

**South Carolina Retirement System**  
**Investment Commission**

**Governance Policy Manual**

Current as of July 1, 2024

Governance Policy Manual

Table of Contents

Policy I: Commission Roles and Responsibilities.....Page 1

Policy II: Chair and Vice Chair Roles and Responsibilities.....Page 10

Policy III: Chief Executive Officer and CIO Roles and Responsibilities.....Page 12

Policy IV: Commission Operations.....Page 18

Policy V: CEO and Commission Evaluations.....Page 25

Policy VI: Committees.....Page 28

Policy VII: Communications.....Page 32

Policy VIII: Service Provider Selection.....Page 35

## **Policy I : Commission Roles and Responsibilities**

**(A) General.** The South Carolina Retirement System Investment Commission (“RSIC”) was established by South Carolina law for the purpose of investing and managing all assets held in trust for the participants and beneficiaries of five separate defined benefit plans (collectively referred to as the “South Carolina Retirement Systems Group Trust” or “SCRS”):

- (1) South Carolina Retirement System
- (2) South Carolina Police Officers Retirement System
- (3) Retirement System for Judges and Solicitors of the State of South Carolina
- (4) Retirement System for Members of the General Assembly of the State of South Carolina
- (5) National Guard Retirement System

### **(B) Commission Membership**

(1) **Composition.** The RSIC is under the management of a commission consisting of eight members (“Commission”), seven of which have voting privileges:

- (a) Two members appointed by the Governor of South Carolina, one of which is an active member of the Retirement System, Police Officers Retirement System, Retirement System for Judges and Solicitors, or the National Guard Retirement System
- (b) One member appointed by the State Treasurer (§9-16-315(A)(2))
- (c) One member appointed by the Comptroller General of South Carolina
- (d) One member appointed by the Chairman of the South Carolina Senate Finance Committee
- (e) One member appointed by the Chairman of the Ways and Means Committee of the South Carolina House of Representatives
- (f) One member who is a retired member of either the Retirement System, Police Officers Retirement System, Judges and Solicitors Retirement System, or National Guard Retirement System (“Representative Member”). This member must be appointed by unanimous vote of the voting members of the Commission. ([§9-16-315\(A\)](#))
- (g) The Executive Director of South Carolina Public Employee Benefit Authority (“PEBA”), ex officio, who shall serve without voting privileges.

#### **(2) Appointment Qualifications**

- (a) In making appointments, the appointing authorities shall select members who are representative of the racial, gender, and geographical diversity of the State.
- (b) A person may not be appointed to the Commission unless the person possesses at least one of the following qualifications:
  - (i) The Chartered Financial Analyst credential of the CFA Institute.
  - (ii) At least twelve years of experience as a Certified Financial Planner™ credentialed by the Certified Financial Planner Board of Standards;
  - (iii) The Chartered Alternative Investment Analyst certification of the Chartered Alternative Investment Analyst Association;
  - (iv) At least twenty years professional actuarial experience, including at least ten as an Enrolled Actuary licensed by a Joint Board of the Department of Treasury and the Department of Labor, to perform a variety of actuarial tasks required by pension plans in the United States by the Employee Retirement Income Security Act of 1974;

- (v) At least twenty years professional teaching experience in economics or finance, ten of which must have occurred at a doctorate-granting university, master's granting college or university, or a baccalaureate college as classified by the Carnegie Foundation;
  - (vi) An earned Ph.D. in economics or finance from a doctorate-granting institution as classified by the Carnegie Foundation;
  - (vii) The Certified Internal Auditor credential of The Institute of Internal Auditors;
  - (viii) At least twelve years of professional experience in the financial management of pensions or insurance plans; or
  - (ix) At least twelve years of professional experience as a certified public accountant with financial management, pension, or insurance audit expertise (§9-16-315(D)).
- (c) Except for the member appointed pursuant to subsection B(1)(f) or (g) above, a person may not be appointed or continue to serve on the Commission who is an elected or appointed officer of the State or any of its political subdivisions, including school districts. ([§9-16-315\(E\)](#))
- (d) The Commission shall select one of the voting members to serve as Chair, another as Vice Chair, and shall select those other officers it determines necessary. ([§9-16-315\(C\)](#)) For information regarding the election process, see the *Commission Operations Policy*.
- (e) Notwithstanding Section 2(b) above, members appointed prior to and serving on the Commission as of June 30, 2012 shall continue to serve for the remainder of their current term for which they are appointed. (Section 64(C) Act 278 of 2012).
- (3) **Term of Office.** Except for the PEBA Executive Director serving ex officio, members shall serve for terms of four years and until their successors are appointed and qualify. Terms are deemed to expire after June 30<sup>th</sup> of the year in which the term is due to expire. Members are appointed for a term and may be removed before the term expires only by the Governor for the reasons provided in §1-3-240(C). A member may not be appointed to serve more than two consecutive full four-year terms. A member serving a second or greater term, beginning July 1, 2016, may not serve an additional consecutive four-year term upon the expiration of his term.
- (4) **Commencement of Term of Office and Annual Filing Requirements.** A person appointed may not serve until the appointing official certifies to the Secretary of State that the appointee meets or exceeds the qualifications set forth above. A person appointed may not qualify to serve unless he first certifies that he meets or exceeds the qualifications applicable for his appointment. ([§9-16-315\(B\)](#))
- (a) **Statement of Economic Interests**
    - (i) Commission members must file a Statement of Economic Interests with the State Ethics Commission prior to taking the oath of office or entering upon his official responsibilities. If the Commission member has no economic interests to disclose, he shall nevertheless file a statement of inactivity to that effect with the State Ethics Commission. ([§8-13-1110\(A\)](#)). The statement of economic interests filed must be on forms prescribed by the State Ethics Commission. ([§8-13-1120\(A\)](#))
    - (ii) No later than noon on March thirtieth of each calendar year after assuming office, Commission members must file an updated statement

of economic interests for the previous calendar year with the State Ethics Commission. The Commission member's statement must list any addition, deletion, or change in his economic status with respect to which information is required to be supplied under the Ethics Reform Act. ([§8-13-1140](#))

**(b) Oath of Office**

(i) Commission members are public officers of the State of South Carolina. ([§8-1-10](#))

(ii) Before assuming their duties for the RSIC, all Commission members must take and subscribe to the following oath of office:

“I do solemnly swear (or affirm) that I am duly qualified, according to the Constitution of this State, to exercise the duties of the office to which I have been elected, (or appointed), and that I will, to the best of my ability, discharge the duties thereof, and preserve, protect, and defend the Constitution of this State and the United States. So help me God.” ([S.C. Const. art. VI, § 5; §8-3-10](#))

(iii) A notarized, original oath of office executed by each Commission member must be filed with the Secretary of State of South Carolina.

**(5) Removal from Office.** Commission members may only be removed from the Commission prior to the expiration of his or her term by the Governor for the following reasons:

- (a) Malfeasance
- (b) Misfeasance
- (c) Incompetency
- (d) Absenteeism
- (e) Conflicts of interest
- (f) Misconduct
- (g) Persistent neglect of duty in office
- (h) Incapacity ([§1-3-240\(c\)](#))

**(C) General Responsibilities and Duties**

- (1) Oversee the management of the business and affairs of the RSIC in accordance with applicable laws.
- (2) Ensure legal and ethical integrity, adhere to fiduciary duties, and maintain accountability.
- (3) Support the Chief Executive Officer (“CEO”) and ensure the RSIC leadership has the moral and professional support needed to further RSIC’s goals.

**(D) Investment Responsibilities**

- (1) Exercise all powers and perform all duties prescribed by law with respect to the investment of public trust and retirement funds. This includes, but is not limited to:
  - (a) Exclusive authority, subject to South Carolina Code Ann. [§9-1-1310](#) and §9-16-330(B)(1) to invest and manage the assets of the SCRS. ([§9-16-20\(A\)](#); [9-16-30 \(A\)](#) ; [9-16-50\(A\)\(4\)](#))
  - (b) Duty to make a reasonable effort to verify facts relevant to the investment and management of assets of the SCRS. ([§9-16-50\(A\)\(3\)](#))
  - (c) Adopt a Statement of Investment Objectives and Policies for the Retirement System, which must include:

- (i) Desired rate of return on assets overall
  - (ii) Desired rates of return and acceptable level of risk for each asset class
  - (iii) Asset allocation goals
  - (iv) Guidelines for delegation of authority
  - (v) Information on the types of reports to be used to evaluate investment performance ([§9-16-50\(B\)](#))
- (d) Duty to review the Statement of Investment Objectives and Policies for the SCRS at least annually and change or reaffirm the statements.
- (e) Ensure that a sound investment philosophy and strategy exist to guide the management of the investment program and achieve RSIC investment objectives.

**(E) Administrative Responsibilities**

- (1) Approve and amend policies as necessary, including:
- (a) Policies clearly defining the roles and responsibilities of the Commission and its officers, Commission committees, and CEO.
  - (b) Policies for the establishment, maintenance, and efficient delivery of services, and any other policies the Commission deems appropriate for RSIC.
  - (c) Policies to ensure appropriate governance practices on the part of the RSIC, including provisions relating to standards of conduct.
  - (d) Policies to assist the Commission members in securing knowledge required to properly execute their duties as fiduciaries.
- (2) Select the CEO after a carefully considered and executed search process. The CEO shall serve as the chief administrative officer of the commission and is charged with the affirmative duty to carry out the mission, policies, and direction of the Commission as established by the Commission. ([§9-16-315\(G\)](#))
- (3) Annually review the performance of the CEO.

