

***External Board Appointment and
Attendance at Meetings Policy***

of

***the Commonwealth of Pennsylvania
Public School Employees' Retirement Board***

**As adopted by
the Board of Trustees
on August 1, 2002
Effective
August 1, 2002**

Adopted: August 1, 2002
Date last Revised: September 23, 2005
Date Last Reviewed by Chief Counsel: January 5, 2018

Public School Employees' Retirement Board
External Board Appointment and Attendance Policy

WHEREAS, the Public School Employees' Retirement System ("PSERS") provides pension and other benefits to public school employees in accordance with the Public School Employees' Retirement Code, 24 Pa. C.S. §8101 et seq. ("Retirement Code"); and

WHEREAS, the Public School Employees' Retirement Board ("PSERB") is empowered by the Retirement Code with the exclusive control and management of PSERS; and

WHEREAS, as a result of PSERS' investment activities, PSERS sometimes acquires the right to designate individuals to serve on boards of directors, advisory boards, advisory committees, valuation committees, and other bodies of entities in which it has a financial interest ("External Boards"); and

WHEREAS, the members of the PSERB desire to establish guidelines regarding the appointment of individuals to External Boards and matters relating to their service thereon.

NOW, THEREFORE, the members of the PSERB adopt the following External Board Policy.

I. Definitions

A. **Annual Meeting:** Once-a-year meeting when the managers of an entity report to stakeholders.

B. **Appointee:** A member of PSERS' Investment Staff appointed to serve on an External Board.

C. **Beneficial Owner:** An individual is considered a Beneficial Owner of an entity if he has, in his individual capacity, as opposed to his capacity as a member of the PSERS Investment Staff,

- a. a direct or indirect pecuniary interest in the securities of, or an investment in, the entity;
- b. the power to vote or direct the voting of the shares of the securities of, or an investment in, the entity; or

- c. the power to dispose or direct the disposition of the securities of, or an investment in, the entity.

D. **Chief Investment Officer:** The duly appointed Chief Investment Officer of PSERS.

E. **Designees:** Individuals duly designated in writing to the Secretary of the PSERB by either a legislative or ex officio PSERB Member, with authority to act on behalf of the designating PSERB Member in his absence.

F. **PSERB Member:** Appointed, elected, *ex officio*, or legislative members of the PSERB.

G. **PSERS' Investment Staff:** Investment Office Professionals of PSERS.

II. Application of Policy

A. This Policy applies to all PSERB Members, Designees, and PSERS' Investment Staff.

B. Except as otherwise provided herein, individual exceptions to this Policy shall be made only by vote of the PSERB. Requests for such an exception shall be presented, in writing, to the Secretary of the PSERB for inclusion on the agenda at the next meeting of the PSERB.

C. This Policy shall be reviewed by the PSERB from time to time.

III. General Guidelines

A. Only PSERS' Investment Staff shall be designated as Appointees on External Boards.

B. The Chief Investment Officer shall designate all Appointees to External Boards. The Chief Investment Officer has the authority to designate himself as the Appointee to any External Board with the concurrence of the Executive Director. In addition, the Chief Investment Officer may revoke any appointments at his discretion.

C. An Appointee shall not be a Beneficial Owner in the entity that the External Board represents.

D. An Appointee shall not have been an employee of an entity that the External Board represents within the previous two years.

E. A PSERB Member may request the Chief Investment Officer, subject to approval by the entity and the Chair of the PSERB, for approval to accompany an Appointee to one or more domestic Annual Meetings of the External Boards. No more than one (1) PSERB Member may attend each Annual Meeting. These meetings shall be considered Program Meetings under the PSERB Travel and Education Policy.

F. A PSERB Member may request the Chief Investment Officer, subject to approval by the entity and the Chair of the PSERB, for approval to accompany an Appointee to one or more domestic advisory board meetings, advisory committee meetings, or valuation committee meetings of the External Boards. No more than one (1) PSERB Member may attend each such meeting. These meetings shall be considered Program Meetings under the PSERB Travel and Education Policy.

G. Any fees, honorariums or other monetary compensation received from External Board participation shall be relinquished to PSERS.

Sections Amended August 11, 2005:

General statement	Re-ordered and renumbered
Whereas clauses	Stylistic changes to the third clause
Definitions	Added "Appointee" Added "Beneficial Owner" Replaced "PSERS' Professional Staff" with "PSERS' Investment Staff"
Application of Policy	Revised C to conform to actual practice
General Guidelines	Amended B to require Executive Director's concurrence Clarified E Added F