

Retirement Plan Governing Committee

Investment Policy Statement

January 1, 2015

Version 1.a

Adopted	
Amended	
Amended	
Amended	
Amended	

Deferred Compensation Retirement Programs

I. PURPOSE AND BACKGROUND

A. Introduction and Charter

University (the "University") has adopted a **Charter of the University Retirement Plan Governing Committee** (the "Charter"). This **Investment Policy Statement ("IPS")** is intended to be read and be in concert with the Charter and the terms and conditions of that Charter are incorporated by reference into this IPS. If there is a conflict of terms or interpretation, the Charter will control.

B. Mission Statement (as set forth in Charter)

It shall be the mission of the Committee to (a) establish and oversee the investment strategy and objectives of the Plans and (b) oversee the investment portfolio (c) to facilitate and oversee the administration of the Plans, and (d) evaluate plan designs in light of the many competing and valid interests of the university and its diverse employee population. It shall be the mission of the Committee, in the discharge of its duties and responsibilities, to further the plans' overriding objective: to serve as a source of retirement funds for the benefit of Plan participants.

The Committee shall coordinate its activities with (i) the University and its employees acting as "Plan administrator" and responsible for the day-to-day administration of the Plans, and (ii) the University, acting in its role as plan sponsor and settlor, as set forth below.

C. Authority of the Committee (as set forth in Charter)

The University serves as Plan Administrator of the Plan and retains the authority to amend the Plans and to make final decisions regarding the hiring, retention and termination of the Plans' service providers. The Committee shall act solely on behalf of the University as sponsor of the Plans and shall not have any duties or responsibilities of a "fiduciary," within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), with respect to the Plans. The Committee shall have the authority to make recommendations to the University with respect to the matters set forth in this charter.

D. Duties and Responsibilities of the Committee (as set forth in Charter)

The Committee shall have the following duties and responsibilities:

- (a) With respect to investments under the Plans the powers, duties and responsibilities of the Committee include the following:
 - (1) Assessing the adequacy of the University's investment structure to meet the retirement needs of the University's employees;
 - (2) Establishing the Plans' investment philosophy/objectives and establishing funds under the Plans;
 - (3) Determining the investment characteristics and objectives of each of the fund options under the Plans;
 - (4) Establishing investment guidelines for each of the funds under the Plans;
 - (5) Making recommendations regarding the selection, monitoring, and termination of investment managers and/or investment funds or limiting participation in a particular fund under the Plans;
 - (6) Monitoring and evaluating the performance of investment funds against the Plans' stated objectives and against the performance of similar funds;
- (7) Implementing fund changes as a result of legislative changes or initiatives (e.g., ERISA section 404(c) protection);

- (8) Making recommendations regarding the selection, monitoring, and termination of any retained third party investment consultants; and
- (b) With respect to administration under the Plans, the powers, duties and responsibilities of the Committee include the following:
 - (1) Establishing and monitoring administrative procedures and rules under the Plans;
 - (2) Reviewing and developing recommendations regarding the responses to legislative and regulatory changes;
 - (3) Establishing the communication objectives for Plan participants; and
 - (4) Reviewing and monitoring the performance of service providers (including, but not limited to, third-party administrators, record-keepers, counsel, and auditors) and making recommendations to the Plan Administrator regarding the selection and retention of such service providers.
- (c) Advising the University on matters of Plan design.
- (d) Where the responsibilities otherwise assigned to the Committee are delegated to a third party, the Committee's role is to monitor and oversee the activities of the third party. The Committee is responsible for making recommendations regarding the selection, monitoring, and termination of provider of the delegated activities.
- (e) Exercising such other, similar, powers as the Committee determines to be necessary or appropriate in connection with the discharge of its duties and responsibilities under this Charter.

C. Investment Standard of Care

The Plans are Regulated by the **Employee Retirement Income Security Act of 1974** ("ERISA"). The investment standard of care to be used by the Committee will be **Modern Portfolio Theory** ("MPT").

D. Retirement Plans' Objective

The objective of the Retirement Plans' is to provide participants with 1) a sufficiently diverse risk/return array of **Designated Investment Alternatives** ("DIA's") (as that term is defined by ERISA including, but not limited to, Reg. 2550.404a-5) such as will allow them to combine those DIA's in such a way as to reduce the risk of large losses and 2) sufficient information about those DIA's such as to enable them to make independent and informed investment decisions.

E. Purpose of the Investment Policy Statement

The Committee has adopted this Investment Policy Statement ("IPS") so as to assist it with initial selection and ongoing monitoring of the Plans' DIA's.

