matters in which SERS has taken an active role, the SLC shall approve the amount and terms of any settlement of securities litigation claims (subject to any necessary approval of the Office of Attorney General, and to court approval).
- E. In making the decisions described in this Charter, the SLC shall comply with the SLP (and other applicable policies and procedures) and fully consider any evaluations provided by the ~~SEERCO~~ and other claim evaluators, including but not limited to evaluations by firms in the securities litigation pool and/or consultants retained by the Board. The ~~SEERCO~~ may coordinate with and seek input, from the SERS Investment Office in performing securities litigation evaluations for the SLC's consideration and/or assisting selected outside securities litigation counsel in an active case.
- F. The SLC shall collaborate with the ~~SEERCO~~ to review the SLP and related policies, resolutions, and procedures on a biennial basis. The SLC shall recommend any changes to such policies and procedures to the Board.
- G. The SLC shall perform such other activities related to the SLC's functions and duties as requested by the Board from time to time.

VI. REPORTING.

- A. Following a Committee meeting, the SLC Chair shall provide a written report to the Board at the next regularly scheduled Board meeting to update the Board as to its activities, findings, recommendations, and any other relevant issues. ~~Subsequent to~~Following review and approval by the SLC, SLC meeting minutes shall be distributed to the Board.
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- B. If a SLC meeting has been scheduled, the SLC Chair shall share the agenda for the upcoming Committee meeting with the entire Board ~~at the Board meeting taking place immediately prior to the scheduled SLC meeting or, in the case of a special SLC meeting called without the opportunity to provide the agenda at the prior Board meeting, the agenda is to be shared with the Board as soon as practicable.~~ as soon as practicable.

VII. SELF-EVALUATION.

- A. The SLC shall collaborate with the ~~OCCCCO~~ to review this SLC Charter and the policies and procedures described in this Charter or otherwise overseen by the SLC on a biennial basis. The SLC shall recommend any changes thereto to the Board.
- B. The SLC and each SLC Member shall comply with the Board's self-assessment policies and processes and participate in any independent fiduciary reviews.

VIII. MISCELLANEOUS.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bylaws.

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
BYLAWS

BYLAWS

TABLE OF CONTENTS

	PAGE
ARTICLE I – BOARD COMPOSITION AND POWERS	1
Section 1.1. Composition	1
Section 1.2. Powers	2
Section 1.3. Vacancies	2
Section 1.4. Ex officio Members’ and Legislative Members’ Designees	2
Section 1.5. Oath of Office	2
Section 1.6. Removal and Resignation from Office	2
Section 1.7. Compensation	3
Section 1.8. Attendance	3
ARTICLE II – MEETINGS OF BOARD AND COMMITTEES	3
Section 2.1. Place of Meetings	3
Section 2.2. Regular Meetings	3
Section 2.3. Special Meetings	4
Section 2.4. Emergency Meetings	4
Section 2.5. Notice of Meetings	4
Section 2.6. Quorum and Voting	4
Section 2.7. Open Meetings	4
Section 2.8. Executive Sessions	5
Section 2.9. Voting Conflicts	5
Section 2.10. Notational Voting	5
Section 2.11. Rules of Order; Construction	6
Section 2.12. Minutes of Meetings	6
ARTICLE III – COMMITTEES	6
Section 3.1. Board Committees	6
Section 3.2. Committee Membership	6
Section 3.3. Committee Member Terms	6
Section 3.4. Committee Chairs	7
Section 3.5. Committee Assistant Chairs	7
Section 3.6. Committee Officers	7
Section 3.7. Bylaws Apply to Committee Governance	7
ARTICLE IV – OFFICERS	8
Section 4.1. Officers and Terms	8
Section 4.2. Powers and Duties of the Chairperson	8
Section 4.3. Powers and Duties of the Assistant Chair	8

Section 4.4. Powers and Duties of the Secretary/Executive Director	8
ARTICLE V – AMENDMENTS	9
ARTICLE VI – INDEMNIFICATION	9

COMMONWEALTH OF PENNSYLVANIA
STATE EMPLOYEES' RETIREMENT SYSTEM
BYLAWS

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; ~~Defined Contribution 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 each every other year, the Chairperson shall appoint the Committee Members, who shall have terms through December 31st of that 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 ~~four~~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, Annuallybiennially, 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, Annuallybiennially, 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~~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.