

**DELAWARE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM**

HANDBOOK

*Adopted by the Board of Trustees on November 17, 2017
Updated January 29, 2021*

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ADOPTIONS AND REVISIONS

Board Education Policy	<ul style="list-style-type: none"> • Adopted December 19, 2003 • Revised May 18, 2018
Board Performance Evaluation Policy	<ul style="list-style-type: none"> • Adopted December 19, 2003 • Revised December 17, 2013
Code of Conduct	<ul style="list-style-type: none"> • Adopted December 19, 2003 • Revised June 22, 2018
Cyber Risk Policy	<ul style="list-style-type: none"> • Adopted January 29, 2021
Executive Director Performance Evaluation Policy	<ul style="list-style-type: none"> • Adopted [TBD] • Revised
Fraud Policy	<ul style="list-style-type: none"> • Adopted July 27, 2008
Investment Guidelines	<ul style="list-style-type: none"> • Adopted • Revised July 31, 2020
Placement Agency Policy	<ul style="list-style-type: none"> • Adopted June 2009
Securities Litigation Policy	<ul style="list-style-type: none"> • Adopted December 19, 2003 • Revised January 30, 2015, January 29, 2021
Settlement Authority Policy	<ul style="list-style-type: none"> • Adopted June 2014
ESG Policy (formerly, Social Investing Policy) (Divestment Resolution)	<ul style="list-style-type: none"> • Adopted 2009 • Revised July 27, 2018

The History of the System

Delaware's public pensions for employees date to the years following the great depression, and post-WW II era. Prior to 1971, four separate pension plans existed for state employees. According to a study undertaken of the separate pensions systems for state employees, teachers, state police and the Judiciary, in 1969, a pension program for Delaware state employees was first created in 1945.¹ By 1969, at the time of Governor Terry's Pension study, pension payments had increased significantly, and operated on a "pay-as-you-go" basis.²

Recognizing that the structure of the pension system was "antiquated, inadequately funded and its soaring costs could easily place us in a situation years hence where we could not meet its obligations," Governor Terry, Jr. recommended that the State of Delaware study and make recommendations to create an actuarially sound, and equitable pension system for state employees. The 1969 Study recommended, for the first time, that a more "orderly and systematic means of accumulating funds to meet required pension payments" be developed, and that costs of the fund be amortized over time, and that contributions by the state be calculated on the basis of assessing that long term obligation.³

These recommendations dovetailed with a reorganization of Delaware state government from a commission structure to a cabinet form of government, which resulted after a second comprehensive study undertaken in 1970, and chaired by E. Norman Veasey, Esq. As result of this massive overhaul of the structure of the State's government in June 1970, the four pension plans were combined to create a single State Pension Plan trust under the leadership of the Board of Pension Trustees, pursuant to Title 29, Ch. 83.⁴ The State Employees', State Police and the Judiciary Plans were changed to actuarial reserve funding. The Closed State Police plan remains pay-as-you-go. By the end of calendar year 1971, total assets for all four pension plans totaled \$14.7 million with a total of 2,766 pensioners. The State's contribution rate was 13.1% of payroll. The Delaware Public Employees' Retirement System, ("DPERS") was created in 1997, with the addition of the County/Municipal plans.

At the end of Fiscal Year 2020, DPERS was valued at \$10.0 billion, and the State contribution rate was 11.6% of payroll. The System provides benefits for 31,873 pensioners. DPERS is exceptionally well funded, at nearly 90% of liability on an actuarial basis, and as such, is a valuable

¹ See Report to the Governor, State of Delaware Governor's Pension Study Committee, January 1969. A Teachers' Pension Plan was also created in 1945, as a temporary program to cover teachers not employed in 1945 and was administered by the State Board of Education. In 1967, there were 74 pensioners in the Teachers' Plan. (p. 64). The State Police Plan was created in 1937 and was administered by a State Police Plan Board of Trustees and had 267 active members in 1967. (p. 67). The Judicial pension system was first created in 1955 and was administered by the Board of State Judiciary Pension Trustees, comprised of the Chief Justice of the Delaware Supreme Court, the Secretary of State, and the president of Farmers' Bank. In 1967, there were 21 active members

² The State Employees' Plan (the "SEPP") originally provided for the payment of pensions to employees who had 35 years of credited service, or 25 years, in the event of disability. In 1949, the requirements were reduced from 35 to 30 years for a service pension, at age 60. The minimum pension a month was increased to \$60 per month in 1951. By 1953, the requirements were changed again to a minimum of 15 years of credited service at age 60, or 30 years regardless of age. Disability pensions were now available after 15 years of service. Pensions for spouses were added in 1955, and the plan became a contributory system in 1966. In 1967, there were 1,306 state pensioners.

³ The Report states that "...the committee emphasizes the importance of investment earnings in helping to meet the costs of the Plan, and recommends that the existing Trustees or a new Board of Trustees, if one is created, be permitted to invest the Fund according to standards of a prudent investor." (p. 60)

⁴ Report of the Governor's Task Force on Reorganization of the Executive Branch of Government, 1970.

component of the State's triple A credit rating. It has been recognized by the Center for State & Local Government Excellence as a successful and well-funded Pension Plan.⁵

The Board of Pension Trustees, consistent with its original mandate to invest its funds "according to the standards of a prudent investor"⁶ operates under the high standards set forth under ERISA, IRS, and State Trust law. Current best practices, an expanded version of the original prudent investor rule, require the Board to discharge its duties solely in the interest of the beneficiaries and for the exclusive purpose of providing benefits to the beneficiaries of DPERS and defraying reasonable expenses of DPERS 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 to attain the purposes of the account. Its power and liability are unlike any other board in the state, as it oversees a nearly \$9MM budget, and is responsible for 76,865 beneficiaries, as of June 30, 2020.

⁵ See Success Strategies for Well-Funded Pension Plans, Report of the Center for State & Local Government Excellence, <http://slge.org/wp-content/uploads/2015/02/SLGE15-01-Success-Stories-final-0226153.pdf>.

⁶ 1969 Report, p. 60.

Board Operating Policy

This policy sets out the role of the Board of Trustees in carrying out the mission of the Delaware Public Employees' Retirement System (the "System"). It establishes the manner in which the Board and its committees will conduct themselves so as to carry out their responsibilities as effectively and efficiently as possible, and in accordance with applicable law.

I. GOVERNANCE

A. Board Authority.

1. The purpose of the Board is to provide oversight and set policy for the System consistent with the authority granted under Delaware Law. In this capacity, the Board is responsible for assuring the effective management, general administration and proper operation of the System as effectively and efficiently as possible and in accordance with applicable law, including the Code of Conduct. The Board is responsible for establishing policy and overseeing the System while its designated Executive Secretary is responsible for implementing policy and managing day-to-day operations. 29 *Del. C. Ch. 83*.
2. The Executive Secretary shall serve as the Pension Administrator and managed the day to day operations of the Pension Office, ("OPen".)
3. The Board has the power and duty to invest the assets of the several retirement plans and commingled pension funds comprising the System.
4. The Board shall adopt such rules, regulations, and other policies as are necessary for the general administration of the System, the management of the System's assets, and for the transaction of the System's business, including:

- a. Approving policies describing the roles and responsibilities of the Board, the committees of the Board, the Executive Secretary, and OPen, and amending said policies from time to time, as appropriate;
 - b. Approving the creation or disbanding of standing and ad hoc committees of the Board; approving committee chairs and members proposed by the Board Chair.
5. The Board will approve the System's mission statement.
 6. The Board will review its own performance in accordance with the Board Performance Evaluation Policy.
 7. The Chairperson is the official spokesperson for the System and the Board. The Chairperson may delegate this responsibility as needed.

B. Fiduciary Duties.

1. Each member of the Board and each member of the Board's Committees are fiduciaries.
2. The Board, and subcommittees shall discharge their duties solely in the interest of the beneficiaries and for the exclusive purpose of providing benefits to the beneficiaries of DPERS and defraying reasonable expenses of DPERS 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 to attain the purposes of the account, and in accordance with the laws, policies, procedures, and the Code of Conduct governing the System. 29 Del. C. § 8308 (a).
3. Trustees and Committee members will educate themselves in accordance with the Education Policy so that they are prepared to exercise informed oversight, particularly with respect to investment and fiduciary issues.

C. Board Organization

1. The Board of Pension Trustees shall be composed of seven members. The Chairperson will preside at all meetings of the Board. In the absence of the Chairperson, the Chair will designate a Board member as substitute chairperson.
2. The Secretary of Finance and the Director of the Office of Management and Budget (“OMB”) shall serve as ex officio, voting members. *29 Del. C. § 8308(e)(1)*.
3. Five other members are appointed by the Governor with the consent of a majority of the members elected to the Senate. *29 Del. C. § 8308(e)(2)*.
4. The term of each appointed member shall be four years, except that the Chair of the Board shall serve at the pleasure of the Governor. *29 Del. C. § 8308(f)*.
5. The Board shall appoint an Executive Secretary. *29 Del. C. § 8308(2)*. The Executive Secretary shall serve as the Pension Administrator.
6. The Board may delegate authority to Board Committees. *29 Del. C. § 8808 (c)(15)*. The standing committees of the Board are:
 - a. Investment Committee,
 - b. Audit Committee, and
 - c. Governance Committee
7. The members and Chair of each standing committee shall be appointed by Board resolution, upon the recommendation of the Chair.
 - a. In making committee appointments, the Board and the Chair will consider continuity in committee membership, opportunities for the diversified experience of trustees and requisite expertise.

- b. The Board may approve the establishment of ad hoc committees, upon the recommendation of the Chair, in consultation with the Executive Secretary, provided that the responsibilities of the ad hoc committees do not overlap with those of any standing committee. The Chair will recommend to the Board for its approval the members and Chair of each ad hoc committee.
 - c. The Investment Committee shall meet 15-20 times a year and shall be comprised of at least five (5) voting members. At least two members of the Committee shall be current Board members.
 - d. The Audit Committee shall meet at least four (4) times per year and shall be comprised of at least five (5) members.
 - e. The Governance Committee shall meet at least four (4) times per year and shall be comprised of at least five (5) members.
8. The Executive Secretary will prepare for Board approval a charter for each standing and ad hoc committee that provides a description of the committee's mandate and, in the case of ad hoc committees, a provision for disbanding the committee once it has fulfilled its mandate.
 9. A State Pension Advisory Council, established by 29 Delaware Code, § 8308A, shall advise the Board on the administration of pension plans sponsored by the State. This shall include, but not be limited to, the establishment of rules, administrative procedures and hearing procedures. 29 *Del. C.* § 8308A.

II. AREAS OF RESPONSIBILITY

The Board has, by law, ultimate oversight responsibility for the matters set forth herein. It may carry out this responsibility with advice and information provided by technical specialists who serve on Board committees or System and/or OPen" staff, by Key Service Providers, and by others as required.

- A. Investments: Pursuant to its authority in 29 *Del. C.* § 8308(c)(5), the Board engages an Investment Advisor, and individual Managers. The Board delegates oversight and evaluation of the Fund's investments to the Investment Committee. The Board shall set forth investments objectives and establish an Investment Policy. That Board shall consider and act upon the recommendations made by the Investment Committee with respect to:
1. the investment programs, including the hiring and termination of investment managers, investment advisors, and consultants;
 2. the reallocation of assets and changes in investment;
 3. changes in investment goals and objectives;
 4. the acceptable level of risk to be assumed in managing the System's portfolio;
 5. recommendations of appropriate changes to actuarial assumptions.
 6. an Investment Policy that details, at a minimum:
 - a. the functions of the Investment Committee;
 - b. the investment philosophy, goals and objectives;
 - c. the policies that govern the selection and removal of investment advisors and investment managers;
 - d. the policies and reporting requirements related to specific delegations made by the Board to the Investment Committee;
 - e. Investment Manager objectives;
 - f. decisions on issues, transactions or documents pertaining to limited partnerships, which the Board has approved for investment;
 - g. decisions to buy or sell, or extend existing limited partnership interests up to in funds where the System is an existing limited partner;

- h. decisions regarding the manner of establishing a new portfolio, liquidation of a portfolio and/or portfolio restructuring, including the hiring and firing of a "transition" manager following a Board approved manager termination or hire;
- i. the management of proxy voting;
- j. authority to liquidate assets as needed to meet Fund obligations, subject to Board notification;
- k. authority to transfer any security, where its worth is in question, to an investment manager designated to value the security and act on the valuation by sale or write-off.
- l. Code of Conduct provisions, fiduciary requirements, and conflict of interest and confidentiality restrictions which are pertinent to Investment Committee members, staffs of investment advisors, consultants and investment managers and issues relevant to the business relationship.
- m. review compliance with, and the continued appropriateness of, the provisions of the Investment Policy Manual.
- n. monitor the performance of the total Fund, each asset category, and each investment manager of the Fund.
- o. requires the Investment Committee to review the performance of the investment advisor(s) at least annually and informs the Board of their conclusions.
- p. requires that a study of the relationship between the System's assets and liabilities is performed at a frequency to be determined by the Board and documented in the Monitoring and Reporting Policy.
- q. monitor economic conditions and status of other pension systems, including best practices and problems encountered, with the objective of taking appropriate corporate

governance actions for ongoing improvement of the System's operations and risk management activities.

- r. conduct annual review of inflation assumptions.

B. Benefits Administration

1. In accordance with applicable law, consider and act upon recommendations from the Executive Secretary, the Director of OMB, and/or legal counsel relating to the benefits administration function.
2. Approve high-level policies necessary to ensure effective benefits administration and delivery of member services and review general compliance with those policies.
3. Ensure timely distribution of the annual Comprehensive Annual Statement of Benefits and notification of any changes to Plan benefits.
4. Ensure corrective action is taken with regard to administrative errors.
5. Hear and decide benefits-related appeals by participants and participating employers in the System except as to applications and/or appeals from decisions related to coverage under the Disability Insurance Program effective January 2006. 29 Del. C. § 8308 (b) (3), and (c) (7), (8), and (9).
6. Establish service quality goals and objectives, where feasible, including System communications with participants, review the extent to which those goals are met.

7. Ensure benefits administration policy is detailed in a Benefits Administration Policy Manual.

C. System Operations: Upon the recommendation of the Director of OMB and the Executive Secretary:

1. Approve the basic organizational structure of the System and OPen.
2. Approve a business plan developed by the Executive Secretary and any updates thereto, as deemed appropriate.
3. Approve an annual operating budget for the System, including the establishment of management and staff positions for OPen for inclusion in the Governor's budget submission to the General Assembly. 29 Del. C. § 8308 (c) (16).
4. Ensure that management implements and maintains effective technologies and information systems to efficiently manage data, information, and records of the System, including, but not limited to by entering into a memorandum of understanding with the DTI. 29 Del. C. § 8308 (c)(5) b.
5. Ensure that a disaster recovery plan and a business continuity plan are in place to ensure effective operations in the event of a major calamity, and coordinate with DTI.
6. Ensure that best practices are being employed to manage customer service, costs and operational risk.
7. Ensure suitable office premises exist for the System's headquarters and any secondary offices.

D. Financial, Actuarial and Accounting Practices

1. Meet with the System's pension actuary each year to discuss and approve the annual actuarial valuation and the supporting actuarial assumptions and methodologies. 29 Del. C. § 8308 (c)(2).
2. Ensure that appropriate internal control policies are in place to safeguard the assets of the System, including, but not limited to, the

- engagement of an internal auditor. *29 Del. C. § 8308 (c)(3) and (5)*.
3. Appoint members of an Audit Committee to monitor operations and internal controls throughout the year to identify issues requiring Board and Pension Office action. *29 Del. C. § 8308 (c)(15)*.
 4. Ensure the timely annual publication of the Comprehensive Annual Financial Report (CAFR), which includes the Audit Report. *29 Del. C. § 8308 (c)(17)*.
 5. Ensure that each Plan participant annually receives a summary of the CAFR that also explains any material modifications to the System (excluding benefits changes, which are handled separately) during the Plan year.
 6. Ensure that all required contributions to the funds of the System are made in a timely manner, including, but not limited to leveling penalties for any failure to timely make such contribution, as provided by law. *29 Del. C. § 8308 (m)*.
 7. Ensure all required disbursements from the funds of the System are made in a timely manner.

E. Audit

1. Oversee, through the Audit Committee, the financial and performance audits of all financial transactions and accounts kept by or for the System, as prescribed by law. *29 Del. C. § 8308 (b)(15)*.
2. Maintain an internal audit function to conduct internal review and assist outside auditors. *29 Del. C. § 8308 (c) (5)*.
3. The sole authority to contract with a certified public accounting firm for an annual financial audit of each of the plans in the System, which shall be provided annually to the General Assembly. The Board shall seek the input of the Audit Committee and the Auditor of Accounts in the selection of the certified accounting firm to perform the annual audit. Payment for each audit must be approved by the Board.. *29 Del. C. § 8308 (b)(17)*.

4. Review the actuarial experience of the System annually and cause an in-depth analysis of all actuarial assumptions at least every 5 years. *29 Del. C. § 8308 (c)(2)*.
5. Review the results of an actuarial audit at a frequency to be determined by the Board, or when the Board replaces the actuary, whichever is sooner. *29 Del. C. § 8308 (c)(5)*.

F. Open Administration

1. Appoint an Executive Secretary, who shall act as Pension Administrator. With the assistance of the Director of OMB, conduct an annual review of his/her performance and terminate if necessary. *29 Del. C. § 8308 (b)(2)*.
2. Appoint a Risk Manager, annually review his/her performance and terminate if necessary. *29 Del. C. § 8308 (c)(5)*.
3. Ensure that a succession plan exists to provide for continuity in senior management and other critical positions within OPEN, compatible with OMB personnel policies.

G. Key Service Providers

1. The Board will select and/or approve, upon the recommendation of the Executive Secretary and/or appropriate Board committees, the hiring and termination of Key Service Providers as set forth in the Service Provider Selection Governance Policy.
2. The following are Key Service Providers:
 - a. Investment Consultant.
 - b. Investment Managers.
 - c. External and Internal Auditors.
 - d. Actuary.
 - e. Risk Manager.

f. Custody Bank.

3. Key Service Providers, and other service providers as appropriate, shall abide by the conflict of interest and confidentiality restrictions described in the System's Code of Conduct.

H. Monitoring and Reporting

1. Ensure that the necessary reporting and monitoring practices are established to provide the Board with the information required to effectively oversee the administration of the System and OPen.
 2. The Board will set out these practices in a Monitoring and Reporting policy, which will include:
 - a. A definition of all required information;
 - b. A calendar specifying the reporting schedule.
 3. The Board shall ensure the annual review and update of the Investment Flowcharts.
- I. Legal Issues: With the advice of legal counsel, consider and approve recommendations made by the Executive Secretary concerning settlements or other legal proceedings involving the System.

III. BOARD ADMINISTRATION

A. Meetings:

1. Board meetings will be planned for at least 11 months each year according to an annual schedule adopted by the Board and published in the minutes of the Board. Timely notice of Board meetings (at least seven (7) days) shall be provided to the public. 29 Del. C. § 8308 (n); 29 Del. C. § 10004(e)(2).
2. The annual schedule may be modified by the Board as necessary and timely notice of such changes must be provided to Trustees and the public.

3. Special or rescheduled meetings may be called by the Chair or by a majority of Trustees and notice to Trustees and the public shall be provided as soon as reasonably possible, but in any event no later than 24 hours before such meeting. A special or rescheduled meeting shall be defined as one to be held less than 7 days after the scheduling decision is made. The public notice of a special or rescheduled meeting shall include an explanation as to why the notice required in 29 *Del. C.* § 10004(e)(2) could not be given. 29 *Del. C.* § 10004(e)(3).

B. Committee Schedules:

1. Each standing committee shall establish a projected schedule of meetings for the calendar year. The times and locations of such meetings will be determined by the committee, and timely notice is to be provided to the public.
 - a. A Committee Chair, in consultation with the Executive Secretary, may cancel or reschedule a meeting if it is apparent that there will not be a quorum or if it is deemed that there is insufficient business to warrant a meeting. Attempts will be made to provide all committee members and the public with a least one week's notice of any meeting cancellation.
 - b. If the Committee Chair is not present at a committee meeting, and the Chair has not designated a substitute Chair, the remaining committee members may appoint a Chair for the meeting from among themselves.

C. Agendas and Meeting Materials

1. The Executive Secretary or his/her designee, in co-operation with the Board Chair and committee chairs, will prepare and distribute a written agenda for all regular meetings of the Board and standing committees.
2. The agenda for Board and standing committee meetings shall be posted at least seven (7) calendar days in advance of the meeting. 29 *Del. C. § 10004(e)(2)*.
 - a. An open session agenda shall be publicly available. Members of the public wishing to obtain copies of the materials may do so to the extent and in the manner the materials are to be made available under the Delaware Freedom of Information Act. 29 *Del. C. Ch. 100*.
 - b. Items may be placed on the Board agenda, prior to the meeting, by any of the following means:
 - c. By the Chair;
 - d. By the Executive Secretary;
 - e. By standing or *ad hoc* committee recommendation;
 - f. By initiation of any Trustee, through the Chair and at the discretion of the Chair.

D. Quorum and Voting

1. With respect to Board meetings, a majority of the Trustees then serving on the Board is a quorum for:
 - a. the transaction of any business;
 - b. the exercise of any power;
 - c. the performance of any duty authorized or imposed by law.

2. With respect to committee meetings, a majority of committee members then serving on the committee in question represents a quorum.
3. Each Trustee is entitled to one vote on the Board. Trustees may not vote by proxy.
4. Each Committee member is entitled to one vote on the committees on which they serve but may not vote by proxy.
5. If personal attendance is impractical, and subject to the requirements of paragraph E, below, the use of teleconferencing or videoconferencing is authorized for use in conducting meetings of the Board and its committees, including for the purposes of obtaining quorum and voting. 29 *Del. C.* § 8308 (o).

E. Attendance

1. Each Trustee shall attend, in person, at least 75% of the monthly Board meetings. A Trustee may be granted an excused absence by either the Board Chair or Executive Secretary for illness or family emergency, and such absence shall not be considered an absence for purposes of meeting this requirement.
2. When a Trustee is unable to attend a meeting of the Board or a committee, in person, or by teleconference, he or she will notify the Executive Director as soon as possible to help ensure that a quorum will be achieved.
3. Trustees may attend meetings of committees of the Board as observers but only committee members may vote on matters before the committee.

F. Rules of Order: Meetings of the Board and all of its committees shall be governed by a modified form of Robert's Rules of Order.

G. Executive Session

1. The Board and its committees may, upon a proper vote, call for an executive session, closed to the public, for discussion of an

individual's qualifications to hold a job, or to consider personnel matters including medical records, or to conduct strategy sessions including those involving legal advice with respect to pending or potential litigation, when an open meeting would have an adverse effect on the litigation position of the Board or the Fund, or to consider information which contains privileged commercial or confidential financial information, including trade secrets. No official action will be taken in executive session.