**(F) Monitoring and Reporting Responsibilities**

- (1) Regularly monitor the effectiveness and performance of the investment and management of the assets of the Retirement System, consistent with the investment and other policies of the Commission. This will include at a minimum:
- (a) Total funded status of Retirement System
  - (b) Total fund performance relative to policy benchmark(s)
  - (c) Asset class and investment manager/fund performance
  - (d) Cost effectiveness of the investment program
- (2) Regularly monitor the effectiveness and efficiency of the administration of RSIC through a review of, at a minimum:
- (a) Adoption and monitoring of the strategic plan.
  - (b) Approval and monitoring of the operating budget.
  - (c) Implementation of agency internal controls.
- (3) Ensure effective organizational planning, actively participate in the strategic planning process, and assist in monitoring achievement of RSIC's goals.
- (4) Ensure that appropriate monitoring and reporting practices are established and documented within the RSIC and made available to Commission members.
- (5) Annually review the performance of the Commission itself in order to engage in self-analysis and discussion for the purpose of improving its effectiveness as a fiduciary body. *See Policy V, CEO and Commission Evaluation Policy*

- (6) Receive reports from the Audit and Enterprise Risk Management Committee regarding the results of audits of the RSIC, including the fiduciary audit engaged by the State Auditor every four years pursuant to [§9-16-380](#).
- (7) Receive reports and request information from the CEO regarding the performance of the CIO as appropriate to fully inform the Commission of the CIO's performance and any concerns related thereto.

**(G) Responsibilities of Individual Commission Members**

- (1) Be informed about RSIC's mission and policies.
- (2) Attend Commission meetings, or if unable to attend, notify the CEO and/or the Chair as soon as possible to ensure that a quorum will be present.
- (3) Review agenda and supporting materials prior to Commission and Committee meetings.
- (4) Serve on Commission Committees and offer to take on special assignments.
- (5) Keep up to date on developments in the pension and public fund area.
- (6) Comply with ethics, fiduciary standards, conflict of interest, disclosure, and confidentiality laws and policies.
- (7) Counsel and work with the CEO as appropriate.
- (8) Assist the Commission in carrying out its fiduciary responsibilities. ([§9-16-40](#))
- (9) At all times meet high ethical standards to avoid even the appearance of impropriety.

**(H) Standards for Discharge of Commission Duties**

- (1) As fiduciaries, each Commission member shall discharge his duties with respect to the Retirement System:
  - (a) Solely in the interest of the Retirement System and its participants and beneficiaries;
  - (b) For the exclusive purpose of providing benefits to participants and beneficiaries and paying reasonable expenses of administering the Retirement System;
  - (c) With the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;
  - (d) Impartially, taking into account any differing interest of participants and beneficiaries;
  - (e) Incurring only costs that are appropriate and reasonable; and
  - (f) In accordance with a good faith interpretation of the Code of Laws of South Carolina, 1976, as amended. ([§9-16-40](#))

**(I) Standards of Conduct for Commission Members; Conflicts of Interest** While the Commission may not invest in any asset or with any entity in which a Commissioner or his immediate family has any interest, this restriction does not apply to publicly traded securities. (§9-16-100(C)) In conjunction with this provision, the following standards of conduct and conflicts of interest rules apply to the Commission.

- (1) Except as may be provided by laws relating to the Retirement System, no Commission member shall:
  - (a) Have any direct interest in the gains or profits of any investment made by the RSIC.
  - (b) Directly or indirectly, for himself or as an agent in any manner use the funds of the RSIC except to make such current and necessary payments as are authorized by the South Carolina Budget and Control Board or Commission.

- (c) Become an endorser or surety or in any manner an obligor for monies loaned or borrowed from the RSIC. ([§9-1-1340](#))
- (2) It is unlawful for a Commission member to use any information concerning RSIC activities to obtain any economic interest for himself, a member of his immediate family, an individual with whom he is associated, or a business in which he is associated. ([§9-16-350\(A\)](#))
- (3) Commission members are prohibited from:
  - (a) Taking any action to purchase or acquire services or property for the RSIC or Retirement System where the Commission member or any employee of the Commission member or RSIC, their family, or their business associates have a financial interest in the services or property.
  - (b) Taking any action to invest Retirement System funds in any share, or other security if the Commission member or any employee of the Commission member or RSIC, their family, or their business associates have an interest in, are underwriters of, or receive any fees from the investment.
  - (c) Having any interest in the profits or receive any benefit from a contract entered into by the RSIC.
  - (d) Using their positions to secure, solicit, or accept things of value, including gifts, travel, meals and lodging, and consulting fees for payment for outside employment, from parties doing or seeking to do business with or who are interested in matters before the Commission member or RSIC.
  - (e) Representing, while serving as a Commission member and for one year after leaving membership on the Commission, any person, in any fashion, before any public agency, with respect to any matters in which the Commission member personally participated while serving as a Commission member.
  - (f) Taking any official action on matters that will result in a benefit to themselves, their family members, or their business associates.
  - (g) Disclosing or using confidential information acquired in their official capacity as a Commission member, without proper authorization, during or after their term of service.
  - (h) Using assets of the Retirement System for their own interests.
  - (i) Acting on behalf of a party whose interests are adverse to Retirement System, the RSIC, or the Commission, even if the Commission member receives no personal gain.
  - (j) Having any direct or indirect interest in the gains or profits of any Retirement System investment other than the indirect interest of a passive investor holding less than five percent of the outstanding equity in a publicly-traded security.
  - (k) Making investments through or purchases from, or otherwise doing any business with a former fiduciary member or employee or with a business that is owned or controlled by a former fiduciary member or employee, for a period of three years after the fiduciary member or employee leaves the fiduciary. ([§9-16-360](#))
- (4) Commission members shall comply with all applicable provisions of the Ethics Reform Act, codified at [§8-13-100](#) *et seq.*, in addition to Title 9, Chapter 16 of the Code of Laws of South Carolina, 1976, as amended, Commission policies, and other applicable laws, including those relating to campaign contributions.
- (5) In accordance with [§8-13-700\(B\)](#), no Commission member may make, participate in making, or in any way attempt to use his membership to influence a Commission decision



in which he, a family member, an individual with whom he is associated, or a business with which he is associated has an economic interest. A Commission member who, in the discharge of his official responsibilities, is required to take action or make a decision which affects an economic interest of himself, a family member, an individual with whom he is associated, or a business with which he is associated shall:

- (a) Prepare a written statement describing the matter requiring action or decisions and the nature of his potential conflict of interest with respect to the action or decision;
  - (b) Furnish a copy of the statement to the Commission Chair, who shall cause the statement to be printed in the minutes and require that the member be excused from any votes, deliberations, and other actions on the matter on which the potential conflict of interest exists and shall cause the disqualification and the reasons for it to be noted in the minutes. ([§8-13-700\(B\)](#))
- (6) In the event that a Commission member believes that a business or other relationship or connection may create a conflict of interest pursuant to State law or may create the appearance of a conflict or impropriety, he may abstain from deliberations about and voting related to the relationship.
- (7) In the event of abstention due to a relationship that is not governed by the above referenced State law, the Commission member should disclose that he is abstaining from related discussions and voting and the nature of the relationship which he feels may create the appearance of impropriety. This abstention and nature of the relationship must be included in the meeting minutes.
- (8) If the Commission member or a member of his immediate family holds an economic interest in a blind trust, he is not considered to have violated [§9-16-350\(A\)](#) (Section I(2) above) even if the acquisition of the economic interest by the blind trust would otherwise violate [§9-16-350\(A\)](#), if the existence of the blind trust and the manner of its control is disclosed to the State Ethics Commission and the Commission. ([§9-16-350\(B\)](#))

**(J) Breach of Duty**

- (1) A Commission member who breaches a duty imposed by Title 9, Chapter 16 of the Code of Laws of South Carolina, 1976, as amended, is personally liable to the Retirement System for any losses resulting from the breach and any profits resulting from the breach or made by the Commission member through the use of assets of the Retirement System by the Commission member. The Commission member is subject to other equitable remedies, including but not limited to removal. ([§9-16-70\(A\)](#))
- (2) An agreement that purports to limit the liability of a Commission member for a breach of duty imposed by Title 9, Chapter 16 of the Code of Laws of South Carolina, 1976, as amended, is void. ([§9-16-70\(B\)](#))
- (3) The Retirement System may insure a Commission member against liability or losses occurring because of a breach of duty under Title 9, Chapter 16 of the Code of Laws of South Carolina, 1976, as amended. ([§9-16-70\(C\)](#))
- (4) A Commission member may insure against personal liability or losses occurring because of a breach of duty under Title 9, Chapter 16 of the Code of Laws of South Carolina, 1976, as amended, if the insurance is purchased or provided by the individual Commission member who obtains the insurance pursuant to Title 9, Chapter 16. A Commission member who obtains such insurance must disclose all terms, conditions, and other

information relating to the insurance policy to the Retirement System and RSIC. ([§9-16-70\(D\)](#))

**(K) Defense and Indemnification of Commission Members**

- (1) The State of South Carolina shall defend Commission members against a claim or suit that arises of or by virtue of their performance of official duties on behalf of the RSIC and must indemnify these members for a loss or judgment incurred by them as a result of the claim or suit, without regard to whether the claim or suit is brought against them in their individual or official capacities, or both. ([§9-16-370](#))
- (2) The commitment of the State of South Carolina to defend and indemnify extends to Commission members after they have left their membership on the Commission, if the claim or suit arises out of or by virtue of their performance of official duties on behalf of RSIC. ([§9-16-370](#))

**(L) Delegation of Functions by the Commission**

- (1) The Commission may delegate functions that a prudent person acting in a like capacity and familiar with those matters could properly delegate under the circumstances but final authority to invest cannot be delegated. ([§9-16-30\(A\)](#))
- (2) The Commission must exercise reasonable care, skill, and caution in:
  - (a) Selecting an agent
  - (b) Establishing the scope and terms of the delegation, consistent with the purposes of the retirement program
  - (c) Periodically reviewing the agent's performance and compliance with the terms of the delegation. ([§9-16-30\(B\)](#))
- (3) A Commission member who complies with the above two subsections is not liable to the Retirement System or to its participants or beneficiaries for the decisions or actions of the agent to whom the function was delegated. ([§9-16-30\(D\)](#))
- (4) The Commission may delegate any of its functions to the CEO as it deems appropriate for efficient administration and when such delegation is consistent with South Carolina law. ([§9-16-30\(A\)](#)).
- (5) The CEO is delegated the authority of the Commission necessary, reasonable and prudent to carry out the operation and management of the Commission as an agency and to implement the Commission's decisions and directives. ([§9-16-315\(G\)](#)).
- (6) In accordance with [§9-16-315\(G\)](#), the Commission delegates to the CEO the authority to execute on behalf of the Commission any documents necessary to implement a final decision to invest.
- (7) Notwithstanding [Section 9-16-30\(A\)](#), the Commission may include a delegation to the Chief Investment Officer of the final authority to invest subject to the limitations set forth in [§9-16-330\(B\)](#) and the Investment Authority Delegation Policy as approved by the Commission.

