

BOARD GOVERNANCE MANUAL

THE PENSION RESERVES INVESTMENT MANAGEMENT BOARD

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1. INTRODUCTION

This Board Governance Manual (“Manual”) was established to support the effective governance and management of the Massachusetts Pension Reserves Investment Management Board (the “PRIM Board” or the “Board”). It sets forth the roles and responsibilities of the Board, the Chair of the Board (“Chair”), committees of the Board, and PRIM staff (“Staff”), and describes the manner in which various Board functions will be carried out. The Manual is intended to serve as a resource for both new and experienced Board members, Staff, and other interested parties. Its ultimate purpose is to help ensure that all parties work effectively together to serve the best interests of PRIM’s beneficiaries and achieve the investment goals and objectives of PRIM.

THE PRIM BOARD

The nine members of the Board act as Trustees for each retirement system that invests in the Massachusetts Pension Reserves Investment Trust Fund (the “PRIT Fund” or the “Fund”) and is responsible for the control and management of the Fund. The Treasurer and Receiver-General of the Commonwealth is a member ex officio and serves as the Chair. The Treasurer appoints one additional member who is a private citizen with an investment/business background. The Governor, or the Governor’s designee, is also an ex officio member and appoints two additional members: one is a non-state official or employee and one is a representative of a public safety union. The State Teachers’ Retirement System has two representatives on the Board: the members of that Retirement System elect one, and one is an Elected Member of the Massachusetts Teachers’ Retirement Board. The State Employees’ Retirement System also has two representatives on the Board: the members of that Retirement System elect one, and one is an Elected Member of the State Employees’ Retirement Board.

GOVERNANCE FRAMEWORK

PRIM operates in accordance with the various requirements and guidelines described below:

Governing Statute

Massachusetts General Laws (“MGL”), Chapter 32, Section 23 provides that the Board shall be responsible for general supervision of the investment and reinvestment of the PRIT Fund, created by Chapter 32, Section 22(8) of such Laws, which Fund is responsible for receiving, investing, and disbursing amounts set aside to meet future liabilities of various public retirement systems of Massachusetts. Chapter 32 is generally referred to herein as the “Statute.”

Operating Trust

The Board is authorized and required by MGL Chapter 32, Section 23 (2A)(e)(i) to act as Trustee for each retirement system that participates in the Fund and to adopt a declaration of trust setting forth the duties and obligations of PRIM. Accordingly, the Board adopted an Operating Trust Agreement in September 1998, and is required to act in accordance with said Agreement. The Board may, however, amend the Operating Trust Agreement, subject to the approval of the joint committee on public service.

By-Laws, Governance Charters, Board Policies, and Code of Conduct

The Board has established by-laws and governance policies. Charters for the Board, the Chair, the Executive Director and Board committees are set forth below in items 2-9. Board policies are set forth below in items 10-14. Finally, a Code of Conduct for Board members and committee members, whether or not they are also members of the Board (collectively “Board and Committee Members”) is set forth below in item 15. Together, the by-laws, charters, policies and Code of Conduct establish how the Board and Committee members, and the Executive Director shall operate with respect to meetings and the transaction of business and other related matters.

Periodically, the Board shall review the by-laws, governance charters, board policies, and Code of Conduct and may amend any such documents by a majority vote of the Board at any regular or special meeting of the Board, provided that the notice of such meeting shall specify the subject matter of the proposed amendments.

Other Law

PRIM is subject to a myriad of other state and federal laws dealing with such issues as taxation, open meetings, and ethics. Board and Committee Members shall familiarize themselves with these laws with the assistance of Staff and external legal counsel and shall conduct themselves in accordance with such laws.

2. BOARD CHARTER

BACKGROUND

- 1) In accordance with the Statute, the Board is responsible for the general supervision of the investment and reinvestment of the Fund.
- 2) The Board consists of nine members and is required to discharge its duties for the exclusive purpose of providing benefits to members and their beneficiaries with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the system so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.
- 3) The general roles and responsibilities of the Board are set out in MGL Chapter 32, section 23, the Operating Trust Agreement adopted by the Board, the by-laws and the Code of Conduct. In order to provide further guidance concerning Board and Committee Members' duties, the Board also has established this charter.

DUTIES AND RESPONSIBILITIES

Governance

- 4) The Board shall adopt and amend as necessary the Operating Trust Agreement.
- 5) The Board shall adopt, amend, or repeal by-laws governing the conduct and management of PRIM's business and affairs.
- 6) The Board shall establish charters describing, at a minimum, the roles of:
 - a) The Board;
 - b) The Chair;
 - c) Each committee of the Board; and
 - d) The Executive Director.
- 7) The Board shall establish any other policies necessary to ensure appropriate and effective governance practices on the part of the Board.
- 8) The Board shall establish and amend as necessary a Code of Conduct to govern the conduct of Board and Committee Members.
- 9) Committees of the Board:
 - a) The by-laws establish the following standing committees of the Board: Administration and Audit, Investment and Real Estate and Timber (the Real Estate and Timber Committee is also known as the "Real Estate and Timberland Committee"). The Board has established two additional committees: Compensation and Stewardship and Sustainability and the Board may establish any additional committees or sub-committees that it considers necessary for the conduct of its business.
 - b) The chairpersons and other members of standing and other committees of the Board shall be appointed by the Chair after consultation with other members of the Board and shall be ratified by a vote of the Board. Such committees may include members who are not members of the Board.

- 10) The Board may remove any member of a committee of the Board who is not also a member of the Board by a majority vote.
- 11) The Board shall maintain a record of its proceedings.

Investments

- 12) The Board shall approve the Investment Policy Statement and all other investment policies that may be necessary to provide Staff and investment managers sufficient guidance to effectively invest the assets of the Fund.
- 13) The Board shall approve the major strategies for implementing the asset allocation policy of the Board, including broad portfolio structures, active/passive management strategies, and internal/external investment management strategies.
- 14) The Board shall ensure that an investment risk management process is in place for the Fund.
- 15) The Board has delegated to the Investment Committee and the Real Estate and Timber Committee the responsibility for approving the engagement of investment managers and investment partners; subject to the requirement that the Investment Committee or the Real Estate and Timber Committee, as the case may be, shall act at all times in a manner that is consistent with the Investment Policy or other policies of the Board, and provided, further, that any investment decision that is outside of the Investment Policy or other Board policies shall be reserved for the Board.

