

NOTE: These minutes from the September 8, 2020 Governance Committee meeting were approved at the November 2, 2020 Committee meeting.

Governance Committee
Board of Trustees
New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301

**September 8, 2020
Public Minutes**

The NHRS office was closed to the public as a result of COVID-19 and the meeting was held via video conferencing. Pursuant to RSA 91-a, all votes were by roll call.

Governance Committee Members present by video conference: Trustees Don Roy, Chair, Scott Christensen, Sue Hannan, Robert Maloney, and Monica Mezzapelle.

Staff: George Lagos, Executive Director; Tim Crutchfield, Chief Legal Counsel; Mark Cavanaugh, Associate Counsel & Compliance Officer; Frank Clough, Director of Information Technology; and Margaret Astles, Executive Assistant.

Chair Roy called the meeting to order at 12:15 pm. Having established a quorum, on motion by Trustee Hannan, seconded by Trustee Maloney, the Committee approved the minutes of the June 9, 2020 Committee meeting, 4-0. *Abstention:* Trustee Mezzapelle.

Chair Roy introduced the annual Committee Charter review. The Committee agreed that no revisions are needed at this time.

The next topic was the annual OFAC (Office of Foreign Asset Control) compliance review. Attorney Cavanaugh reported that OFAC is a branch of the US Department of the Treasury that administers federal laws that prohibit financial transactions with designated sanctioned countries and individuals. He noted that NHRS does not generally engage in transactions that could result in violations of the OFAC rules. In addition, NHRS relies on its vendors that execute financial transactions (i.e., custodial and transactional banks; investment managers, etc.) to monitor compliance with OFAC rules by means of their automated compliance programs. In accordance with the OFAC Policy, NHRS staff reported that there were no actual or potential violations since the

last report to the Board in October 2019, as has been the case since the OFAC review process was instituted six years ago. Attorney Cavanaugh noted that, although there is a small risk of potential violations, NHRS maintains a robust compliance policy as a matter of general fiduciary duty and to mitigate any potential penalties in the unlikely event that a violation should occur.

Next, Attorney Cavanaugh presented a draft of proposed revisions to the OFAC Policy, which was first adopted by the Board in August 2013 and last revised in October 2017. The proposed revisions consist of minor grammatical and clarifying edits with no substantive changes in policy.

On a motion by Trustee Maloney, seconded by Trustee Hannan, the Committee unanimously voted to recommend to the full Board that it accept the proposed revisions to the OFAC Policy as presented.

Chair Roy then introduced the Board Self-Evaluation Policy. The Policy was last revised in June 2018 and the last Board self-evaluation was conducted in March 2019. Mr. Lagos noted that the Policy states a self-evaluation must be conducted at least every three years; or, if earlier, upon the Board Chair's initiative. The consensus of the Committee was that a review was not necessary this year subject to the Board Chair's discretion to decide otherwise.

With no further business to be discussed, on a motion by Trustee Hannan, seconded by Trustee Maloney, the Committee voted unanimously to adjourn the meeting.

Respectfully submitted,

Tim Crutchfield