2. A majority of Board or committee members must vote in the affirmative to enter into executive session.
3. Before a public body meets in executive session, the presiding officer will:
 - a. Conduct a recorded vote on the closing of the session; and
 - b. State, on the record, and document in the minutes, the reason for closing the meeting, including a citation of the authority under 29 Del. Ch. 10004 and a listing of the topics to be discussed.

H. Public Comment

1. The Board will provide the public an opportunity to address the Board or standing committee at each meeting on any item under its jurisdiction.
2. The duration of any address by a member of the public may be limited at the discretion of the presiding officer.
3. The Board shall not be required to respond to any public comment.

I. Minutes

1. The Executive Secretary shall cause minutes of all Board meetings to be prepared, recording therein the time and place of each meeting, the names of members present, each item considered, and the actions of the Board giving the ayes, nays and abstentions upon all votes, except where the action is unanimous, and sufficient other details

concerning any actions taken. When requested, a Trustee's statement and/or vote on Board actions will be recorded. The Executive Secretary, generally, will present the minutes for approval at the next regular Board meeting.

2. Minutes of committee meetings will be similarly prepared by the Executive Secretary or his/her designee and submitted to the Committee for approval.
3. The minutes as approved by the Board and signed by the Executive Secretary and Chair will be preserved as a part of the permanent record of the Board, and will be open to public inspection, including the electronic posting of the minutes on the website of the Government Information Center.

IV. COMMITTEE CHARTERS

- A. Investment Committee
- B. Audit Committee
- C. Governance Committee

V. POLICIES

- A. Schedule A-Review Schedule
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- I. Schedule J-Fraud Policy.
- J. Schedule K-Internal Audit Charter.
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VI. BOARD AND COMMITTEE MEETING SCHEDULES

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT COMMITTEE

April 26, 2019

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C.* Ch. 83, and

WHEREAS, pursuant to the 29 *Del. C.* § 8308(b) the Board shall administer the Delaware Public Employees' Retirement System, ("DPERS") and

WHEREAS, the Board has created the Investment Committee, consistent with its authorities as set forth in §83089(c)(4) and the Board Operating Policy, §I C.6, and

WHEREAS, the Investment Committee typically meets more frequently than the Board, and is comprised of highly qualified members with significant governance and investment experience, and

WHEREAS, certain liquidity, and other market conditions necessitate that investments be approved or terminated in a timely manner, in order to prevent loss to the Trust fund value, and

WHEREAS, the Board finds that a prudent person acting in a like capacity and familiar with the Board's functions would delegate certain investment approval and termination authorities to the Investment Committee, except for certain trustee-level responsibilities that the Board reserves for itself, and

WHEREAS, the Board recognizes and acknowledges that its responsibilities with regard to the governance of the employee benefit plans and other funds under its administration, including any delegation of powers related to the administration of those plans, must be exercised in accordance with fiduciary principles, and

WHEREAS, the Board further recognizes that, in accordance with those fiduciary principles, the DPERS Board must undertake appropriate oversight of the Investment Committees' exercise of responsibilities delegated to it to ensure the proper administration of DPERS affairs,

WHEREAS, the Board, at its April 26, 2019 meeting, hereby delegates those responsibilities listed below to the Investment Committee, superseding all previous delegations, and subject always to future modifications by the Board,

NOW, THEREFORE, BE IT RESOLVED THAT:

The Investment Committee may undertake such action without prior or separate approval by the Board:

1. Approve limited partnership or private equity investments, Investment Manager contracts, and other investments, subject to the following requirements:
 - 1.1. such limited partnerships, private equity or Investment Manager contracts are within the scope of existing strategies as set for in the Investment Policy, and
 - 1.2. At least two Board members serving on the Investment Committee vote in favor of any such investment.
 - 1.3. Such investments are consistent with the Board Investment Policy.
 - 1.4. Such investments, including necessary financials, reports or other documentation are reported to the Board within three business days, or at the Board's next regularly scheduled meeting, whichever is sooner.

2. Approve changes to Investment Manager investment goals, objectives, guidelines, and fees. The Chair is authorized to execute amendments to manager contract documents which amend investment objectives, guidelines, and fees.
3. Execute documents relating to term extensions, changes in key man provisions, or other term changes to Board-approved limited partnership or private equity investments.
4. Approve the liquidation or restructuring of a portfolio, including the hiring of Transition Managers as required. The Chair of the Committee is authorized to execute documents related to the retention of such Transition Managers.
5. Review and manage all Proxy Voting according to policies formulated by the Committee and approved by the Board. After consultation with the Investment Advisor, decide on Proxy Voting recommendations for mutual funds or other investor-controlled vehicles owned directly by the Fund.
6. Approve the liquidation of assets as needed to meet Fund obligations.
7. Authorize the transfer of securities for liquidation or write off to an Investment Manager who will make a determination of final value.
8. Carry out any other duties as set forth in an Investment Policy approved by the Board.

ATTEST:

BOARD OF PENSION TRUSTEES



David Craik, Executive Secretary,
Executive Secretary



Suzanne Barton Grant
Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT COMMITTEE

April 26, 2019

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C.* Ch. 83, and

WHEREAS, pursuant to the 29 *Del. C.* § 8308(b) the Board shall administer the Delaware Public Employees' Retirement System, ("DPERS") and

WHEREAS, certain liquidity, and other market conditions necessitate that certain routine consents be approved or denied in a timely manner, in order to prevent loss to the Trust fund value, and

WHEREAS, the Board finds that a prudent person acting in a like capacity and familiar with the Board's functions would delegate certain routine extensions of Private Equity LPA terms to the Pension Administrator and Investment Committee, and

WHEREAS, the Board recognizes and acknowledges that its responsibilities with regard to the governance of the employee benefit plans and other funds under its administration, including any delegation of powers related to the administration of those plans, must be exercised in accordance with fiduciary principles, and

WHEREAS, the Board further recognizes that, in accordance with those fiduciary principles, the DPERS Board must undertake appropriate oversight of the Investment Committees' exercise of responsibilities delegated to it to ensure the proper administration of DPERS affairs,

WHEREAS, the Board, at its April 26, 2019 meeting, hereby delegates those responsibilities listed below to the Pension Administrator/Investment Committee Chair, superseding all previous delegations, and subject always to future modifications by the Board,


NOW, THEREFORE, BE IT RESOLVED THAT:

The Pension Administrator/Investment Committee Chair may undertake such action without prior or separate approval by the Board:

1. Approve and Execute documents relating to term extensions, subject to the following conditions:
 - 1.1. Such action has been recommended by the Investment Advisor in writing, and reviewed by Board or Deputy Attorney General legal counsel and approved by both the Pension Administrator and the Investment Committee Chair.
 - 1.2. Any such actions are reported to the Investment Committee at its next regularly scheduled meeting.
2. Carry out any other duties as set forth in an Investment Policy approved by the Board.

ATTEST:

BOARD OF PENSION TRUSTEES



David Craik, Executive Secretary,
Executive Secretary



Suzanne Barton Grant
Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT COMMITTEE

December 16, 2016

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C. Ch.* 83, and

WHEREAS, pursuant to the 29 *Del. C. § 8308(b)* the Board shall administer the Delaware Public Employees' Retirement System, ("DPERS") and

WHEREAS, the Board created the Investment Committee in

WHEREAS, the Board, at its December 16, 2016 hereby delegates those responsibilities listed below to the Investment Committee, superseding all previous delegations, and subject always to future modifications by the Board,

NOW, THEREFORE, the Board, acting through its undersigned Chairperson resolves as follows:

The Investment Committee may undertake such action without prior or separate approval by the Board:

1. Approve changes to Investment Manager investment goals, objectives, guidelines, and fees. The Chair is authorized to execute amendments to manager contract documents which amend investment objectives, guidelines, and fees.
2. Execute documents relating to term extensions, changes in key person provisions, or other term changes to Board-approved limited partnership or private equity investments.
3. Increase or reduce existing limited partnership or other private equity investments up to \$10 million.
4. Recommend the liquidation or restructuring of a portfolio, including the hiring of Transition Managers as required. The Chair of the Committee is authorized to execute documents related to the retention of such Transition Managers.
5. Review and manage all Proxy Voting according to policies formulated by the Committee and approved by the Board. After consultation with the Investment Advisor, decide on Proxy Voting recommendations for mutual funds or other investor-controlled vehicles owned directly by the Fund.
6. Recommend the liquidation of assets as needed to meet Fund obligations.
7. Authorize the transfer of securities for liquidation or write off to an Investment Manager who will make a determination of final value.
8. Carry out any other duties as set forth in an Investment Policy approved by the Board.

BOARD OF PENSION TRUSTEES



Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AUDIT COMMITTEE

May 29, 2020

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 Del. C. Ch. 83,
and

WHEREAS, pursuant to the 29 Del. C. § 8308(b) the Board shall administer the Delaware
Public Employees' Retirement System, ("DPERS") and

WHEREAS, pursuant to the 29 Del. C. § 5282 the Board shall administer the Other
Post-Employment Benefits Fund, ("OPEB") and

WHEREAS, the Board has established an Audit Committee and

WHEREAS, the Board, at its May 29, 2020 meeting hereby delegates those responsibilities
listed below to the Audit Committee, superseding all previous delegations, and subject always to
future modifications by the Board,

NOW, THEREFORE, the Board, acting through its undersigned Chairperson resolves as
follows:

The Audit Committee may undertake the following actions without prior or separate approval by
the Board:

1. Advise the Board and monitor the integrity of DPERS' and OPEB accounting policies, internal controls, financial statements, financial reporting practices and significant risk exposures, and steps management has taken to monitor, control and report such exposures, with the assistance of DPERS and OPEB management, and its external and internal auditors.
2. Advise the Board on the internal audit program and results for DPERS and OPEB, with the support and recommendation from the Internal Auditor and/or an independent auditor consultant.
3. Develop and recommend to the Board, in consultation with the Internal Auditor and/or an independent auditor consultant an Internal Audit Charter, consistent with International Standards for the Professional Practice of Internal Auditing. The Audit committee will approve the internal audit plan and monitor progress against the plan. Such Charter shall establish guidelines for reviewing and reporting internal audit findings to the Board and shall be updated periodically.

4. Approve the selection, retention, or discharge of the external auditors without prior or separate approval by the Board as long as one Board Trustee serving on the Audit Committee votes in favor of such action. The Decision, along with a brief rationale for selection, shall be reported to the Board within three business days, or at the Board's next regularly scheduled meeting, whichever is sooner. The Audit Committee should obtain input from management and the internal auditors as needed.
5. Meet with independent external auditors during the course of their annual audit, and at other times as appropriate, to review the proposed audit scope and approach, and review all findings, recommendations and reports concerning the adequacy of internal accounting controls, procedures, and systems; compliance with existing Board practices, State, Federal and other laws and regulations; and suggestions for operating efficiencies and improvements, including follow up, as necessary, to insure that all recommendations are implemented.
6. Review the qualifications, independence and performance of our external auditors, including a review of the auditor's peer review report on a periodic basis.
7. Review DPERS and OPEB operational risk management practices.
8. Maintain open and direct lines of communication with the Pension Board and DPERS management, State Auditors and independent auditors.
9. The Audit Committee shall meet at least four times per year and shall be comprised of at least five (5) members, one of which should be a member of the Board of Pension Trustees.

ATTEST:

BOARD OF PENSION TRUSTEES

Joanna M. Adams

Joanna M. Adams (Dec 16, 2020 13:16 EST)

Joanna Adams, Secretary

Suzanne B. Grant

Suzanne B. Grant (Dec 17, 2020 18:32 EST)

Suzanne B. Grant

Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AUDIT COMMITTEE
January 26, 2018

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C. Ch. 83*,
and

WHEREAS, pursuant to the 29 *Del. C. § 8308(b)* the Board shall administer the Delaware
Public Employees' Retirement System, ("DPERS") and

WHEREAS, pursuant to the 29 *Del. C. § 5282* the Board shall administer the Other Post-
Employment Benefits Fund, ("OPEB") and

WHEREAS, the Board has established an Audit Committee and

WHEREAS, the Board, at its January 26, 2018 meeting hereby delegates those
responsibilities listed below to the Audit Committee, superseding all previous delegations,
and subject always to future modifications by the Board,

NOW, THEREFORE, the Board, acting through its undersigned Chairperson resolves as
follows:

The Audit Committee may undertake the following actions without prior or separate
approval by the Board:

1. Advise the Board and monitor the integrity of DPERS' and OPEB accounting policies, internal controls, financial statements, financial reporting practices and significant risk exposures, and steps management has taken to monitor, control and report such exposures, with the assistance of DPERS and OPEB management, its independent auditors, and the State audit team.
2. Advise the Board on the internal auditing issues of DPERS and OPEB, with the support and recommendation from the Internal Auditor and/or an independent auditor consultant.
3. Develop and recommend to the Board, in consultation with the Independent Auditor and/or an independent auditor consultant an Internal Audit Charter, consistent with International Standards for the Professional Practice of Internal Auditing. Such Charter shall establish guidelines for reviewing and reporting findings to the Board, and shall be updated at least annually.
4. Collaborate with the State Auditors to select the independent auditors.

5. Meet with independent auditors and State Auditors during the course of their annual audit, and at other times as appropriate, to review all findings, recommendations and reports concerning the adequacy of internal accounting controls, procedures, and systems; compliance with existing Board practices, State, Federal and other laws and regulations; and suggestions for operating efficiencies and improvements, including follow up, as necessary, to insure that all recommendations are implemented.
6. Review the qualifications, independence and performance of our independent auditors.
7. Review DPERS overall direction and compliance with legal and regulatory requirements, including code of conduct and ethics.
8. Maintain open and direct lines of communication with the Pension Board and DPERS management, State Auditors and independent auditors.
9. The Audit Committee shall meet at least four times per year.

ATTEST:

BOARD OF PENSION TRUSTEES

, Secretary,

Suzanne B. Grant
Suzanne B. Grant
Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AUDIT COMMITTEE
December 16, 2016

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C.* Ch. 83, and

WHEREAS, pursuant to the 29 *Del. C.* § 8308(b) the Board shall administer the Delaware Public Employees' Retirement System, ("DPERS") and

WHEREAS, the Board created the Audit Committee in

WHEREAS, the Board, at its December 16, 2016 hereby delegates those responsibilities listed below to the Audit Committee, superseding all previous delegations, and subject always to future modifications by the Board,

NOW, THEREFORE, the Board, acting through its undersigned Chairperson resolves as follows:

The Audit Committee may undertake the following actions without prior or separate approval by the Board:

1. Advise the Board and monitor the integrity of Delaware Public Employees' Retirement System (DPERS) accounting policies, internal controls, financial statements, financial reporting practices and significant risk exposures, and steps management has taken to monitor, control and report such exposures, with the assistance of DPERS management, its independent auditors, and the State audit team.
2. Advise the Board on internal auditing issues.
3. Collaborate with the State Auditors to select the independent auditors.
4. Meet with independent auditors and State Auditors during the course of their annual audit, and at other times as appropriate, to review all findings, recommendations and reports concerning the adequacy of internal accounting controls, procedures, and systems; compliance with existing Board practices, State, Federal and other laws and regulations; and suggestions for operating efficiencies and improvements, including follow up, as necessary, to insure that all recommendations are implemented.
5. Review the qualifications, independence and performance of our independent auditors.

6. Review DPERS overall direction and compliance with legal and regulatory requirements, including code of conduct and ethics.
7. Maintain open and direct lines of communication with the Pension Board and DPERS management, State Auditors and independent auditors.
8. The Audit Committee shall meet at least four times per year.

BOARD OF PENSION TRUSTEES

Suzanne B. Hart
Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
GOVERNANCE COMMITTEE
December 16, 2016

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C.* Ch. 83, and

WHEREAS, pursuant to the 29 *Del. C.* § 8308(b) the Board shall administer the Delaware Public Employees' Retirement System, ("DPERS") and

WHEREAS, the Board, at its December 16, 2016 meeting has approved the creation of a subcommittee to oversee and advise the Board on the governance matters relating to DPERS administration, and consistent with the governance review ("Governance Review") undertaken of DPERS at the request of the Board,

NOW, THEREFORE, the Board, acting through its undersigned Chairperson resolves as follows:

1. There is created the Governance Committee of the Board, ("Governance Committee") which shall study and recommend to the Board legislative and administrative changes consistent with the Governance Review.
2. The Governance Committee shall meet at least four (4) times per calendar year.
3. The Governance Committee shall conduct such other inquiries as the Board may request, from time to time, including, but not limited to Board education, and conflict of interest and other governance policies.
4. The initial chair of the Governance Committee shall be Thomas Shaw, member, Board of Pension Trustees.
5. The initial members of the Governance Committee shall be:
 - a. George Saxon, Chair, Investment Committee
 - b. Arturo Agra, member, Board of Pension Trustees and Investment Committee.
 - c. Dale Stratton, member of the Investment Committee.
 - d. James Burke, member of the Audit Committee.

BOARD OF PENSION TRUSTEES



Chairperson, the Board of Pension Trustees

RESOLUTION OF THE BOARD OF PENSION TRUSTEES
THE DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
GOVERNANCE COMMITTEE

December 16, 2016

WHEREAS, the Board of Pension Trustees ("Board") is established by 29 *Del. C. Ch.* 83, and

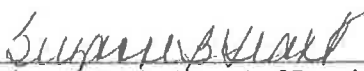
WHEREAS, pursuant to the 29 *Del. C. § 8308(b)* the Board shall administer the Delaware Public Employees' Retirement System, ("DPERS") and

WHEREAS, the Board, at its December 16, 2016 meeting has approved the creation of a subcommittee to oversee and advise the Board on the governance matters relating to DPERS administration, and consistent with the governance review ("Governance Review") undertaken of DPERS at the request of the Board,

NOW, THEREFORE, the Board, acting through its undersigned Chairperson resolves as follows:

1. There is created the Governance Committee of the Board, ("Governance Committee") which shall study and recommend to the Board legislative and administrative changes consistent with the Governance Review.
2. The Governance Committee shall meet at least four (4) times per calendar year.
3. The Governance Committee shall conduct such other inquiries as the Board may request, from time to time, including, but not limited to Board education, and conflict of interest and other governance policies.
4. The initial chair of the Governance Committee shall be Thomas Shaw, member, Board of Pension Trustees.
5. The initial members of the Governance Committee shall be:
 - a. George Saxon, Chair, Investment Committee
 - b. Arturo Agra, member, Board of Pension Trustees and Investment Committee.
 - c. Dale Stratton, member of the Investment Committee.
 - d. James Burke, member of the Audit Committee.

BOARD OF PENSION TRUSTEES



Chairperson, the Board of Pension Trustees

**RESOLUTION OF THE
BOARD OF PENSION TRUSTEES OF THE DELAWARE PUBLIC
EMPLOYEES RETIREMENT SYSTEM**

**AMENDMENT ONE TO THE
STATE OF DELAWARE OPEB FUND TRUST**

WHEREAS, pursuant to 29 Del. C. Chapter 52B, the Board of Pension Trustees of the Delaware Public Employees Retirement Fund ("Board of Trustees") established the State of Delaware OPEB Fund Trust ("Trust") to receive contributions to provide certain post-employment benefits and to make distributions from the Trust for certain post-employment benefits;

WHEREAS, the Board of Trustees adopted the Trust and entered into a Trust Agreement effective July 2, 2007;

WHEREAS, on July 7, 2008, the Internal Revenue Service issued a private letter ruling holding that the income of the Trust is derived from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, making the income excludable from gross income under Section 115(1) of the Internal Revenue Code ("Code");

WHEREAS, the Board reserved the right to amend the Trust Agreement pursuant to Section 9.01 of the Trust Agreement;

WHEREAS, 29 Del. C. § 5281 grants the Board the authority to control and manage the Trust, 29 Del. C. § 8308(c)(4) authorizes the commingling of the Delaware Public Employees Retirement System pension funds for investment purposes, and 29 Del. C. § 8308(c)(11), (12) authorizes the Board to maintain and invest the OPEB Fund and enter into any contacts with any agency of the State or any outside agency, or company for the purposes of assisting in the

November 16, 2018

general administration and the investing or advising as to the investment of the OPEB Fund under its control and management;

WHEREAS, the Board holds the assets of the Delaware Public Employees Retirement Fund in a group trust ("Group Trust") under Code Section 401(a)(24), that meets the requirements of Revenue Ruling 81-100, 1981-1 C.B. 326, as amended by Revenue Ruling 2004-67, 2004-2 C.B. 28, and as modified by Revenue Ruling 2011-1, 2011-2 I.R.B. 251, to be operated or maintained exclusively for the commingling and collective investment of funds from other Qualified Trusts (as defined in the Group Trust);

NOW, THEREFORE, the Board hereto agrees to the following amendments:

1. Section 4.03 of the Trust Agreement, regarding Group Trust Participation, is hereby added to be and read as follows:

Section 4.03 Group Trust Participation. If the investment is otherwise a permitted investment under Delaware state law, the Board may, unless otherwise restricted by law, transfer all or any portion of the assets of the Trust to a collective or common group trust, as permitted under Revenue Ruling 81-100, as modified by Revenue Rulings 2004-67 and 2011-1 (as further modified by Notice 2012-6 and Rev. Rul. 2014-24 or subsequent guidance), that is operated or maintained exclusively for the commingling and collective investment of monies, and in such case the group trust agreement shall be deemed adopted as part of this Trust Agreement without further action by the Board. In any event, no part of the corpus or income of this Trust may be used for, or diverted to, purposes other than for the exclusive benefit of the participants and beneficiaries under this Trust.

2. In all other respects, the Trust Agreement shall be and remain unchanged.

RESOLVED FURTHER by the Board that the amendments herein take effect upon their approval by the Board of Pension Trustees.

The terms of this Resolution are approved and agreed to by the Board of Pension Trustees this 16th day of November, 2018.

DELAWARE TRUSTEE:



Suzanne Barton Grant

TRUSTEES:

BOARD OF PENSION TRUSTEES OF
THE DELAWARE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM



Chairperson

DELAWARE
CERTIFICATE OF AMENDMENT
OF STATUTORY TRUST

The statutory trust, the STATE OF DELAWARE OPEB FUND TRUST, organized and existing under the Statutory Trust Act of the State of Delaware, hereby certifies as follows:

1. The name of the statutory trust is the STATE OF DELAWARE OPEB FUND TRUST.
2. The Certificate of Trust of the statutory trust is hereby amended by changing the Article thereof numbered Article 2, so that, as amended, said Article shall be and read as follows:

Delaware Trustee: The name and business address of the trustee of the Trust with its principal place of business in the State of Delaware is Suzanne B. Grant, 11 Summit Lane, Greenville, DE 19807.