Finance, Accounting, and Audit

- 16) The Board shall keep full records and books of account and shall require that appropriate accounting policies and internal controls are in place to account for and safeguard the assets of PRIM, including but not limited to:
 - a) A formula to measure the value of the shares in the Fund purchased by or held by participating retirement systems and other purchasing retirement systems; (MGL Chapter 32, Section 22) and
 - b) Policies to determine and allocate annually to participating and other purchasing retirement systems earnings on shares owned by said systems. (MGL Chapter 32, Section 22)
- 17) The Board shall require that an effective system of enterprise risk management is in place to protect the operations of PRIM. Such system shall include internal or external audits designed to help ensure that:
 - a) The Fund's assets are safeguarded;
 - b) PRIM operates in accordance with applicable laws and policies; and
 - c) PRIM's financial, human, and physical resources are managed economically and efficiently, and that PRIM operates effectively.
- 18) The Board shall, at least once each year, cause an independent certified public accountant ("Financial Auditor") to audit the Fund, and shall ensure that a copy of the report of such audit is furnished to each participating or purchasing system.
- 19) The Board shall:
 - a) Cause statements of assets and transactions to be prepared and distributed to each participating and purchasing system; and
 - b) Annually furnish a written account of the operations of the Fund for the preceding year to the board of each participating or purchasing system.

- 20) In addition to the filing required in Section 19 above, the Board shall annually file with the Clerks of the House of Representatives and the Senate and with the secretary of the board of each participating system, a sworn statement of the financial condition of the Fund as of December 31 of the previous year.

Operations and Planning

- 21) The Board shall approve the organizational structure of PRIM.
- 22) The Board shall establish an annual plan to guide the strategic or business planning process of PRIM.
- 23) The Board shall approve the annual operating budget.

Human Resources

- 24) The Board shall appoint, direct, and terminate the Executive Director.
- 25) The Board shall establish a process for evaluating the performance of the Executive Director relative to pre-established goals or criteria and shall annually carry out such evaluation.
- 26) The Board shall approve human resource and compensation policies designed to provide guidance in managing the organization's human resources. Examples of issues that may be addressed by such policies include:
- a) Compensation philosophy and guidelines;
 - b) Goals and objectives concerning the attraction and retention of Staff;
 - c) Commitment to Staff training and development; and
 - d) Discrimination and harassment.
- 27) In developing the above human resources policies, the Board shall focus on establishing broad objectives, principles, and parameters; and shall delegate to the Administration and Audit Committee, the Compensation Committee or the Staff the responsibility to establish appropriate procedures to support and fulfill the Board's policies and comply with applicable legislation.
- 28) The Board shall ensure that succession provisions exist to facilitate continuity in key Staff positions.

Legal Affairs

- 29) As appropriate, the Board may establish positions regarding proposed state and federal legislation and shall initiate, support, or oppose legislative proposals affecting PRIM or the Fund.
- a) The Board shall approve actions concerning settlements or other legal actions affecting the investments or operations of PRIM or the Fund.

Service Providers

- 30) Board shall appoint and may terminate the following key service providers in accordance with any applicable Board policy; provided that the Board also may from time-to-time delegate the responsibility for the appointment or termination of any such service providers to the Investment Committee, to the Real Estate and Timber Committee or to another Standing Committee of the Board:
- a) Custodians;
 - b) Legal counsel;
 - c) Investment consultants;
 - d) Securities lending managers;

- e) Proxy voting service providers; and
- f) Other advisors who serve the Board directly.

31) The Board shall establish a process for setting out minimum general standards and criteria for the selection of key service providers.

Stakeholder Communications

32) The Board has established a Communications Policy, set forth below, designed to help ensure effective communications with all constituents of PRIM.

33) In accordance with the Communications Policy, the Chair has been designated as the primary spokesperson for the Board.

Reporting and Monitoring

34) The Board shall ensure that necessary reporting and monitoring practices are established to provide the Board with the information it requires to effectively oversee the operations of PRIM and meet all requirements set out in law.

35) The Board shall, among other things:

- a) Regularly review all policies of the Board, and amend said policies as appropriate;
- b) Monitor compliance with all Board policies;
- c) Regularly review the investment performance of the Fund and each asset class within the Fund;
- d) Monitor the cost-effectiveness of the investment program, including trading and execution costs, and the cost-effectiveness of the organization as a whole;
- e) Regularly review the performance of the Board; and
- f) Monitor the compliance of members of the Board and members of committees of the Board with the Code of Conduct.

CHARTER HISTORY

36) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

3. CHARTER OF THE CHAIR OF THE BOARD

BACKGROUND

- 1) The Chair of the Board shall be the Treasurer and Receiver-General of the Commonwealth or his or her designee.

DUTIES AND RESPONSIBILITIES

- 2) The Chair shall exercise the powers and shall perform the duties and functions specified below:
 - a) Recommend to the Board the Board members and chairs to serve on each Board committee;
 - b) Recommend to the Board the Outside Committee Members to serve on each Board committee;
 - c) Serve as ex-officio member of each Board committee;
 - d) Preside at meetings of the Board, ensuring that such meetings are conducted in an efficient manner and in accordance with state open meeting laws, agreed-upon rules of order and the Code of Conduct;
 - e) Ensure coordination of Board meetings, agendas, schedules, and presentations, in consultation with the Executive Director;
 - f) Serve as spokesperson for the Board;
 - g) Serve as spokesperson for PRIM in situations where the Board deems it would be inappropriate for the Executive Director to serve in such capacity;
 - h) Enforce the Code of Conduct; and
 - i) Carry out other functions and duties as prescribed by the Board.

CHARTER HISTORY

- 3) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

4. ADMINISTRATION AND AUDIT COMMITTEE CHARTER

BACKGROUND

- 1) The Board has established an Administration and Audit Committee to assist the Board in overseeing all issues related to the governance, administration, and audit functions of PRIM, and to provide recommendations for the Board's consideration.
- 2) The Administration and Audit Committee shall meet independently of Staff at least once per calendar year, as per Section 41 of Chapter 68 of the Acts of 2011.¹

DUTIES AND RESPONSIBILITIES

Governance

- 3) The Administration and Audit Committee shall review from time to time the following and, as necessary, recommend changes to the Board with respect to:
 - a) The Operating Trust Agreement;
 - b) The by-laws;
 - c) Charters for the Chair, Executive Director, each standing committee of the Board, and the Board itself;
 - d) Other governance policies of the Board;
 - e) The Code of Conduct; and
 - f) The Board committee structure;
- 4) The Administration and Audit Committee shall:
 - a) Coordinate the Board self-evaluation process in accordance with the Board Self-Evaluation Policy, and report to the Board on the results.
 - b) Retain any advisors necessary to assist in the administration of the Board self-evaluation process.
- 5) The Administration and Audit Committee shall develop a Board education plan.

Operations, Finance and Legal

- 6) The Administration and Audit Committee shall provide the Board with recommendations on the following matters:
 - a) Organizational structure;
 - b) Operating budget;
 - c) Positions on proposed state and federal legislation;
 - d) Settlements and other legal actions involving PRIM; and
 - e) Suitability of office location and premises.

Human Resources

- 7) The Administration and Audit Committee shall:
 - a) Coordinate the annual review of the Executive Director's performance.
 - b) Recommend to the Board any necessary human resource policies requiring Board approval, excluding policies pertaining to compensation and benefits.
 - c) Meet with the Executive Director to discuss succession planning for key Staff positions within PRIM.