**(M) Compensation of Commission Members**

- (1) Effective beginning July 1, 2012, each Commission member, not including the Executive Director of the South Carolina Public Employee Benefit Authority, must receive an annual salary of twenty thousand dollars plus mileage and subsistence as provided by law for members of state boards, committees, and commissions paid as provided pursuant to [§9-16-315\(J\)\(2\)](#).

- (2) Notwithstanding any other provision of law, membership on the Commission does not make a member eligible to participate in a retirement system administered pursuant to Title 9 of the Code of Laws of South Carolina, 1976, as amended, and does not make a member eligible to participate in the employee insurance program administered pursuant to Article 5, Chapter 11, Title 1, if the member is not otherwise eligible.
- (3) Compensation paid on account of the Commission member's service on the Commission is not considered earnable compensation for purposes of any retirement system administered pursuant to Title 9 of the Code of Laws of South Carolina, 1976, as amended.

**(N) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally, or as otherwise deemed appropriate by the Commission.
- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on August 20, 2009.
- (5) This policy was amended on November 8, 2012.
- (6) This policy was amended on February 28, 2013.
- (7) This policy was amended on June 3, 2014.
- (8) This policy was amended on August 25, 2014.
- (9) This policy was amended on February 26, 2015.
- (10) This policy was amended on November 19, 2015.
- (11) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (12) This policy was last amended on April 18, 2024, and made effective as of July 1, 2024.

## **Policy II: Chair and Vice Chair Roles and Responsibilities**

**(A) General Roles.** The Chair and Vice Chair of the Commission are the leadership for the Commission and are accountable for all responsibilities listed within the *Commission Roles and Responsibilities Policy* in addition to those included in this policy.

### **(B) Chair Responsibilities**

#### **(1) General Duties**

- (a) Ensure that the Commission discharges its duties and responsibilities in accordance with all applicable laws and governance policies.
- (b) Preside at meetings of the Commission, ensuring that such meetings are conducted in an efficient manner and in accordance with the South Carolina Freedom of Information Act and Commission policies.
- (c) Provide leadership to the Commission in terms of collegiality and ethical conduct.
- (d) Encourage debate and develop consensus of the Commission.
- (e) Serve as a liaison between the Commission and the Chief Executive Officer (“CEO”).
- (f) Serve as RSIC spokesperson when the Commission deems it would be inappropriate for the CEO to serve in such capacity.

#### **(2) Administrative and Investment Duties**

- (a) Ensure coordination of meetings, agendas, schedules, presentations, and meeting materials in consultation with the CEO.
- (b) Subject to ratification by the Commission, in consultation with the Vice Chair and CEO and taking into consideration requests to serve on a committee, select Commission members to serve as members and chairmen of each standing and ad hoc committee, and to change the makeup of a standing or ad hoc committee if appropriate.
- (c) In consultation with the Human Resources and Compensation Committee, oversee the annual CEO evaluation and consult with the CIO on his evaluation of the CIO.
- (d) Inform the Commission of pertinent information regarding RSIC administration and staff obtained through regular consultation with the CEO.
- (e) Develop and maintain communications and relationships with other state agencies, public retirement systems, and organizations involved with or having an impact on public retirement issues that may affect the Retirement System.
- (f) Coordinate the Commission evaluation process in accordance with Commission policy.
- (g) Carry out other functions as determined by the Commission.

### **(C) Vice Chair Responsibilities**

- (1) Assume the duties and responsibilities of the Chair when the Chair is absent, or when designated to do so by the Chair.
- (2) Temporarily act for the Chair in the event of death, resignation, removal from office, incapacity, or inability of the Chair to discharge his duties.
- (3) Assume the duties of any committee chair who is absent or unable to perform the duties of the committee chair.

- (4) Carry out other functions as determined by the Commission.

**(D) Chair or Vice Chair Vacancy**

- (1) In the event of the Chair's death, permanent inability to discharge the duties of Commission membership or office, resignation from Commission membership or office, or removal from Commission membership, the Commission shall elect from among its members a successor Chair to serve the unexpired portion of the former Chair's term.
- (2) In the event of the Vice Chair's death, permanent inability to discharge the duties of Commission membership or office, or resignation from Commission membership or office, or removal from Commission membership, the Commission shall, as soon thereafter as practicable, elect from among its members a successor Vice Chair to serve for the unexpired portion of the former Vice Chair's term.
- (3) For election information, refer to the *Commission Operations Policy*.

**(E) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally, or as otherwise deemed appropriate by the Commission.
- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on August 20, 2009.
- (5) This policy was amended on May 23, 2013.
- (6) This policy was amended on June 3, 2014.
- (7) This policy was amended on August 25, 2014.
- (8) This policy was amended on November 19, 2015.
- (9) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (10) This policy was updated on April 18, 2024, and made effective as of July 1, 2024.

## **Policy III : Chief Executive Officer and Chief Investment Officer Roles and Responsibilities**

### **(A) Chief Executive Officer Role**

- (1) Serves as the agency head of the RSIC, reporting directly to the Commission, with functions and duties as assigned by the Commission.
- (2) The Chief Executive Officer (“CEO”) is a fiduciary who must discharge duties consistent with fiduciary standards at all times. (§9-16-30)
- (3) The CEO is an at-will employee, selected by the Commission to serve as the chief administrative officer of the Commission and to manage and oversee the organization on behalf of the Commission and to act as the Commission on a day-to-day basis in this regard. The CEO is delegated the authority of the Commission necessary, reasonable and prudent to carry out the operation and management of the Commission as an agency and to implement the Commission’s decisions and directives. (§9-16-315(G)).
- (4) The CEO is the central source of authority and accountability for administrative decisions.
- (5) Supports the Commission at all times in discharging its duties.
- (6) The CEO shall employ a CIO. Prior to taking any action to employ a new CIO or to terminate the existing CIO, the CEO will discuss the contemplated action with the Chair and Vice-Chair. Further, the CEO will discuss with the full Commission the employment of a new CIO or the termination of the existing CIO as soon as practicable after any action is taken. In the case of a vacancy in the CIO position, the CEO will discuss a recruitment plan with the Chair and Vice-Chair and provide the plan to all of the Commissioners prior to taking action. (§9-16-315(H))
- (7) The CEO serves as the primary point of contact for the Commissioners to the Staff and Commissioners shall, to the extent practicable, coordinate requests for information or assistance from Staff through the CEO to ensure that the request is assigned to the appropriate Staff member and to allow the CEO to ensure that Staff work load is managed and balanced in a manner that promotes efficiency and the most timely response possible.
- (8) The CEO helps to set the “tone at the top” regarding ethics and the culture of the RSIC.

### **(B) Chief Executive Officer Responsibilities: General**

- (1) Develop and recommend to the Commission appropriate strategic direction, Strategic Plan, operating budget, internal controls, and enterprise risk parameters. Provide executive leadership in achieving the RSIC’s mission, goals and objectives, and the Strategic Plan, and ensure that they are developed, monitored, implemented, and reviewed at least annually by the Commission.
- (2) Represent RSIC before the South Carolina General Assembly and/or any of its committees or sub-committees and any State agencies with assistance from the CIO as necessary or appropriate.
- (3) Develop and maintain communications and relationships with other state agencies, public retirement systems, stakeholder groups, legislative authorities and other organizations involved with or having an impact on public retirement issues that may affect the Retirement Systems.
- (4) Develop, recommend and implement the Communication Plan approved by the Commission.

- (5) Meet with the Chair to discuss organizational issues and to set the agenda for Commission meetings.
- (6) Manage the RSIC in accordance with the operating policies established by the Commission and in compliance with state and federal laws and solicit advice from counsel and the Commission as necessary.
- (7) In accordance with the Service Provider Selection Policy, appoint and remove service providers who are not “Named.”
- (8) Oversee and serve as the approval authority for the recruiting, hiring, terminating, and retaining of staff necessary to effectively and prudently address organizational priorities.
- (9) Annually prepare and present to the Commission a report detailing the financial impact of all compensation paid each fiscal year to staff. The CEO will also provide regular updates to the Human Resources and Compensation Committee regarding changes in employee compensation, position and title, as well as hirings, terminations, or resignations.
- (10) Maintain an organizational atmosphere through regular communication with the Staff that ensures that each staff member understands their role in the organizational structure in a manner that promotes a sense of value for the particular staff member’s contribution to the overall success of the organization.
- (11) Develop, recommend and implement an annual 360° review and evaluation of the CEO for use by the Commission.
- (12) Foster an atmosphere of creativity, ingenuity, initiative, teamwork, and cohesiveness within the investment division and the RSIC.