By: Suzanne B Grant
Suzanne B. Grant, not in her individual capacity, but solely as Delaware Trustee of the State of Delaware OPEB Fund Trust

Name: Suzanne B. Grant
Print or Type

I HEREBY CERTIFY THAT Suzanne B. Grant appeared personally before me this 16th day of November, 2018 and executed the foregoing and acknowledged the same to be her free act and deed.

Ann Marie Johnson
Ann Marie Johnson
Deputy Attorney General
Notary Pursuant to 29 Del. C. Sec. 2508(a)

**RESOLUTION OF THE
BOARD OF PENSION TRUSTEES OF THE DELAWARE PUBLIC
EMPLOYEES RETIREMENT SYSTEM**

WHEREAS, 29 Del. C. § 5281 established the State of Delaware OPEB Fund Trust ("OPEB Trust"), a trust fund and an irrevocable trust exempt from federal income tax under Section 115 of the Internal Revenue Code ("Code"), to receive contributions to provide certain post-employment benefits and to make distributions from the OPEB Trust for certain post-employment benefits;

WHEREAS, 29 Del. C. § 8308(b)(5) grants the Board of Pension Trustees ("Board") the control and management of the OPEB Trust;

WHEREAS, the Board adopted the OPEB Trust and entered into a Trust Agreement effective July 2, 2007;

WHEREAS, on July 7, 2008, the Internal Revenue Service issued a private letter ruling holding that the income of the OPEB Trust is derived from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, making the income excludable from gross income under Section 115(1) of the Internal Revenue Code ("Code");

WHEREAS, pursuant to 29 Del. C. § 8308(c)(4), the Board has the power to maintain and invest the pension funds of the Delaware Public Employees Retirement System and commingle the assets of the funds for investment purposes;

WHEREAS, 29 Del. C. § 8308(c)(11) and (12) authorize the Board to maintain and invest the OPEB Trust and enter into any contracts with any agency of the State or any outside

November 16, 2018

agency, or company for the purposes of assisting in the general administration and the investing or advising as to the investment of the OPEB Trust under its control and management;

WHEREAS, the Board desires to hold the assets of the OPEB Trust in a group trust ("Group Trust") pursuant to Code Section 401(a)(24), that meets the requirements of Revenue Ruling 2011-1, (as further modified by Notice 2012-6 and Rev. Rul. 2014-24) to be operated or maintained exclusively for the commingling and collective investment of funds from other Qualified Trusts (as defined in the Group Trust);

NOW, THEREFORE, BE IT RESOLVED that the Board may transfer all or any portion of the assets of the OPEB Trust to a Group Trust, as permitted under Revenue Ruling 81-100, Revenue Ruling 2011-1, Notice 2012-6, and Revenue Ruling 2014-24 (or subsequent guidance), that is operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in such Group Trust consist exclusively of trust assets held under plans qualified under Code Section 401(a), individual retirement accounts exempt under Code Section 408(e), eligible governmental plans under Code Section 457(b), custodial accounts under Code Section 403(b), retirement income accounts under Code Section 403(b)(9), or governmental plans under Code Section 401(a)(24). For this purpose, a trust includes a custodial account or separate tax-favored account maintained by an insurance company that is treated as a trust under Code Section 401(f) or Section 457(g)(3), or a similar entity that is exempt under Code Sections 408(e) and/or 501(a).

The Group Trust shall be created and operated in the United States and be maintained at all times as a domestic trust in the United States.

The Group Trust shall constitute a valid trust under the laws of the State of Delaware or under the laws of such other state as to where the Group Trust is located.

The Group Trust shall provide a separate account for the OPEB Trust, including separate accounting for contributions, disbursements, and investments. The Group Trust shall prohibit any assignment of equity or interest in the Group Trust.

The separate account maintained by the Group Trust for each participating trust, including but not limited to, the OPEB Trust shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the members and beneficiaries of the OPEB Trust and the underlying OPEB plan.

For purposes of valuation, the value of the separate account maintained by the Group Trust for the OPEB Trust shall be the fair market value of the portion of the Group Trust held for the OPEB Trust, determined in accordance with generally recognized valuation procedures.

The terms of this Resolution are approved and agreed to by the Board of Pension Trustees this 16th day of November, 2018.

DELAWARE TRUSTEE:


Suzanne Barton Grant

TRUSTEES:

BOARD OF PENSION TRUSTEES OF
THE DELAWARE PUBLIC EMPLOYEES'
RETIREMENT SYSTEM


Suzanne Barton Grant, Chairperson

SCHEDULE A

Reporting Schedule - Review

Item	Frequency	Anticipated Next Review	Last Review
Approval of Proposed Budget	Annual	9/25/21	9/25/20
Board Performance Self-Evaluation	Annual	9/27/19	
Investment Policies & Objectives	Bi-Annual	9/28/20	9/28/18
Board Operating Policy, including Committee Charters	Annual	1/25/19	12/15/17
Board Education Policy	Bi-Annual	6/1/20	6/29/18
Code of Conduct & Certification	Annual	6/29/19	6/1/18
Proxy Voting Policy	Annual	10/1/19	9/25/18
Human Resources Report	Monthly	1/29/21	12/20/20
Executive Director Performance Evaluation	Annual	2020	9/11/19
Legal Counsel	Annual	12/31/18	
Securities Litigation Policy	Bi-Annual	1/27/19	1/30/15
Monitoring and Reporting Policy	Bi-Annual	11/1/19	11/16/16
Fraud Policy & Certification	Annual	7/27/19	7/27/18
Cyber Policy	Bi-Annual	1/1/19	
Board Handbook Certification	Annual	1/25/19	1/24/18
Actuarial Audit	5 Years	2024	2019
Actuarial Experience Study	5 Years	2021	2016

Upcoming Meeting Dates 2021

Board

Friday, January 29, 2021
 Friday, February 26, 2021
 Friday, March 26, 2021
 Friday, April 30, 2021

Investment Committee

Tuesday, January 26, 2021
 Tuesday, February 16, 2021
 Tuesday, March 16, 2021

Audit Committee

Friday, February 19, 2021
 Friday, May 7, 2021

Appeal Hearings

Wednesday, February 9, 2021
 Wednesday, March 9, 2021
 Wednesday, April 13, 2021

Governance Committee

Friday, February 19, 2021
 Friday, March 5, 2021

SCHEDULE B

Statement of Investment Policies and Objectives
For
Delaware Public Employees' Retirement System

As amended by the Board of Pension Trustees July 31, 2020

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Purpose

The Investment Committee (the "Committee") was established as a subcommittee of the Board of Pension Trustees (the "Board"). Its members may include non-Trustees as well as Trustees. Its purpose is to oversee the investment management of all DPERS assets under a process approved by the Board. The Delaware Public Employees' Retirement System ("DPERS") assets are maintained in a commingled master trust (the "Fund") for investment purposes. The Committee also oversees the investment of the Other Post-Employment Benefits (OPEB) assets and the Delaware Volunteer Firemen Pension Plan.

The purpose of this document is to outline the investment policies and objectives of DPERS in order to assist the Board and the Committee in effectively supervising and managing Fund assets. This policy provides a framework with sufficient flexibility to capture investment opportunities while setting reasonable parameters to ensure prudence and care in the execution of the investment program.

The investment policies and procedures described in this statement are subject to annual review or update by the Board when appropriate.

Standard of Care

The Board, its committees and its managers shall discharge their duties to the Fund solely in the interest of the participants and beneficiaries, and for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Fund. They shall perform their responsibilities hereunder with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims, (hereinafter referred to as "Standard of Care."), see 29 Del C. Ch. 83. The Board, as fiduciaries, shall prudently select and retain experts whose activity is governed by the Standard of Care.

Code of Conduct

The DPERS' Code of Conduct, emphasizes the advance disclosure of relevant conflicts of interest. All members of the Board, the Committee, the Audit Committee, the Pension Administrator, the Investment Advisor and the Risk Manager are Fund fiduciaries with a duty of loyalty to DPERS and responsibility to uphold the Standard of Care. The Board, the Committee Members, Audit Committee Members, key staff of the Pension Office, the Risk Manager, and the personnel of the Investment Advisor directly involved in the investment process (collectively, "DPERS Advisors") are annually required to represent that they do not engage in financial transactions with DPERS' Investment Managers on terms more favorable than the Fund's investment terms, and that they are in compliance with the DPERS Code of Conduct. All identified conflicts are reviewed on a case-by-case basis.

Ethics and Conflicts of Interest

DPERS Advisors involved in the investment process shall refrain from personal business activity that may conflict with the proper execution and management of the investment program, or that may impair their ability to make impartial decisions. DPERS Advisors shall conduct themselves with integrity and act in a professional and ethical manner in their dealings with fellow DPERS Advisors including, but not limited to, the Board Chair, the Pension Administrator, the Audit Committee Chair, members of all Board advisory committees, the Risk Manager, consultants, advisors, employees, and the general public.

DPERS Advisors shall maintain high ethical and moral character, both professionally and personally, such that their conduct shall not reflect negatively upon DPERS. DPERS Advisors shall act with competence and shall strive to maintain and improve their competence and that of their fellow DPERS Advisors in a manner to include, but is not limited to, the following:

- DPERS Advisors shall not release or provide access to any confidential information obtained or developed while servicing DPERS, including, but not limited to, any information obtained relating to Investments, Investment Managers, or other non-public investment information of DPERS.
- DPERS Advisors are prohibited from self-dealing, conducting private business, or providing personal services between or among other DPERS Advisors, except as approved through advanced disclosure. DPERS Advisors may not use their positions to obtain advantage for themselves, their family members, or close associates.
- DPERS Advisors and Investment Managers are required to disclose any SEC investigations as well as all third-party relationships which in any way involve payment of fees, shared fees, or other exchanges which have been disclosed, including Gifts, gratuities or repayments, including but not limited to placement agents, third-party solicitors, and/or lobbyists for Private Equity or Hedge Funds.
- DPERS Advisors shall disclose
 - any personal or professional Conflicts of Interest with DPERS investments.
 - any investigations conducted by or referred for investigation by the SEC of them personally, or of their firm.
 - all third-party relationships, which in any way involve payment of fees, shared fees, or any other Soft Dollar exchanges.
 - Upon request, their Ethics Policy.

Investment Philosophy and Objectives

Investment Philosophy

The Board has established an investment philosophy that stresses a balance between risk and return. The goal is to generate returns that meet or exceed long-term return objectives, including those related to the projected actuarial liabilities of the Fund. The Board sets actuarial assumptions in order to forecast the funds that will be needed to ensure the appropriate payment of benefits. Actual returns from the capital markets are beyond the control of the Committee. The cornerstone of the investment philosophy is the management of downside risk in any 12-month period, while prudently maximizing the potential for long-term gain.

Objectives

To implement this investment philosophy, the Board has established the following goals:

- Achieve a real return objective (DPERS return less CPI) of 3% over long periods (approximately 10 years).
- Manage portfolio risk by controlling exposure to downside price fluctuations of the Fund in any 12-month period.
- Maximize total Investment Returns, consistent with Board objectives.

To achieve these objectives, the Board established the following investment policies:

- Allocate a minimum of 15% of the Fund to Fixed Income Securities such as Bonds, and cash equivalents.
- Maintain a diversified portfolio, to minimize the risk of overexposure in any one market segment, investment style, or strategy.
- Monitor the performance of all Investment Managers by comparing results to specific Benchmarks.
- Control exposure to Illiquid Assets.
- Review, re-examine, and reconfirm the operation and results of the investment process regularly.
-
- Identify new long-term opportunities for risk reduction and improved Investment Returns.
- Review actuarial assumptions to ensure consistency with capital market expectations.

Roles and Responsibilities

Board of Pension Trustees

The Board is the ultimate Fiduciary for administration of the Fund and of each commingled pension benefit plan and/or other fund. Each member of the Board and each member of the Board's Investment Committee are fiduciaries of the Fund. Each such Fiduciary shall discharge its duties to the Fund consistent with the Standard of Care.

The Board provides oversight and sets policy for the Fund and its Investment Advisor, consistent with its authority granted pursuant to 29 Del. C. Ch. 83. Funding levels are determined by the General Assembly with recommendations from the Board.

The Board and its Investment Committee shall utilize a prudent process with the goal of achieving appropriate and consistent investment results on a cost effective basis, for its members and beneficiaries, while avoiding unacceptable risk levels. The Board receives periodic reports and recommendations for asset management from the Investment Committee and other experts. The Board reports the major accomplishments and the Fund performance results to the General Assembly. This data is generally presented in the Comprehensive Annual Financial Report.

Pursuant to its authority in 29 Del. C. Sec. 8308(c) (5), the Board engages an Investment Advisor, and individual Investment Managers. The Board delegates oversight and evaluation of the Fund's investments to the Committee, as further set forth in this Policy.

Investment Committee

The Investment Committee is responsible to the Board for:

- Overseeing and recommending investments of the Fund to achieve the objectives within the stated policies established by the Board.
- Reviewing prospective risk levels and rates of return.
- Assuring investment Diversification.
- Monitoring the performance of all Investment Managers and the total Fund.
- Recommending the selection and/or removal of Investment Managers, custodians, and Investment Advisor(s).
- Recommending strategic Asset Allocation, investment policies and objectives.
- Recommending appropriate changes to actuarial assumptions.
- Recommending appropriate changes to this Investment Policy.
- Maintaining minutes of its meetings in order to document its prudent process.

The Committee currently meets 15 to 20 times a year and is comprised of a minimum of five (5) voting members. Members are appointed by the Board and need not be Trustees. At least two members of the Committee shall be current Board members. All others attend Committee meetings at the pleasure of the Committee Chair.

The Committee, with assistance from the Investment Advisor, manages the investment process and makes recommendations to the Board on policy, Asset Allocation, and manager action issues. The Investment Advisor, on behalf of the Committee, reports to the Board at each scheduled Board meeting. Consistent with 29 Del. C. Ch. 83, the Pension Administrator is the Executive Secretary for the Committee.

The Board delegates specific authority to the Committee, including, but not limited to:

Authorities

- Approve changes to Investment Manager Investment objectives, guidelines, and fees. The Committee Chair is authorized to execute amendments to Investment Manager Agreement schedules, which pertain to investment objectives, guidelines and fees.
- Execute amendments to Board approved Private Equity agreements pertaining to term extensions, changes in key man provisions, or other routine consent items.
- Increase or reduce existing Private Equity investments by up to \$10 million.
- Recommend the liquidation or restructuring of a portfolio, including the hiring of Transition Managers as required, for approval by the Board. The Chair of the Committee is authorized to execute contracts for the retention of such Transition Managers.
- Review and manage all Proxy Voting according to policies formulated by the Committee and approved by the Board. After consultation with the Investment Advisor, decide on Proxy Voting recommendations for Commingled accounts, such as mutual funds.
- Recommend the liquidation of assets as needed to meet Fund obligations.
- Authorize the transfer of securities for liquidation or write off to an Investment Manager who will make a determination of final value.
- Approve foreign country openings.

Controls

- Review an investment process flow chart.
- Review all Investment Manager Fees.
- Review the use of Derivatives in the Fund.
- Review the use of Soft Dollars by, and commissions paid by, Investment Managers, General Partners or Brokers.
- Review the competitive position of the services provided by the Custodian Bank.
- Review Non-Traditional investments regularly.
- Conduct an annual review of Investment Manager compliance with its internal Proxy Voting Policy and a record of voting of DPERS proxies.
- Conduct an annual review of Investment Manager compliance with DPERS Soft Dollar/Commission Recapture Policies (Appendix VIII herein), including a record of such expenditures and/or commission recapture and use.
- Review the results of all regulatory compliance requests made of Fund Investment Managers and Investment Advisors.
- Review of Investment Manager Compliance Certificates.

- Review and amend Benchmarks established for the total Fund and for Fund Investment Managers.
- Review actuarial characteristics and funded status.
- Review risk management process and tools.

Pension Office

The Pension Administrator and one or more members of the Pension Office staff attend Committee meetings. The day-to-day operational activities of DPERS are performed by the State Pension Office, which is the primary control unit for all pension accounting and transactions. The staff reports directly to the Pension Administrator. The content of the reports from the Pension Administrator to the Board should comply with this Investment Policy and any special requests from the Board. The Pension Office Investment responsibilities are:

- Oversee the day-to-day operational activities of the Fund subject to policies established by the Board.
- Reconcile the investment account records between the Investment Managers and the Custodian Bank.
- Prepare the Fund's Comprehensive Annual Financial Report.
- Communicate periodically with the Board and the Committee.
- Assist actuaries in preparing recommendations for appropriate funding levels for the Fund.
- Process contributions and disbursements from the Fund.
- Act as signatory on Fund investment accounts, establish safekeeping accounts or other arrangements for the custody of securities, and execute such documents as may be necessary to administer the Fund.
- Facilitate transfer of Fund assets between asset classes and investment management firms.
- Assist the Committee, Investment Managers, Investment Advisor, Actuary, Auditor and other consultants to meet the overall objectives of the Fund.

Investment Advisor

The Investment Advisor attends the Committee meetings (about 15-20 times per year) and works closely with the Pension Office. The Investment Advisor shall:

- Act as a Fiduciary to DPERS and to the Board, pursuant to the Standard of Care.
- Prepare research and recommendations for consideration by the Committee on matters affecting investments. Prepare investment policies and objectives and recommend appropriate changes.
- Advise the Committee and the Board on the risk level of the Fund and recommend changes to improve the risk-return positioning of the Fund.
- Monitor and report long-term capital market trends and recommend asset mix policies.
- Provide advice concerning the allocation of assets.
- Research investment related topics as requested by the Committee or the Board.

- Documents the minutes of the Committee meetings for review by the Executive Secretary and approval by the Committee.
- In collaboration with the Committee Chair, recommends meeting agendas, and facilitates scheduling of Committee meetings.
- Recommend investment management firms, and Non-Traditional Investments, custodians, and other external service providers.
- Participate in Investment Manager, custody contract, and Non-Traditional Investment negotiations.
- Monitor voting of proxies and report results to the Committee, consistent with the Board's Proxy Voting Policy.
- Measure, evaluate, and report on Investment Managers' performance and characteristics, portfolio risk and compliance with Schedule "A", investment process and organization.
- Respond to data requests and provide support to the Pension Office and the Committee, as required.
- Provide updates at each Board meeting recapping the Committee's activities and the Fund performance.
- Act as a liaison for contact between the Investment Managers and the Committee.
- Recommend potential investment opportunities and Investment Managers.
- Attend each Audit Committee and other meetings as requested by the Board or Pension Office.
- Provide assistance and information requested by DPERS Auditors and the Pension Office.
- Review DPERS custodian relationship and recommend service changes including cash management and securities lending.

Investment Managers

- Act as a Fiduciary in the management of the Fund assets and comply with the Standard of Care.
- Comply with all state and federal legislation or regulations that apply to the Fund.
- Adhere to the investment policies and guidelines prescribed by the Board, and committees.
- Initiate communication with DPERS and its Investment Advisor whenever the Investment Manager believes the terms of Investment Manager Agreement should be amended.
- Execute directives from the Pension Office to liquidate or transfer assets.
- Submit monthly transaction and accounting reports to the Custodian Bank, Pension Office, and Investment Advisor.
- Provide the Committee with annual reports detailing, Brokers utilized, commissions paid, and the use of Soft Dollars.
- Minimize total transaction costs incurred in managing the Fund assets.
- Vote proxies and supply related information in accordance with the Board Proxy Voting Policy.
- Meet with DPERS or its representatives on a regular basis to review performance.

Custodian Bank

- Act as a Fiduciary as a directed trustee for DPERS and the Fund, and comply with the Standard of Care.
- Provide safekeeping of securities, collect Dividends and interest earned, make disbursements and receive cash flows as directed, and provide an annual SOC-1 Report.
- Provide complete and accurate accounting records including each transaction, income flow, and cash flow by asset class, Investment Manager, and total fund.
- Monitor and reconcile all trading activity.
- Monitor and file foreign tax reclaims.
- Facilitate country openings and sub-custodian relationships as requested by Investment Managers and approved by the Committee.
- Monitor and file class action claims on behalf of DPERS.
- Issue monthly reports of holdings and transactions priced in accordance with industry standards.
- Meet periodically with the Pension Office, the Committee, and Audit Committee to report on the activity of the Fund and bank organizational issues.
- Provide periodic reporting to the Pension Office including:
 - Estimated Market Value and Cash Flow Report – By the fifth business day of each month.
 - Master Trust Reporting – By total fund, asset class and plan account.
 - Monthly Custodial Bank Account Reconciliations.
 - Nontraditional Investment reconciliations.
 - Fiscal Year-to-Date Audit Reports and Most Recent SOC-1 report.
 - Monthly Report Filing of Claims and Class Actions.
 - Monthly Report brokerage activity.
 - Daily online access to all Fund account activity and valuations.
 - Annual detailed report of all fees paid by DPERS to the custodian.

Asset Allocation

The Committee establishes strategic Asset Allocations to various investment markets subject to the following guidelines:

- The Fund is actively managed to maximize return within a risk band reflecting the risk tolerance defined by the Board. This policy authorizes the Board to manage the Fund to limit the probability of downside risk greater than negative 12% in any 12-month period.¹
- The Committee will regularly examine both the risk tolerance and Asset Allocation policies of the Fund.
- Minimum and Maximum limits, which govern the Fund's exposure to different asset categories, are established within broad ranges. The guide below outlines the asset class ranges:

Asset Allocation Ranges²

Fund Segment	Percent of Total Fund Allocation	
	Minimum	Maximum
Equity (including Private Investments)	50%	85%
Fixed Income (including Cash) ³	15%	50%
Illiquid Assets ⁴	0%	30%
Hedge Funds and Other	0%	20%
Diversification Strategies		

¹ The probability of downside risk is estimated at a 5% (1 in 20) chance that the Fund may decline further than -12% over 12 months.

² The Fund will rarely be fully invested at the minimum or maximum limits, and some assets will be held in cash. The limits are calculated at market value, at the time of purchase and/or allocation.

³ A minimum of 10% of the Fund is to be invested in investment grade Fixed Income Securities or cash equivalents.

⁴ Assets whose conversion to cash at fair market value is limited for at least 45 days.

In general, higher risk is associated with higher expected returns. The Board and the Committee examine the Fund's risk tolerance when formulating investment policy. Risk tolerance characteristics include the following objectives:

- Providing benefit security to plan participants by maximizing long-term return consistent with acceptable downside risk.
- Maintaining adequate liquidity to meet DPERS' cash flow requirements.
- Minimizing the long-term cost of providing Plan benefits.
- Maintaining the well-funded status of the Plans.
- Avoiding unexpected increases in contributions.
- Evaluating actuarial, demographic, and funding characteristics of DPERS.