¹ This requirement of Law pertains specifically to the Committee's audit-related mandate.

The Audit Function

General Investigatory Powers

- 8) The Administration and Audit Committee may:
- a) Recommend to the Board that the Committee investigate any matter relating to the integrity of PRIM's financial statements, internal financial and operational controls, and system of operational risk management.
 - b) Seek any relevant information it requires from PRIM employees, all of whom shall be required to cooperate with the Administration and Audit Committee and any external parties working on its behalf.

Financial and Operational Risk Management

- 9) The Administration and Audit Committee shall:
- a) Review the scope of Staff's review of operational risk management and obtain risk assessment reports.
 - b) Review the scope of any consultant's review of operational risk management.

Internal Controls

- 10) The Administration and Audit Committee shall:
- a) Require that the organization have an effective system of internal controls, and mechanisms for periodically assessing them.
 - b) Review the effectiveness of the organization's internal control system, including information technology security and control.
 - c) Review the scope of the Financial Auditor's review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with Staff's responses.
 - d) Approve internal audit plans.

External Audits

- 11) The Administration and Audit Committee shall:
- a) Review the Financial Auditor's proposed audit procedures, scope, and approach; as well as the scope of services to be provided by other external auditors.
 - b) Review and meet at least annually with the Financial Auditor regarding the financial audit.
 - c) Oversee the work of other external auditors retained by PRIM.
 - d) Review the independence of the external auditors by obtaining statements from the auditors on relationships between these auditors and PRIM, including any non-audit or non-attest services, and by discussing the relationships with the auditors. Obtain from Staff a listing of all services provided by these external audit firms. Obtain information from other sources as necessary.
 - e) Review and approve the reports of external auditors.
 - f) Provide a forum for follow-up of findings from the audit reports.
 - g) Provide an open avenue of communication between the external auditors, Staff, and the Board.

Compliance

- 12) The Administration and Audit Committee shall:
- a) Ensure that the organization has a policy and framework for compliance with laws and regulations, and mechanisms for periodic assessment of compliance.

- b) Review the effectiveness of the system for monitoring compliance with laws and regulations, and the results of Staff's investigation and follow-up of any instances of non-compliance.
- c) Obtain updates from Staff and legal counsel regarding compliance matters, as they arise.
- d) Monitor changes and proposed changes in laws, regulations, and rules affecting the audit function.

Appointment of Service Providers

- 13) The Administration and Audit Committee shall provide recommendations to the Board in connection with the appointment of the following key service providers:
 - a) Custodians;
 - b) Legal counsel; and
 - c) Other service providers relevant to the Committee's charter, as may be directed by the Board.
- 14) The Administration and Audit Committee shall retain an independent Financial Auditor to conduct an annual financial audit of PRIM.
- 15) The Administration and Audit Committee may retain other accountants or specialists to advise or assist it in the conduct of an investigation, consistent with the Committee's general investigatory powers.
 - a) The Administration and Audit Committee may retain advisors to assist it with the performance evaluation of the Executive Director and with other human resource or board governance matters.

Monitoring and Reporting

- 16) The Administration and Audit Committee shall assist the Board with its oversight responsibilities by:
 - a) Monitoring compliance with the operating budget;
 - b) Monitoring compliance with, and the continued appropriateness of, the Board's governance and human resource policies (excluding compensation and benefit policies);
 - c) Monitoring litigation involving PRIM;
 - d) Monitoring Staff and Board member travel expenditures;
 - e) Reviewing any reports PRIM may issue relating to the responsibilities of the Administration and Audit Committee; and
 - f) Reviewing the performance of the Financial Auditor.

Other Duties

- 17) The Administration and Audit Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Report regularly to the Board on its activities; and
 - c) Perform any other duties assigned to it by the Board.

CHARTER HISTORY

- 18) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended August 17, 2022; Amended May 21, 2026.

5. INVESTMENT COMMITTEE CHARTER

BACKGROUND

- 1) The Board has established an Investment Committee to advise the Board with respect to the asset allocation policy of PRIM and related investment policies, and to assist the Board in overseeing the investment program. The mandate of the Investment Committee does not include real estate and timber, apart from advising the Board on the investment allocations to be made to these asset classes. The Real Estate and Timber Committee of the Board shall advise the Board on policy and strategy within the real estate and timber asset classes.

DUTIES AND RESPONSIBILITIES

- 2) The Investment Committee shall advise the Board regarding the policies, structures, and strategies of the overall Fund – including the allocations to the real estate and timber asset classes. As noted above, the Real Estate and Timber Committee shall advise the Board regarding policies, structures, and strategies that are specific to the real estate and timber asset classes.
- 3) The Investment Committee shall require Staff to develop a system of investment risk management and shall recommend investment risk management policies to the Board for approval.
 - a) The Investment Committee shall: Recommend amendments to the Board’s investment due diligence and selection policies pertaining to:
 - i) Investment managers, investment partners, transition managers, and securities lending managers in connection with all portfolios except real estate and timber; and
 - ii) Investment consultants retained in connection with investment portfolios, except the real estate and timber portfolios.
 - b) Provide recommendations to the Board concerning the appointment of investment consultants other than those retained in connection with the real estate and timber portfolios.
- 4) The Investment Committee may appoint and may terminate investment managers and investment partners other than those retained in connection with the real estate and timber portfolios in accordance with any applicable Board policy.
- 5) The Investment Committee shall review periodically the investment performance and risk characteristics of the Fund and report its findings to the Board.
- 6) The Investment Committee shall periodically review the performance of investment consultants retained by the Board, except for those pertaining to the real estate and timber portfolios.
- 7) The Investment Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Regularly report to the Board on its activities; and
 - c) Perform any other duties that may be assigned to it by the Board.

CHARTER HISTORY

- 8) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

6. REAL ESTATE AND TIMBER COMMITTEE CHARTER

BACKGROUND

- 1) The Board has established a Real Estate and Timber Committee to advise the Board in setting investment policy within the real estate and timber portfolios and to assist the Board in overseeing these portfolios.

DUTIES AND RESPONSIBILITIES

- 2) The Real Estate and Timber Committee shall:
 - a) Review the policies, structure, and strategies of the real estate and timber portfolios and provide recommendations to the Board.
 - b) Recommend amendments to the Board's investment due diligence and selection policies pertaining to:
 - i) Real estate and timber investment managers and partners;
 - ii) Real estate and timber investment consultants; and
 - iii) Other consultants or advisors retained exclusively in connection with the real estate and timber portfolios.
 - c) Provide recommendations to the Board concerning the appointment of real estate and timber investment consultants.
- 3) The Real Estate and Timber Committee may appoint and may terminate investment managers and investment partners other than those retained in connection with the Investment Committee in accordance with any applicable Board policy.
- 4) The Real Estate and Timber Committee shall regularly review the investment performance and risk characteristics of the real estate and timber portfolios of the Fund, and report its findings to the Board.
- 5) The Real Estate and Timber Committee shall periodically review the performance of the real estate and timber investment consultants retained by the Board.
- 6) The Real Estate and Timber Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Regularly report to the Board on its activities; and
 - c) Perform any other duties that may be assigned to it by the Board.