II. COMMITTEE COMPOSITION, VOTING AUTHORITY AND MINUTES/SUMMARY

A. Membership of the Committee

The Committee shall consist of the following five members:

1. the Vice President for Finance and Administration of the University,
2. the Director of Finance of the University,
3. the Director of Human Resources of the University, and
4. Two faculty members of the University selected by the Faculty Governance Committee.

The members of the Committee will possess and/or obtain, as required, knowledge of the Plans' design, a general understanding of investments and finance, knowledge of the legal requirements of the Plans, and knowledge of the Plans' administration.

The members of the Committee shall select a member of the Committee to serve as chairperson.

B. Operation of Committee

The Committee shall operate under the following provisions:

1. *Term of Office:* Committee members shall not have a fixed term of office and shall serve at the pleasure of the Board of Trustees of the University.
2. *Meetings:* Meetings will be held quarterly, at a minimum, and on an as-needed basis.
3. *Voting:* With respect to actions authorized or taken by the Committee, approval will require an affirmative vote of an absolute majority of the Committee members.
4. *Minutes:* Formal minutes will be taken and the previous meeting's minutes will be approved at the start of each meeting.
5. *Reports to the Trustees:* The Committee shall provide an annual report to the Trustees.
6. *Subcommittees:* The Committee may establish subcommittees to address specific issues within the Committee's purview.

III. OVERVIEW OF PERTINENT ERISA REGULATIONS

A. Who is a Fiduciary

ERISA Title I Section 3(21)(A) – discretionary authority over plan assets or plan administration

Except as otherwise provided in subparagraph (B), a person is a fiduciary with respect to a plan to the extent (i) he exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management or disposition of its assets, (ii) he renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so, or (iii) he has any discretionary authority or discretionary responsibility in the administration of such plan....

ERISA Title I Section 3(16)

(A) The term “administrator” means—

- (i) the person specifically so designated by the terms of the instrument under which the plan is operated;
- (ii) if an administrator is not so designated, the plan sponsor; or
- (i) in the case of a plan for which an administrator is not designated and a plan sponsor cannot be identified, such other person as the Secretary may by regulation prescribe.

B. General Fiduciary Duties

ERISA Title I Section 404a - The Exclusive Purpose Rule + Expert Standard + Diversification + Plan Docs.

[A] fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and –

- (A) For the exclusive purpose of:
 - (ii) providing benefits to participants and their beneficiaries; and
 - (iii) defraying reasonable expenses of administering the plan;
- (B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
- (C) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

- (D) in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this subchapter...

C. Delegation of Fiduciary Duties

ERISA Title I Section 405(c)

- (c) Allocation of fiduciary responsibility; designated persons to carry out fiduciary responsibilities
- (1) The instrument under which a plan is maintained may expressly provide for procedures
 - (A) for allocating fiduciary responsibilities (other than trustee responsibilities) among named fiduciaries, and
 - (B) for named fiduciaries to designate persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the plan.

D. Diversification

29 CFR 2550.404c-1 - ERISA section 404(c) plans

(3) Broad range of investment alternatives.

- (i) A plan offers a broad range of investment alternatives only if the available investment alternatives are sufficient to provide the participant or beneficiary with a reasonable opportunity to:
 - (A) Materially affect the potential return on amounts in his individual account with respect to which he is permitted to exercise control and the degree of risk to which such amounts are subject;
 - (B) Choose from at least three investment alternatives:
 - (1) Each of which is diversified;
 - (2) Each of which has materially different risk and return characteristics;
 - (3) Which in the aggregate enable the participant or beneficiary by choosing among them to achieve a portfolio with aggregate risk and return characteristics at any point within the range normally appropriate for the participant or beneficiary; and
 - (4) Each of which when combined with investments in the other alternatives tends to minimize through diversification the overall risk of a participant's or beneficiary's portfolio;
 - (C) Diversify the investment of that portion of his individual account with respect to which he is permitted to exercise control so as to minimize the risk of large losses, taking into account the nature of the plan and the size of participants' or beneficiaries' accounts.

E. Duty to Disclose

29 CFR 2550.404a-5 - Fiduciary requirements for disclosure in participant-directed individual account plans.

- (a) General. When the documents and instruments governing an individual account plan, described in paragraph (b)(2) of this section, provide for the allocation of investment responsibilities to participants or beneficiaries, the plan administrator, as defined in section 3(16), must take steps to ensure, consistent with section 404(a)(1)(A) and (B), that such participants and beneficiaries, on a regular and periodic basis, are made aware of their rights and responsibilities with respect to the investment of assets held in, or contributed to, their accounts and are provided sufficient information regarding the plan, including fees and expenses, and regarding **designated investment alternatives**, including fees and expenses

attendant thereto, to make informed decisions with regard to the management of their individual accounts. (Emphasis added).