Key information is required to develop an optimum mix of asset classes to achieve the Fund's objectives:

- Historical and prospective returns for each asset class or strategy.
- Potential risk for each asset class or strategy.
- Correlation among the returns for each asset class or strategy.

To facilitate the accomplishment of both the risk and return objectives of the Fund, Asset Allocation will generally be managed to an objective of potential downside volatility in the range of 60% to 80% of that of the S&P 500 stock index, based on estimated downside volatility and correlation of and among each asset class or strategy, noting that the Fund may deviate from this range provided the Board and its Committee support such a situation.

Investment Performance Objectives

Investment performance objectives are necessary for proper measurement and evaluation of the success of the investment program. DPERS' performance Benchmarks for the Fund have been established in consideration of the following objectives:

- Administration of Plan benefits.
- Management of risk tolerance.
- Development of Asset Allocation policies.
- Coordination of Investment Manager Structures.

Investment performance is best measured over a period of three to five years. Total Fund, asset segment and individual manager performance will be compared to appropriate Benchmarks as specified in the chart below:

Asset Segment/Strategy	Benchmark⁵
Total Fund:⁶	<ul style="list-style-type: none"> • Consumer Price Index (CPI) plus 3% • 46.0% Russell 3000 Equity Index • 24.0% MSCI All-Country ex-USA IMI Equity Index • 27.0% Bloomberg Barclays Capital US Universal Bond Index • 3.0% 91 Day Treasury Bill • Limit potential and actual downside price fluctuations of the Fund in any 12-month period
Total Domestic Equity:	<ul style="list-style-type: none"> • Russell 3000 Index
Total International Equity:	<ul style="list-style-type: none"> • MSCI All-Country World ex-USA IMI Index
Total Fixed Income:	<ul style="list-style-type: none"> • Bloomberg Barclays Capital US Universal Bond Index
Private Investments	<ul style="list-style-type: none"> • 66% Russell 3000 Index/34% MSCI All-Country ex-USA IMI Equity
Hedge Funds & Other Strategies	<ul style="list-style-type: none"> • Strategy Representative Benchmark

⁵ Where appropriate, Benchmark return comparisons will be made net of all fees. Total Fund returns will be compared to an appropriate peer universe, gross of fees.

⁶ Represents the risk band and target benchmark associated with a -12% downside risk tolerance level towards which the Committee is migrating the Fund. DPERS' Statement of Investment Policies and Objectives dated July 31, 2020.

Appendix I: Definitions

“Actuary” shall mean a licensed business professional who deals with financial impact of risk and uncertainty and provide expert assessments of financial security systems such as a pension plan. This assessment includes the calculation of the value today of retirement benefits for pension plan participants, based on various assumptions concerning future events and future economic conditions. DPERS uses their calculations in order to adequately fund and account for the Plan.

“Asset Allocation” shall mean the process of assigning Fund assets among major asset classes such as stocks, Bonds, cash, or alternative investments for the purpose of reducing risk through portfolio Diversification.

“Auditor” shall mean the independently retained audit firm who conducts an unbiased examination to ensure the fiscal accuracy, internal control, and fiduciary responsibility of DPERS.

“Benchmark” shall mean a standard against which the performance of a Security, instrument, index, Investment Manager, total fund or fund segment can be measured.

“Board” shall mean the DPERS’ Board of Pension Trustees.

“Bond” shall mean a debt instrument, which provides a financial return over a defined period of time at a specific rate of interest.

“Broker” shall mean an individual or firm charging a fee or commission for executing buy and/or sell orders initiated by an Investment Manager.

“Cash Equivalent” shall mean short-term high quality marketable securities that are readily convertible to cash, such as U.S. Treasury bills, commercial paper, and bank certificates of deposit.

“Commingled Fund” shall mean a fund, which blends several accounts together in a pool of funds. This term can be used to refer to an investment structure which commingles pools of capital from different investors or master trust which commingles different plans as a single trust.

“Committee” shall mean the Investment Committee of the Board of Pension Trustees.

“Compliance Certificate” is a contractual reporting obligation of Investment Managers, which certifies that the Investment Manager is in compliance with the terms and requirements of the Investment Management Agreement.

“Comprehensive Annual Financial Report” shall mean an annual report prepared by for Board of Trustees detailing the financial status and activities of the Fund.

“Conflict of Interest” shall mean an interest which could impair the judgment of a Fiduciary in the performance of his/her duties with respect to any matter, including any action or inaction which would result in a financial or consequential benefit or detriment to the person or a close relative, or any violation of the provisions of the DPERS Code of Conduct and the “State Employees’, Officers’, and Officials’ Code of Conduct”.

“Consumer Price Index” (“CPI”) shall mean the monthly index, compiled by the Bureau of Labor Statistics, of the cost of living that measures price changes for specific goods and services over time. The periodic change in this index is most often used as the inflation rate.

“Custodian Bank” shall mean a financial institution with legal and fiduciary responsibility for retaining the assets of DPERS. The Custodian Bank shall be a Fiduciary to the Fund and is subject to the Standard of Care.

“Derivatives” shall mean any financial instrument (Security or contract) whose value is determined by the value of some underlying asset or contract such as stock or Bond prices, interest rate levels, or currency exchange rates. Such derivative instruments include, but are not limited to: Options and futures contracts, forward contracts, swaps, and derivative securities, such as mortgage-backed Bonds and structured notes.

“Diversification” shall mean a risk management technique, which blends a broad variety of investment styles and asset classes within an investment portfolio.

“Dividend” shall mean cash or non-cash distribution to a class of shareholders or investors.

“DPERS” shall mean the Delaware Public Employees’ Retirement System.

“Fiduciary” shall mean those persons holding the duty of loyalty, care, and prudence to DPERS, pursuant to the Standard of Care.

“Fixed Income Security” shall mean an investment instrument, which provides a return in the form of fixed periodic payments and an eventual return of principal at maturity.

“Fund” shall mean the Master Trust holding all assets of DPERS, including those funds commingled for investment purposes only, and managed by the Board of Pension Trustees.

“Gift” shall mean any gratuity, property, money, or tangible or intangible object of value received in exchange for nothing of value in return.

“Hedge Fund” shall mean an investment in a fund with a limited liability structure (typically a Delaware limited liability company or Limited Partnership), with liquidity limitations of at least 30 days, and which pursue tailored and specific investment opportunities which arise in changing market conditions, and which may focus upon distressed investments, commodities, asset based lending, energy trading, financial futures and options, or other specialized strategies.

“Illiquid Asset” shall mean an asset or Security whose conversion to cash at fair market value is limited for at least 45 days.

“Investment Advisor” shall mean the firm(s) retained for expert advice regarding all investment matters of the Fund. The Investment Advisor, is subject to the Standard of Care.

“Investment Manager” shall mean an expert individual or firm, whose conduct is governed by the Standard of Care and is retained to manage assets, implement an assigned investment strategy, and supervise and direct the day-to-day activities for the portfolio.

“Investment Manager Agreement” is the agreement documenting the strategy and fees between DPERS and the Investment Manager.

“Investment Return” shall mean the income and appreciation or depreciation (realized or unrealized) of the fair market value of an investment or pool of investments over a given evaluation period.

“Limited Partnership” shall mean an association of partners formed to conduct a joint venture in which the specific terms of the venture, managed by the General Partner, which allocates expenses of administration of the entity, provides proscribed returns, and which provides limited liability for limited partners.

“Other Diversification Strategies” shall mean investments in strategies which seek value-added and active management which may directly invest in specialized instruments, such as financial futures and options, distressed investments, commodities, asset based lending, energy trading, financial futures and options, or other specialized strategies, and may include both long and short positions to pursue tailored and specific opportunities and/or modify the risk characteristics of the Fund.

“Pension Administrator” shall mean the director of the Pension Office.

“Private Investments” are funds, principally invested in non-quoted companies, which pursue value-added, active strategies and include venture capital, growth equity, buyout, private real estate, private energy, private credit, infrastructure and timber. Private Investments are typically made through limited partnerships with liquidity limitations (generally with lock up provisions lasting more than several years), and term limitations.

“Proxy Voting” shall mean the process of voting for a public company’s directors or corporate governance issues in which each shareholder is entitled to one vote per share.

Public Equity – Equity security listed on a public stock exchange.

“SOC-1” shall mean a report on the controls at a service organization pursuant to AICPA Statement on Standard for Attestation Engagements (SSAE) 16.

“SEC” shall mean the Securities & Exchange Commission.

Security” shall mean liquid or illiquid instruments including stocks and Bonds.

“**Separate Account**” shall mean an account established at the custodial bank to hold cash, securities and other assets in a portfolio that is generally custom tailored to meet DPERS investment needs.

“**Soft Dollar**” shall mean payment for services from brokerage firms through commission revenue, in contrast to normal payments (hard dollars).

“**STIF**” shall mean short-term investment fund, which invests in short-term investments of high quality and low risk.

“**Transition Manager**” shall mean an Investment Manager retained on an interim basis for the specific purpose of liquidating or purchasing certain assets.

Appendix II: Descriptions of Indices

Consumer Price Index (CPI)

Monthly index, compiled by the Bureau of Labor Statistics, of the cost of living that measures price changes for specific goods and services over time. The periodic change in this index is most often used as the inflation rate.

Bloomberg Barclays Universal Bond Index

Measures the performance of the US dollar denominated debt market. In addition to the entire BB Aggregate index, which covers the U.S. investment grade fixed rate bond market; this index covers other dollar-denominated sectors, including high yield bonds, Euro-dollar bonds, CMBS and related 144A securities.

Morgan Stanley Capital International (MSCI) All-Country World Ex-USA IMI (Investible Market Index)

Measures the performance of large, mid and small cap equities across non-US developed and emerging markets

Russell 3000 Index:

Measures the performance of large, mid and small cap equities. It represents the 3,000 largest U.S. companies based on total free-float market capitalization.

Standard & Poor's 500 composite Stock Index (S&P 500)

Measures the returns of the largest corporations across the different sectors of the U.S. economy. The stocks in this index are chosen by Standard's and Poor based on industry representation, liquidity, and stability.

U.S. Treasury Bill

This U.S. government issued debt Security has a maturity of less than 1 year. The Fund uses the 91-Day Treasury Bill.

Appendix III: Evaluation and Review Process

Total Fund Review

The Committee and the Investment Advisor will periodically review the Fund's investment program to determine whether:

- The investment program adheres to established investment policies and guidelines.
- Each Investment Manager adheres to investment guidelines and relevant Benchmarks.
- Fund investment policies continue to be appropriate regarding allocation of assets among asset classes, Investment Manager Structure, and investment objectives and guidelines.
- Investment management fees are reasonable.

Investment Manager Review

The Committee and/or the Investment Advisor will, at least annually, meet with each Investment Manager to review investment results, expected performance, economic outlook, current strategy, organizational characteristics, and investment approach. The Committee may approve or reject changes to Investment Objectives, Guidelines and/or fees and compensation, contract amendments, and/or other special requests of the Investment Manager.

An Investment Manager may be terminated by the Board for any reason or identified on an "exception list" by the Committee for reasons including, but not limited to, the following:

- Change in the Fund strategy or objectives.
- Qualitative changes in the investment process, personnel, or other organizational issues associated with the investment management firm.
- Quantitative changes including underperformance, change in risk profile, or style.
- Legal issues or violation of the Fund's investment policies.
- Failure to communicate in accordance with established reporting requirements.

Investment Advisor Review

The performance of the Investment Advisor shall be reviewed by the Committee at least annually for:

- Progress towards objectives and goals set at most recent review.
- Overall services including contributions to fund performance, organizational development, and competence.

Appendix IV: Investment Manager Guidelines

The Fund's assets may be invested in separately managed accounts, commingled funds, mutual funds, or other investment vehicles, depending upon administrative and cost considerations.

Permissible investments include:

Marketable Investments

Equity Investments

- Common Stock.
- Preferred Stock.
- Convertible Securities.

Fixed Income

- U.S. Treasuries, Agencies, Foreign Governments and Government Sponsored Corporations.
- Corporate Debt.
- Mortgage and Asset Backed Securities.
- Cash and Cash Equivalent Securities, Money Market Funds, and STIFs.

Non-Traditional Investments

- Private Equity.
- Real Estate.
- Hedge Funds.
- Commodities.
- Derivative Contracts (See Derivative Policy for more details on allowed derivative investments, and regulatory compliance.)

General Investment Restrictions and Guidelines

The following transactions are restricted unless specifically authorized by the Board:

- Purchase of securities on margin.
- Purchase of non-registered securities.
- Short sales.
- Pledge, mortgage, or hypothecate any securities except for loans of securities that are fully collateralized, subject to the Securities Lending Policy.
- Purchase of securities of the trustee, Investment Manager, its parent, or its affiliates.

Diversification and Credit Quality

Investment Managers are responsible for achieving a level of Diversification in their portfolio that is consistent with their investment approach and their role in the Fund's overall investment structure. Managers may be retained to concentrate in specific market segments. General Diversification requirements may be waived by the Committee.

Investment Objectives and Guidelines for Equity and Fixed Income Managers

The schedule attached to each separate account/custodies Investment Management Agreement (typically, Schedule "A") identifies the mutual understanding between the Investment Manager and the Committee with respect to the expected behavior of the account. These guidelines may include an absolute, Benchmark-relative, and/or peer-relative return objective. A specific list of permissible investments for the account, guideline ranges for turnover, volatility, yield, asset exposures, and Diversification is typically included. Managers are expected to initiate recommended changes to Schedule "A". However, agreement by the Committee prior to action on such recommendation is required.

Equity and Fixed Income Manager Considerations for Inclusion in Schedule "A":

- Total return objective.
- Asset options.
- Expected portfolio volatility.
- Cash return from interest and Dividends.
- Average annual turnover.
- Normal investment ranges.
- Brokerage restrictions.
- Reporting and account reconciliation procedures.

Non-Traditional Investment Manager Arrangements

Any Non-Traditional Investment shall be subject to a negotiated agreement that describes the investment arrangement in detail, including fees, investment paid, sunset provisions, key man clauses, and other provisions deemed beneficial to the Fund interests. All Non-Traditional Investments shall support the investment goals and objectives of the Fund and be negotiated in the best interest of the Fund and its participants.

Appendix V: Derivatives Policy

Purpose

This section addresses the guidelines and limitations that each designated Investment Manager must meet in the use of derivative instruments. "Derivatives" refers to any financial instrument (Security or contract) whose value is determined by the value of some underlying asset or contract such as stock or Bond prices, interest rate levels, or currency exchange rates. Such derivative instruments include, but are not limited to: Options and futures contracts, forward contracts, swaps, and derivative securities, such as mortgage-backed Bonds and structured notes.

Selected Investment Managers are permitted to use Derivatives as identified in separately managed account Schedule "A" or commingled account, partnership or similar commingled vehicle documentation. Except where recommended by the Committee and approved by the Board the type of Derivatives used and the limits on their use are identified in the addendum to the Investment Manager's contract and are monitored on an ongoing basis. Derivatives serve a variety of useful purposes for the Fund, including the reduction of foreign exchange risk, the minimization of transaction costs and as a means of implementing value added strategies to enhance returns. All Derivative investments by managers must comply with Dodd Frank regulations as further described below:

Derivative Philosophy

The Fund uses Derivatives only in limited and carefully defined circumstances. Derivative instruments are permissible in an investment portfolio only to the extent that they comply with the Fund's policy guidelines.

- To reduce market risk by hedging a portion of a manager's portfolio using a futures contract that is closely related to the asset being hedged.
- To eliminate all or a portion of the currency risk of international investments by hedging such investments back into dollars using forward foreign exchange contracts.
- To facilitate trading by using derivative markets, in lieu of cash markets or in lieu of holding physical securities, either to permit cash enhancement strategies or to capitalize on mispricing of Derivatives.
- To enhance returns in connection with quantitative, tactical Asset Allocation vehicles.
- To pursue a well-diversified investment strategy with preferable risk-return characteristics, which may entail the use of leverage through Derivatives. Any such strategy must be specifically understood and recommended by the Committee and approved by the Board as an exception to this policy and any potential loss from the use of leverage must be confined to the assets allocated to that strategy.

Examples of acceptable activities involving the use of derivative products include:

Category	Purpose
Foreign Exchange forward contracts	Hedge currency risk of investments denominated in foreign currencies; Enhance return
Exchange traded futures contracts	Reduce transaction costs; Hedge equity market risk; Control Fixed Income Security portfolio duration; Enhance return
Exchange traded options contracts	Enhance return; Reduce transaction costs
Asset backed securities	Enhance return

Swap Compliance

For the purposes of any Separate Account (non-comingled):

Consistent with the Commodity Futures Trading Commission (“CFTC”) Regulation §23.450, before permitting any Investment Manager to engage in swaps on DPERS behalf, DPERS shall have a reasonable basis to believe that such representative

- (i) has sufficient knowledge to evaluate the transaction and risks;
- (ii) is not subject to “statutory disqualification,” which term means grounds for refusal to register or revoke, condition, or restrict the registration of the Investment Manager as set forth in Sections 8a(2) and 8a(3) of the Commodities Exchange Act, as amended, (“CEA”);
- (iii) is “independent” of the swap dealer or major swap participant within the meaning of Regulation §23.450(c), and a representative will be deemed to be independent of the swap dealer or major swap participant if:
 - (a) the representative is not and, within one year of representing DPERS in connection with the swap, was not an associated person of the swap dealer or major swap participant within the meaning of Section 1a(4) of the CEA;
 - (b) there is no principal relationship between the representative of DPERS and the swap dealer or major swap participant;
 - (c) the representative: (1) provides timely and effective disclosures to DPERS of all material conflicts of interest that could reasonably affect the judgment or decision making of the representative with respect to its obligations to the special entity; and (2) complies with policies and procedures reasonably designed to manage and mitigate such material conflicts of interest;
 - (d) the representative is not directly or indirectly, through one or more persons, controlled by, in control of, or under common control with the swap dealer or major swap participant; and
 - (e) the swap dealer or major swap participant did not refer, recommend, or introduce the representative to DPERS within one year of the representative’s representation of DPERS in connection with the swap;
- (iv) undertakes a duty to act in the best interests of DPERS;
- (v) makes appropriate and timely disclosures to DPERS;

- (vi) evaluates, consistent with any guidelines provided by DPERS, fair pricing and the appropriateness of the swap; and
- (vii) is subject to restrictions on certain political contributions imposed by the CFTC, the SEC, or a self-regulatory organization subject to the jurisdiction of any of such commissions.

The determination required herein above shall be made by Pension Office Investment Staff, who may rely upon written representations provided by the applicable representative, which may be in the form approved by the Pension Office.

Appendix VI: Proxy Voting Policy

The Board recognizes that proxy votes constitute assets of the Fund, and acknowledges its fiduciary duty to vote all proxies.

The Board may, from time to time, create and/or amend a policy on specific Proxy Voting issues. The Investment Managers retained by the Board hold expertise in securities matters and in the movements of the capital markets, which may cause voting on specific proxy issues to change. For this reason, the Board delegates to each Investment Manager the duty to determine the proper vote to be exercised timely on all proxies, for each issue presented. Investment Managers are required to vote proxies after careful assessment of the issues involved, and in accordance with their professional judgment and fiduciary duty to DPERS, and in the best interest of the Fund.

Investment Managers of custodial equity accounts or of separate accounts are further required to provide a copy of their Proxy Voting policies, including updates and changes, and to report all Proxy Voting activity to the Board, through formal reporting to the Investment Advisor. At least annually, or more often if required, the Committee shall review all Proxy Voting activity of the Fund.

If proxy votes take place for mutual funds or other investor-controlled investment vehicles owned directly by the Fund, such votes will be executed in the best interests of participants. In such cases, the Investment Advisor will recommend a course of action to be reviewed by the Committee. The Pension Office then votes the proxies in accordance with the Committee's decision.

Appendix VII: Securities Lending Policy

The Committee may recommend, and the Board may approve, from time to time, an agreement to engage in securities lending of DPERS' securities held in separately managed accounts, by DPERS' Custodian Bank or other qualified parties. In certain commingled accounts, DPERS may indirectly participate in securities lending.

First adopted by the Board 5/26/07.

Appendix VIII: Soft Dollar/Commission Policies

The Board requires disclosure by its separate account Investment Managers of third-party relationships with respect to brokerage commission dollars. Investment Managers shall execute the purchase and sale of securities, directed through brokerage firms, at the best price and best total execution (commission plus market impact).

Soft dollar or commission sharing arrangements may exist between Brokers and Investment Managers. Broker selection is the responsibility of the individual Investment Managers. All separate account Investment Managers using Soft Dollars or commission sharing arrangements are required to provide the following information to the Committee:

- A statement of the Investment Manager's policy on Soft Dollar and commission sharing use.
- A list of services paid with Soft Dollars or commissions indicating whether these services are available for hard dollars.
- The amount of DPERS' commissions attributable to each Soft Dollar service over the fiscal year.

Appendix IX: Cross-Trading Policy

Cross-trading of securities is the trading of the Fund's securities by a designated Investment Manager with another client of the same Investment Manager. Such trading usually occurs away from a publicly recognized securities exchange at a price either determined to be the midpoint of quoted bid-ask spreads or, if at the end of a trading day, at the closing price for that day.

Cross-trading of securities is permitted subject to prior authorizations by the Committee. Investment Managers shall provide copies of Cross Trading Policies, if applicable, keep the Committee apprised of changes in such policies, and provide reporting of such trading upon request. Additionally, any such cross trading shall comply with the provisions, reporting requirements, trading policies, procedures and reporting requirements of all applicable SEC and Department of Labor rules and regulations.

APPENDIX X: ETI AND ESG POLICY

DELAWARE PUBLIC EMPLOYEES RETIREMENT SYSTEM (“DPERS”)

BOARD OF TRUSTEES

ETI AND ESG INVESTMENT GUIDELINES

I. BACKGROUND

The Board, and its committees and managers, in considering the investment of the Pension Funds, are subject to a rigorous Standard of Care as set forth in 29 Del. C. Sec. 8308(a), which states that:

“...the Board, its committees, and each of the committees’ members shall discharge their duties with respect to each plan...solely in the interest of the participants and beneficiaries of such plans and for the exclusive purpose of providing plan benefits to participants and their beneficiaries, including defraying reasonable expenses of administering each plan, 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 to attain the purposes of such plan.”

To that end, the Board must consider each investment in view of its duty to provide for the retirement benefits of the current and former public servants who are the beneficiaries of the plan. This longstanding commitment by the Board to put the interests of its beneficiaries first was articulated in the Board of Trustees’ Resolution on Divestment adopted on February 29, 2008, a copy of which is attached. The Board has consistently applied the factors set forth extensively in its Investment Policy, which relate to the long-term investment return, risk factors, and allocation considerations.