CHARTER HISTORY

- 7) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

7. COMPENSATION COMMITTEE CHARTER

BACKGROUND

- 1) Consistent with state law, the Board has established a Compensation Committee to assist the Board in overseeing Staff compensation and benefit policies.
- 2) The role of the Compensation Committee is focused on matters directly relating to Staff compensation and benefits. The Administration and Audit Committee is responsible for assisting the Board with other human resource matters such as Executive Director performance evaluation.
- 3) To ensure effective and efficient oversight of the human resources function, the Chair of the Compensation Committee shall coordinate, as appropriate, with the Chair of the Administration and Audit Committee.

DUTIES AND RESPONSIBILITIES

- 4) In accordance with Section 41 of Chapter 68 of the Acts of 2011, the Compensation Committee shall be responsible for:
 - a) Meeting independently of management at least once per calendar year.
 - b) Evaluating and recommending to the Board total compensation for all Staff including but not limited to:
 - i) Base salaries;
 - ii) Bonuses;
 - iii) Severance;
 - iv) Retirement or deferred compensation benefit packages; and
 - v) Other benefits including but not limited to tuition re-imbursement, and accrual and payment of sick and vacation time.
 - c) Analyzing and assessing compensation and benefit levels for similar positions in public and private sector entities both within and outside the Commonwealth of Massachusetts.
- 5) The Compensation Committee shall select and appoint compensation consultants or other compensation experts required to advise or support the Compensation Committee.
- 6) The Compensation Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Regularly report to the Board on its activities; and
 - c) Perform any other duties that may be assigned to it by the Board.

CHARTER HISTORY

- 7) Adopted by the Board on December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

8. STEWARDSHIP AND SUSTAINABILITY COMMITTEE CHARTER

INTRODUCTION

- 1) The Board has established a Stewardship and Sustainability Committee to assist the Board in overseeing all issues related to the development and ongoing implementation of a stewardship, sustainability and engagement framework and related engagement activities, and to provide recommendations for the Board's approval. The Stewardship and Sustainability Committee charter should be a model of good governance.
- 2) The Stewardship and Sustainability Committee will not make specific investment recommendations but will work collaboratively with the Investment and Real Estate and Timber Committees on suggesting stewardship, sustainability and engagement-investment strategies, concepts, and themes. The Investment and Real Estate and Timber Committees remain responsible for making all investment recommendations to the Board. The Stewardship and Sustainability Committee will be responsible for proxy voting recommendations to the Board.
- 3) The Executive Director and Chief Investment Officer will identify appropriate staff to support the Stewardship and Sustainability committee. Staff will conduct and provide research, participate with external organizations and partners in stewardship, sustainability and engagement initiatives, source and provide stewardship, sustainability and engagement education for the Stewardship and Sustainability Committee and the Board, assist in selecting external stewardship, sustainability and engagement advisors, and work with PRIM Staff to help ensure approved stewardship, sustainability and engagement initiatives are integrated into overall investment strategies.

DUTIES AND RESPONSIBILITIES

- 4) The Stewardship and Sustainability Committee shall:
 - a) Recommend to the Board a statement of investment beliefs relating to stewardship, sustainability and engagement, and a related stewardship, sustainability and engagement policy statement.
 - b) Plan regular Board education on general and emerging stewardship, sustainability and engagement topics, as well as periodically consult with outside experts, including the Board's investment consultant(s), regarding relevant research and diligence, legal and regulatory issues, and peer stewardship, sustainability and engagement practices.
 - c) Recommend to the Board a system or process for prioritizing stewardship, sustainability and engagement initiatives and issues.
 - d) Recommend to the Board the objectives, policies, structure, and strategies governing shareholder engagement related to stewardship, sustainability and engagement.
 - e) Seek to collaborate with other like-minded investors, advocacy groups, and other capital market participants to maximize the impact of the Board's stewardship, sustainability and engagement initiatives.
 - f) Receive briefings on stewardship, sustainability and engagement initiatives from staff and external partners annually and review the impact of stewardship, sustainability and engagement related policies on business operations and provide recommendations to the Board.
 - g) Recommend and review any annual performance goals related to stewardship, sustainability and engagement.
 - h) Review and recommend proxy voting policies and engagement or stewardship practices to the Board.
 - i) Collaborate with other standing committees that advise the Board.

APPOINTMENT OF SERVICE PROVIDERS

- 5) The Stewardship and Sustainability Committee shall provide recommendations to the Board in connection with the appointment of the following key service providers:
 - a) Proxy voting providers;
 - b) Stewardship, sustainability and engagement consultants; and
 - c) Other service providers relevant to the Committee's charter, as may be approved by the Board.

COMMITTEE COMPOSITION

- 6) The Stewardship and Sustainability Committee members shall include:
 - a) Four Board members including at least one from each of the following committees: Administration and Audit, Investment, and Real Estate and Timber, each appointed by the Board Chair in consultation with the members of the Board and ratified by the Board.
 - b) Additional Committee members who are not members of the Board and independent advisors in either case as recommended by the Chair in consultation with members of the Board, and ratified by the Board having qualifications and experience relevant to stewardship, sustainability and engagement policy making, engagement, and/or education, including advocacy, finance, investment management, corporate governance, and business management.

MEETING FREQUENCY

- 7) The Stewardship and Sustainability Committee will generally meet quarterly, or at the call of the Committee Chair.

OTHER DUTIES

- 8) The Stewardship and Sustainability Committee shall:
 - a) Maintain minutes of its meetings;
 - b) Report regularly to the Board on its activities; and
 - c) Perform any other duties assigned to it by the Board.

CHARTER HISTORY

- 9) Adopted by the Board on August 17, 2022; Amended on November 30, 2023; Amended May 21, 2026.

9. EXECUTIVE DIRECTOR CHARTER

BACKGROUND

- 1) The Executive Director is appointed by the Board and serves at the pleasure of the Board.
- 2) The Executive Director is the senior executive in charge of the Staff and is responsible for planning, directing, coordinating, and executing the administrative and investment functions of the Staff in accordance with the policies and directives of the Board.

DUTIES AND RESPONSIBILITIES

Leadership

- 3) The Executive Director shall provide executive leadership to PRIM in setting and achieving its mission, goals, and objectives. In doing so, the Executive Director shall delegate responsibilities to other Staff in such manner as to maximize the efficiency and effectiveness of the operations of PRIM.

Policy and Procedures

- 4) The Executive Director shall provide support to the Board in establishing all Board policies. This shall involve working with the Board to continually identify issues requiring Board policy, ensuring the necessary analysis is performed, and providing clear and well-supported recommendations for Board consideration.
- 5) The Executive Director shall develop and implement operating procedures necessary to ensure effective operations and guidance for Staff, provided the issues addressed by such procedures would not reasonably be considered matters of Board policy, and thus would require Board approval.