**(C) Chief Executive Officer Responsibilities: Monitoring and Reporting**

- (1) Ensure that the Commission is provided with relevant, appropriate, and timely information to enable it to properly carry out its investment, management, monitoring and oversight responsibilities.
- (2) Coordinate reporting requirements to RSIC and other stakeholders.
- (3) Monitor that the RSIC operates within applicable laws, rules, regulations, and policies at all times.
- (4) Monitor proposed changes in state and federal laws and, in consultation with legal counsel and Staff, analyze and evaluate proposed legislation affecting the RSIC or Retirement Systems’ investments; when appropriate, develop and recommend to the Commission an official position for RSIC, consistent with RSIC’s role and strategic direction.
- (5) Ensure Human Resource policies and procedures are implemented and adequate to hire, monitor, mentor, develop and evaluate the performance of staff.
- (6) Ensure the Commission receives recommendations for approval or dismissal of “Named” service providers in accordance with the Service Provider Selection Policy.
- (7) Ensure the implementation of appropriate internal controls.
- (8) Monitor and direct counsel with respect to legal actions involving RSIC, keeping the Commission apprised of such actions, and, when required, obtaining Commission approval before undertaking such actions.
- (9) Ensure internal and external audits are performed as needed and findings are appropriately addressed.
- (10) Execute a management representation letter from RSIC to the South Carolina Public Employee Benefit Authority (“PEBA”) to be used in conjunction with the preparation of



- the annual financial statements and the annual external audit thereof. Appropriate representations should be made regarding the investment portfolio functions of the RSIC.
- (11) Execute any management representation letters or audit engagement letters for engagements concerning the RSIC conducted by the State Auditor's Office.
  - (12) Coordinate implementation and compliance with audit findings and recommendations at the direction of the Audit and Enterprise Risk Management Committee.

**(D) Chief Investment Officer Role**

- (1) Serves as chief investment officer, reporting to the CEO, for functions and duties provided by [Title 9, Chapter 16 of the Code of Laws of South Carolina](#), 1976, as amended, and as appropriately delegated by the Commission.
- (2) Reports to the CEO for day-to-day oversight and strategic planning objectives and for all other functions and duties delegated by the CEO. Subject to the oversight of the CEO, the CIO serves as the central source of authority and accountability for all investment decisions delegated to him or her by the Commission and state law.
- (3) The Chief Investment Officer is an at-will employee, selected by the CEO, who is a fiduciary pursuant to State law, and must discharge his or her duties consistent with fiduciary standards at all times. (§§, [9-16-10\(4\)](#), [9-16-40](#))
- (4) Supports the Commission and the CEO at all times in discharging their duties.
- (5) The Chief Investment Officer helps the CEO set the "tone at the top" regarding ethics and the culture of the RSIC.

**(E) CIO Responsibilities: General**

- (1) Assist the CEO when the CEO represents the RSIC before the South Carolina General Assembly and/or any of its committees or subcommittees and any State agencies related to investment matters.
- (2) In consultation with the CEO, develop investment business plans for incorporation into the Commission's Strategic Plan.
- (3) Meet with the Chair and the CEO to discuss investment issues and to set the investment agenda for Commission meetings.
- (4) Partner with the CEO to ensure the success of the investment program through regular reports on strategic direction, progress towards strategic initiatives, investment performance, investment risk management, SIOP/AIP compliance, and to keep the CEO apprised of key investment activities.
- (5) Coordinate activities with the Investment Consultant(s), maintaining open communication and constructive relationships.
- (6) Monitor and evaluate the activities and performance of external service providers engaged by RSIC or the Commission for investment functions, including contracts, mandates, and performance expectations and results. *See Service Provider Selection Policy.*
- (7) Oversee key aspects of the investment function including internal and external asset management, portfolio rebalancing, investment risk management, performance, procedures, and compliance with the SIOP and AIP.
- (8) Manage personnel under his or her direction designated on the organizational chart.



- (9) Provide decision-making authority as delegated by the Commission pursuant to S.C. Code § 9-16-330(B) and the Investment Authority Delegation Policy as approved by the Commission.
- (10) Provide decision-making authority as delegated by the Commission within its Strategic Partnerships.
- (11) Fosters an atmosphere of creativity, ingenuity, initiative, teamwork, and cohesiveness within the investment division and the RSIC.

**(F) CIO Responsibilities: Investment Policy**

- (1) Develop and recommend to the Commission, Committees, CEO, and Staff, sound principles, policies, and guidelines for the investment and management of the Retirement System's assets and the Commission's underlying strategic allocations to be used to achieve RSIC objectives.
- (2) Advise the Commission on investment matters and make recommendations for Commission action.
- (3) Coordinate, direct, and conduct all necessary initial and ongoing due diligence relating to the engagement of investment managers, consultants, and providers of investment services to the RSIC.
- (4) Invest, manage, and direct the investment strategies and plans approved by the Commission, including reviewing the performance of the investments and execute the Commission's portfolio rebalancing policy.
- (5) Review all investment policies of the Commission and recommend appropriate policies and/or procedures to ensure efficient investment operations of the RSIC.
- (6) Subject to the oversight of the CEO, develop a proposed annual investment plan ("AIP") and submit the proposed AIP to the Commission no later than April first of each year. ([§9-16-320\(A\)](#), [§9-16-315\(H\)\(1\)](#)). In developing the AIP, the CIO shall diversify the investments of the Retirement System (unless the CIO reasonably believes the Commission should determine that, because of special circumstances, it is clearly not prudent to do so) and make a reasonable effort to verify the facts relevant to the investment of the assets of the Retirement System. ([§9-16-330\(C\)](#)) The AIP must be consistent with the Commission's statement of general investment objectives and with that statement of actuarial assumptions developed by the Retirement System's actuary and approved by PEBA ([§9-16-330\(A\)](#)), and must include, but is not limited to, the following components:
  - (a) General operational and investment policies;
  - (b) Investment objectives and performance standards;
  - (c) Investment strategies, which may include indexed or enhanced indexed strategies as the preferred or exclusive strategies for equity investing, and an explanation of the reasons for the selection of each strategy;
  - (d) Industry sector, market sector, issuer, and other allocations of assets that provide diversification in accordance with prudent investment standards, including desired rates of return and acceptable levels of risks for each asset class;
  - (e) Policies and procedures providing flexibility in responding to market contingencies;

- (f) Procedures and policies for selecting, monitoring, compensating, and terminating investment consultants, equity investment managers, and other necessary professional service providers;
- (g) Methods for managing the costs of the investment activities; and
- (h) A detailed description of the amount and extent of the final authority to invest made by the Commission pursuant to §9-16-330(B)([§9-16-330\(C\)](#))

**(G) Delegation to the Chief Executive Officer, CIO and others**

- (1) The Commission may delegate, or revoke the delegation of, any of its functions to the CEO, CIO and/or others as it deems necessary and appropriate for efficient administration, and when such delegation or revocation is consistent with South Carolina law.
- (2) In performing a delegated function, the CEO, CIO and others owe a duty to the Retirement System and to its participants and beneficiaries to comply with the terms of the delegation and to comply with applicable law. ([§9-16-30\(C\)](#), [§9-16-40](#))
- (3) Pursuant to a delegation of authority by the Commission, the CEO, CIO and others shall discharge duties with respect to the Retirement System:
  - (a) Solely in the interest of the Retirement System, participants, and beneficiaries;
  - (b) For the exclusive purpose of providing benefits to participants and beneficiaries and paying reasonable expenses of administering the Retirement System;
  - (c) With the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of a like character and purpose;
  - (d) Impartially, taking into account differing interests of participants and beneficiaries;
  - (e) Incurring only costs that are appropriate and reasonable; and
  - (f) In accordance with a good faith interpretation of [Title 9, Chapter 16 of the Code of Laws of South Carolina](#), 1976, as amended. ([§9-16-40](#))

**(H) Selection and Emergency Succession**

- (1) According to South Carolina law, the Commission employs a chief executive officer to serve as the chief administrative officer of the Commission as an agency and is charged with the affirmative duty to carry out the mission, policies and direction of the Commission as established by the Commission. (§9-16-315(G))
- (2) The CEO has explicit statutory authority to employ a Chief Investment Officer and other professional, administrative, and clerical personnel it determines necessary. ([§9-16-315\(H\)](#))
- (3) **CEO.** In the event that the CEO is unable to fulfill his or her duty, the Chair may declare an incapacity and designate a senior officer of the RSIC to serve as Acting Chief Executive Officer, responsible for carrying out the CEO's duties until such time as the Commission selects another acting or new CEO and that person assumes the position on a full time basis.
- (4) **CIO.** In the event of a sudden loss of services of the CIO, the CEO will designate a senior member of the investment team to serve as the Acting CIO, responsible for carrying out the CIO's duties until such time as the CEO selects a new CIO and that person assumes

the position on a full-time basis. The CEO will promptly notify the Commission of any action under this section.

