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Model Governance Manual Framework

PSERS MODEL GOVERNANCE MANUAL FRAMEWORK

Article I: Bylaws	Section 1: Introduction	1.1 Introduction & Statement of Purpose	
		1.2 Governing Statues and Regulations	
		1.3 Statement of Fiduciary Duties	
	Section 2: Board Composition & Powers	2.1 Composition	
		2.2 Appointment Qualifications	
		2.3 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.
		2.4 Term of Office	
		2.5 Vacancies	
		2.6 Designees	
		2.7 Oath of Office	
		2.8 Removal & Resignation from Office	
		2.9 Compensation	
		2.10 Attendance	
		2.11 Statement of Economic Interests	
		2.12 Delegation	
		2.13 Board Direct Reports	
	Section 3: Meetings of the Board	3.1 Place of Meetings	
		3.2 Open Meetings	
		3.3 Regular Meetings	
3.4 Special Meetings			

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		3.5 Emergency Meetings	
		3.6 Meeting Agendas	
		3.7 Annual Calendar	
		3.8 Notice of Meetings	
		3.9 Quorum and Voting	
		3.10 Public Participation	
		3.11 Executive Session	
		3.12 Voting Conflicts	
		3.13 Notational Voting	
		3.14 Rules of Order	
		3.15 Minutes of Meetings	
	Section 4: Committees of the Board	4.1 Standing 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, Compliance, and Risk Committee; Benefits and Appeals Committee; Governance and Administration Committee; Defined Contribution Committee; Finance and Actuarial Committee; Health Care Committee; and Investment 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.
		4.2 Ad Hoc Committees	In addition to the standing committees specified in Section 4.1 (Standing Committees), the Chairperson or the Board may at any time establish an ad hoc committee of the Board and fix its duties and responsibilities for any purpose which in the judgment of the Chairperson or the Board is better served by a temporary rather than standing committee. Each such committee shall consist of such number of members as the Chairperson

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			shall determine, and the Chairperson shall also then appoint the chair and designate the other members of the Committee.
		4.3 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.
		4.4 Committee Member Terms	Commencing March 2022, and biennially thereafter, in January of every other year, the Chairperson shall appoint the Committee Members, who shall have terms through December 31st of the following year. No Member may be appointed to both the Audit, Compliance and Risk Committee and the Finance and Actuarial Committee. 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, Compliance and Risk Committee for more than two consecutive full terms, except that a Committee Member may be reappointed to the Audit, Compliance and Risk 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.
		4.5 Committee Chairs	For elections after January 1, 2022, biennially, Committee Members shall elect a chair of the committee ("Committee Chair") at such time as the first committee meeting of the year or at such time as the Committee Chair position becomes vacant. The Chairperson may not serve as a Committee Chair, except that the Chairperson may serve as the Committee Chair for the Board Governance and Administration 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

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			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.
		4.6 Committee Vice Chairs	For elections after January 1, 2022, biennially, the Committee Members shall elect a vice chair of the committee ("Committee Vice Chair"). The Committee Vice Chair shall preside at all meetings of the committee in the absence of the Committee Chair. The Committee Vice 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 Vice Chair Position Description. The Committee Vice Chair shall serve through December 31st of the following year or until the Vice Chair's successor is duly appointed or such officer's earlier death, resignation, or removal. No Assistant Chair shall serve for more than three consecutive terms.
		4.7 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.
		4.8 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.
	Section 5: Board Officers	Officers and Terms	
	Powers and Duties of the Chairperson		
	Vacancies		

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		Chairperson Term Limits and Succession	
		Powers and Duties of the Secretary/ Executive Director	
	Section 6: Legal Counsel		
	Section 7: Indemnification		
	Section 8: Amendments	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 II. Committee Charters	Section 1: Audit, Compliance & Risk Committee	See Attachment A.1	
	Section 2: Benefits and Appeals Committee	See Attachment A.2	
	Section 3: Board Governance & Administration Committee	See Attachment A.3	
	Section 4: Defined Contribution Plan Committee	See Attachment A.4	

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	Section 5: Finance & Actuarial Committee	See Attachment A.5	
	Section 6: Health Care Committee	See Attachment A.6	
	Section 7: Investment Committee	See Attachment A.7	
Article III. Position Descriptions	Section 1: Board Member Position Description		
	Section 2: Board Chair Position Description		
	Section 3: Board Vice Chair Position Description		
	Section 4: Committee Chair Position Description		
	Section 5: Committee Vice Chair Position Description		
Article IV. Board Policies	Section 1: Board Structure & Operations	1.1 Strategic Planning Process	
		1.2 Actuarial Services Policy	
		1.3 Board Member Indemnification Policy	
		1.4 Securities Litigation Policy	
		1.5 Election Procedures and Guidelines Policy	
	Section 2: Duties & Powers Reserved for the Board	Powers expressly reserved for the Board	
	Section 3: Delegations	3.1 Delegations to Executive Director	

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		3.2 Performance Review Process for Executive Director	
		3.3 Board-Staff Relations	
	Section 4: Code of Conduct, Ethics & Conflicts of Interest	4.1 Standards of Conduct	
		4.2 Ethical Conduct Policy	
		4.3 Recusal Policy	
		4.4 Board Confidentiality	
		4.5 Policy on Placement Agent Disclosures	
		4.6 SEC “Pay-to-Play” Rule Compliance & Reporting Policy	
		4.7 Financial Disclosure Policy	
		4.8 Insider and Personal Trading Policy	
		4.9 Referral of Investment Opportunities & Service Provider Candidates; Related Communications; Undue Influence	
		4.10 Board Travel Policy	
		4.11 Whistleblower & Reporting Policy	
	Section 5: Board Development & Evaluation	5.1 Board Self-Assessment Policy	
		5.2 Board Education Policy	
		5.3 Fiduciary Review Policy	
	Section 6: Stakeholder Relations/ Communications	6.1 Board Communications Policy	
		6.2 Stakeholder Communications	
		6.3 Legislative Communications	
		6.4 Crisis Communications	
Section 7: Performance, Risk & Compliance Oversight	7.1 EPRM Policy		
	7.2 Compliance Policy		
Section 8:	Audit Policy		

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	Independent Reassurance		
Article V. Core Functional Policies	Section 1: Asset Management	1.1 Investment Policy Statement	
		1.2 Non-U.S. Proxy Voting Policy	
		1.3 U.S. Proxy Voting Policy	
		1.4 ESG Policy	
	Section 2: Liability-related	Funding Policy	
Section 3: DC Plan	Investment Policy Statement – DC Plan		