

NOTE: These minutes from the December 11, 2012, Governance Committee meeting were approved at the January 8, 2013 Committee meeting.

**Governance Committee
Board of Trustees
December 11, 2012**

Public Minutes

**New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301**

Committee Members: Dean Crombie, *Acting Chair*; David McCrillis; Dick Gustafson, Ph.D. Don Roy, Kate McGovern, Ph.D., *absent*.

Staff: George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Shannan Hudgins, *Administrative Coordinator*.

Acting Committee Chair Crombie called the meeting to order at approximately 1:43 p.m. On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the minutes from the November 13, 2012, Committee meeting were approved.

Chair Crombie introduced proposed revisions to the Political Contributions Policy and asked if the Committee members had any questions. A discussion ensued regarding the reduced contribution threshold from \$1,000 to \$350, which reflected consistency with the new SEC rules and best practice across many government and non-governmental agencies nationwide. On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee unanimously voted to recommend that the full Board adopt the revisions to the Political Contributions Policy regarding the quarterly reporting requirement.

The Committee next discussed the newly drafted Securities Litigation Policy presented by Atty. Crutchfield. Mr. Lagos discussed securities class-action litigation and explained that because of the nature of this litigation and the fact that there are many public funds larger than NHRS, it was unlikely that NHRS would be suitable as a lead plaintiff, barring extenuating circumstances. There was further discussion about the services provided by Northern Trust as NHRS' custodian and it was noted that the custodian files claims on behalf of NHRS, reports regularly on activity and posts recoveries to the NHRS account. Mr. Lagos recommended, with the concurrence of Messrs. Crutchfield and

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Johansen that a clear and unambiguous policy be adopted, confirming that NHRS would not serve as a lead plaintiff in such a suit.

On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee unanimously voted to recommend that the full Board adopt the proposed Securities Litigation Policy.

The next Governance Committee meeting was set for January 8, 2013, immediately following the regular Board of Trustees meeting.

On a motion by Trustee McCrillis, seconded by Trustee Gustafson, the meeting adjourned at approximately 2:10 p.m.

Respectfully submitted,
Shannan Hudgins