**(I) Defense and Indemnification**

- (1) The state of South Carolina shall defend the CEO, CIO and management employees of the RSIC against a claim or suit that arises out of or by virtue of performance of official duties, unless he or she was acting in bad faith, and must indemnify the CEO, CIO and management employees for a loss or judgment incurred by him or her as a result of such claim or suit, without regard to whether the claim or suit is brought against him or her in his individual or official capacities, or both. ([§9-16-370](#)).
- (2) The commitment of the state of South Carolina to defend and indemnify extends to the CEO, CIO and management employees of the RSIC after he or she has left employment with the RSIC, if the claim or suit arises out of or by virtue of his or her performance of official duties on behalf of the RSIC. ([§9-16-370](#))

**(J) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally, or as otherwise deemed appropriate by the Commission.
- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on August 20, 2009.
- (5) This policy was amended on September 17, 2011.
- (6) This policy was amended on February 28, 2013.
- (7) This policy was amended on June 3, 2014.
- (8) This policy was amended on August 25, 2014.
- (9) This policy was amended on November 20, 2014.
- (10) This policy was amended on November 19, 2015.
- (11) This policy was amended on February 23, 2017.
- (12) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (13) This policy was last amended on April 18, 2024, and made effective as of July 1, 2024.

## **Policy IV : Commission Operations**

### **(A) General Operations**

- (1) The Commission will take the following under consideration for approval:
  - (a) The basic organizational structure of the RSIC.
  - (b) The Commission will approve the general processes to be used to establish the strategic and/or business plans, and operational budgets of the RSIC.
  - (c) Based on the recommendations from of the Chief Executive Officer (“CEO”) the Commission will approve:
    - (i) Business and strategic plans
    - (ii) Annual operating budget request
- (2) The Commission will ensure that an effective process of enterprise risk management is in place.

### **(B) Officer Elections Process**

#### **(1) Chair; Vice Chair**

- (a) The Officers of the Commission shall be a Chair and a Vice Chair, each of whom shall serve a two-year term ending June 30 of even numbered years. The Vice Chair shall act as Chair during the Chair’s temporary absence or other inability to serve. In the event of the Chair’s permanent absence, the Vice Chair will serve for the remainder of the Chair’s term.
- (b) The Commission shall select a successor Vice Chair in the event of removal, resignation, or other reason for which the Vice Chair is unable to complete his or her term. The elected successor will serve the remaining portion of the previous Vice Chair’s term in accordance with section (a) above.
- (c) The Executive Director of South Carolina Public Employee Benefit Authority may not serve as Chair or Vice Chair of the Commission.
- (d) The Chair and Vice Chair will serve until his or her successor is duly elected or until he or she resigns, is unable to serve, or is removed from office, whichever comes first.
- (e) Nominations. The Chair shall accept all nominations from voting members for the election of the successor Chair and Vice Chair.
- (f) The Commission may select other officers it determines necessary.

#### **(2) Retiree Representative Member**

- (a) The voting members of the Commission will appoint the Retiree Representative Member by unanimous vote. ([§9-16-315\(A\)\(6\)](#))
- (b) The Retiree Representative Member will serve for a term of four years and until a successor is appointed and qualified. The Retiree Representative Member’s term will be deemed to expire after June 30th of the year in which the term expires. ([§9-16-315\(B\)](#))
- (c) By law, the Retiree Representative Member must be a retired member of the Retirement System, Police Officers Retirement System, Judges and Solicitors Retirement System, or National Guard Retirement System, and possess the qualifications required by [§9-16-315](#). For qualifications, see *Commission Roles and Responsibilities Policy*.

- (d) **Nominations.** During the year in which the incumbent Retiree Representative Member's term expires or in the event of a vacancy for any reason:
- (i) Commission members and associations that represent stakeholders may present nominations for Retiree Representative Member;
  - (ii) The Commission will provide notice of the pending vacancy of the Retiree Representative Member at least one meeting prior to the expiration of the term in its regularly scheduled meeting agenda. If a Retiree Representative Member does not complete his or her term for any reason, the Commission will ensure the vacancy is announced at least one meeting prior to appointing a new Retiree Representative Member;
  - (iii) If nominations are received which meet the statutory requirements, nominees may be invited to meet with the Commission; and
  - (iv) The voting Commission members will endeavor to conclude the nomination process and appoint a Retiree Representative Member prior to June 30 of the year in which the incumbent's term is to expire. In the event of a vacancy for some other reason, the voting Commission members will endeavor to conclude the nomination process and appoint a Retiree Representative Member as soon as practicable.
- (e) The Retiree Representative Member will serve until (i) his or her successor is duly elected and qualified or (ii) he or she resigns, is removed from office, or is otherwise unable to complete his or her term, whichever comes first.

**(C) Special Elections and Removal of a Commission Officer**

- (1) If appropriate, the Commission may commence a special election to fill any vacancies of officers or the Retiree Representative Member occurring outside the scope of other policies.
- (2) In the event a Commission member finds removal of a Commission Officer, including but not limited to, Chair, Vice Chair, or a Committee Chair, from his office is appropriate, he must communicate reasons supporting removal from office to the Commission.
- (3) After receiving information regarding the potential removal of a Commission Officer, the voting Commission members will vote on whether removal from office is appropriate.
- (4) In compliance with the governing law, only the Governor may remove a Commission member from the Commission and only for reasons stated in S.C. Code Ann. §1-3-240(C). *See Commission Roles and Responsibilities Policy*

**(D) Education**

**(1) Overview and Continuing Education**

- (a) In order to help fulfill their fiduciary duties, Commissioners should continually develop and maintain their knowledge of pension investment and administration matters by attending educational presentations and events.
- (b) Commissioners should report all continuing education related to the Commission to the Chair or CEO.
- (c) Commissioners are encouraged to participate in at least 16 hours of continuing education annually, including educational presentations at Commission meetings, pertinent national conferences, select investment and pension plan administration

courses, and continuing educational courses offered through local colleges and universities.

**(2) Commissioner Orientation**

- (a) New Commissioners must attend an investment and administration orientation provided by RSIC management and staff within sixty days of becoming a Commissioner.
- (b) The orientation will include, but is not limited to:
  - (i) CEO and CIO briefing on the history and background of RSIC, its governance framework, and investment program;
  - (ii) A briefing by the Commission Chair on current issues before the Commission and backgrounds of other Commissioners;
  - (iii) Introduction to staff members;
  - (iv) A tour of RSIC's offices;
  - (v) A briefing by RSIC legal counsel on Commissioner fiduciary duty, conflicts of interest guidelines, state ethics, and other pertinent laws affecting RSIC; and
  - (vi) Distribution and review of copies of the RSIC policies, including governance policies, the Consolidated Statement of Investment Policies and Annual Investment Plan, Personnel Handbook, a copy of the CFA Institute's Primer for Investment Trustees, and any other relevant information deemed appropriate by the Chair, CEO, or CIO.
- (c) New Commissioners are encouraged to attend at least one conference or seminar relating to pension fund investments within his or her first year as a Commissioner.

**(E) Travel**

- (1) Commissioners must exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and spending personal funds.
- (2) All Commissioners' travel must comply with RSIC's *Travel Policy* and the *Comptroller General's Policy on Reimbursement for Travel and Subsistence Expenses*.
- (3) Travel must pertain to RSIC business and enhance the knowledge and capabilities of the Commissioner relevant to his or her duties relating to the RSIC.
- (4) Commissioners may provide copies of conference material to the CEO which may be distributed to other Commissioners and/or RSIC staff.

**(F) Meeting Policies**

- (1) Regular meetings will be held at least once during each fiscal quarter and at other times as set by the Commission or Chair or requested by the Board of Directors of the South Carolina Public Employee Benefit Authority. (§9-16-320(B))
- (2) The annual schedule may be modified by the Commission as necessary, and timely notice of such changes must be provided as appropriate in accordance with the South Carolina Freedom of Information Act ("FOIA").
- (3) The Chair or a majority of the Commission may call a special meeting or cancel regular meetings, so long as notice is provided as appropriate in accordance with the FOIA.

- (4) In providing timely notice of a meeting to the public, the Commission will post notice within a reasonable time not less than 24 hours prior to the meeting on the RSIC's website and at RSIC's office. (§30-4-80)
- (5) As defined by South Carolina law, a "meeting" for purposes of the FOIA means the convening of a quorum of the constituent membership of a public body, whether corporal or by means of electronic equipment, to discuss or act upon a matter over which the public body has supervision, control, jurisdiction or advisory power. (§30-4-20(d)). Every meeting of the Commission shall be open to the public unless closed pursuant to S.C. Code Ann. §30-4-70.
- (6) Conference telephones or similar equipment may be used whenever the Commission meets, including executive session meetings as authorized by law. Commissioners may use conference telephones or similar communications equipment by means of which all members and other persons duly participating in the meeting can hear each other. Participation in a meeting pursuant to this policy will constitute presence for purposes of convening a quorum of the Commission. In the event of a telephone conference call or streaming via the internet, members of the public will be permitted to observe.(§30-4-20(d))
- (7) No chance meeting, social meeting, or electronic communication may be used in circumvention of the spirit of FOIA requirements related to matters of the Commission. ([§30-4-70\(c\)](#))

#### **(G) Rules of Order**

##### **(1) General**

- (a) The Commission and its Committees will follow as closely as practicable the rules of order prescribed for small assemblies or similar small bodies in the most recently published revision of Robert's Rules of Order in conducting its meetings, to the extent not suspended or modified by the Commission's policies or agreed upon practices.
- (b) The Chair will be counted to establish quorum at meetings.
- (c) Such rules of order will 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 Commission's fiduciary responsibilities.