Investments

- 6) The Executive Director shall develop and recommend to the Board or its committees the investment philosophy and policies that will guide the management of the Fund; as well as the major strategies and structures for achieving the investment goals and objectives of the Fund. These may include, but are not limited to:
 - a) Portfolio structures and asset allocation plans;
 - b) Active/passive strategies;
 - c) Internal/external management strategies; and
 - d) Hedging strategies.
- 7) The Executive Director shall execute all investment policies and strategies, including but not limited to, asset allocation plans, portfolio rebalancing, and transitions.
- 8) The Executive Director shall be responsible for performing, or causing to be performed, all necessary investment due diligence and manager search-related activities.

Operations

- 9) The Executive Director shall:
 - a) Be responsible for managing the day-to-day operations of PRIM, delegating to Staff as the Executive Director deems appropriate, provided such delegation is consistent with the organizational structure and policies approved by the Board.
 - b) Develop and recommend for Board approval the organizational structure of PRIM.

- c) Have the authority to make all necessary operational expenditures, subject to operating budgets, policies, and internal controls.
- d) Have the authority to execute and deliver contracts and formal documents on behalf of the Board, subject to applicable internal controls and procedures.
- e) Develop and recommend to the Board an annual operating budget.
- f) Approve divisional business plans, as appropriate.

Finance and Accounting

10) The Executive Director shall:

- a) Establish appropriate financial and internal controls to protect the assets of the Fund;
- b) Maintain books of account for the Fund;
- c) Maintain records of the investments held by the Fund; and
- d) Ensure that external audits of PRIM are performed.

Human Resources

11) The Executive Director shall:

- a) Recommend to the Administration and Audit Committee any necessary human resource policies, excluding those concerning compensation.
- b) Approve all human resource procedures necessary to implement the human resource policies of the Board.
- c) Ensure all Staff are provided, or have access to, the human resource policies and procedures of PRIM.
- d) Recruit, hire, direct, and supervise all Staff and develop any necessary training programs to support them.
- e) Determine appropriate levels of compensation for Staff, subject to the compensation and benefit policies of the Board.
- f) When recruiting the General Counsel, Chief Financial Officer, and Chief Investment Officer, the Executive Director will generally consult with the Chair and the chair of the appropriate Board committee, and invite them to meet the final candidate and offer any comments to the Executive Director, provided such meetings can be held expeditiously and without impacting the time-sensitive and confidential nature of the recruitment process. The authority and responsibility for selecting and hiring senior executives and staff, however, shall continue to rest exclusively with the Executive Director.

Appointment of Key Service Providers

12) The Executive Director shall:

- a) Establish search committees, where appropriate, to coordinate searches, perform due diligence, and develop recommendations.
- b) Recommend key service providers for Board or Board committee approval (see Board, Investment Committee, and Real Estate and Timber Committee Charters), and negotiate and execute their contracts, in accordance with Board policies.

- c) Select, hire and terminate those service providers for which the Board has not specifically retained hiring authority, subject to the operating budget, applicable Board policies, and internal controls and procedures.

Stakeholder Communications

- 13) The Executive Director shall serve as the spokesperson for PRIM, unless the Board determines that, in certain situations, it would be inappropriate for the Executive Director to do so; in which case, the Chair shall serve as spokesperson for PRIM.²

Monitoring and Reporting

- 14) The Executive Director shall ensure that the Board is provided relevant, appropriate, and timely information to enable it to carry out its monitoring and oversight responsibilities.
- 15) The Executive Director shall, on a regular and periodic basis:
 - a) Review the investment performance of the Fund, each asset class within the Fund, and each investment manager;
 - b) Monitor and evaluate the activities and performance of Staff and service providers;
 - c) Monitor the cost-effectiveness of the investment program and the organization as a whole;
 - d) Review the investment policies and all other policies of PRIM; and
 - e) Monitor that PRIM operates within applicable laws, policies, and procedures;
- 16) The Executive Director shall prepare and recommend for Board approval an annual report on the operations of PRIM.

CHARTER HISTORY

- 17) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

² The Chair shall serve as spokesperson for the Board.

10. BOARD EDUCATION POLICY

INTRODUCTION

- 1) The Board believes that each Board member has an obligation to be well informed on matters pertaining to pension and trust fund management. To assist Board members in fulfilling this obligation, the Board has established this Board Education Policy.

GUIDELINES

Standards and Expectations

- 2) Board members are encouraged to participate in at least one PRIM-paid education event per year. This expectation may be satisfied by similar training events required by other entities to which one may belong (e.g., college- and alumni-sponsored events, union-sponsored events; etc.). PRIM however shall not reimburse for such training events if they are not generally available to all Board members.
- 3) Board members are also expected to attend and participate in any in-house Board education events that may be organized.

Orientation Program

- 4) The Executive Director shall design and administer a formal orientation program for the benefit of new Board members. The aim of the orientation program shall be to ensure that new Board members are in a position to contribute fully to Board and committee deliberations, and to effectively carry out their fiduciary duties as soon as possible after joining the Board. The orientation program shall provide new Board members with a broad introduction to PRIM and their responsibilities as Board members including but not limited to:
 - a) Fiduciary duties;
 - b) PRIM mandate and history;
 - c) Organizational and Board structure;
 - d) Board governance policies and charters;
 - e) Code of Conduct;
 - f) Investment fundamentals;
 - g) Key PRIM service providers;
 - h) Confidentiality obligations and the handling of confidential materials;
 - i) Open meeting laws and other relevant legislation.

Continuing Education: In-house

- 5) Periodically, the Executive Director shall organize an educational session for the benefit of all Board members at a special meeting of the Board. The Executive Director shall consult the Board annually to identify topics of interest. Efforts shall be made to ensure the session is held at a time and location that will maximize the likelihood of strong attendance by Board members. Such sessions may provide an opportunity to:
 - a) Meet and be informed by PRIM's advisors or other external experts;
 - b) Gain education on investment topics and other topics relevant to the Board;
 - c) Facilitate interaction and discussion among Board members, Staff, and advisors; and
 - d) Engage in long-term planning.

- 6) In addition to the special meeting noted above, Staff shall incorporate shorter education sessions into regularly scheduled Board or committee meetings. If incorporated into a committee meeting, all Board members shall be invited to attend.
- 7) The continuing education program shall include a refresher on fiduciary duties and related legal requirements (e.g. open meeting laws and confidentiality obligations) at least every 18 months.

Continuing Education: Conferences

- 8) All Board members are encouraged to attend appropriate conferences subject to the Board Travel Policy.
- 9) The Executive Director shall regularly provide the Board with information on any conferences the Executive Director believes may benefit Board members.
- 10) Attendance by Board members at any conference shall require prior approval by the Chief Operating Officer or the Chief Financial Officer.

