

These public minutes from the November 8, 2011 Governance Committee meeting were approved at the January 5, 2012 Committee meeting.

**Governance Committee
of the
Board of Trustees
November 8, 2011**

PUBLIC MINUTES

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

Committee Members: Danny O'Brien, *Chair*; Richard Gustafson, Ph.D.; Kate McGovern, Ph.D.; Donald M. Roy. Dean Crombie, *absent after five minutes*.

Staff: Kim France, *Interim Executive Director*; Larry Johansen, *Director of Investments*; Tim Crutchfield, *Chief Legal Counsel*; Shannan Hudgins, *Administrative Coordinator*.

Chair O'Brien called the meeting to order at 3:25 p.m., and in an effort to accommodate Trustee Crombie's scheduled conflict brought forth item C. of the Agenda for discussion. Trustee Crombie stated he was opposed to any reimbursement attorney fees in relation to indemnification review, and then he left the meeting. Trustee McGovern provided the Committee background on the formation of the Independent Investment Committee (IIC) and Patrick O'Donnell's IIC membership. He was confirmed in May 2009, resigned in December 2010, and reappointed in July 2011.

Trustee Crombie left the meeting.

On a motion by Trustee Gustafson, seconded by Trustee McGovern, the Committee unanimously approved the Committee minutes of October 27, 2011, as revised.

The Committee reviewed the chronology of events leading to the language change in HB 2 that fully indemnified IIC members. Trustee McGovern's motion that the Committee reconsider denial of a request from counsel for Mr. O'Donnell for reimbursement of legal fees of \$11,758.50, received no

second. Following a discussion of appropriate process regarding Board member matters, the June 14, 2011, decision of the Governance Committee regarding the reimbursement was left unchanged.

Chair O'Brien next asked for updates on the Investment Policy review. A discussion followed of a confidential memorandum from Groom Law Group. On a motion by Trustee McGovern, seconded by Trustee Gustafson, the Committee unanimously voted to recommend that the full Board waive attorney-client privilege on the November 7, 2011, memorandum.

Mr. Johansen discussed progress on the Investment Policy, noting that the asset class guidelines were under development. Chair O'Brien emphasized the Committee's focus was to ensure that a complete policy was in place to maximize the full Board's fiduciary responsibility. He also stated that the Governance Manual and the Hewitt EnnisKnupp contract oversight would be on the January agenda for the Committee.

On a motion by Trustee Roy, seconded by Trustee McGovern, the meeting adjourned at approximately 4:20 p.m.

Respectfully submitted,
Shannan Hudgins