##### **(2) Order of Business-Meeting Agenda Format**

- (a) The order of business is the established sequence in which business will be taken up at a Commission meeting.
- (b) The order of business will be at the discretion of the Chair in consultation with the Commission, but will normally be as follows:
  - (i) Call to Order
  - (ii) Approval of Meeting Agenda
  - (iii) Approval of previous Commission meeting minutes
  - (iv) Reports from Officers and/or Committees
  - (v) Investment Items
  - (vi) Administrative Items
  - (vii) Other Business
  - (viii) Adjournment



- (c) The Commission may rearrange the normal Order of Business outlined above by majority vote of the voting members of the Commission; however, no item which binds the Commission to action may be added to the agenda which has been posted pursuant to FOIA.
- (3) **Agenda Items and Procedure**
  - (a) Draft proposed meeting agendas will be set by the Chair, in consultation with the CEO and Commissioners.
  - (b) Once set as described above, the draft proposed agenda will be distributed to the Commissioners.
  - (c) Commissioners may request to have items introduced for the Commission's consideration by submitting the request orally, or a proposed motion ("Main Motion") in writing, to the Commissioners and the CEO, as applicable at least three days prior to the meeting.
  - (d) Amendments to draft proposed agenda items, requested by a Commissioner more than three days prior to meeting, will be made at the Chair's discretion but must be made upon the request of any two Commissioners. The updated proposed agenda will be distributed not less than 24 hours prior to the meeting's scheduled commencement.
  - (e) Amendments to a draft proposed Main Motion, sought by a Commissioner less than three days prior to a meeting, should be submitted in writing at the meeting.
  - (f) Motions which change or affect how a Main Motion is addressed by the Commission ("Subsidiary Motions") may be made as information is presented and discussions ensue and are not required to be submitted in writing in the same manner as Main Motions.
  - (g) In accordance with state law, the Commission will not address business that has not been included in the meeting notice that binds the Commission of expenditure of funds except as provided by law.

**(H) Meeting Minutes**

- (1) Minutes of Commission meetings will be taken in accordance with state law and such records are open to public inspection.
  - (a) The CEO will cause the minutes of all Commission meetings to be prepared, recording therein the time and place of each meeting, the names of the members present, and a summary of the actions of the Commission including: abstentions from voting and the reason for the abstention, the affirmative and dissenting votes, except where the action is unanimous, and when requested, a Commissioner's dissent or approval with reasons.
  - (b) The CEO will cause the minutes to be presented for approval at the next regular Commission meeting.
- (2) Meetings during executive session are not subject to the above requirements. (§9-16-320(D))
- (3) Commission minutes will focus on describing any actions that occurred, and will provide sufficient detail to evidence the Commission's due diligence in the matter.
- (4) The minutes of a meeting during which an executive session is held will reflect the topic of the discussion at the executive session.



- (5) If the Commission votes during executive session, RSIC will publish actions in a subsequent meeting when appropriate or otherwise make such information available to the public as applicable.
- (6) The minutes as approved by the Commission, will be preserved as a part of the official public record of the Commission, and will be kept open to public inspection in accordance with law.
- (7) A record of the Commission or its fiduciary agents that discloses deliberations about, or a tentative or final decision on, investments or other financial matters is exempt from the disclosure requirements of Chapter 4 of Title 30, the Freedom of Information Act, to the extent and so long as its disclosure would jeopardize the ability to implement an investment decision or program or to achieve investment objectives. (§9-16-80(B))

**(I) Executive Session**

- (1) The Commission may conduct business in executive session, which will be closed to the public, under the following conditions:
  - (a) The executive session is held during a regular or special meeting of the Commission;
  - (b) The Commission announces to the public present at the meeting the topic of the discussion;
  - (c) The executive session is held for the purpose of considering any matter enumerated in S.C. Code of Law Ann. §§9-16-80(A), 9-16-320(C), 30-4-70, or in accordance with any applicable law, including but not limited to:
    - (i) Meetings of the Commission, or by its fiduciary agents, to deliberate about, or make tentative or final decisions on, investments or other financial matters if the disclosure of such deliberations or decisions would jeopardize the ability to implement a decision or to achieve investment objectives.
    - (ii) Discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, or a person regulated by a public body or the appointment of a person to a public body.
    - (iii) The receipt of legal advice where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim.
- (2) When executive session has commenced, only the following persons may be present:
  - (a) Members of the Commission;
  - (b) Staff members of the RSIC requested by the Commission, who may provide information or advice relating to the purpose(s) for which the body has convened in executive session; and
  - (c) Others requested and approved by a majority of the voting members of the Commission, for the purposes of providing information or advice relating to the matter(s) for which the body has convened in executive session.
- (3) Notwithstanding section I(2) above, the Commission must unanimously approve the attendance of any person other than RSIC legal counsel during an executive session or portion of an executive session relating to items described in I(1)(c)(iii) above.

- (4) Fiduciaries and employees of fiduciaries are prohibited from, during or after their term of service, disclosing or using confidential information acquired in their official capacity as fiduciary or employee of the fiduciary, without proper authorization. [§9-16-360\(7\)](#)

**(J) Quorum**

- (1) A quorum of at least five voting members must be present for the Commission to convene a meeting or to conduct business.
- (2) The act of the majority of voting members present and voting at a meeting at which a quorum is present will constitute official action of the Commission.
- (3) Any member of the Commission who would be required to vote on a matter that would result in a conflict of interest must abstain from voting, refrain from participating in any discussions pertaining to the matter, and prior to the vote being taken, explain the conflict and disclose the nature of his or her interest for Commission records. The CEO shall cause this information to be placed into the meeting minutes. For more information on standards of conduct for Commissioners, see *Commission Roles and Responsibilities Policy*.

**(K) Gender References, Policy Review & History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there is an amendment to applicable law relevant to any section of this policy, or when there is a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally.
- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on November 19, 2009.
- (5) This policy was amended on November 17, 2011.
- (6) This policy was amended on November 8, 2012.
- (7) This policy was amended on February 28, 2013.
- (8) This policy was amended on May 1, 2014.
- (9) This policy was amended on June 3, 2014.
- (10) This policy was amended on August 25, 2014.
- (11) This policy was amended on November 19, 2015.
- (12) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (13) This policy was amended on April 18, 2024 and made effective as of July 1, 2024.

## **Policy V : CEO and Commission Evaluations**

### **(A) CEO Evaluation**

- (1) The Commission is responsible for setting the evaluation criteria in advance of the performance period and evaluating the Chief Executive Officer's ("CEO") performance.
- (2) Evaluation criteria include, but are not limited to:
  - (a) Achievement of appropriate performance targets for the RSIC;
  - (b) Implementation of the Strategic Plan and other business initiatives;
  - (c) Implementation of Commission policies and associated reporting to the Commission;
  - (d) Leadership, management, and related qualities and skills;
  - (e) Compliance with other criteria set by the Commission.
- (3) The Commission will strive to ensure that each evaluation's criteria are objective in nature, measurable to the extent feasible, and pertain only to outcomes over which the CEO has a reasonable degree of control.
- (4) Pursuant to the RSIC's Compensation Policy, the Commission will determine the CEO's salary. *See Compensation Policy.*
- (5) **CEO Evaluation Process and Timeline**
  - (a) Annually, during the first or second quarter of the fiscal year, CEO will distribute a self-evaluation packet to the Commission members. The self-evaluation is designed to assist the Commission members in the evaluation process. It should describe the extent to which the CEO believes his or her evaluation criteria was met during the evaluation period, supported by relevant data.
  - (b) The self-evaluation packet will include:
    - (i) A report including the CEO's self-evaluation of his or her performance based on the individual's criteria and goals established by the Commission members for the evaluation year;
    - (ii) The CEO's proposed evaluation criteria and goals for the upcoming year;
    - (iii) A summary of the RSIC's Strategic Plan most recently adopted by the Commission, including the goals for which he or she has been responsible for completing;
    - (iv) Evaluation forms for the Commission members;
    - (v) Any supporting or additional documentation or information the CEO wishes to include.
  - (c) The documents provided by the CEO and the Commission members' evaluation forms will be treated as working papers and internal draft documents, as they are preliminary and will be used to compile the final evaluation summary. The Commission members' completed evaluation forms will be returned to the Chair or his designee within two weeks of receipt.
  - (d) The Commission members may meet as necessary to review the performance of the CEO.
  - (e) The Chair or his designee will summarize the completed evaluation forms and provide copies to the Commission members and to the CEO. The Commission should provide specific guidance for the CEO concerning improvement opportunities, which the HR Director will summarize and provide to the CEO
  - (f) The Commission members will meet with the CEO no later than the end of the second quarter of the fiscal year to discuss and establish

- (i) the evaluation summary, including the self-evaluation, and the extent to which the set criteria and goals were met for the fiscal year; and
  - (ii) the proposed evaluation criteria and goals for the following year's evaluation
- (g) The Commission members' discussions regarding the CEO's performance may be held in executive session in accordance with state law.

**(B) Commission Evaluation**

- (1) The purpose of the evaluation is to provide the Commission members with a framework for evaluating the performance of the Commission and for identifying any concerns or suggestions the Commission members may have.
- (2) The Commission is responsible for completing a self-evaluation at least once annually.
- (3) The Chair will initiate the evaluation process.
- (4) The Commission may retain a third party to provide support to the evaluation process.
- (5) **Commission Evaluation Process and Timeline**
  - (a) Annually, during the second calendar quarter of the evaluation year, the Chair or his designee will distribute a copy of the Commission Evaluation Discussion Guide ("CEDG") to each Commission member.
  - (b) The Commission may review the CEDG and make modifications, as appropriate, at any time. Any changes to the CEDG should be made before Commission members receive the evaluations for a fiscal year. To ensure efficiency in the evaluation process, changes to the CEDG that are submitted after the Chair has distributed the CEDG to the Commission will not be effective until the next year's evaluation.
  - (c) Commission members will complete the CEDG within two weeks and return them to the Chair or his designated third party.
  - (d) The Chair or his designated third party will prepare and present a draft summary report of the completed CEDG forms by the close of the second calendar quarter of the evaluation year.
  - (e) The Chair will present the draft summary report of the evaluations to the Commission members and facilitate a discussion of the results.
  - (f) The Commission's discussions regarding the evaluation summary may be held in executive session to the extent permitted by state law.
  - (g) The Chair will compile conclusions and recommendations based on the draft evaluation summary report and the Commission's discussion.