Today, many public pension systems are considering their policies regarding Economically Targeted Investments (“ETIs”) and Investment strategies which consider Environmental, Social and Governance (ESG) factors. The Board of Trustees, after careful review and consideration of legal guidance and best practices, has developed the following policy with regard to ETI and ESG investments.

II. DEPARTMENT OF LABOR GUIDANCE

DPERS, as a public pension system, is not subject to the application of Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA), which governs the operation of private-sector employee benefit plans. However, guidance issued by the U.S. Department of Labor (DOL) which regulates ERISA plans is guidance to public pension systems. As made clear in the Field Assistance Bulletin No. 2018-01, issued on April 23, 2018, DOL has a longstanding position that ERISA fiduciaries may not sacrifice investment returns or assume greater investment risks as a means of promoting collateral social policy goals. (IB 2016-01, attached) or economic benefits apart from the investment returns to the beneficiary plan. (IB 2015-01, attached). Plan fiduciaries may not sacrifice investment return or take on additional investment risk to promote collateral social policy goals. (IB 2015-01). However, “if a fiduciary prudently determines that an investment is appropriate based solely on economic considerations, including those that may derive from environmental, social and governance [ESG] factors, the fiduciary may make the investment without regard to any collateral benefits the investment may provide. (Preamble, IB 2015-01). The DOL makes clear, however, in later guidance that even if a Statement of Investment Policy allows for such investments that meet this standard, a fiduciary must disregard such policy if it is imprudent to comply in a particular instance. (Field Assistance Bulletin No. 2018-01)

III. ECONOMICALLY TARGETED INVESTMENTS (ETI)

The Board’s Investment Policy seeks to maximize long-term investment return for the DPERS trust fund by identifying appropriate allocations of investments balanced by risk and sector consistent with the Portfolio theory of investment. In most cases, economically targeted investment would be contrary to the Board’s Investment Policy and inconsistent with its fiduciary duty to invest the trust prudently.

IV. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS (ESG)

The Board’s Investment Policy seeks to maximize long-term investment return for the DPERS trust fund by identifying appropriate allocations of investments balanced by risk and sector consistent with the Portfolio theory of investment. The Board may consider ESG factors in making its investment decisions only to the extent that environmental, social and/or governance factors have a material impact upon the return and risk of an investment.

SCHEDULE C

DELAWARE PUBLIC EMPLOYEES RETIREMENT SYSTEM ("DPERS")

BOARD OF TRUSTEES CODE OF CONDUCT

I. PURPOSE

In our democratic form of government, persons serving in state government hold positions of public trust that require rigorous adherence to the highest standards of honesty, integrity and impartiality. Each Trustee, Committee Member, and DPERS and Office of Pensions ("OPen") employee shall endeavor to pursue a course of conduct consistent with high moral and ethical standards, both personally and professionally, such that the individual's conduct will not reflect negatively on the State, its government or DPERS

Each member of the Delaware Public Employees Retirement System Board of Trustees, ("Trustees") and Board Committees ("Committee Members") is subject to the "State Employees', Officers' and Officials' Code of Conduct." 29 Del. C. Chapter 58, "Laws Regulating the conduct of Officers and Employees of the State" (a copy of which is attached and made a part hereto as Exhibit A). Its terms, restrictions, guidance and definitions are incorporated herein by this reference.

The purpose of this supplemental Code of Conduct is to: 1) highlight the provisions of Ch. 58 that are particularly relevant to Trustees' and Committee Members responsibilities, and 2) provide specific standards and guidance regarding the highly specialized activities of Trustees and Committee Members. This is consistent with the spirit of the Code's statement that "[i]t is the desire of the General Assembly that all counties, municipalities and towns adopt code of conduct legislation at least as stringent as this act to apply to their employees and elected and appointed officials." 29 Del. C. § 5802 (4)

It is the Board's intent that each Trustee, Committee Member, and DPERS' employee be subject to this same supplemental Code of Conduct.

II. STANDARD OF CARE

Pursuant to 29 Del. C. Sec. 8308, the Board, its committees, and each of the committees' members shall discharge their duties with respect to each plan solely in the interest of the participants and beneficiaries of such plans and for the exclusive purpose of providing plan benefits to participants and their beneficiaries, including defraying reasonable expenses of administering each plan, 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 to attain the purposes of such plan, (hereinafter referred to as "Standard of Care.") The Board, as fiduciaries, shall prudently select and retain experts whose activity is governed by the Standard of Care. All financial and investment decisions must be made on their own merits consistent with DPERS' policies and objectives.

III. CONFLICTS OF INTEREST

In order to insure propriety and preserve public trust, a Trustee, Committee Member or DPERS' employee should refrain from acting in an official capacity on any matter wherein the individual has a

direct or indirect personal financial interest that might reasonably be expected to impair objectivity or independence of judgment, and should avoid even the appearance of impropriety.

- A. Definition: A person has an interest which tends to impair the person's independence of judgment in the performance of the person's duties with respect to any matter when:
- i. Any action or inaction with respect to the matter would result in a financial benefit or detriment to accrue to the person or a close relative to a greater extent than such benefit or detriment would accrue to others who are members of the same class or group of persons; or
 - ii. The person or a close relative has a financial interest in a private enterprise which enterprise or interest would be affected by any action or inaction on a matter to a lesser or greater extent than like enterprises or other interests in the same enterprise.
- B. Other Employment, Gifts: No Trustee, Committee Member or DPERS' employee shall accept other employment, any compensation, gift, payment of expenses or any other thing of monetary value (unless it is a token, educational or promotional item of nominal value, or a meal in connection with a meeting or training less than fifty dollars (\$50) in value) under circumstances in which such acceptance may result in any of the following:
- i. Impairment of independence of judgment in the exercise of official duties
 - ii. An undertaking to give preferential treatment to any person;
 - iii. The making of a governmental decision outside official channels; or
 - iv. Any adverse effect on the confidence of the public in the integrity of the government of the State.
- C. No Compensation as Provider: No Trustee, Committee Member, DPERS' employee or employer thereof may receive compensation as a service provider to the System.
- D. Reimbursed Travel: All reimbursed travel not directly connected to a Board or Committee meeting must have prior written approval from the Board Chair. All third party payment of travel or related expenses to any destination or event related to DPERS business shall have prior written approval of the Board Chair. No spouse, family member or other invitee may travel on actual or vendor related DPERS business, unless he or she pays for all incremental and additional costs associated with such travel.
- E. No Financial Interest: No Trustee, Committee Member or DPERS' employee shall acquire a financial interest in any private enterprise which is currently, or in which that individual has reason to believe may be directly involved in his/her decisions acting in an official capacity on behalf of the State.
- F. Disclosure of Personal Business with DPERS vendors and managers: Trustees, Committee Members and DPERS' employees shall disclose in writing any personal investment transactions with any individual or entity with which DPERS has a

contractual or other business relationship. Publicly available investment vehicles such as mutual funds or exchange traded funds are excluded from this policy.

- G. Trustees, Committee Members and DPERS' employees shall annually provide a written disclosure of any relationship with any DPERS manager, vendor, or other association, which may create an actual or have the appearance of a conflict of interest to the Chair of the Board's Audit Committee. This obligation is ongoing, and any new direct, indirect or apparent conflict of interest that may arise must be promptly disclosed in writing to the Board's Audit Committee Chair.

IV. IMPROPER USE OF POSITION

Trustees may not attempt to exercise individual authority with respect to DPERS employees, Risk Manager, Investment Advisors, Investment Managers, Actuaries, or other vendors, except as explicitly set forth in Board policies.

- A. Authority- DPERS Staff: Trustees and Committee Members have no authority, except when authorized by state law or in writing by the Board over the Pension Administrator and staff.
- B. Authority-DPERS Risk Manager, vendors and managers: Trustees and Committee Members have no authority, except when authorized in writing by the Board, over the Investment Advisor, Investment Managers, Actuary and other vendors serving DPERS.
- C. Spokesperson for the Board: The Board Chair is the only authorized spokesperson for the Board. No Trustee, Committee Member, or staff Member, except for the Board Chair will speak for the Board in interaction with public, press, or other entities, unless specifically authorized in writing by the Board Chair.
- D. Benefit consultation: Trustees and Committee Members shall not advise System members or beneficiaries regarding their benefits.
- E. Use of Office for Personal Gain: No Trustee, Committee Member or DPERS' employee shall use such public office to secure unwarranted privileges, private advancement or gain.
- F. Prohibition Against Future Employment: No Trustee or Committee member shall represent or otherwise assist any private enterprise in any matter in which such person gave an opinion, conducted an investigation or otherwise was directly and materially responsible for such matter in the course of official duties as a Trustee and/or Committee Member for a period of 2 years after termination of his/her appointed status on the Board or Board Committee.

V. CONFIDENTIALITY

No Trustee, Committee Member or DPERS' employee shall disclose any confidential information of DPERS, the Board, or a Board Committee.

- A. Confidential Records: Pursuant to 29 Del. C. Sec. 8308(d), "All records maintained by the Board or the Office of Pensions ...relating to the pensions or pension eligibility of persons receiving pensions from the State or other post-employment benefits and who are not presently employed by or serving as officers of the State or its political subdivisions shall be confidential. Any record, material or data received, prepared, used or retained by the Board or its employees, investment professionals or agents relating to an investment shall not constitute a public record subject to Chapter 100 of this title.
- B. No Disclosure of Confidential Information: No Trustee, Committee Member or DPERS' employee shall engage in any activity beyond the scope of such public position which might reasonably be expected to require or induce such individual to disclose confidential information acquired by reason of such public position nor shall such individual otherwise use such information for personal gain or benefit.
- C. Examples of confidential information are:
 - i. Non Public information on any issuer, market participant or service provider.
 - ii. Recent actions of the Investment Committee or the Board.
 - iii. Anticipated future actions of the Investment Committee or the Board.

VI. TRUSTEE RESPONSABILITES

- A. Trustees and Committee Members will educate themselves, consistent with the DPERS Board education policy, so that they are prepared to exercise informed oversight, particularly with respect to investment issues, and shall update Board Policies annually
- B. Trustees and Committee Members will faithfully attend and be properly prepared for Board and Committee deliberation.
- C. Trustees and Committee members shall annually certify that they have reviewed this Code of Conduct.

Annual Certification of Code of Conduct

I Suzanne B Grant am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: Suzanne Grant
Date: 1/30/20

Annual Certification of Code of Conduct

I Richard J. Geisenberger am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

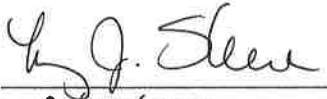
A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: Richard J. Geisenberger
Date: 2-7-2020

Annual Certification of Code of Conduct

I Nancy S. Stevock am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: 
Date: 2/28/2020

Annual Certification of Code of Conduct

I Arturo Agna am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.



By: 1/30/20
Date: _____

Annual Certification of Code of Conduct

I Thomas S. Shan am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: Thomas S. Shan
Date: 6-29-18

Annual Certification of Code of Conduct

I Michael S. Jackson am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: Michael S. Jackson
Date: 11/31/2020

Annual Certification of Code of Conduct

I JAMES A. BURKE am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By:

Date:


7/9/18

Annual Certification of Code of Conduct

I ARLENE DALE STRATTON am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: Arlene Dale Stratton
Date: February 19, 2020

Annual Certification of Code of Conduct

I Harold Stafford am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: Harold E. Stafford
Date: 1/31/2020

Annual Certification of Code of Conduct

I _____ am a member of the Board of Trustees of the Delaware Public Employees' Retirement System ("DPERS"), [Investment Committee, Audit Committee, Governance Committee] do hereby certify that I have reviewed and reaffirm the DPERS Code of Conduct.

A copy of my most recent "conflict of interest" letter for the DPERS Annual Audit is attached.

By: _____
Date: _____

EXHIBIT A

TITLE 29

State Government

Public Officers and Employees

**CHAPTER 58. LAWS REGULATING THE CONDUCT OF OFFICERS AND EMPLOYEES OF
THE STATE**

Subchapter I. State Employees', Officers' and Officials' Code of Conduct

§ 5801. Short title.

This subchapter shall be known and may be cited as the "State Employees', Officers' and Officials' Code of Conduct."

§ 5802. Legislative findings and statement of policy.

The General Assembly finds and declares:

(1) In our democratic form of government, the conduct of officers and employees of the State must hold the respect and confidence of the people. They must, therefore, avoid conduct which is in violation of their public trust or which creates a justifiable impression among the public that such trust is being violated.

(2) To ensure propriety and to preserve public confidence, officers and employees of the State must have the benefit of specific standards to guide their conduct and of some disciplinary mechanisms to guarantee uniform maintenance of those standards. Some standards of this type are so vital to government that violation thereof should subject the violator to criminal penalties.

(3) In our democratic form of government, it is both necessary and desirable that all citizens should be encouraged to assume public office and employment, and that, therefore, the activities of officers and employees of the State should not be unduly circumscribed.

(4) It is the desire of the General Assembly that all counties, municipalities and towns adopt code of conduct legislation at least as stringent as this act to apply to their employees and elected and appointed officials. This subchapter shall apply to any county, municipality or town and the employees and elected and appointed officials thereof which has not enacted such legislation by January 23, 1993. No code of conduct legislation shall be deemed sufficient to exempt any county, municipality or town from the purview of this subchapter unless the code of conduct has been submitted to the State Ethics Commission and determined by a majority vote thereof to be at least as stringent as this subchapter. Any change to an approved code of conduct must similarly be approved by the State Ethics Commission to continue the exemption from this subchapter.

§ 5803. Construction.

This subchapter shall be construed to promote high standards of ethical conduct in state government.

§ 5804. Definitions.

For the purposes of this subchapter:

(1) "Close relative" means a person's parents, spouse, children (natural or adopted) and siblings of the whole and half-blood.

(2) "Commission" means the State Public Integrity Commission established by this chapter.

(3) "Commission Counsel" means the legal counsel appointed by the Commission pursuant to this chapter.

(4) "Compensation" means any money, thing of value or any other economic benefit of any kind or nature whatsoever conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

(5) A person has a "financial interest" in a private enterprise if:

a. The person has a legal or equitable ownership interest in the enterprise of more than 10% (1% or more in the case of a corporation whose stock is regularly traded on an established securities market);

b. The person is associated with the enterprise and received from the enterprise during the last calendar year or might reasonably be expected to receive from the enterprise during the current or the next calendar year income in excess of \$5,000 for services as an employee, officer, director, trustee or independent contractor; or

c. The person is a creditor of a private enterprise in an amount equal to 10% or more of the debt of that enterprise (1% or more in the case of a corporation whose securities are regularly traded on an established securities market).

(6) "Honorary state official" means a person who serves as an appointed member, trustee, director or the like of any state agency and who receives or reasonably expects to receive not more than \$5,000 in compensation for such service in a calendar year (not including any reimbursement for expenses).

(7) "Matter" means any application, petition, request, business dealing or transaction of any sort.

(8) "Person" means an individual, partnership, corporation, trust, joint venture and any other association of individuals or entities.

(9) "Private enterprise" means any activity conducted by any person, whether conducted for profit or not for profit and includes the ownership of real or personal property. Private enterprise does not include any activity of the State or of any political subdivision or of any agency, authority or instrumentality thereof.

(10) "State" means the State of Delaware and includes any state agency.

(11) "State agency" means any office, department, board, commission, committee, court, school district, board of education and all public bodies existing by virtue of an act of the General Assembly or of the Constitution of the State, excepting only political subdivisions of the State, their agencies and

other public agencies not specifically included in this definition which exist by virtue of state law, and whose jurisdiction:

- a. Is limited to a political subdivision of the State or to a portion thereof; or
- b. Extends beyond the boundaries of the State.

(12)a. "State employee" means any person:

1. Who receives compensation as an employee of a state agency;
2. Who serves as an appointed member, trustee, director or the like of any state agency and who receives or reasonably expects to receive more than \$5,000 in compensation for such service in a calendar year (not including any reimbursement for expenses); or
3. Who is an elected or appointed school board member.

b. "State employee" does not include:

1. Members of the General Assembly;
2. The Chief Justice and Justices of the Supreme Court;
3. The Chancellor and Vice-Chancellors of the Court of Chancery;
4. The President Judge and Judges of Superior Court;
5. The Chief Judge and Judges of Family Court;
6. The Chief Judge and Resident Judges of the Court of Common Pleas;
7. The Chief Magistrate and Justices of the Peace;
8. State officers; or
9. Honorary state officials.

(13) "State officer" means any person who is required by subchapter II of this chapter to file a financial disclosure statement but does not include:

- a. Members of the General Assembly;
- b. The Chief Justice and Justices of the Supreme Court;
- c. The Chancellor and Vice-Chancellors of the Court of Chancery;
- d. The President Judge and Judges of Superior Court;
- e. The Chief Judge and Judges of Family Court;

f. The Chief Judge and Judges of the Court of Common Pleas; or

g. The Chief Magistrate and Justices of the Peace.

§ 5805. Prohibitions relating to conflicts of interest.

(a) Restrictions on exercise of official authority. --

(1) No state employee, state officer or honorary state official may participate on behalf of the State in the review or disposition of any matter pending before the State in which the state employee, state officer or honorary state official has a personal or private interest, provided, that upon request from any person with official responsibility with respect to the matter, any such person who has such a personal or private interest may nevertheless respond to questions concerning any such matter. A personal or private interest in a matter is an interest which tends to impair a person's independence of judgment in the performance of the person's duties with respect to that matter.

(2) A person has an interest which tends to impair the person's independence of judgment in the performance of the person's duties with respect to any matter when:

a. Any action or inaction with respect to the matter would result in a financial benefit or detriment to accrue to the person or a close relative to a greater extent than such benefit or detriment would accrue to others who are members of the same class or group of persons; or

b. The person or a close relative has a financial interest in a private enterprise which enterprise or interest would be affected by any action or inaction on a matter to a lesser or greater extent than like enterprises or other interests in the same enterprise.

(3) In any case where a person has a statutory responsibility with respect to action or nonaction on any matter where the person has a personal or private interest and there is no provision for the delegation of such responsibility to another person, the person may exercise responsibility with respect to such matter, provided, that promptly after becoming aware of such conflict of interest, the person files a written statement with the Commission fully disclosing the personal or private interest and explaining why it is not possible to delegate responsibility for the matter to another person.

(b) Restrictions on representing another's interest before the state. --

(1) No state employee, state officer or honorary state official may represent or otherwise assist any private enterprise with respect to any matter before the state agency with which the employee, officer or official is associated by employment or appointment.

(2) No state officer may represent or otherwise assist any private enterprise with respect to any matter before the State.

(3) This subsection shall not preclude any state employee, state officer or honorary state official from appearing before the State or otherwise assisting any private enterprise with respect to any matter in the exercise of such person's official duties.

(c) Restrictions on contracting with the state. -- No state employee, no state officer and no private enterprise in which a state employee or state officer has a legal or equitable ownership of more than 10%

(more than 1% in the case of a corporation whose stock is regularly traded on an established securities market) shall enter into any contract with the State (other than an employment contract) unless such contract was made or let after public notice and competitive bidding. Such notice and bidding requirements shall not apply to contracts not involving more than \$2,000 per year if the terms of such contract reflect arms' length negotiations. For the period of July 1, 1990 through June 30, 1991, nothing in this subsection shall prohibit a state employee, a state officer, or a private enterprise in which a state employee or a state officer has a legal or equitable ownership of more than 10% (more than 1% in the case of a corporation whose stock is regularly traded on an established securities market) from contracting with a public school district and/or the State Board of Education for the transportation of school children without public notice and competitive bidding as is permitted under § 6923 of this title.

(d) Post-employment restrictions. -- No person who has served as a state employee, state officer or honorary state official shall represent or otherwise assist any private enterprise on any matter involving the State, for a period of 2 years after termination of employment or appointed status with the State, if the person gave an opinion, conducted an investigation or otherwise was directly and materially responsible for such matter in the course of official duties as a state employee, officer or official. Nor shall any former state employee, state officer or honorary state official disclose confidential information gained by reason of public position nor shall the person otherwise use such information for personal gain or benefit.

(e) Unauthorized disclosure of confidential information. -- No person shall disclose any information required to be maintained confidential by the Commission under § 5806(d), § 5807(b) or (d), or § 5810(h) of this title.

(f) Criminal sanctions. --

(1) Any person who knowingly or willfully violates any provision of this section shall be guilty of a misdemeanor, punishable for each such violation by imprisonment of not more than 1 year and by a fine not to exceed \$10,000.

(2) A prosecution for a violation of this section shall be subject to the time limitations of § 205 of Title 11.

(3) The Superior Court shall have exclusive jurisdiction over prosecution for all criminal violations of this section.

(g) Contracts voidable by court action. -- In addition to any other penalty provided by law, any contract entered into by any state agency in violation of this subchapter shall be voidable by the state agency; provided, that in determining whether any court action should be taken to void such a contract pursuant to this subsection, the state agency shall consider the interests of innocent 3rd parties who may be damaged thereby. Any court action to void any transaction must be initiated within 30 days after the state agency involved has, or should have, knowledge of such violation.

(h) Exceptions for transportation contracts with school districts. -- Except for transportation supervisors for any school district within this State, nothing in this section shall prohibit an employee or the employee's spouse or children (natural or adopted) from contracting for the transportation of school children. Such transportation contracts may be entered into by an employee or the employee's spouse or children without public notice and competitive bidding as is provided in § 6916 of this title.

(i) [Deleted.]

§ 5806. Code of conduct.

(a) Each state employee, state officer and honorary state official shall endeavor to pursue a course of conduct which will not raise suspicion among the public that such state employee, state officer or honorary state official is engaging in acts which are in violation of the public trust and which will not reflect unfavorably upon the State and its government.

(b) No state employee, state officer or honorary state official shall have any interest in any private enterprise nor shall such state employee, state officer or honorary state official incur any obligation of any nature which is in substantial conflict with the proper performance of such duties in the public interest. No state employee, state officer or honorary state official shall accept other employment, any compensation, gift, payment of expenses or any other thing of monetary value under circumstances in which such acceptance may result in any of the following:

(1) Impairment of independence of judgment in the exercise of official duties;

(2) An undertaking to give preferential treatment to any person;

(3) The making of a governmental decision outside official channels; or

(4) Any adverse effect on the confidence of the public in the integrity of the government of the State.

Provided however, that a minimal gratuity provided on occasion to blind or disabled state employees or other blind or disabled persons supervised by the Division of Visually Impaired, shall not be considered to be a violation of this section.

(c) No state employee, state officer, or honorary state official shall acquire a financial interest in any private enterprise which such official has reason to believe may be directly involved in decisions to be made by such official in an official capacity on behalf of the State.

