

Charter for the Executive Director Board Governance 3.0

Approved: March 21, 2019

A. POLICY:

1. The executive director is the senior executive of LASERS and serves at the pleasure of the board.
2. The powers and duties delegated by the board to the executive director are set out in this charter and related policies.

B. DUTIES AND RESPONSIBILITIES:

1. General

The executive director will:

- a. act in the best interest of LASERS consistent with fiduciary duty standards at all times;
- b. be responsible for managing the day-to-day operations of LASERS, delegating to officers and senior management as the executive director deems appropriate, provided that such delegation is consistent with the organizational structure of LASERS and any policies or charters approved by the board;
- c. provide executive leadership to LASERS in setting and achieving strategic direction, goals, and objectives and will manage LASERS in accordance with the guidelines established by the board and will solicit advice and counsel from the board and individual trustees as necessary;
- d. support the board at all times in discharging its duties;
- e. serve as secretary to the board and the custodian of public records;
- f. ensure the accurate and timely delivery of LASERS benefits to members and beneficiaries in accordance with applicable laws; and
- g. ensure delivery of consistently high standards of quality to members and beneficiaries in accordance with the goals and objectives established by the board.

2. Governance and Board Operations

The executive director will:

- a. recommend to the board for approval or amendment, as necessary, the following:
 - i charters or policies describing the roles and responsibilities of the board, its committees, officers, and the executive director;
 - ii rules and regulations governing the election of trustees, consistent with R.S. 11:515(9);
 - iii policies to ensure appropriate governance practices on the part of the board; and
 - iv follow up reviews when necessary.
- b. serve as secretary to the board and carry out the following duties:

- i** in consultation with the board and committee chairs, coordinate meetings, agendas, schedules, and presentations for board and committee meetings;
 - ii** prepare and maintain board and committee meeting minutes, and sign board minutes upon approval of the board;
 - iii** ensure adequate staff support for all board committees; and
 - iv** serve as custodian of board public records.
- c.** coordinate the implementation of a trustee education program, to assist trustees in executing their duties as fiduciaries; and
- d.** conduct ordinary correspondence of the board.

3. Investment Policy

The executive director, through the chief investment officer (CIO), will:

- a.** present the board with sound investment philosophy and policies to guide the management of the investment program and achieve LASERS investment objectives;
- b.** within the policy parameters approved by the board, recommend to the board or Investment committee investment manager structures for each asset category in which LASERS invests, including, but not limited to, the funds to be allocated to active and passive portfolios, and internal and external portfolios;
- c.** commission a study of the relationship between the assets and liabilities of LASERS not less than every five (5) years;
- d.** conduct all necessary due diligence relating to the appointment of investment manager, consultant, general partner, custodian, and securities lending managers by LASERS;
- e.** execute the portfolio rebalancing policy;
- f.** recommend to the investment committee any shareholder right actions for consideration; and
- g.** advise the board and investment committee on any investment matters and make recommendations for board or investment committee action.

4. Funding

The executive director will:

- a.** recommend to the board for approval, and for submission to the Public Retirement Systems Actuarial Committee (PRSAC), the actuarial valuation and actuarial assumptions included in the valuation, including mortality and service tables, upon the advice of the actuary and other experts as required (R.S. 11:127.B.C; 11:513.E; 11:515(5)); and
- b.** review the Actuarial Report on Louisiana Public Retirement Systems to confirm accuracy, and conduct an actuarial audit or equivalent, as a means of assessing the accuracy of the annual actuarial evaluations, as appropriate.

5. Policies and Procedures

The executive director will:

- a. recommend appropriate administrative policies and/or rules to ensure efficient operations addressing at a minimum:
 - i Investment Policy,
 - ii LASERS Travel, and
 - iii Board Governance.

6. Finance and Operations

The executive director will:

- a. have the authority to make all necessary operational expenditures, consistent with operating budgets, policies, and internal controls established by the board and in accordance with the law;
- b. develop and recommend to the board the following:
 - i appropriate strategic direction and strategic plan and
 - ii an operating budget for LASERS and a retirement system building budget;
- c. approve the divisional action plans of senior management, as appropriate;
- d. ensure that appropriate financial and enterprise risk management framework, including internal controls, are in place to protect the fund's assets;
- e. maintain books of account for each fund of LASERS;
- f. maintain records of the investments held by each fund;
- g. ensure that external and internal audits of LASERS are performed; and
- h. have the ability to reallocate budget money across expense categories and report such allocations to the board.