**(C) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally, or as otherwise deemed appropriate by the Commission.
- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on March 18, 2010.

- (5) This policy was amended on February 28, 2013.
- (6) This policy was amended on June 3, 2014.
- (7) This policy was amended on August 25, 2014.
- (8) This policy was amended on November 19, 2015.
- (9) This policy was amended on February 23, 2017.
- (10) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (11) This policy was last amended on April 18, 2024 and made effective as of July 1, 2024.

## **Policy VI : Committees**

**(A) Purpose.** Due to the volume of business and the need to discuss many items in considerable detail, the South Carolina Retirement System Investment Commission (“Commission”) may establish committees which meet periodically to review matters related to their specific charter before the matters are presented to the Commission.

### **(B) Appointments to Committees**

- (1) Subject to ratification by the Commission, in accordance with the *Commission Operations* and *Chair and Vice Chair Roles and Responsibilities Policies*, the Commission Chair will appoint Commission members to serve as members of each standing committee and ad hoc committee, and when appropriate, change the makeup of a standing committee or ad hoc committee. The Commission Chair will present an initial slate of proposed committee appointments for ratification by the Commission no later than the second regular Commission meeting of the Chair’s term.
- (2) In appointing Commission members to serve on committees, the Chair of the Commission will attempt to balance the following considerations:
  - (a) The need to maintain an appropriate level of continuity in committee membership;
  - (b) The need to rotate the composition of committees to provide diverse experience to Commission members; and
  - (c) The need to ensure that committee appointments reflect the Commission member’s interests and particular areas of expertise, as appropriate.

### **(C) Composition**

- (1) Pursuant to sections (D) and (E) below, committees will be comprised of either (a) two Commission members, or (b) three Commission members.
- (2) Upon approval of the committee members, the committee Chair may appoint other persons from time to time to serve as non-voting members of the committee on an ad hoc basis, including RSIC staff, consultants to the Commission and/or subject matter experts.
- (3) Committee members other than Commission members appointed pursuant to Section (C)(2) above will not have voting rights. Notwithstanding the provisions of S.C. Code Ann. [§9-16-315\(A\)\(7\)](#) which provides that the Executive Director of PEBA shall serve without voting privileges with respect to the Commission, he or she shall have voting privileges while serving on a standing committee or ad hoc committee.

### **(D) Standing Committees**

- (1) The Audit and Enterprise Risk Management Committee and Human Resources and Compensation Committee are standing committees of the Commission.
- (2) Each standing committee will consist of three members of the Commission.
- (3) The members of each standing committee will be determined pursuant to Sections (B) and the committee chair will be selected by vote of the committee.

- (4) The Executive Director of the Public Employee Benefit Authority, serving as a Commission member ex officio, will be a member of the Commission's Audit and Enterprise Risk Management Committee.

**(E) Ad hoc Committees**

- (1) The Commission may establish ad hoc committees as it deems appropriate to address specific matters or issues that do not already fall within the scope of a standing committee.
- (2) Each ad hoc committee will consist of two or three members of the Commission.
- (3) An ad hoc committee consisting of two Commission members will have its chair selected by Commission vote.
- (4) An ad hoc committee consisting of three Commission members will elect its chair.
- (5) Ad hoc committees will be disbanded after they have satisfied their mandate.

**(F) Meeting Policies**

- (1) Committees must give written public notice of their regular meetings at the beginning of each calendar year. The notice must include the dates, times, and places of the meetings. ([§30-4-80\(a\)](#))
- (2) The annual meeting schedule may be modified by the committees as necessary, and timely notice of such changes must be provided in accordance with the South Carolina Freedom of Information Act ("FOIA"). ([§30-4-80\(a\)](#))
- (3) The committee chair may call a special meeting or cancel regular meetings, so long as notice is provided in accordance with FOIA.
- (4) The committee will post notice of a regular or special meeting to the public on the Commission's website and at the appropriate office and will notify persons, organizations, and others who have requested notification of the times dates, and agendas of all public meetings, within a reasonable time, not less than 24 hours prior to the meeting. ([§30-4-80](#))
- (5) As soon as practical after a committee meeting date has been set, notices will be sent to all commissioners.
- (6) Every meeting of a committee will be open to the public unless closed pursuant to S.C. Code Ann. [§30-4-70](#).
- (7) Minutes of committee meetings will be taken in accordance with law and such records are open to public inspection.
  - (a) The committee chair will cause the minutes of all public committee meetings to be prepared in accordance with FOIA.
  - (b) The committee chair will cause the minutes to be presented for approval at the next regular committee meeting or as soon thereafter as is practicable. *See also Commission Operations Policy.*
  - (c) When an ad hoc committee has been disbanded, the committee chair will be responsible for approving the final meeting minutes of the ad hoc committee.
  - (d) When a majority of the composition of a standing committee changes, the former chair of the committee will be responsible for approving the minutes of any committee meeting not approved as of the date of the change in composition of the committee.

(e) Upon approval, minutes will become public documents and the Chief Executive Officer (“CEO”) will cause the minutes to be posted on the RSIC website in accordance with FOIA.

(8) In addition to posting the minutes to the RSIC website, the CEO must cause a listing of each standing committee and ad hoc committee, including membership, charter, and all committee minutes to be posted on the RSIC website and regularly updated in accordance with FOIA.

**(G) Committee Charters**

(1) Each committee must have a charter or guidelines that provide a description of the committee’s purpose and duties, and for ad hoc committees, a provision for dissolving the committee once it has served its purpose or completed its duties.

(2) The committee chair or designee will cause a charter or guidelines for each committee to be prepared in a timely manner. Charters or guidelines for each standing committee must be approved by the Commission. Ad hoc committees will adopt a charter or guidelines based upon and consistent with the specific purpose for which the Commission established the ad hoc committee.

**(H) Committee Chair Selection.** Committees will elect committee chairs consistent with sections (D) and (E) of this policy.

**(I) Committee Chair Absence and Replacement.** In the event a vacancy occurs with regard to the position of committee chair, the Commission Chair may select a replacement chair for the committee or he may select an interim committee chair to serve pending the selection of a replacement pursuant to Section H above.

**(J) Additional Meeting Guidelines**

(1) Any Commission member may attend, as an observer, any meeting of any such committee of which he or she is not a member (a “non-member Commissioner”), but the non-member Commissioner will not have voting rights and may not participate in discussions unless asked and if such participation would not create a quorum of the Commission.

(2) The CEO will ensure that Commission committees receive adequate support from the RSIC staff in a prompt and complete manner.

(3) If personal attendance is impractical, participation in committee meetings via teleconferencing is permitted. Committee members and staff assigned to the committee may use conference telephones or similar communication equipment by means of which all committee members and other persons duly participating in the meeting can hear each other.

(4) No chance meeting, social meeting, or electronic communication may be used in circumvention of the spirit of FOIA requirements related to the conduct of meetings. (§30-4-70(c))

**(K) Committee Chair Responsibilities.** Each committee chair will perform the following duties regarding their assigned committee.

(1) Ensure that the committee discharges its duties and responsibilities set forth in its charter, Commission policies, and in accordance with law;

(2) Provide timely notice of meetings to committee members and others in accordance with FOIA;



- (3) Coordinate committee meetings, agendas, schedules, and presentations;
- (4) Preside at committee meetings, ensuring that such meetings are conducted in an efficient manner and in accordance with open meeting laws, committee charter, Commission policy, and agreed upon rules of order;
- (5) Serve as the liaison among committee members, the Commission, and the CEO when appropriate;
- (6) Limit meeting discussion to those issues that are within the committee's responsibility;
- (7) Report to the Commission on the action and activities of the committee and present committee recommendations to the Commission; and
- (8) Carry out other actions as determined by the Commission.

**(L) Limitations on Authority**

- (1) No committee will have any power or authority, nor will the Commission delegate to it power or authority, as to any of the following:
  - (a) The adoption, amendment, or repeal of Commission policies;
  - (b) The amendment of a standing committee charter that has been approved by the Commission;
  - (c) The amendment or repeal of any Commission resolution.
- (2) All actions taken by committees must be approved by the Commission at a Commission meeting unless the committee's charter, as approved by the Commission, provides that the committee may take action on specified matters without Commission approval or the Commission has delegated specific authority in accordance with applicable law.

**(M) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its committees generally, or as otherwise deemed appropriate by the Commission.
- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on May 21, 2010.
- (5) This policy was amended on September 15, 2011.
- (6) This policy was amended on February 28, 2013.
- (7) This policy was amended on May 23, 2013.
- (8) This policy was amended on June 3, 2014.
- (9) This policy was amended on August 25, 2014.
- (10) This policy was amended on February 26, 2015.
- (11) This policy was amended on November 19, 2015.
- (12) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (13) This policy was updated on April 18, 2024, and made effective as of July 1, 2024.

## **Policy VII : Communications**

### **(A) Communication Among Commission Members**

- (1) The Commission will carry out its activities in the spirit of open governance and in accordance with law and its fiduciary responsibility.
- (2) The Commission may conduct certain business in executive session in accordance with state law. *See Commission Operations Policy*
- (3) Commission members will communicate in an open, straightforward, timely and constructive manner during meetings of the Commission and its committees.