(d) Any state employee or state officer who has a financial interest in any private enterprise which is subject to the regulatory jurisdiction of, or does business with, any state agency (and any honorary state official who has a financial interest in any private enterprise which is subject to the regulatory jurisdiction of, or does business with, the state agency on which the official serves as an appointee) shall file with the Commission a written statement fully disclosing the same. Such disclosure shall be confidential and the Commission shall not release such disclosed information, except as may be necessary for the enforcement of this chapter. The filing of such disclosure statement shall be a condition of commencing and continuing employment or appointed status with the State.

(e) No state employee, state officer or honorary state official shall use such public office to secure unwarranted privileges, private advancement or gain.

(f) No state employee, state officer or honorary state official shall engage in any activity beyond the scope of such public position which might reasonably be expected to require or induce such state

employee, state officer or honorary state official to disclose confidential information acquired by such official by reason of such public position.

(g) No state employee, state officer or honorary state official shall, beyond the scope of such public position, disclose confidential information gained by reason of such public position nor shall such official otherwise use such information for personal gain or benefit.

(h) No state employee, state officer or honorary state official, in the course of public responsibilities, shall use the granting of sexual favors as a condition, either explicit or implicit, for an individual's favorable treatment by that person or a state agency.

(i) Notwithstanding the provisions of Chapters 58, 59, and 69 of this title and the State Merit Rules of Personnel Administration, state employees may contract to provide foster care or respite care for individuals with fees paid for by the State provided further that the employee does so at other than assigned work hours. Additionally, these individuals are not permitted to participate in the review or disposition of any matter related to foster and/or respite care in which they have or may have a personal or private interest and may not be monitored or reviewed by other state employees who are more junior or related to them.

§ 5807. Waivers of restrictions and advisory opinions.

(a) Notwithstanding the provisions of §§ 5805 and 5806 of this title, upon the written request of any state agency or of any individual who is or was a state employee, state officer or honorary state official, the Commission may grant a waiver to the specific prohibitions contained therein if the Commission determines that the literal application of such prohibition in a particular case is not necessary to achieve the public purposes of this chapter or would result in an undue hardship on any employee, officer, official or state agency. Any such waiver may be granted only by written decision of the Commission. Any person who acts in good faith reliance upon any such waiver decision shall not be subject to discipline or other sanction hereunder with respect to the matters covered by the waiver decision provided there was a full disclosure to the Commission of all material facts necessary for the waiver decision.

(b) Any application for a waiver, any proceedings and any decision with respect thereto shall be maintained confidential by the Commission provided that:

(1) Public disclosure shall be made by the Commission upon the written request of the applicant;

(2) The Commission may make such public disclosure as it determines is required in connection with the prosecution of any violation of this subchapter;

(3) The Commission shall report to appropriate federal and state authorities substantial evidence of any criminal violation which may come to its attention; and

(4) In the event that a waiver is granted, the waiver decision and the record of all proceedings relating thereto shall be open to public inspection.

(c) Upon the written request of any state employee, state officer, honorary state official or state agency or a public officer as defined in § 5812 of this title, the Commission may issue an advisory

opinion as to the applicability of this chapter to any particular fact situation. Any person who acts in good faith reliance upon any such advisory opinion shall not be subject to discipline or other sanction hereunder with respect to the matters covered by the advisory opinion provided there was a full disclosure to the Commission of all material facts necessary for the advisory opinion.

(d) Any application for an advisory opinion, any proceedings and any decision with respect thereto shall be maintained confidential by the Commission provided that:

(1) Public disclosure shall be made by the Commission upon the written request of the applicant;

(2) The Commission may make such public disclosure as it determines is required in connection with the prosecution of any violation of this chapter;

(3) The Commission shall report to appropriate federal and state authorities substantial evidence of any criminal violation which may come to its attention; and

(4) The Commission shall prepare a summary of its advisory opinions for public distribution without disclosing the identity of the applicants.

§ 5808. State Public Integrity Commission; establishment, membership, offices.

(a) The State Ethics Commission is hereby renamed and reestablished as the State Public Integrity Commission to assume the functions of the State Ethics Commission and to administer and implement this chapter, and to perform such other responsibilities as may be entrusted to it by law.

(b) The Commission shall consist of 7 members appointed by the Governor with the concurrence of the Senate. Not more than 4 members shall be registered with the same political party. No member shall hold any elected or appointed office under the government of the United States or the State or be a candidate for any such office. No member shall hold any political party office or an office in any political campaign. Members of the Commission may be removed by the Governor, with the concurrence of the Senate, for substantial neglect of duty, gross misconduct in office or violation of this chapter.

(c) A member of the Commission shall be appointed for a term of office of 7 years and until a successor has been appointed and has qualified, except that initially the Commission shall consist of the members of the former State Ethics Commission as of July 15, 1994, and said members shall serve the remaining portion of their terms and until their successors have been appointed and have qualified. No member shall serve for more than 1 full 7-year term. When a vacancy occurs in the membership of the Commission, it shall be filled by appointment for the unexpired portion of the term in the same manner as original appointments.

(d) The Commission shall elect a chairperson from among its membership. Four members of the Commission shall constitute a quorum and, if a quorum is present, a vacancy on the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission. Disciplinary hearings may be conducted and sanctions may be imposed only by the affirmative action of at least 4 members. Otherwise the Commission may delegate authority to the chairperson to act for the Commission between meetings.

(e) Each member of the Commission shall be compensated at the rate of \$100 for each day devoted to the performance of official duties. Each member of the Commission shall be reimbursed for reasonable and necessary expenses incurred in the performance of official duties.

(f) The principal office of the Commission shall be in Dover but it may meet, and exercise its power, at any other place in the State.

§ 5808A. Commission Counsel; powers and duties.

(a) There shall be a Commission Counsel who shall be the legal representative of the Commission and have the following powers and duties:

(1) To assist the Commission in preparing and publishing manuals and guides explaining the duties of individuals covered by this chapter and in other activities, such as seminars and workshops, educating individuals covered by this chapter about its requirements and purposes, and giving instructions and public information materials to facilitate compliance with, and enforcement hereof.

(2) To provide legal counsel to the Commission concerning any matter arising in connection with the exercise of its official powers or duties.

(3) To review information coming to the attention of the Commission relating to potential violations of this chapter.

(4) To investigate information coming to the attention of the Commission that, if true, would constitute a violation of any provision of this chapter and/or to recommend that possible violations of these, or other state and federal laws, be referred by the Commission to the Attorney General or the United States Attorney for investigation and prosecution. Matters may be so referred to the Attorney General or the United States Attorney only upon a determination by at least a majority of the Commission that there are reasonable grounds to believe that a violation may have occurred.

(5) To prosecute disciplinary proceedings, if a determination has been made by at least a majority of the Commission that there are reasonable grounds to believe that a violation may have occurred, before the Commission and to assist the Commission in drafting educational materials, waiver decisions and advisory opinions.

(6) To employ and supervise staff necessary to perform investigatory and prosecutorial functions.

(7) To maintain permanent records of all advisory, waiver, investigatory and prosecutorial matters.

(8) To perform any other tasks requested by the Commission concerning any matter arising in connection with the exercise of its official powers or duties.

(b) The Commission Counsel may recuse from a matter before the Commission when, in the view of Commission Counsel or of the Commission, such recusal is deemed necessary or appropriate. In situations where Commission Counsel recuses, the duties of the Commission Counsel may be exercised by the Attorney General or by outside counsel chosen by the Commission.

§ 5808B. Commission Counsel's appointment contingent upon appropriations.

The Commission Counsel established by § 5808A of this title shall not be appointed by the Commission until adequate funds have been appropriated for such purpose. In the absence of such appointment, the Attorney General shall provide legal assistance to the Commission and shall exercise any duties assigned to the Commission Counsel by this chapter. Such duties may also be exercised by outside counsel chosen by the Commission, if adequate funds are appropriated for such purpose.

§ 5809. State Public Integrity Commission -- Power and duties.

The powers and duties of the Commission shall be as follows:

(1) To recommend to the General Assembly from time to time such rules of conduct for public employees and officials as it shall deem appropriate.

(2) To issue written advisory opinions upon the request of any state employee, state officer, honorary state official or state agency as to the applicability of this chapter to any particular fact situation.

(3) To refer to Commission Counsel to investigate any alleged violation of this chapter and, after notice and hearing, to recommend by resolution, such disciplinary action as it may deem appropriate to such appropriate official or agency as the Commission shall determine or to take such other disciplinary action as is authorized by § 5810(d) of this title or other provisions of this Code. The Commission may also dismiss any complaint that it determines is frivolous or fails to state a violation.

(4) To report to the appropriate federal or state authorities any substantial evidence of a violation of any criminal law which may come to its attention in connection with any proceeding whether advisory or disciplinary.

(5) To maintain a file of its proceedings, waiver decisions and advisory opinions with a view toward achieving consistency of opinions and recommendations subject to the confidentiality requirements of § 5807(b) and (d), and § 5810(h).

(6) To follow the procedural rules specified in § 5810 of this title and to establish such other procedural rules as shall not be inconsistent with the rules prescribed therein.

(7) To subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of books, papers, records or other evidence needed for the performance of the Commission's duties or exercise of its powers.

(8) To prescribe forms for reports, statements, notices and other documents required by law. The Commission may permit the filing of reports, statements, notices, and other documents by electronic means and may specify the form and content of such filings.

(9) To prepare and publish manuals and guides explaining the duties of individuals covered by this chapter; and giving instructions and public information materials to facilitate compliance with, and enforcement hereof.

(10) To provide assistance to state agencies, employees and officials in administering the provisions of this law.

(11) To prepare an annual report by March 1st of each year describing its activities for the previous year and to prepare such other reports and studies as may advance the purposes of this chapter.

(12) To appoint a lawyer admitted to practice in the State to serve as Commission Counsel.

(13) To request appropriate state agencies to provide such professional assistance as it may require in the discharge of its duties.

(14) To contract for any services which cannot satisfactorily be performed by the Commission Counsel or other Commission staff.

(15) Commencing January 15, 1995, to administer and implement the financial disclosure provisions of subchapter II of this chapter and to maintain the records filed pursuant thereto.

(16) Commencing January 15, 1996, to administer and implement the lobbyist registration provisions of this Code and to maintain the records filed pursuant thereto.

(17) To perform such other responsibilities as may be assigned to it by law.

§ 5810. State Public Integrity Commission -- Complaints; hearings; dispositions.

(a) Upon the sworn complaint of any person or on its own initiative, the Commission may refer to the Commission Counsel for investigation any alleged violations of this chapter. The Commission Counsel shall be the prosecuting attorney in disciplinary proceedings before the Commission. In any such investigation or proceeding, a defendant shall be given an opportunity to be heard after notice, to be advised and assisted by legal counsel, to produce witnesses and offer evidence, and to cross-examine witnesses. A transcript of any such proceeding shall be made and retained, subject to the confidentiality requirements of subsection (h) of this section.

(b) A member of the Commission shall be ineligible to participate, as a member of the Commission, in any commission proceeding relating to such member's conduct. A member of the Commission who has been found by the Commission to have violated this chapter shall be ineligible to serve again as a member of the Commission.

(c) A member of the Commission may disqualify himself or herself from participating in any investigation of the conduct of any person upon submission in writing and under oath of an affidavit of disqualification stating that the member cannot render an impartial and unbiased decision in the case in which the member seeks to disqualify himself or herself.

(d) With respect to any violation with which a person has been charged and which the Commission has determined as proved, the Commission may take any 1 or more of the following actions:

(1) Issue a written reprimand or censure of that person's conduct.

(2) With respect to a state employee or state officer, other than an elected official, remove, suspend, demote or take other appropriate disciplinary action with respect to that person, without regard

to any limits imposed by Chapter 59 of this title but within the limits of the Constitution and other laws of the State.

(3) With respect to an honorary state official, recommend that appropriate action be taken to remove the official from office.

(e) In any proceeding before the Commission, upon the request of any person charged with a violation of this chapter, such person shall be permitted to inspect, copy or photograph books, papers, documents, photographs or other tangible objects which will be used as evidence against that person in a disciplinary hearing and which are material to the preparation of a defense.

(f) In any proceeding before the Commission, if the Commission Counsel or the Commission at any time receives any exculpatory information respecting an alleged violation against any person, it shall forthwith make such information available to such person.

(g) Any person charged with a violation of this chapter may apply to the Commission for the issuance of subpoenas for the appearance of witnesses and for the production of documents on the person's behalf. The application shall be granted upon a concise showing by such person that the proposed testimony or evidence is relevant (or is reasonably calculated to lead to the discovery of relevant evidence) and is not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(h)(1) All proceedings relating to a charged violation of this chapter shall be maintained confidential by the Commission unless (i) public disclosure is requested in writing by the person charged; or (ii) the Commission determines after a hearing that a violation has occurred.

(2) Notwithstanding the confidentiality requirements of paragraph (1) of this subsection, the Commission shall make available for public inspection the record of all proceedings relating to any decision of the Commission which is appealed to Superior Court and the Commission shall report to appropriate federal or state authorities any substantial evidence of a violation of any criminal law which comes to its attention in connection with any proceeding under this chapter.

(3) The chairperson of the Commission shall, with the approval of the Commission, establish such procedures as in the chairperson's judgment may be necessary to prevent the disclosure of any record of any proceedings or other information received by the Commission or its staff except as permitted by this chapter.

§ 5810A. Judicial review.

In the event that the Commission finds that any person has violated any provision of this chapter, said person shall have a right of appeal to Superior Court of any such finding and of any sanctions imposed with respect thereto by filing a notice of appeal with the Superior Court within 30 days of the final action by the Commission in a particular case. The appeal shall be on the record without a trial de novo. If the Court determines that the record is insufficient for its review, it shall remand the case to the Commission for further proceedings on the record. The Court's review, in the absence of actual fraud, shall be limited to a determination of whether the Commission's decision was supported by substantial evidence on the record. The burden of proof in any such appeal shall be on the appellant.

Subchapter II. Financial Disclosure

§ 5811. Findings.

The General Assembly finds and declares that:

(1) In our democratic form of government, persons serving in state government hold positions of public trust which require rigorous adherence to the highest standards of honesty, integrity and impartiality.

(2) In order to insure propriety and preserve public trust, a public official or employee should refrain from acting in an official capacity on any matter wherein the employee or official has a direct or indirect personal financial interest that might reasonably be expected to impair objectivity or independence of judgment, and should avoid even the appearance of impropriety.

(3) A disclosure of the personal financial interests of public officials will serve to guard against conduct violative of this public trust and to restore the public's faith and confidence in representatives of its government.

§ 5812. Definitions.

(a) "Business enterprise" means corporation, partnership, sole proprietorship or any other individual or organization carrying on a business or profession.

(b) "Capital gain" means capital gains required to be reported to the Internal Revenue Service pursuant to federal internal revenue laws.

(c) "Commission" means the State Public Integrity Commission.

(d) "Constructively controlled" means:

(1) A financial interest in the name of another which is controlled by a public officer by virtue of any relationship of the public officer to another person and which directly benefits the public officer;

(2) Any financial interest of a public officer held jointly with the spouse or child of such public officer;

(3) Any financial interest of the spouse or minor child of a public officer.

(e) "Debt instrument" means bonds, notes, debentures, mortgages or other securities having a fixed yield if not convertible to equity instruments.

(f) "Equity instrument" means any ownership interest in a corporation or other legal entity giving rights to the holder upon liquidation of the entity.

(g) "Fair market value" means, if a security, the quoted price as of January 1 of the year in which the report required by § 5813 of this title is filed, or, if not a security, the price at which the public officer would sell as of January 1 of the year in which the report required by § 5813 of this title is filed.

(h) "Gift" means a payment, subscription, advance, forbearance, rendering or deposit of money, services or anything of value unless consideration of equal or greater value is received. "Gift" shall not include a political contribution otherwise reported as required by law, a commercially reasonable loan made in the ordinary course of business, or a gift received from a spouse or any relative within the 3rd degree of consanguinity of the person or person's spouse or from the spouse of any such relative.

(i) "Honoraria" means fees received for speeches, written articles and participation in discussion groups and similar activities, but does not include reimbursement for expenses.

(j) "Income for services rendered" means income from a single source and includes salary, wages, consulting fees and professional services.

(k) "Instrument of ownership" includes, but is not limited to, common or preferred stock, rights, warrants, articles of partnership, proprietary interest, deeds and debt instruments, if convertible to equity instruments.

(l) "Position of management" means officer, director, partner, proprietor or other managerial position in a business enterprise.

(m) "Professional organization" means an individual engaged in, or an association organized pursuant to, federal or state law for the practice of medicine, law, accounting, engineering or other profession.

(n)(1) "Public officer" shall mean:

a. Any person elected to any state office; and

b. Any person appointed to fill a vacancy in an elective state office; and

c. Any candidate who has filed for any state office; and

d. The Research Director and Controller General of the Legislative Council; and

e. The Chief Justice and Justices of the Supreme Court; and

f. The Chancellors and Vice-Chancellors of the Court of Chancery; and

g. The President Judge and Judges of Superior Court; and

h. The Chief Judge and Judges of Family Court; and

i. The Chief Judge and Judges of the Court of Common Pleas; and

j. The Chief Magistrate and justices of the peace; and

k. The State Court Administrator and the administrators of Superior Court, Family Court, the Court of Common Pleas, and the Justice of the Peace Courts; and

(n)l. The Public Guardian, the Executive Director of the Child Placement Review Board; and

- and
- m. All Cabinet Secretaries and persons of equivalent rank within the Executive Branch;
 - n. All division directors and persons of equivalent rank within the Executive Branch; and
 - o. The State Election Commissioner and the Directors and Deputy Directors of the Department of Elections; and
 - p. The State Fire Marshal and the Director of the State Fire School; and
 - q. The Adjutant General of the Delaware National Guard; and
 - r. The Alcoholic Beverage Control Commissioner and the members of the Appeals Commission, pursuant to § 306(c) of Title 4; and
 - s. The Public Advocate.

(2) For purposes of this subchapter, the term "public officer" does not include elected and appointed officials of political subdivisions of the State, of public school districts of the State, and of state institutions of higher learning.

(o) "Reimbursement for expenditures" means any payments to a public officer for expenses incurred by that public officer.

(p) "Time or demand deposits" means checking and savings account in banks or deposits or share in savings and loan institutions, credit unions or money market funds.

§ 5813. Report disclosing financial information.

(a) Every public officer as defined in § 5812 of this title shall file a report disclosing financial interests, as hereinafter provided. Each report shall be on a form prescribed by the Commission, shall be signed by the public officer and shall include at least the following information:

(1) The name and position of the public officer; and

(2) The name, instrument and nature of ownership, and any position of management held by, or constructively controlled by, the public officer in any business enterprise in which legal or equitable ownership is in excess of \$5,000 fair market value or from which income of more than \$5,000 was either derived during the preceding calendar year or might reasonably be expected to be derived during the current calendar year. Time or demand deposits in a financial institution, or any debt instrument having a fixed yield shall not be listed unless convertible to an equity instrument; and

(3) The name, address and type of practice, without reference to the identity of any individual clients served, of any professional organization in which the public officer is the sole practitioner, officer, director or partner, or serves in any advisory capacity, or which is constructively controlled by the public officer, from which income of more than \$5,000 was either derived during the preceding year or might reasonably be expected to be derived during the current calendar year; provided, however, that any such organization construed as a business enterprise and reported pursuant to paragraph (a)(2) of this section need not be reported under this subsection; and

(4) The source of each of the following items received during the preceding calendar year, or reasonably expected to be received during the current calendar year:

- a. Any income derived for services rendered exceeding \$1,000 from a single source, unless such income is otherwise identified pursuant to paragraph (a)(2) or (3) of this section; or
- b. Any capital gain exceeding \$1,000 from a single source other than from the sale of a residence occupied by the public officer; or
- c. Any reimbursement for expenditures exceeding \$1,000 from a single source; or
- d. Any honoraria; or
- e. Any gift with a value in excess of \$250 received from any person, identifying also in each case the amount of each such gift. For purposes of compliance with this gift reporting obligation, the recipient may rely in good faith upon the representation of the source of the gift as to the gift's value; and

(5) Each creditor to whom the public officer was indebted for a period of 90 consecutive days or more during the preceding calendar year in an aggregate amount in excess of \$1,000.

(b) Each report required by this section shall contain a certification by the public officer that the officer has read the report, and that to the best of the officer's knowledge and belief it is true, correct and complete, and that the officer has not and will not transfer any assets, interests or property for the purpose of concealing it from disclosure while retaining an equitable interest therein.

(c) Not later than 14 days after becoming a public officer as defined in § 5812 of this title, the report required by this subchapter shall be filed. Thereafter, the report shall be filed on March 15 of each year.

(d) Each report required by this section shall be filed with the Commission.

§ 5813A. Report disclosing council or board membership.

(a) Every person elected to a state office or appointed to fill a vacancy in an elective state office, or who has filed as a candidate for an elective state office shall disclose in writing to the Commission, and the Commission shall record in its public officer docket, the name and address of every nonprofit organization, excluding religious organizations, civic association, community association, foundation, maintenance organization, or trade group incorporated in the State or having activities in the State, or both, of which the person is a council member or board member.

(b) The disclosure required by subsection (a) of this section must be submitted along with, or as part of, the financial disclosure information required to be provided to the Commission pursuant to § 5813 of this title.

§ 5814. Retention of reports.

(a) The Commission shall keep the reports required by this subchapter on file for so long as the person submitting such report is a public officer of this State, as defined in § 5812 of this title, and for at

least 5 years thereafter. All reports on file with agencies other than the Commission as of January 15, 1995 shall be transferred to the Commission by April 15, 1995.

(b) The reports filed pursuant to this subchapter shall be made available at reasonable hours for public inspection and copying pursuant to Chapter 100 of this title.

§ 5815. Violations; penalties; jurisdiction of Superior Court.

(a) Any public officer who wilfully fails to file a report in violation of §§ 5813, 5813A of this title shall be guilty of a class B misdemeanor.

(b) Any public officer who knowingly files any report required by §§ 5813, 5813A of this title that is false in any material respect shall be guilty of a class A misdemeanor.

(c) The Commission may refer to the Commission Counsel for investigation and/or may refer any suspected violation of this subchapter to the Attorney General for investigation and prosecution; provided however, that the Commission shall refer any suspected violation of this subchapter by a member of the General Assembly or the Judiciary to the Attorney General, who shall have the exclusive authority to investigate and prosecute or otherwise recommend remedies or sanctions for such suspected violation.

(d) Superior Court shall have jurisdiction over all offenses under this subchapter.

§ 5816. Protection of confidentiality.

Nothing contained in this subchapter shall be construed as requiring the disclosure of any fact the confidentiality of which is protected by any applicable federal or state law.

Subchapter III. Compensation Policy

§ 5821. Findings.

(a) There are numerous elected state officials and other paid appointed officials who are also employed by state agencies, educational and other institutions, and other jurisdictions of government within the State.