Outside Committee Members

- 11) Outside Committee Members are typically invited to serve on a committee of the Board because they have specialized expertise and experience. Notwithstanding such expertise and experience, Outside Committee Members are fiduciaries and may benefit from additional education that will allow them to better serve the Board and carry out their fiduciary duties. Accordingly, the Board supports the education of its Outside Committee Members, if such education will benefit PRIM. In particular:
 - a) Outside Committee Members shall be provided an orientation session with Staff and consultants, and possibly Board members, to introduce them to PRIM, the investment program, and the expectations and requirements of Outside Committee Members.
 - b) Outside Committee Members shall be invited to attend all in-house education sessions. The Board recognizes that Outside Committee Members may face significant time constraints; therefore, Outside Committee Members may attend such sessions at their discretion. Outside Committee Members are however strongly encouraged to attend all education sessions specifically organized for any committee on which they serve.
 - c) Outside Committee Members may request to attend a conference or seminar at PRIM's expense, and the Chief Operating Officer or the Chief Financial Officer may approve such attendance if the associated expenses will provide sufficient benefit to PRIM.

Reporting

- 12) On an annual basis, the Executive Director shall submit a report to the Board on the educational activities of the Board. The report may summarize:
 - a) Attendance by Board members at conferences during the year;
 - b) Attendance at in-house educational sessions held during the year; and
 - c) Other Board education activities that took place during the year.

POLICY HISTORY

- 13) The Board adopted this policy on October 5, 2004, Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

11. BOARD COMMUNICATIONS POLICY

POLICY GUIDELINES

Communication among Board and Committee Members

- 1) The Board and committees shall carry out their communications in the spirit of open governance and in accordance with open meeting laws and other applicable law. The Board and committees may conduct certain business in executive (closed) session as provided for in MGL Chapter 30A, Section 11A 1/2.
- 2) Board and Committee Members shall communicate in an open and constructive manner during meetings of the Board and committees and robust debate of issues is encouraged
- 3) To help ensure Board and Committee Members have a broad awareness of the entire workings of the Board and its committees, minutes of all committee meetings shall be made available to all Board and Committee members.

Communication with PRIM Staff

- 4) Any Board or Committee Member information requests that may require significant expenditure of Staff time or any use of external resources shall:
 - a) Be directed initially to the Executive Director, Chief Investment Officer, Chief Operating Officer, or General Counsel;
 - b) Be consistent with the role of the Board or a committee of the Board; and
 - c) Be formally requested at a Board or committee meeting. If the information request is not tied to an agenda item before the Board or a committee of the Board, it may only be approved if it can be addressed without material disruption to PRIM's operations and resources.
- 5) In the spirit of open communication, individual Board or Committee Members shall share any information they may obtain that is material to PRIM with the Executive Director in a timely manner.
- 6) The Executive Director shall ensure that information that has been requested by the Board or by individual Board or committee members is made available to all Board and Committee Members, as appropriate.

Spokesperson

- 7) The Chair shall serve as spokesperson for the Board. The Executive Director shall serve as spokesperson for PRIM, unless the Board determines that, in certain situations, it would be inappropriate for the Executive Director to do so, in which case the Chair shall serve as spokesperson for PRIM.
- 8) The Executive Director and the Chair shall confer as necessary to determine or confirm the appropriate spokesperson in specific situations.
- 9) The following guidelines shall apply with respect to spokespersons:
 - a) If time permits, the spokesperson shall address sensitive, high-profile issues with the Board or committee prior to engaging in external communications.
 - b) In situations where Board policy concerning an issue has not been established, the Board or an appropriate committee shall, if possible, meet to discuss the issue prior to the spokesperson engaging in external communications.

- c) The spokesperson shall limit statements to official Board policy and directives.
- 10) When communicating with external parties on matters pertaining to PRIM:
- a) Unless authorized by the Board to do so, Board and Committee Members shall not communicate on behalf of the Board, a committee of the Board or Staff, nor shall they make any remarks that a person might reasonably assume or infer represent the official position of the Board, any Committee of the Board or Staff.
 - b) Board and Committee Members shall at all times be mindful of the confidential nature of certain information including information provided in executive sessions of the Board or a committee, information that PRIM receives which consists of trade secrets or commercial or financial information that relates to the investment of public trust or retirement funds and shall refrain from disclosing any such information.
 - c) Board and Committee Members shall not make any unilateral commitments on behalf of the Board or committee or PRIM, nor give the impression of making any commitment on behalf of the Board or committee or PRIM.
- 11) When Board and Committee Members find themselves in situations where they are communicating in their own personal capacity or in a capacity other than as a member of the Board or committee, and there is a reasonable likelihood that their audience may assume or perceive that they are speaking on behalf of the Board or committee, Board and Committee Members shall preface their written or verbal communications with the following disclaimer (modified as appropriate under the circumstances and to reflect verbal versus written communications).
- I am speaking today [or writing] in my personal capacity [or in my capacity as X] and not on behalf of the PRIM Board [or committee of the PRIM Board]. All opinions expressed [herein or in my presentation] are strictly my own and do not necessarily reflect the official positions or views of PRIM or the PRIM Board.*
- 12) Board and Committee members may disagree publicly with a policy or decision of the Board or committee, but shall do so respectfully and shall nevertheless abide by the policy or decision.
- 13) Communications by Board and Committee Members, when acting in their capacity as Board or Committee Members, shall be limited to communicating official Board policy, positions, actions, or directives and shall be consistent with their fiduciary duty to represent the interests of all PRIM member retirement boards and beneficiaries of the Fund
- 14) Press releases concerning PRIM shall be the responsibility of the Executive Director and shall be limited to communicating official Board policy, positions, actions, or directives.
- 15) To ensure the accuracy of materials prepared by Board or Committee Members for publication or general distribution that are related to PRIM, Board and Committee Members shall provide such material to the Executive Director or General Counsel for review at least one week prior to distribution or publication.

Service Providers

- 16) PRIM shall institute black-out periods in the following situations, during which time communications between Board and Committee Members and specified services providers or classes of service providers shall be restricted:
- a) When PRIM issues requests for proposals ("RFP");

- b) When a current service provider is placed on official “watch status” signifying that the service provider’s performance has fallen below expectations or other issues have arisen that warrant closer scrutiny of the service provider; or
 - c) When the Board deems it is in the best interest of PRIM to require that, for a limited period of time, communications between Board and Committee Members and specified service providers be restricted.
- 17) During black-out periods, Board and Committee Members and specified service providers shall not knowingly communicate with each other on matters pertaining to PRIM, except during Board and committee meetings. Furthermore, during black-out periods, Board and Committee Members, and specified service providers shall not meet for business or social purposes. Exceptions may be made in the case of industry conferences where PRIM Board members may socialize with specified service providers during open social events that are also attended by board members or staff of other systems, provided Board members do not discuss matters pertaining to PRIM business.
- 18) Board or Committee Members who need to communicate with specified service providers during a black-out period for reasons unrelated to PRIM business agree to disclose such need in writing to the Executive Director and the Board prior to undertaking such communications. Disclosure to the Board shall be made in writing, or in person at a meeting of the Board. If time does not permit timely disclosure to the Board, the Board member shall provide disclosure of the intended communication to the Chair and Executive Director.
- 19) For the purposes of the black-out provisions herein, prohibited communications include telephone, in-person, written, and electronic communications.
- 20) Staff shall provide Board and Committee Members with timely written notification of all black-out periods and of the service providers, or classes of service providers, to which the blackout periods apply.
- 21) Black-out periods shall cease when:
- a) The RFP/search process has ended and the Board authorizes Staff to negotiate a contractual arrangement with a successful bidder, or the search process is otherwise ended by the Board;
 - b) When the service provider is removed from watch-status; or
 - c) When the black-out period is otherwise ended by the Board.
- 22) All RFPs and contracts shall include the blackout provisions of this policy and require that service providers and prospective service providers comply with such provisions.