### **(B) Commission Member Communication with Retirement System**

- (1) Commission members will be aware of the responsibility to communicate accurate and timely information to the Public Employee Benefit Authority (“PEBA”), and South Carolina Retirement Systems’ participants and beneficiaries.
- (2) Commission members will mitigate this risk by refraining from providing specific advice, counsel, or education with respect to the rights or benefits a participant or beneficiary may be entitled to under [Title 9 of the Code of Laws of South Carolina](#), 1976, as amended.
- (3) In the event a System participant or beneficiary requests that a Commission member provide advice with respect to System policy or benefits, the Commission member should refer the System participant or beneficiary to the Chief Executive Officer (“CEO”) or his designee or have the CEO or his designee contact the participant or beneficiary.

### **(C) Commission Member Communication with the Management**

- (1) Commission members should direct questions regarding any aspect of the South Carolina Retirement System Investment Commission (“RSIC”) operations to the CEO or the appropriate designated staff member.
- (2) Requests for information that require significant expenditure of RSIC staff time or use of external resources should be:
  - (a) Directed to the CEO;
  - (b) Consistent with the role of the Commission (*See Commission Roles and Responsibilities Policy*); and
  - (c) Formally requested and approved at a Commission or committee meeting.
- (3) Individual Commission members will share information pertinent to the RSIC with the CEO in a timely manner. The CEO will similarly share information with the Commission pertinent to the Commission in a timely manner.
- (4) The CEO will ensure that information that has been requested by the Commission or a Commission member is made available to the Commission members as appropriate, and in a timely and complete manner.

### **(D) Commission Member Communication with External Parties**

- (1) The CEO, the Chair or their designee will serve as the spokesperson for the RSIC. The Commission may designate a member of the Commission to serve as the spokesperson on a specified issue.
- (2) The following guidelines will apply with respect to the spokesperson:
  - (a) If time permits, and to the extent permitted by state law, the spokesperson will address sensitive, high-profile issues with as many members of the Commission

- as possible, prior to engaging in external communications. At a minimum, the Chairman, Vice Chair, and CEO will be contacted.
- (b) To the extent feasible, in situations where the Commission's position concerning an issue has not been established, the Commission or an appropriate committee will meet to discuss the issue prior to the spokesperson's engaging in external communications.
  - (c) The CIO must be consulted on any matter that relates to the investment function or performance of the Commission.
- (3) When asked to be interviewed or otherwise approached by the media for substantive information concerning the affairs of the RSIC, Commission members should generally refer the matter to the CEO or other Commission designated spokesperson, and will in no event make commitments on behalf of the RSIC or the Commission.
  - (4) In their external communications, Commission members will:
    - (a) Speak on behalf of the Commission only when explicitly authorized to do so by the Commission;
    - (b) Indicate if they are speaking in a capacity other than that of a member of the Commission;
    - (c) Respectfully indicate when they are representing a personal position, opinion, or analysis, whether the same or different from a Commission-approved position, and clearly indicate that their position, opinion, or analysis does not represent the position of the Commission or is in opposition to the position of the Commission, and refrain from any communication related to the Commission that could be perceived as conflicting with their fiduciary duties and responsibilities; and
    - (d) Report to the CEO and the other Commissioners the time, date, and content of the communication.
  - (5) Communications by Committee members, when acting in their capacity as Commission members, should be consistent with their delegated authority and their fiduciary duty to the System and its participants and beneficiaries.
  - (6) Written press releases concerning the business of the RSIC will be the responsibility of the CEO in consultation with the Chair, and will clearly and accurately reflect the positions or decisions of the Commission and be consistent with applicable law.
  - (7) The CEO must submit to the Chair and Vice Chair for approval all press releases. Upon approval and release, the CEO must send the press releases to the Commission members.
  - (8) To ensure the accuracy of materials prepared by Commission members for publication or general distribution, which are related to the affairs of the RSIC, Commission members agree to provide such material to the CEO, or his designee, as appropriate, for review prior to distribution or publication.

**(E) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally, or as otherwise deemed appropriate by the Commission.

- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision will apply in all respects.
- (4) The policy was adopted on May 21, 2010.
- (5) This policy was amended on February 28, 2013.
- (6) This policy was amended on June 3, 2014.
- (7) This policy was amended on August 25, 2014.
- (8) This policy was amended on November 19, 2015.
- (9) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (10) This policy was updated on April 18, 2024 and made effective as of July 1, 2024.

## **Policy VIII : Service Provider Selection Policy**

### **(A) General Guidelines**

- (1) All service providers are subject to a level of due diligence that reflects a degree of rigor that is commensurate with the importance and materiality of that particular service.
- (2) All monitoring or reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established within other policies of the RSIC, such requirements will prevail.
- (3) During the search process for a service provider, specific and detailed selection criteria will be established in investment and/or other policies of the Commission or at the time a search process is initiated.
- (4) Contracts for and payment to service providers must be processed according to state laws, including applicable provisions of the South Carolina Consolidated Procurement Code (“Procurement Code”) and any policies and procedures established by the State Comptroller General’s Office, State Treasurer’s Office, and/or the South Carolina State Fiscal Accountability Authority.
- (5) Contracts pertaining to day-to-day operations, including but not limited to personal services contracts, interagency agreements, investment analysis tools, and maintenance agreements, will be in accordance with applicable provisions of the Procurement Code, consistent with state practices, and executed by the Chief Executive Officer (“CEO”) or his or her designee.
- (6) For purposes of this policy, “service provider” does not include associate legal counsel, which may be retained in accordance with §9-16-315(I).

### **(B) Service Providers**

- (1) **Named Service Providers.** The Commission, in consultation with the CEO and/or Chief Investment Officer (“CIO”), as appropriate, will approve the appointment of Named Service Providers, which may include:
  - (a) Investment Managers/Advisers;
  - (b) Investment Consultants/Advisers, including general pension consultants, asset-specific consultants, and other consultants engaged as necessary to assist the RSIC staff in managing RSIC assets and overseeing external managers and/or advisers;
  - (c) Consultants retained for searches and recruiting efforts for the CEO position;
  - (d) Financial and/or Actuarial Auditors for services in addition to those rendered by the State Auditor’s Office and the South Carolina Retirement Systems, upon approval by the State Auditor’s Office;
  - (e) Other Service Providers, as may be deemed appropriate by the Commission.
- (2) **Other Service Providers.** Unless the Commission determines otherwise, the CEO, in consultation with the CIO as appropriate, will be responsible for appointing and terminating service providers other than Named Service Providers (“Other Service Providers”) and for informing the Commission of such appointments when they are material or significant. Other Service Providers may include, but are not limited to:
  - (a) Investment Analysis Tools;
  - (b) Operational Service Providers;
  - (c) Technical Support Assistance;
  - (d) Other service providers as appropriate.

**(3) Selecting Service Providers**

- (a) The Commission and the CEO, or his or her designee, will consider as broad a universe of qualified service providers as is practical and reasonable given the budgetary, staffing, time, and other relevant factors in accordance with applicable provisions of the Procurement Code when selecting service providers.
- (b) The Commission and the CEO will exercise discretion regarding the need for legal review in selecting, retaining, and terminating service providers; provided, however, that any resulting contract must comply with all applicable law.
- (c) The Commission and the CEO will coordinate search and due diligence activities, in conjunction with the RSIC staff, consultants, and other external experts, as appropriate.

**(C) Monitoring and Reporting**

- (1) All service providers will be subject to regular and appropriate performance monitoring and periodic reviews by RSIC staff throughout the term of their contracts. Review criteria may include, but is not limited to:
  - (a) Performance;
  - (b) RSIC staff satisfaction;
  - (c) Competitiveness of fees and/or costs;
  - (d) Quality of reporting; and
  - (e) Compliance with contract terms.
- (2) The CIO or Investment Consultant, as appropriate, will report to the Commission on monitoring efforts involving Named Service Providers relating to investments, identifying any material issues or actions taken.
- (3) The CEO will report to the Commission on monitoring efforts involving Named Service Providers relating to non-investment matters, identifying any material issues or actions taken.
- (4) The CEO or CIO as applicable will report a Named Service Provider's failure to comply with its contractual terms to the Commission in a timely manner.

**(D) Miscellaneous**

- (1) During Procurement Code regulated processes or as otherwise directed in other search processes, potential service providers should only contact the designated RFP coordinator with respect to the procurement.
- (2) Commission members will refer proposals or other communications regarding potential or existing service providers directly to the CEO or CIO, as applicable, or if appropriate, designated staff member.

**(E) Gender References, Policy Review and History**

- (1) Any gender-specific language in this policy shall include the other gender.
- (2) The Commission will review this policy at least every three years to ensure that it remains relevant and appropriate, or when there has been an amendment to applicable law, relevant to any section of this policy, or a Commission approved change in the responsibilities, duties, or operations of the Commission or its Committees generally, or as otherwise deemed appropriate by the Commission.

- (3) No provision of this policy shall apply to the extent that it is in conflict with any provision of the Code of Laws of South Carolina, 1976, as amended. In the event of such conflict, the applicable Code provision shall apply in all respects.
- (4) This policy was adopted on July 15, 2010.
- (5) This policy was amended on February 28, 2013.
- (6) This policy was amended on June 3, 2014.
- (7) This policy was amended on August 25, 2014.
- (8) This policy was amended on November 19, 2015.
- (9) This policy was amended on June 22, 2017, and made effective as of July 1, 2017.
- (10) This policy was updated on April 18, 2024, and made effective as of July 1, 2024.