(b) The members of the General Assembly believe that the taxpayers of Delaware should not pay an individual more than once for coincident hours of the workday.

(c) The State should have in place clear policies and procedures to ensure that taxpayers of the State as a whole, and of its various governmental jurisdictions, are not paying employees or officials from more than 1 tax-funded source for duties performed during coincident hours of the workday.

§ 5822. Policy.

(a) Any person employed by the State, or by any political subdivision of the State, including but not limited to any county, city or municipality, who also serves in an elected or paid appointed position in state government or in the government of any political subdivision of the State, including but not limited to any county, city or municipality, shall have his or her pay reduced on a prorated basis for any hours or

days missed during the course of the employee's normal workday or during the course of the employee's normal workweek while serving in an elected or paid appointed position which requires the employee to miss any time which is normally required of other employees in the same or similar positions.

(b) Any day an employee misses work due to his or her elected or paid appointed position, he or she shall have his or her immediate supervisor verify a time record stating specifically the number of hours worked that day; said verification to take place at least once every pay period.

(c) All time records, so verified, shall be kept by the immediate supervisor until such time as they are required by the State Auditor.

(d) No employee shall be permitted to make up time during hours other than the normal workday for purposes of compensation. A normal workday is defined by Merit Rule 5.0200. A standard work schedule is defined by Merit Rule 5.0210.

(e) Any hours or days during which an employee uses vacation, personal, or compensatory days to which he or she is entitled shall not constitute hours or days which fall within the scope of this subchapter.

(f) School administrators whose duties require that they work regularly during summer months shall not be exempted from this chapter. If a school administrator shall have no immediate supervisor, the school administrator's time record shall be verified by the appropriate school board at its next regular or special meeting following any pay period in which said administrator missed work due to his or her elected or paid appointed position.

§ 5823. Audits; penalty.

(a) The State Auditor shall conduct an annual audit of the time records which have been kept by the supervisors or school board in accordance with § 5822(b) and (c) of this title to determine whether or not an employee was paid from more than 1 tax-funded source for working coincident hours of the day.

(b) Any discrepancy found by the State Auditor shall be reported to the Public Integrity Commission for investigation pursuant to § 5810 of this title and/or to the Office of the Attorney General for possible prosecution under § 876 of Title 11 (tampering with public records in the first degree) and any other appropriate section.

Subchapter IV. Registration of Lobbyists

§ 5831. Definitions.

(a) As used in this subchapter, the following terms shall have the meanings indicated:

(1) "Commission" means the State Public Integrity Commission.

(2) "Compensation" means any money, thing of value or any other economic benefit of any kind or nature whatsoever conferred on or received by any person in return for services rendered or to be rendered by such person or another.

(3) "Employer" means any person on whose behalf a lobbyist acts.

(4) "General Assembly" includes any member, committee or subcommittee of either House of the General Assembly.

(5) "Lobbyist" means any individual who acts to promote, advocate, influence or oppose any matter pending before the General Assembly by direct communication with the General Assembly or any matter pending before a state agency by direct communication with that state agency, and who in connection therewith either:

- a. Has received or is to receive compensation in whole or in part from any person; or
- b. Is authorized to act as a representative of any person who has as a substantial purpose the influencing of legislative or administrative action; or
- c. Expends any funds during the calendar year for the type of expenditures listed in § 5835(b) of this title.

(6) "Matter" means any application, petition, request, business dealing, transaction or decision of any sort.

(7) "Person" means any individual, partnership, corporation, trust, joint venture and any other association of individuals or entities.

(8) "State agency" means any office, department, board, commission, committee, school district, board of education and all public bodies existing by virtue of an act of the General Assembly or of the Constitution of the State, excepting only political subdivisions of the State, their agencies and other public agencies not specifically included in this definition that exist by virtue of state law and whose jurisdiction:

- a. Is limited to a political subdivision of the State or to a portion thereof; or
- b. Extends beyond the boundaries of the State.

(9) "State employee" means person who receives compensation as an employee of a state agency (including the elected or appointed heads of such agencies) or who serves as an appointed member, trustee, director or the like of any state agency.

(b) Subparagraphs a. and b. of subsection (a)(5) of this section shall not apply to:

(1) Persons performing professional services in drafting bills or regulations or in advising and rendering opinions to clients as to the construction or effect of proposed, pending or enacted legislation or regulations who do not otherwise act as lobbyists;

(2) Persons appearing pursuant to their official duties as employees or elected officials of the State, or any political subdivision thereof, or of the United States, and not as representatives of any other person; moreover, expenditures listed in § 5835 of this title made by such persons or their employers in connection with these official duties shall not qualify such persons as lobbyists under subsection (a)(5)c. of this section;

(3) Persons who, in relation to the duties or interests of their employment or at the request or suggestion of their employer, communicate with the General Assembly or a state agency concerning any legislation, regulation or other matter before the General Assembly or such state agency, if such communication is an isolated, exceptional or infrequent activity in relation to the usual duties of their employment;

(4) Persons communicating with the General Assembly or a state agency if such communication is undertaken by them as a personal expression and not as an agent of their employers as to matters of interest to a person by whom or by which they are employed and if they receive no additional compensation or reward, in money or otherwise, for or as a result of such communication;

(5) Persons testifying at public hearings conducted by the General Assembly or a state agency who do not otherwise act as lobbyists;

(6) Persons appearing on behalf of any religious organization with respect to subjects of legislation or regulation that directly relate to the religious beliefs and practices of that organization who do not otherwise act as lobbyists;

(7) Attorneys representing clients in administrative adjudications governed by the provisions of subchapter III of Chapter 101 of this title, representing clients before the Tax Appeals Board, or in other administrative procedures where ex parte communications with the state agency with authority over the matter are prohibited;

(8) Attorneys representing clients with regard to criminal or civil law enforcement proceedings, or in any judicial proceedings.

§ 5832. Registration of lobbyists with the State Public Integrity Commission.

(a) Every lobbyist shall register electronically with the Commission in a lobbyist docket and file, at that time, the authorization from the lobbyist's employer as required by § 5833 of this title. A person who qualifies as a lobbyist in accordance with § 5831(a)(5)a. or b. of this title shall register prior to performing any acts as a lobbyist. A person who qualifies as a lobbyist in accordance with § 5831(a)(5)c. of this title must register within 5 days after so qualifying, if not already registered as a lobbyist.

(b) The information recorded in the Commission's lobbyist docket shall include for each separate employer:

(1) The name, residence or business address and occupation of each lobbyist;

(2) The name and business address of the employer of such lobbyist;

(3) The date on which the employment as lobbyist commenced;

(4) The length of time the employment is to continue; and

(5) The subject matter of legislation, regulation or administrative action as to which the employment relates at that time.

(c) Upon any change in the information recorded in the lobbyist docket, the lobbyist shall within 5 business days report such changes to the Commission, which shall record the change in the docket.

(d) The Commission shall promptly furnish copies of each entry in the lobbyist docket to the Chief Clerk of the House of Representatives, the Secretary of the Senate, the Governor and the head of any state agency upon request of such persons.

§ 5833. Employer's authorization to act.

Every employer of a lobbyist shall furnish to such lobbyist a written and signed authorization to act, which shall be filed with the Commission by the lobbyist at the time of registration or as soon as available and not later than 15 business days after the lobbyist has registered with the Commission. If the employer is a corporation, association or labor union, any authorized officer or agent who is not the lobbyist shall furnish and sign the written authorization. The authorization shall include the full and legal name and business address of both the employer and the lobbyist, the period of time during which the lobbyist is authorized to act and the subject or subjects of legislation, regulation or administrative action upon which the employer is represented.

§ 5834. Compensation of lobbyist not to be substantially dependent on outcome of legislative or administrative action.

No person shall employ a lobbyist nor shall any person be employed as a lobbyist pursuant to any compensation agreement that permits more than half of the compensation to be paid to such a lobbyist to be dependent upon the outcome of any legislative or administrative action.

§ 5835. Financial reports by lobbyists.

(a) On or before the twentieth day of the month following each calendar quarter, each lobbyist shall file electronically a report covering the immediately preceding calendar quarter and containing the information required by this section.

(b) A lobbyist shall file separate reports for each employer which the lobbyist represents. Each report shall contain the total expenditures during the reporting period for all direct expenditures, costs or values, whichever is greater, provided for members of the General Assembly or for employees or members of any state agency for the following:

- (1) Food and refreshment;
- (2) Entertainment, including the cost of maintaining a hospitality room;
- (3) Lodging expenses away from home;
- (4) Fair value of travel if the trip exceeds 100 miles;
- (5) Recreation expenses; and

(6) Gifts or contributions, excluding political contributions as defined in Chapter 80 of Title 15 provided to members of the General Assembly.

(c) The information shall be reported electronically and shall show the total expenditures for the reporting period and shall also list the recipient any time the expenditures exceed \$50 per diem. The lobbyist shall also affirm that the lobbyist has provided the recipient of any gift in excess of \$50 with a representation as to the value of the gift. The records shall be retained for a period of 4 years from the date of filing.

§ 5836. Activity reports by lobbyists.

(a) Notwithstanding any other provision of this chapter, no lobbyist may promote, advocate, influence or oppose any bill or resolution pending before the General Assembly by direct communication with a member of the General Assembly, the Lieutenant Governor, or the Governor, or any proposed regulation pending before a state agency by direct communication with an employee or official of that state agency, unless the lobbyist reports to the Commission the identity by number of each bill or resolution, and by number and/or title of each regulation, in connection with which the lobbyist has made or intends to make such direct communication, and the name of the employer on whose behalf such direct communication occurred. Reports relating to any subject contained within any budget appropriation bill or bond and capital improvement bill shall also include identification of the specific subject of the direct communication, such subjects to be designated by agreement of the Controller General and Director of the Office of Management and Budget. Other than as specified in this section, a lobbyist shall not be required to disclose with whom such direct communication occurred or a position or other substantive comment on the bill, resolution, or regulation for which a report is filed. For the purposes of this section, direct communications undertaken as part of one's duties as a member of a commission, committee, task force, board or other public body shall not be considered direct communication requiring disclosure under this section.

(b) A lobbyist shall make any report to the Commission required by this section relating to a bill or resolution no later than the end of the fifth business day after the date on which the first direct communication takes place, or by June 29 of each year, whichever is earlier. A lobbyist shall make any report to the Commission required by this section relating to a regulation no later than the end of the fifth business day after the date on which the first direct communication takes place. Reports shall be filed electronically in such manner as the Commission may prescribe.

(c) Direct communications by a lobbyist with a member of the General Assembly, the Lieutenant Governor, the Governor, or an employee or official of the state agency that specifically relate to a proposed bill, resolution, or regulation, that occur prior to introduction of such bill or resolution, or initial public notice of such regulation, shall be disclosed no later than the end of the fifth business day after the introduction of the bill or resolution, or initial public notice of such regulation, that was the subject of the direct communication.

(d) The reports made pursuant to this section shall be posted on the Internet by the Commission, in consultation with Legislative Council, in a manner determined by the Government Information Center to allow the public to review such information organized by bill, resolution, regulation, lobbyist, employer, and subject of the budget appropriation bill or bond and capital improvement bill. The chairperson of the Commission shall have the authority to suspend the reports required by this section if electronic filing of those reports is unavailable, in which case the reports required by this section shall be filed no later than the end of the fifth business day after which electronic filing has resumed, or June 29 of each year, whichever is earlier. Reports made pursuant to this section shall be distributed electronically in a format determined by the Commission to each member of the General Assembly no less frequently than once a week when the General Assembly is in session.

§ 5837. When registration, report or authorization is considered as filed; access to records.

(a) Any registration, report or authorization form shall be considered filed as of the date it is filed electronically with the Commission or, if electronic filing required by this subchapter is unavailable at the time filing is required, on the date it is mailed if sent by registered or certified mail.

(b) The lobbyist docket maintained by the Commission and any reports, authorizations or other documents filed with the Commission pursuant to this subchapter shall be made available at reasonable hours for public inspection and copying pursuant to Chapter 100 of this title.

69 Del. Laws, c. 467, § 28; 78 Del. Laws, c. 401, §§ 1, 5;

§ 5838. Violation and penalties.

(a) Any person who knowingly fails to register as a lobbyist as required by this subchapter shall be guilty of a misdemeanor.

(b) Any person who knowingly furnishes false information in any registration, authorization or report required by this subchapter shall be guilty of a misdemeanor.

(c) Any person who fails to file an authorization or report as required by this subchapter shall be deemed to have voluntarily cancelled registration as a lobbyist and shall be prohibited from reregistering or acting as a lobbyist until all delinquent authorizations and/or reports have been filed.

(d) The Commission may refer to the Commission Counsel for investigation and/or refer any suspected violation of this subchapter to the Attorney General for investigation and prosecution. The Speaker of the House, the presiding officer of the Senate, the Legislative Council or any member of the General Assembly shall refer, or any other person may refer, any suspected violation of this subchapter to the Commission and/or the Attorney General of the State.

(e) The Superior Court shall have exclusive jurisdiction over all offenses under this subchapter.

69 Del. Laws, c. 467, § 28; 70 Del. Laws, c. 186, § 1; 78 Del. Laws, c. 401, § 1;

SCHEDULE D

DPERS

BOARD EDUCATION POLICY

1. General Provisions

Trustees are expected to possess the knowledge and expertise necessary for the position they hold. Therefore Trustees agree to develop and maintain an adequate level of knowledge and understanding of relevant issues pertaining to the administration of DPERS throughout their terms on the board. While Trustees may have specialized expertise to contribute, they are expected to inform themselves across a range of pension-related areas.

1.1. The general topic areas to be pursued include:

- Governance, risk management, and fiduciary duty;
- Investment policy and asset allocation;
- Benefits administration;
- Investment operations, including custody operations
- Actuarial policies, assumptions, reports and funding;
- Technology and Cyber Security.
- Regulatory and legal issues.

1.2. Information on these topics will be provided through:

- Documentation included in the DPERS Handbook.
- Educational sessions provided by the Investment Advisor and other consultants.
- Conferences.
- Relevant articles provided by the Executive Secretary and/or other Trustees.
- Attendance at Investment Committee, Audit Committee, and Medical Committee meetings.
- Subscription (provided by DPERS) to any relevant publications as approved.
- State of Delaware education on cyber security.
- Any other relevant topics.

1.3. In order to build and maintain the level of understanding described above, Trustees will meet the following minimum educational goals:

- 1.3.1. Attend professional conferences, seminars, webinars and/or classes each year that contain at least five (5) hours of educational content on pension topics including but not limited to investments. Reports on these events to the Board are encouraged.
- 1.3.2. Attend at least five (5) hours annually of in-house education arranged by the Chair and Executive Secretary on topics of current interest; this can be provided as part of regularly scheduled board meetings or at separately scheduled times. Examples include 1) presentations by investment advisor re: market issues, risk management, asset allocation policy; 2) reports by financial and actuarial auditors; 3) consultant's analysis of comparative financial and cost performance; 4) analysis of implications of regulatory requirements, and 5) in-house cybersecurity presentations.

1.3.3. Attend at least one Board Committee meeting each year.

1.4. The Executive Secretary shall annually prepare and submit to the Board of Trustees, an education and conference plan tied to the System's budget. The plan will ensure that all Trustees are provided with adequate opportunity and financial assistance to acquire the knowledge they need to carry out their duties. Participation by Trustees will be included as part of the annual Board performance evaluation.

2. **Trustee Orientation**

2.1. Introductory Meetings

2.1.1. Prior to attending their first meeting of the Board as a trustee, new trustees will be introduced to members of DPERS senior operational management; provided a tour of the offices; and briefed on their fiduciary duties, conflict of interest guidelines, and other pertinent laws and regulations. Ideally, a new trustee and/or committee member will attend a constituent meeting.

2.2. Orientation Seminar: the Deputy Attorney General and Executive Secretary will organize a program (also available for any Trustee) which includes:

2.2.1. The role of the trustee in today's environment

- Fiduciary and personal responsibility as outlined in the DPERS Code of Conduct.
- Legal obligations and liabilities.
- Board role in setting investment policy and its relationship to the Investment Committee.
- Ex officio attendance at Appeals Committee, Audit Committee, Investment Committee.

2.2.2. Key stakeholders and their roles

- DPERS Administration Structure.
- Board History and Structure.
- Relation between Board and DPERS' staff.
- Members (individuals and client organizations).
- Key Service Providers:
 - Investment Advisor.
 - Investment Managers.
 - Auditor.
 - Actuary.
 - Custody/Transaction Bank.
 - Transition Manager.
 - Legal Counsel.
 - Consultants.

2.2.3. Investment issues

- Financial markets.
- Asset allocation and diversification principles (including DPERS policies).
- DPERS risk model(s).
- DPERS investment performance planning and performance tracking.
- Traditional investments — equity and fixed income.
- Non-traditional investments.
- Glossary of financial jargon and abbreviations.

3. Trustee Reference Materials

3.1. DPERS Handbook.

3.2. Copy of 29 Del Code Chapter 83.

3.3. Most recent financial and actuarial audits.

3.4. Organization charts, including a list of client organizations served by DPERS.

3.5. Current year plans, including budgets, strategic plan, and business plan.

3.6. Glossary of technical terms.

3.7. A listing of upcoming recommended educational opportunities, to be provided by Open staff and the DAG.

3.8. A list of recommended resources, e.g., magazines, books.

SCHEDULE E

DELAWARE PUBLIC EMPLOYEES RETIREMENT SYSTEM (“DPERS”)

BOARD OF TRUSTEES ETI AND ESG INVESTMENT GUIDELINES

I. BACKGROUND

The Board, and its committees and managers, in considering the investment of the Pension Funds, are subject to a rigorous Standard of Care as set forth in 29 Del. C. Sec. 8308(a), which states that:

“...the Board, its committees, and each of the committees’ members shall discharge their duties with respect to each plan...solely in the interest of the participants and beneficiaries of such plans and for the exclusive purpose of providing plan benefits to participants and their beneficiaries, including defraying reasonable expenses of administering each plan, 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 to attain the purposes of such plan.”

To that end, the Board must consider each investment in view of its duty to provide for the retirement benefits of the current and former public servants who are the beneficiaries of the plan. This longstanding commitment by the Board to put the interests of its beneficiaries first was articulated in the Board of Trustees’ Resolution on Divestment adopted on February 29, 2008, a copy of which is attached. The Board has consistently applied the factors set forth extensively in its Investment Policy, which relate to the long-term investment return, risk factors, and allocation considerations.

Today, many public pension systems are considering their policies regarding Economically Targeted Investments (“ETIs”) and Investment strategies which consider Environmental, Social and Governance (ESG) factors. The Board of Trustees, after careful review and consideration of legal guidance and best practices, has developed the following policy with regard to ETI and ESG investments.

II. DEPARTMENT OF LABOR GUIDANCE

DPERS, as a public pension system, is not subject to the application of Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA), which governs the operation of private-sector employee benefit plans. However, guidance issued by the U.S. Department of Labor (DOL) which regulates ERISA plans is guidance to public pension systems. As made clear in the Field Assistance Bulletin No. 2018-01, issued on April 23, 2018, DOL has a longstanding position that ERISA fiduciaries may not sacrifice investment returns or assume greater investment risks as a means of promoting collateral social policy goals. (IB 2016-01, attached) or economic benefits apart from the investment returns to the beneficiary plan. (IB 2015-01, attached). Plan fiduciaries may not sacrifice investment return or take on additional investment risk to promote collateral social policy goals. (IB 2015-01). However, “if a fiduciary prudently determines that an investment is appropriate based solely on economic considerations, including those that may derive from environmental, social and governance [ESG] factors, the fiduciary may make the investment without regard to any collateral benefits the investment may provide. (Preamble, IB 2015-01). The DOL makes clear, however, in later guidance that even if a Statement of Investment Policy allows for such investments that meet this standard, a

fiduciary must disregard such policy if it is imprudent to comply in a particular instance. (Field Assistance Bulletin No. 2018-01)

III. ECONOMICALLY TARGETED INVESTMENTS (ETI)

The Board's Investment Policy seeks to maximize long-term investment return for the DPERS trust fund by identifying appropriate allocations of investments balanced by risk and sector consistent with the Portfolio theory of investment. In most cases, economically targeted investment would be contrary to the Board's Investment Policy and inconsistent with its fiduciary duty to invest the trust prudently.

IV. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS (ESG)

The Board's Investment Policy seeks to maximize long-term investment return for the DPERS trust fund by identifying appropriate allocations of investments balanced by risk and sector consistent with the Portfolio theory of investment. The Board may consider ESG factors in making its investment decisions only to the extent that environmental, social and/or governance factors have a material impact upon the return and risk of an investment.

**Delaware Public Employees' Retirement System
Board of Trustees' Resolution on Divestment**

WHEREAS, the Board of Pension Trustees ("Board") for the Delaware Employees' Retirement System ("DPERS") starts with the premise that there are occurrences of violence in today's world that are and should be intolerable in any civilized community. In addition, there are causes being pursued by interest groups that could greatly affect such critical issues as our environment, public health, the working conditions of persons throughout the world and even the global threat of terrorism, such as the current Sudan Divestment Legislation currently before the Delaware Legislature. As individual Americans we all enjoy the political and philosophical freedom to speak out against the atrocities and join in those causes which align with our personal beliefs; and

WHEREAS, the Board has been delegated by the State of Delaware with the fiduciary responsibility to manage and administer the assets of DPERS (the "Trust Fund"). The Board and DPERS serves the singular purpose of operating the retirement system, to provide retirement benefits to more than 65,000 current and former public servants; and

WHEREAS, fiduciary standards apply to all members of the Board and its committees. The investment activity of the Board and the Investment Committee is governed by the "prudent person" standard, which requires fiduciaries to discharge their duties solely in the interests of the plan participants and their beneficiaries; and

WHEREAS, in an ongoing effort to secure the retirement benefits promised to public servants throughout Delaware and in the exercise of its fiduciary obligations the Board, prudently and deliberatively invests the assets of DPERS. The Board, as governed by long standing principles of fiduciary obligations of trustees of trust funds, seeks to maximize the long term risk-adjusted investment returns of the Trust Fund; and

WHEREAS, the Trust Fund monies invested by the Board, whether received through investment returns, employee contributions, or employer contributions, are governed by Section 401(a) of the Internal Revenue Code, which requires that plan fiduciaries act prudently, solely in the interest of the plan's participants and beneficiaries, and for the exclusive purpose of paying benefits and defraying reasonable administrative expenses; and

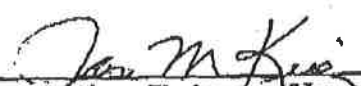
WHEREAS, while DPERS' funds are not subject to the Employees Retirement Income Security Act of 1974 ("ERISA"), the Board is guided by ERISA principles and standards of fiduciary duty. The U.S. Department of Labor ("DOL") has stated that ERISA fiduciaries in making investment decisions must only consider those factors that affect the value of the plan's investment and may not subordinate the interests of the participants and beneficiaries to promote unrelated public policy objectives, which may increase expenses, sacrifice investment returns, or reduce the security of plan benefits; and

WHEREAS, the trustees of the DPERS' Board and the members of the Board's committees are individually liable as fiduciaries, should they breach their fiduciary duty; and

NOW, THEREFORE, BE IT RESOLVED, for the above reasons, the Board opposes any mandated divestment effort that would either implicitly or explicitly, attempt to direct or influence the Board to engage in investment activities that violate and breach the Trustees' fiduciary responsibilities:



Philips S. Reese, Chairman of the Board



Jan M. King, Chairman of Investment Committee
and Board Member

[signatures continued on reverse side]

Robert W. Allen

Robert W. Allen
Member of Board of Trustees

Nancy J. Shroock

Nancy J. Shroock
Member of Board of Trustees

Jennifer W. Davis

Jennifer W. Davis
Member of Board of Trustees

Richard Cordrey

Richard Cordrey
Member of Board of Trustees

Helen Foster

Helen Foster
Member of Board of Trustees

Elva B. Ferrari

Elva B. Ferrari
Member of Investment Committee

A. Dale Stratton

A. Dale Stratton
Member of Investment Committee

Clark Phippen

Clark Phippen
Member of Investment Committee

Mark Stal

Mark Stalnecker
Member of Investment Committee

SCHEDULE F

**DELAWARE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
PLACEMENT AGENT POLICY**

This policy is effective immediately upon adoption. This policy is intended to supplement any applicable provisions of state or federal law.