- (4) **Designated investment alternative** means any investment alternative designated by the plan into which participants and beneficiaries may direct the investment of assets held in, or contributed to, their individual accounts. The term “designated investment alternative” shall not include “brokerage windows,” “self-directed brokerage accounts,” or similar plan arrangements that enable participants and beneficiaries to select investments beyond those designated by the plan. (Emphasis added).

F. Ongoing Monitoring

29 CFR 2550.404a-5 - Fiduciary requirements for disclosure in participant-directed individual account plans.

- (f) Selection and monitoring. Nothing herein is intended to relieve a fiduciary from its duty to prudently select and monitor providers of services to the plan or designated investment alternatives offered under the plan.

G. Fidelity Bond vs Fiduciary Insurance

29 CFR 2580.412(a)

Every fiduciary of an employee benefit plan and every person who handles funds or other property of such a plan (hereafter in this section referred to as ‘plan official’) shall be bonded as provided in this section.

IV. COMMITTEE DUTIES AND RESPONSIBILITIES

A. General Duties

The primary responsibilities of the Committee include:

1. Coordinate update of Plan Documents as required by pertinent regulatory entities
2. Coordinate Plan Audits
3. Oversee the Administration of the Retirement Plans
4. Adopt an IPS that is not inconsistent with Plan Documents.
5. Periodically review and amend (as needed) the IPS.
6. Decide whether to elect to comply as an ERISA §404(c) plan within the meaning of Department of Labor (“DOL”) Regulations under ERISA, as amended.
7. Hire and oversee third party service providers and other professionals, as needed.
8. Approve the selection of a broad range of asset classes which when combined will tend to minimize through diversification the overall risk of a participant's or beneficiary's portfolio.
9. Approve the selection of a broad range of **“Designated Investment Alternatives” (DIA’s)** representing different investment styles and objectives which when combined will tend to minimize through diversification the overall risk of a participant's or beneficiary's portfolio..
10. Select a “Qualified Default Investment Alternative” (QDIA);
11. Monitor and compare the investment performance of the various DIA’s and QDIA to appropriate benchmarks and criteria.
12. Approve the addition, deletion or changes regarding the DIA’s offered.
13. Monitor DIA and QDIA compliance with the IPS.
14. Approve mapping for merged or replaced DIA’s.
15. On an ongoing basis, review the costs associated with each DIA and QDIA of the Retirement Plans to confirm they are reasonable consistent with 29 CFR 2550.404a-5.

16. On an ongoing basis, review the fees of third party service providers that are borne by the Retirement Plans to confirm that they are reasonable consistent with 29 CFR 2550.408b-2.
17. Periodically review the Participant Investment Education program(s).
18. Implement and monitor Proxy voting procedure
19. Perform other functions that are necessary or desirable with respect to the investment of assets of the Retirement Plans subject to restrictions imposed by the Plan Document, trust documents, ERISA, the Internal Revenue Code, or other applicable laws.

V. ERISA §404(c) (OPTIONAL)

ERISA §404c provides a safeharbor from participant-directed investment-losses. Availing that safeharbor protection is optional and requires, among other things, an overt intent to comply. The Committee may elect to comply as an ERISA §404(c) plan within the meaning of Department of Labor (“DOL”) Regulations under ERISA, as amended.

ERISA §404(c)	
Yes/No	

VI. ASSET CLASS SELECTION CRITERIA

The Committee has determined that the asset classes offered to participants in the Retirement Plans may include, but are not limited to the following:

- 1. Cash or Equivalents**
 - a. Money Market Funds
 - b. Stable Asset Funds (GIC/BIC/Synthetics)
- 2. Fixed Income Funds**
 - a. Duration Term: Short, Intermediate or Long
 - b. Style: Government, Corporate or Aggregate
 - c. Geography: Domestic, International or Global
- 3. Domestic Equity Funds**
 - a. Capitalization: Large, Medium or Small/Micro
 - b. Style: Value, Blend or Growth
- 4. International Equity Funds**
 - a. Capitalization: Large, Medium or Small/Micro
 - b. Style: Value, Blend or Growth
 - c. Geography: World, Developed, Emerging or Frontier

5. Pre-Set Asset Allocation Funds

The Committee may decide to offer pre-set asset allocation funds which are intended to provide a participant with an asset allocation option that they may determine is aligned with their own age and risk and return preferences. These asset allocation type alternatives are broadly diversified by asset class, issuer, issue type and economic sector.