POLICY HISTORY

- 23) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

12. EXECUTIVE DIRECTOR EVALUATION POLICY

BACKGROUND

- 1) One of the most important functions of the Board is the oversight and supervision of the Executive Director. To ensure that this function is carried out effectively, the Board believes that formal evaluation practices are required. The Board has adopted this policy to set out such practices.
- 2) The primary objectives of this policy are to:
 - a) Assist the Board in developing and communicating clear and meaningful goals and performance targets for the Executive Director; and
 - b) Ensure that the Executive Director receives useful and objective performance feedback from the Board on a periodic basis.
- 3) This policy provides only the broad criteria and the general process to be followed each year in evaluating the performance of the Executive Director. More specific criteria shall be established each year.

GUIDELINES

Roles and Responsibilities

- 4) The Board shall be responsible for evaluating the performance of the Executive Director.
- 5) The Chair of the Administration and Audit Committee shall coordinate the evaluation process.
- 6) The Administration and Audit Committee may retain a third-party to provide support in coordinating the evaluation process.

Evaluation Criteria

- 7) There shall be two phases to the Executive Director performance evaluation, as described below.

Phase I – Evaluation Relative to Objective Criteria

- 8) The Board shall evaluate the Executive Director's performance relative to objective criteria established or confirmed each year in advance of the time period being evaluated. Objective criteria may include:
 - a) Achievement of appropriate performance targets for PRIM (for example investment performance objectives).
 - b) Implementation of specified operational goals (for example, initiatives contained in the business plan).
 - c) Implementation of Board policies and reporting requirements.
 - d) Compliance with the Executive Director's charter.
 - e) Successful financial and internal audits.
 - f) Other objective criteria established by the Board.

Timing

- 9) In the fourth quarter of the fiscal year, the Executive Director shall review the objective evaluation criteria for the upcoming fiscal year with the Administration and Audit Committee.

- 10) After agreeing upon the objective evaluation criteria with the Executive Director, the Administration and Audit Committee shall recommend the criteria to the Board for approval.
- 11) At the end of each fiscal year, the Executive Director shall present to the Administration and Audit Committee an assessment of the extent to which the agreed-upon performance criteria were met in the preceding year. Where available, the Executive Director shall provide independent third-party verification of performance (e.g. third-party investment performance reports and independent financial audit reports). The Administration and Audit Committee may request additional supporting data as it deems appropriate.
- 12) The Compensation Committee shall consider the above summary report when determining any recommended changes to the Executive Director's compensation and any incentive payments to be awarded to the Executive Director.
- 13) The Chair of the Administration and Audit Committee and the Chair of the Compensation Committee shall jointly present the recommendations of their committees to the Board.
- 14) The Chair of the Administration and Audit Committee shall cause a copy of the Executive Director's evaluation to be placed in the Executive Director's personnel file.

Phase II – Subjective Criteria

- 15) At the end of each fiscal year, the Chair of the Administration and Audit Committee shall distribute to each Board member a Discussion Guide developed by the Administration and Audit Committee to address subjective aspects of the Executive Director's performance and invite them to meet individually with the Executive Director to informally discuss the Executive Director's performance using the Discussion Guide as a reference if desired. The Discussion Guide is for the use of individual Board members only and is not to be submitted to any party for tabulation or analysis.

POLICY HISTORY

- 16) Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

13. BOARD SELF-EVALUATION POLICY

INTRODUCTION

- 1) The Board believes that periodically reviewing the performance of the Board is an important step in continually improving the Board's effectiveness. To facilitate such a review, the Board has established this Board Self-Evaluation Policy.

GUIDELINES

- 2) The Administration and Audit Committee shall be responsible for overseeing the implementation of this policy, including approving the Board Performance Evaluation Questionnaire (the "Questionnaire") and making recommendations to the Board for addressing issues arising out of the evaluation.
- 3) The Administration and Audit Committee shall retain a third-party advisor to assist it in overseeing the implementation of this policy.

Board Evaluation Process

- 4) The Board performance evaluation shall be initiated by the Administration and Audit Committee in the first quarter of every third year.
- 5) The Administration and Audit Committee shall review the Questionnaire and make modifications, as appropriate. The purpose of the Questionnaire shall be to provide Board members with a framework for evaluating the performance of the Board and for confidentially raising any concerns or suggestions Board members may have. The Questionnaire must allow Board members to provide written comments or suggestions.
- 6) The Questionnaire shall be administered to each Board member using on-line survey technology. Board members are expected to complete the Questionnaire within a timeframe to be specified in the Questionnaire. An independent third-party shall tabulate the results and provide them to the Chair of the Administration and Audit Committee, who shall in turn present the results to the Administration and Audit Committee and facilitate discussion by the Committee.
- 7) Following the presentation of the results to the Administration and Audit Committee, the Chair of the Administration and Audit Committee and the Chair shall report to the Board on the conclusions and recommendations of the Administration and Audit Committee.
- 8) A summary of the Board discussions and resulting Board actions shall be recorded in the minutes of the Board meeting.
- 9) To assist Board members in completing the Questionnaire, Staff shall provide Board members with the following:
 - a) A summary of Board member meeting attendance during the prior year.
 - b) A summary of Board member education efforts during the prior year (i.e. conferences and in-house education sessions attended).
 - c) Other information Staff or the Administration and Audit Committee deem useful.

POLICY HISTORY

- 10) The Board adopted this policy on October 5, 2004, Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

14. EXECUTIVE DIRECTOR SUCCESSION POLICY

BACKGROUND

- 1) According to MGL Chapter 32, Section 21(f), the Board shall select an Executive Director who shall serve at the pleasure of the Board.
- 2) This policy has been prepared to provide additional details to guide the Executive Director search process.