7. Legal and Legislation

The executive director will:

- a. monitor and direct counsel with respect to legal actions involving LASERS, keeping the board apprised of such actions, and where necessary, obtaining board approval before undertaking such actions;
- b. monitor proposed changes in state or federal laws, regulations, and rules that may have a significant impact on LASERS, and report to the legislative or management committee as appropriate;
- c. in consultation with the legislative committee and executive counsel, analyze and evaluate proposed legislation and develop and recommend to the board an official position for LASERS consistent with LASERS role and strategic direction;
- d. report back to the legislative committee on the disposition of proposed legislation monitored under section (c) above;

- e. recommend to the legislative committee changes to LASERS legislation that are necessary to facilitate more efficient benefit or investment administration; and
- f. report to the board on any legislative committee meetings with agenda topics that would impact LASERS.

8. Human Resources

The executive director will:

- a. recruit, hire, and retain management personnel necessary to effectively manage LASERS and develop the necessary training and development policies and programs;
- b. be responsible for the annual performance evaluation recommendations to the board for approval and recommended compensation changes for unclassified employees; and
- c. implement an internal policy as approved by the board for unclassified 24/7 employees that will serve as a guide for leave time and attendance (refer to LASERS internal policy LAS.02-015).
- d. serve as the final authority in the LASERS Grievance Policy, LAS.02-014 governing employee grievances.

9. Key Appointments

The executive director will:

- a. recommend for board approval named vendors in accordance with the Vendor Selection Policy;
- b. be responsible for appointing vendors other than named vendors in accordance with the Vendor Selection Policy; and
- c. recommend to the board for ratification candidates for the deputy director/chief operating officer, chief administrative officer, and chief investment officer positions. (R.S. 11:515(1))

10. Stakeholder Communications

The executive director will:

- a. serve as spokesperson for LASERS, unless the board determines that in certain situations it would be inappropriate; in such cases, the chair will serve as spokesperson;
- b. recommend a communications policy or provisions to the board for approval; and

11. Monitoring and Reporting

The executive director will:

- a. ensure that the board is provided with relevant, appropriate, and timely information in order to carry out its monitoring and oversight responsibilities;
- b. review the effectiveness of the investment performance of LASERS as appropriate;
- c. review the service quality levels of LASERS as appropriate;
- d. monitor and evaluate the activities and performance of senior management and vendors;

- e. review the effectiveness of the enterprise risk management framework, and risk assessment reports prepared under that framework;
- f. review all policies of LASERS on a regular and appropriate basis; and
- g. monitor that LASERS operates within applicable laws, rules, and policies at all times.

12. Performance Evaluation

The board will:

- a. annually review the performance of the executive director;
- b. ensure that the evaluation meets the following objectives:
 - i to assist the board in establishing and communicating clear and meaningful goals and performance targets for the benefit of the executive director,
 - ii to ensure the executive director receives useful and objective performance feedback from the board on a periodic basis, and
 - iii to ensure that evaluation criteria are objective and measurable and pertain only to outcomes over which the executive director has a reasonable degree of control;
- c. establish evaluation criteria including, but not limited to:
 - i achievement of appropriate performance targets for LASERS,
 - ii implementation of the strategic plan,
 - iii implementation of board policies and associated reporting to the board,
 - iv compliance with the provisions in the executive director charter,
 - v leadership, management, and related qualities and skills, and
 - vi other criteria the board may determine; and
- d. use evaluation forms or surveys as necessary to facilitate the receipt of trustee input on all of the above criteria.

13. Performance Evaluation Process

- a. At the May management committee meeting each year, the executive director will distribute and discuss the evaluation package with the committee. The evaluation package will contain the following:
 - i executive director's self-evaluation report including the evaluation criteria and goals established by the management committee for the year in question;
 - ii executive director's proposed evaluation criteria and goals for the upcoming year;
 - iii strategic plan or summary thereof;
 - iv evaluation forms and/or surveys; and
 - v any other supporting documentation or information.
- b. The executive director's self-evaluation report is designed to assist the board in the evaluation process. It should describe the extent to which the executive director believes the

evaluation criteria were met over the past year, as well as relevant supporting data. The report may also include any additional information the executive director believes should be considered by the board in its evaluation including disclosure of all third party contractual arrangements.

- c. The board shall treat the evaluation package as confidential. Completed evaluation forms will be returned to the management committee chair within two weeks of receipt of the package. The management committee chair will tabulate and summarize the results and return to the management committee prior to the June meeting.
- d. In June, the management committee will:
 - i finalize the executive director evaluation;
 - ii review summarized results of the completed evaluation forms;
 - iii discuss and approve proposed evaluation criteria and goals of the executive director for the upcoming year;
 - iv discuss any proposed updates for the forms or surveys used in the process;
 - v add any further results/comments brought forth in the meeting to the evaluation summary; and
 - vi consider unclassified employees' merit increases.

The committee's discussion of the executive director's performance may be held in executive session, in accordance with state law.

- e. Prior to the July meeting, the management committee chair and board chair will review the finalized evaluation with the executive director. The management chair will ensure that the evaluation and summaries thereof are placed in the executive director's confidential personnel file located in the executive director's office.