The Delaware Public Employees' Retirement System ("DPERS") Investment Policy, adopted by the DPERS Board of Trustees ("Board"), sets forth DPERS overarching investment purposes and objectives with respect to all its investment programs.

This Policy sets forth the circumstances under which the DPERS shall require the disclosure of payments to Placement Agents in connection with DPERS' investments in or through External Managers. This Policy is intended to apply broadly to all of the types of investment partners with whom DPERS does business, including the general partners, managers, investment managers and sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well investment managers retained pursuant to a contract. DPERS adopts this Policy to require broad, timely, and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of this Policy is to help ensure that DPERS investment decisions are made solely on the merits of the investment opportunity by individuals who owe a fiduciary duty to DPERS. Additionally, this Policy is intended to provide initial and ongoing disclosure obligations and transparency with respect to investments.

This Policy applies to all agreements with External Managers that are entered into after the date this Policy is adopted, including limited partnerships. This Policy also applies to existing agreements with External Managers if, after the date this Policy is adopted, the term of the agreement is extended, there is any increased commitment of funds by DPERS pursuant to the existing agreement or there is an amendment to the substantive terms of an existing agreement, including the fees or compensation payable to the External Manager.

The following language and disclosures shall be included in alternative investment agreements and or side letters.

Placement Agents. As of the date hereof, no fees, bonuses or other compensation, including placement fees ("Placement Fees"), have been paid by or on behalf of the Fund, General Partner, or their Affiliates to any placement agent, finder or other individual or entity for the purpose of obtaining (i) an introduction to the Investor or (ii) a favorable recommendation to the Investor with respect to this investment. All Placement Fees, if any, with respect to the Investor or any other Limited Partner shall be an expense of the General Partner, and borne solely by the General Partner and not by the Partnership; provided, however, that the General Partner shall be permitted, pursuant to Section _____ of the Partnership Agreement, to cause the Partnership to pay such expenses and the Management Fee to be reduced on a dollar-for-dollar

basis such that, effectively, the General Partner is paying for any such Placement Fees.

1. Providing the following information (collectively, the "Placement Agent Information Disclosure") to DPERS, if applicable, to the general partner, managing member, or investment manager of the DPERS at the time investment is contemplated.
2. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof. Compensation to Placement Agents shall include compensation to third parties as well as employees of the Manager who are retained in order to solicit an investment from DPERS or who are paid based upon investment commitments secured by such employees, except for those bona fide employees earning less than \$100,000 per year in salary that do not receive any incentive compensation based
3. A statement whether the Placement Agent or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.
4. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
5. Providing an update of any changes to any of the information included in the Placement Agent Information Disclosure within five business days of the occurrence of the change in information.
6. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement with a continuing obligation to update any such information within five business days of any change in the information.
7. Confirming that the Placement Agent Disclosure has been received prior to the completion of due diligence and any recommendation to proceed with the engagement of the Manager.
8. For new contracts and amendments to contracts existing as of the date of this Policy, securing the agreement of the Manager in the final written agreement between DPERS and the Manager to provide DPERS or the DPERS the Placement Agent Information Disclosure.
9. For new contracts and amendments to contracts existing as of the date of the Policy, confirming that the final written agreement between DPERS and the Manager provides that the Manager shall be solely responsible for, and DPERS shall not pay (directly or indirectly), any fees, compensation or expenses for any Placement Agent used by the Manager.
10. Prohibiting any Manager or Placement Agent from soliciting new investments from DPERS for twenty-four months after they have committed a material violation of this Policy.
11. Reporting to the Board at least quarterly any material violations of the Policy.

12. All parties responsible for implementing, monitoring and complying with this Policy should consider the spirit as well as the literal expression of the Policy. In cases where there is uncertainty whether a disclosure should be made pursuant to this Policy, the Policy shall be interpreted to require disclosure.

13. Only the Board can provide exceptions to this Policy.

Effective June 30, 2009

SCHEDULE G

CYBER SECURITY POLICY

The Delaware Public Employees' Retirement System, ("DPERS") adopts this policy to establish procedures and guidelines for monitoring DPERS' Cyber Security to protect DPERS' interest.

Background

Cybersecurity is an increasing risk that can threaten the sustainability of any organization today. The Board of Pension Trustees (the "Board") was established pursuant to 29 Del. Ch. 83 to create, control and manage DPERS. DPERS is subject to a standard of care in which the Board, its committees, and each of the committees' members shall discharge their duties with respect to each plan solely in the interest of the participants and beneficiaries of such plans and for the exclusive purpose of providing plan benefits to participants and their beneficiaries, including defraying reasonable expenses of administering each plan, 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 to attain the purposes of such plan. DPERS has a fiduciary duty to ensure that adequate measures are in place to protect and maintain the integrity of data for DPERS. For that reason, DPERS continues to focus substantial attention on this issue and is vigilant in detecting threats, proactively mitigating identified risks, and adapting to the rapidly evolving nature of the cybersecurity landscape.

State of Delaware Department of Technology and Information ("DTI"). DTI has the duty to implement statewide and interagency technology solutions, provide operations, production and technical support, and develop programs to protect against cyber-risk to the state agencies. In accordance with its authorities, DTI will facilitate and collaborate with DPERS in providing enterprise services that enable other organizations to effectively fulfill their missions.

Policy for Ensuring Adequate Cyber Security for DPERS

DPERS and DTI are required by 29 Del. C. § 8308 (c)(5) a. to enter into a memorandum of understanding to clarify the measures taken to provide adequate Cyber Security for its system. DPERS recognizes the ever-growing and changing threat that cybersecurity presents to data contained within the DPERS and Office of Pensions ("Open"); the significant costs associated with responding to a breach; the rapid increase in both the number and frequency of reported breaches; and the ongoing challenge for Board members to exercise risk oversight responsibilities and to be assured that necessary levels of due care and vigilance are being applied to continuously assess the threat and to protect the organization and members' data. To that end, the Chief Security Officer will regularly report to the Board to inform its members of the actions taken to strengthen DPERS' cybersecurity posture, including prevention, detection and response.

DTI, in coordination with OPen Technology staff, will;

1. Develop and update information security policies.
2. Educate employees and DPERS members.
3. Ensure compliance with policies, standards, strategies and industry best practices.
4. Perform ongoing monitoring and vulnerability assessments.
5. Maintain high-level expertise in the discipline of computer and network security, virus detection, vulnerability assessment and hacking methodologies.
6. Advise the board on cybersecurity mitigation strategies, including third-party risk assessment and vendor cyber protection policies.
7. Ensure compliance with breach notification requirements in 6 *Del. C. Ch. 12B*.
8. Advise the Board with regard to adequate cyber security insurance coverage.

**SCHEDULE H
TO BE PROVIDED**

SCHEDULE I

Delaware Public Employees ' Retirement System

FRAUD POLICY AND PROCEDURES

(approved July 27, 2018)

BACKGROUND

The Delaware Public Employees' Retirement System's ("DPERS") and the Office of Pension's ("OPen") anti-fraud policy is established to facilitate the development of controls which will aid in the prevention, detection, and response to actual or suspected fraud or misconduct at DPERS. It is intended to promote consistent organizational behavior by providing guidelines and assigning responsibility for reporting fraud and conducting investigations.

SCOPE OF POLICY

This anti-fraud policy applies to any fraud or suspected fraud involving OPen employees as well as DPERS consultants, vendors, contractors, and/or any other parties with a business relationship with DPERS and/or the OPen, and DPERS members and beneficiaries. Any investigative activity required will be conducted consistent with State law.

POLICY

DPERS has a zero tolerance policy regarding fraud in connection with the administration and/or investment of pension trust funds, and pension benefits. DPERS and OPen are responsible for the prevention of fraud, misappropriations, deception, wrongdoing or other inappropriate conduct within the Pension System.

Fraud is broadly defined as the intentional and false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the OPen management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity. Any investigative activity will be conducted without regard to the suspected wrongdoer's length of service, position, title or relationship with DPERS.

The terms fraud, misappropriation, deception or wrongdoing refer to, but are not limited to:

- Any dishonest or fraudulent act.
- The use of one's employment or business relationship with DPERS either for improper or unauthorized personal or third party (including DPERS) enrichment or advantage, or for the improper or unauthorized detriment to DPERS, through the deliberate misuse or misapplication of DEPRS' processes, resources, or assets.
- Suspicious benefit irregularities, including but not limited to, failure to terminate benefits after beneficiary's death, falsified pension application, diversion of benefits to a person other than the beneficiary without proper authorization identity theft, or forged documents.

- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Disclosing confidential and proprietary information to outside parties, including, but not limited to, beneficiary information or DPERS investment information.
- Forging or altering any document or accounts belonging to DPERS.
- Forging or altering a check, bank draft, or any financial document.
- Destroying, removing or inappropriately using records, furniture, fixtures, and equipment; and
- Taking steps intended to hinder the detection of any of the above activities.
- Time abuse (includes fraudulent time reporting).

Reporting of Fraud and Suspected Fraud

Any fraud that is detected or suspected must be reported immediately to the Executive Director of the OPen or the Internal Audit Director.¹ Any credible reports of fraud or misconduct will be investigated and remediated in a timely manner, and where appropriate, referred to the Delaware Department of Justice (DDOJ) or appropriate police agency for further action. The Executive Director will inform the Board and the Audit Committee as appropriate.

The Executive Director and the Internal Audit Director will direct any internal investigation with the advice of the Deputy Attorney General. In matters deemed necessary for investigation, the Executive Director, Deputy Attorney General and the Internal Audit Director will select and identify properly qualified and placed individuals to conduct an initial investigation (the "Investigation Team"). In the event that the initial investigation indicates that fraud or suspected fraud has occurred, the investigation, with the advice of the Deputy Attorney General, shall be turned over to the DDOJ's Special Investigations Unit or appropriate police agency. An Investigative Team or liaison shall be appointed to aid or assist the Special Investigations Unit or police agency with its investigation.

Communication and Training

Training and communications on fraud awareness will be provided to all employees on a regular basis.

Hotline and Whistleblower Mechanisms

Hotline administered by an external party with center specialists trained in handling reports. Employees who report fraud or misconduct shall be free from reprisals under Delaware's Whistleblower law located at 19 Del. C. c 17.

<http://delcode.delaware.gov/title19/c017/index.shtml>

¹ If an irregularity involves the Executive Director, then said irregularity should be reported to the Chair of the Board of Pension Trustees and the Chair of the Audit Committee, whom shall follow the procedures set forth in this document.

Reporting and Disclosure Protocols

Great care must be taken in the investigation of fraud or misconduct so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity or misconduct will contact the Executive Director or Internal Audit Director immediately, and should not attempt to personally conduct an investigation or any interviews/interrogations related to any suspected fraudulent act. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Executive Director. No information concerning the status of an investigation will be given out. The proper response to any inquiries is, "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Executive Director.

The policy will be reviewed annually and revised as needed.

This is to certify that I have read and agree to abide by this fraud policy. If I have any questions about the policy, I understand that I need to ask my supervisor or Executive Director for clarification.

Employee

Date

SCHEDULE J

DELAWARE PUBLIC EMPLOYEES RETIREMENT SYSTEM

INTERNAL AUDIT CHARTER¹

Adopted by the Board January 26, 2018

1. Internal Audit Vision and Mission

The mission of the Internal Audit Department is to provide a robust internal audit function for the Delaware Public Employees Retirement System (DPERS) that executes a risk-based Internal Audit Plan designed to strengthen the overall risk management efforts within the organization.

The Internal Audit Department (Internal Audit) provides independent, reliable and objective evaluations and consulting services to the Audit Committee and DPERS management. It helps DPERS accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

2. Authority and Scope of Work

This Charter represents the general authorization from Management to conduct a certain scope of work.

The specific authorization to perform the work is the Internal Audit Plan that is adopted by the Audit Committee of the Board of Pension Trustees annually. Any significant deviation from the approved Internal Audit Plan shall be communicated to senior management and the Audit Committee through periodic activity reports.

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. It includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned and conform to current leading practices
- Reviewing specific operations at the request of the Audit Committee or management, as appropriate.
- Monitoring and evaluating the effectiveness of the organization's risk management system.

¹ In accordance with Section 1000 of the *International Standards for the Professional Practice of Internal Auditing* by the Institute of Internal Auditors.

- Reviewing the processes management has to validate accuracy of data transmitted to DPERS by external parties.
- Coordinating the work of external auditors, including documentation needed for potential reliance on Internal Audit's work.
- For consulting and advisory services, Internal Audit may provide assessments and advice to identify risks and internal controls for projects.

Except where prohibited by law, Internal Audit shall have complete and unrestricted access to all records, information systems, properties and personnel of DPERS. The Internal Audit Director will inform the Audit Committee whenever significant barriers or resistance to access occurs.

Opportunities for improving member service, management of risks, internal control, governance, and DPERS effectiveness may be identified during audits. This information will be communicated to the Audit Committee and to appropriate levels of management.

Management is responsible for risk management and the operation and enhancement of internal control. This includes responsibility for implementing the action plans as endorsed by the Audit Committee.

3. Independence and Accountability

In order to carry out Internal Audit's responsibilities, it shall have full and free independent access to the Audit Committee, and if required, the Chair of the Board. The Internal Audit Director reports administratively to a designated member of the Office of Management and Budget (OMB) and functionally to the Audit Committee of the Board of Pension Trustees. Functionally reporting to the Audit Committee involves the Audit Committee:

- Reviewing and recommending changes to the Internal Audit Charter;
- Approving the risk-based Internal Audit Plan;
- Receiving communications from the Internal Audit Director on the results of audit activities;
- Approving the budget for the Internal Audit function;
- Authorizing the use of outside expertise and resources to execute the Internal Audit Plan;
- Approving all decisions regarding job description, performance evaluation, appointment, or removal of the Internal Audit Director.

Administrative reporting is the reporting relationship within the DPERS and OMB management structure that facilitates the daily operations of internal audit activity, which includes:

- Human resource administration, including personnel evaluations, leave request approval, and compensation;
- Internal communications and information flows;
- Administration of the Internal Audit's policies and procedures.

All Internal Audit activities shall remain free of influence by any element of the organization, including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

Internal auditors shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures,

prepare records, supervise employees, or engage in any other activity which would normally be audited.

4. Reporting

A written report will be prepared and issued by Internal Audit following the conclusion of each audit and will be published as appropriate. A copy of each audit report and a summarization will be forwarded to the Audit Committee.

Internal Audit may include in the audit report management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.

In cases where a response is not included within the audit report, management of the audited area should respond, in writing, within thirty days of publication to Internal Audit and those on the distribution list.

Internal Audit shall be responsible for appropriate follow-up on audit findings and recommendations. All findings will remain in an open issues file until cleared by the Internal Audit Director.

5. Code of Ethics and Standards for the Professional Practice of Internal Auditing

Internal Audit will meet or exceed the *Code of Ethics* and the *Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors' (IIA), when appropriate.

In addition, when appropriate based on the scope of the proposed audit and the professional involved, Internal Audit will follow professional standards promulgated by the Government Accountability Office, the American Institute of Certified Public Accountants, and the Information Systems Audit and Control Association.

DPERS Internal Audit Charter

Approved this 26 day of January, 2018.

Suzanne B. Grant
Suzanne B. Grant
Chair, Board of Pension Trustees

SCHEDULE K

SECURITIES LITIGATION POLICY

The Delaware Public Employees' Retirement System, ("DPERS") adopts this policy to establish procedures and guidelines for monitoring DPERS' portfolio for potentially actionable losses to protect DPERS' interest and maximize any recoveries available from such actionable losses.

Background

The Private Securities Litigation Reform Act (PSLRA) of 1995 was passed to remedy what many in Congress perceived to be abusive litigation by a group of "professional plaintiffs". The goal of the PSLRA was to eliminate litigation abuses without removing the leverage that investors had in pursuing corporate wrongdoing. Key among the PSLRA's reforms was a mechanism designed to encourage institutional investors - and in this context, Congress specifically identified public pension funds - to take the lead role in monitoring and prosecuting securities class actions.

As a shareholder, DPERS is a putative member of any class action by shareholders against a corporation whose shares DPERS owns. The PSLRA requires federal courts to appoint one or more class members to serve as lead or co-lead plaintiffs in PSLRA litigation. The PSLRA provides a rebuttable presumption that the lead plaintiff is to be the investor with the greatest financial interest in the relief sought by the lawsuit who is willing to serve as lead plaintiff. Since institutional investors such as DPERS typically own more shares than individual investors, they are frequently solicited to serve as lead plaintiffs in these actions.

From time to time, PSLRA lawsuits are filed against certain companies, their directors and/or officers, for alleged violations of federal or state securities laws regarding disclosure obligations and other alleged breaches of fiduciary duties to shareholders. DPERS has a fiduciary duty to monitor and review these filings, to determine whether or not to seek lead plaintiff status and to ensure that it receives its proportionate share of all recoveries. Any decision by DPERS to seek "lead plaintiff" status under the PSLRA, or pursue any other types of litigation must be recommended by DPERS' Investment Committee ("Investment Committee") and ratified by the DPERS' Board of Trustees ("Board").

Policy for Filing Proofs of Claims

Under U.S. federal law, securities class actions function as "opt-out" classes. This means that investors do not need to participate as named parties in order to recover their *pro rata* share of a class action recovery. Rather, they need only submit a timely and valid proof of claim in order to realize recoveries.

DPERS' custodial bank is responsible for filing all proofs of claims, including the necessary supporting documents and information, in every securities class action pending

in the U.S. in which DPERS has an interest (the "Claims Filing"). To memorialize the custodian's Claims Filing responsibilities, pursuant to paragraph 31 of the Master Custody Agreement with Northern Trust, dated June 26, 2013, (the "Custodian") DPERS sets forth formalized claims filing procedures for the custodial bank to follow. These procedures shall include (i) identifying and reviewing all class action recoveries (whether by settlement or trial); (ii) providing timely notice of each settlement recovery, with sufficient time to allow DPERS to opt-out; and (iii) filing complete and accurate proof of claim forms in a timely fashion on DPERS' behalf.

DPERS' staff will generate an annual report to the Board using data provided from the Custodian regarding all securities litigation proceeds recovered by DPERS directly or on its behalf.

DPERS may retain a third-party claims monitoring vendor at a fair and reasonable rate to: (i) identify and review all class action recoveries (whether by settlement or trial); (ii) provide timely notice of each settlement recovery, with sufficient time to allow DPERS to opt-out, and to provide periodic reports regarding these efforts as instructed by DPERS.

Securities Litigation Policy for Securities Listed on a Domestic Exchange

Generally, DPERS will not pursue appointment as lead plaintiff in a PSLRA action, nor actively engage in other types of litigation related to investments, as in most cases other institutional investors would most likely have a larger financial interest in the relief sought in most securities class action lawsuit, and therefore be the more appropriate lead plaintiff.

The following policy creates an evaluative framework for when and how it will become actively involved in domestic securities litigation including seeking lead plaintiff status in any particular class action. Adoption of this policy is intended to put the Board in the best position to identify, protect, and serve the interests of DPERS. Any decision by DPERS to seek "lead plaintiff" status under the PSLRA, or pursue any other types of litigation must be recommended by DPERS' Investment Committee ("Investment Committee") and ratified by the DPERS' Board of Pension Trustees ("Board"). Initial evaluation of such litigation shall be undertaken by a committee of the Deputy Attorney General, the Risk Manager, the Pension Administrator, and other OPen financial staff, the "Securities Litigation Committee", which shall develop and implement review standards.

Updates of securities litigation activities will be reported on a quarterly basis to the Board at its regular meeting of the Board of Trustees.

DPERS' goals in creating this policy are to:

- Fulfill DPERS' fiduciary duty by effectively managing claims as assets of the trust fund.

- Increase recoveries on claims.
- Reduce fees paid to obtain recoveries.

The following is an outline of the processes to assist the Investment Committee, and the Board of Pension Trustees in decisions regarding securities litigation issues.

Monitoring Procedures

DPERS may retain a vendor specializing in identifying and analyzing potential and existing securities cases to perform this function, and to report its findings on a timely basis.

Investigation Guidance

Loss Threshold:

Two Million Dollars (\$2,000,000)

Securities Litigation Policy for Securities Listed on a Foreign Exchange.

The landscape of United States' securities laws has drastically changed with the recent Supreme Court case, *Morrison v. National Australia Bank Ltd.*, S. Ct. 2869 (2010). Due to *Morrison*, investors no longer have the protection of the U.S. securities laws if the securities were purchased on a foreign exchange.

Given the new realities of global securities litigation after *Morrison*, DPERS must adapt to the new challenges of monitoring its portfolio to ensure that opportunities to recover assets based on securities fraud are not lost. This includes the analysis of whether to bring a state law action or participate in an action in a foreign jurisdiction.

Monitoring Procedures

DPERS understands the importance of developing a protocol to stay informed and make prudent decisions relating to its involvement in foreign actions. DPERS may use the Monitoring Vendor and the Custodian to assist in monitoring foreign actions and to ensure that DPERS has the greatest possible visibility into applicable deadlines and is aware of the issues listed above so DPERS can make a timely and informed decision of whether to participate in the foreign action.

Loss Threshold

Two Million Dollars (\$2,000,000)