GUIDELINES

- 3) When the Board becomes aware of the retirement, departure, or impending retirement or departure, of the Executive Director:
 - a) The Chair shall appoint an Ad Hoc Succession Committee and recommend the members of said Committee to the Board for approval.
 - b) The Ad Hoc Succession Committee shall consist of not less than six members including:
 - i) The Treasurer, or the Board member appointed by the Treasurer to the PRIM Board;
 - ii) The Governor, the Governor's designee to the PRIM Board, or one of the two Board members appointed by the Governor to the PRIM Board;
 - iii) A Board member who is a representative of the State Teachers' Retirement System;
 - iv) A Board member who is a representative of the State Employees' Retirement System; and
 - v) Up to three Outside Committee Members, though the Board may elect to have no Outside Committee Members on the Ad Hoc Succession Committee.
 - c) The Ad Hoc Succession Committee shall recommend to the Board a preliminary search plan for filling the position of Executive Director and addressing such issues as minimum and desired skill sets and experience, evaluation criteria, interview process, time frames, whether a search consultant is to be used, and any other relevant issues. The Ad Hoc Succession Committee need not recommend that a formal search be undertaken, but may instead recommend that the Board consider an internal candidate for the position.
 - d) If a search consultant is to be used in the search process, the Ad Hoc Succession Committee shall:
 - i) Be responsible for reviewing proposals from candidate firms, and selecting and appointing the winning candidate.
 - ii) Meet with the selected search consultant as soon as practical to review the preliminary search plan and modify it as necessary. The Ad Hoc Succession Committee shall report any material changes to the search plan to the Board at the Board's next regularly scheduled meeting.
 - e) No member of Staff shall serve on the Ad Hoc Succession Committee, participate in deliberations of the Ad Hoc Succession Committee or in interviews with candidates for the position of Executive Director, or otherwise be asked to provide input into the selection of the Executive Director. Notwithstanding the above, Staff may provide administrative support and coordination services to the Ad Hoc Succession Committee.
 - f) The Ad Hoc Succession Committee may meet in closed session to the extent permitted by law.

POLICY HISTORY

- 4) Adopted by the Board on December 4, 2012. Amended August 14, 2018; Amended May 21, 2026.

15. CODE OF CONDUCT

INTRODUCTION

- 1) Board and Committee Members are fiduciaries and are required to act solely in the interest of the participating retirement systems' participants and beneficiaries, for the exclusive purpose of providing benefits and defraying reasonable costs of managing the systems' pension assets. They are subject requirements of the Statute and numerous other state and federal laws, to the Operating Trust, the by-laws, the Board charter, the charters of Board Committees of which they are a member, and the Policies described in this Manual. Board and Committee Members are expected to carry out their duties with professionalism and integrity and without the appearance of conflict, being mindful of the public trust that has been placed in them, both individually and collectively.
- 2) This Code of Conduct ("Code") is intended to establish additional guidance as to how the Board expects individual Board and Committee Members to conduct themselves and sets out various enforcement mechanisms available to the Chair or to the Board in the event a Board or Committee Member fails to meet these standards of conduct.

GENERAL PROVISIONS

- 3) Board and Committee Members shall:
 - a) Abide by the Operating Trust, the by-laws, the Board charter, the charters of Board Committees of which they are a member, and the Policies described in this Manual;
 - b) Conduct themselves with decorum, integrity, and professionalism in all aspects of their Board or committee duties and in their relations with fellow Board and Committee Members, Staff, vendors, other constituents and the public at large;
 - c) Attend all regular and special meetings of the Board and of any committees on which they serve, unless unable to do so for reasons beyond their control;
 - d) Actively prepare for each meeting by thoroughly reading all meeting materials in advance;
 - e) Refrain from disclosing to the public information that PRIM receives which consists of trade secrets or commercial or financial information that relates to the investment of public trust or retirement funds if disclosure is likely to impair the government's ability to obtain such information in the future or is likely to cause substantial harm to the competitive position of the person or entity from which information was obtained or is protected by attorney client privilege;
 - f) Abide by PRIM's Fiduciary Standards as described in MGL Chapter 32, section 23(3), including the statutory requirement to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and by diversifying the investments of the system so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so;
 - g) Be familiar with and abide by all charters and policies of the Board including but not limited to the education policy, communications policy, Executive Director evaluation policy, and Board self-evaluation policy; and
 - h) Enforce this Code or support the Chair in enforcing this Code when it is apparent that a Board or Committee Member may have committed a breach of its provisions.

ENFORCEMENT PROVISIONS

- 4) The Chair, in presiding over meetings of the Board, and Committee Chairs, in presiding over meetings of committees, shall enforce and attempt to rectify any breaches of this Code that may occur during such meetings using customary procedures for the governance of meetings including ruling a member's statement out of order, expunging an inappropriate statement from the record, refusing to call on a member, silencing the microphone or virtual connection of a disruptive member or, in egregious cases removing a disruptive member from the meeting.
- 5) The Chair also shall enforce and attempt to rectify any breaches of the Code that may occur outside of meetings whether such breaches are observed directly or brought to their attention by a Board or Committee Member or by the Executive Director, who shall inform the Chair and the Executive Director (if applicable) in confidence of the nature of any perceived misconduct, and provide them with any supporting material, documentation, or other evidence.
- 6) In the event the conduct of the Chair is of concern to a Board or Committee Member, the Board member shall inform the Chair of the Administration and Audit Committee and the Executive Director of such concern in confidence, and provide them with supporting materials, if available. In such cases, the Chair of the Administration and Audit Committee shall assume the role of the Chair for purposes of enforcing this Code.
- 7) Once informed of a concern by a Board or Committee Member or the Executive Director, the Executive Director and the Chair shall meet with the Board member who is alleged to have breached the Code to discuss the matter.
- 8) If it is deemed that there is substance to the concern, the Chair shall determine an appropriate course of action, which may include, but is not limited to, any of the following:
 - a) Referring the matter to legal counsel or the appropriate authorities, if the issue appears to involve a breach of the law;
 - b) Requesting that the Board or Committee Member in question rectify past actions or refrain from similar actions in the future;
 - c) Recommending education or counseling that may be of assistance to the Board or Committee Member in the matter; and
 - d) Providing a report to the Board with a recommendation for action by a majority vote, which may include:
 - i) Suspension of the Board or Committee Member from one or more meetings or portions of meetings until the breaches of conduct have been resolved;
 - ii) Removal of the Board or Committee Member from the position of committee chair, or from any Board committee assignment the Board member may hold;
 - iii) Barring the Board or Committee Member from serving as a committee chair or from serving on a Board committee, for a specified period of time;
 - iv) Suspension of education-related travel privileges, if the matter involves an abuse of such privileges;
 - v) Censure; or
 - vi) In the case of a Board or Committee Member who is not the Governor or the Treasurer or their designees and is not an appointee of the Governor or Treasurer, and upon a vote of the

majority of members of the Board then in office, removal of such Board or Committee Member from the Board or any committee of the Board for cause.³

POLICY HISTORY

Adopted by the Board on October 5, 2004. Reviewed August 9, 2007; December 4, 2012; Amended August 14, 2018; Amended May 21, 2026.

³ The Statute and by-laws provide that only the Governor or Treasurer have the right to remove their appointees to the Board for cause.