6. Socially Responsible or Mission-Based Funds

The Committee may decide to offer a socially responsible or mission-based fund in addition to an asset class peer. Without deference to its social screens or mission, this type of Designated Investment Alternative shall be subjected to the same selection and monitoring process and performance criteria as any other Designated Investment Alternative.

7. Alternative Investment Funds

- a. Equity focused: Long/Short or Market Neutral
- b. Fixed Income focused: Unconstrained Bonds, Convertible Bonds, TIPS or High Yield
- c. Other: Commodities, Real Return, Real Estate or Infrastructure

VII. "DESIGNATED INVESTMENT ALTERNATIVE" (DIA) SELECTION AND REVIEW CRITERIA

The Committee will take into account the following Qualitative and Quantitative Criteria when selecting and reviewing the Retirement Plans' DIA's:

Qualitative Criteria

Each DIA will be evaluated using factors that include, but are not limited to, the following.

- a. Consistent investment strategy.
- b. Changes in the DIA's organization or personnel that are deemed significant.
- c. Asset size that is appropriate for the DIA's investment objectives and plan assets.
- d. A reasonable investment fee structure.
- e. A performance track record of a minimum of three years, unless otherwise appropriate.
- f. Any investigation undertaken by any governmental or regulatory body with respect to the trading or other practices of the managers of the DIA.

Quantitative Criteria

Each DIA's performance (with the exception of money market, stable fund value, guaranteed interest funds and alternative investments) will be evaluated using the performance of a peer group. Performance will be measured over a near-term period of up to three years and a long-term period of up to ten years.

For near-term performance, the following measure will be used:

- a. **Absolute Performance.** Compares the performance of the Designated Investment Alternative against the performance of the peer group. A three year period or a time period that more appropriately represents the Designated Investment Alternative's investment style will be used.

Any DIA that falls in the bottom 10% of its peer group ranking may be placed on Watch List and undergo additional analysis, which may result in a recommendation for replacement.

For long-term performance, the following four performance measures will be used:

- a. **Absolute Performance.** Compares the performance of the DIA against the performance of the peer group. A ten year period or the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.
- b. **Capture Ratio.** Compares how a DIA performed against its benchmark during periods when the benchmark was positive and periods when the benchmark was negative. A ten year period or

the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.

- c. **Sharpe Ratio.** Compares a DIA's performance against the benchmarks after adjusting for volatility differences. A ten year period or the longest time period available or a time period that more appropriately represents a Designated Investment Alternative's investment style will be used.
- d. **Alpha.** Compares a DIA's performance against the benchmark after adjusting for market risk differences. A ten year period or the longest time period available or a time period that more appropriately represents a DIA's investment style will be used.

These four criteria will be combined into a composite model and ranked against the peer universe. Any DIA that falls in the bottom 25% of its peer group ranking may be placed on Watch List and undergo additional analysis and review, including measuring its performance relative to its benchmark, which may result in a recommendation for replacement.

Criteria for Passively Managed (Indexed) Alternatives

The Committee will take into account the following criteria when selecting and reviewing the Retirement Plans' passively managed DIA's:

- a. A reasonable investment fee structure.
- b. Low tracking error to the appropriate benchmark.

Criteria for Money Market, Stable Value, Guaranteed Interest Fund or Alternative Investments

The Committee will take into account the following criteria when selecting and reviewing the Retirement Plans' money market, stable asset fund, guaranteed interest of alternative investment DIA's:

- a. A reasonable investment fee structure.
- b. Performance versus appropriate peers.
- c. Performance versus an appropriate index.

VIII. REPORT WRITING

The Committee will rely upon a third party service provider to prepare periodic Investment Reports. The Committee will direct the third party service provider to specify and use peer group and market index benchmarks to monitor the DIA's. Upon its request, the Investment Reports shall be made available to the Board of Directors.

IX. "DESIGNATED INVESTMENT ALTERNATIVE" (DIA) WATCH LIST

The Committee recognizes the long-term nature of retirement plan investing and the variability of investment returns. Periodic underperformance in any of the criteria outlined in this IPS will not necessarily lead to a replacement or termination of a DIA but may warrant further research and consideration of the Committee.

The Committee will review the Retirement Plans' DIA's for placement on Watch List or for immediate removal.

Watch List status calls for heightened review of the fund. During periodic reviews, the Committee may decide to maintain Watch List status, remove Watch List status or terminate the fund. A DIA that remains on Watch List status for four consecutive quarters will generally be removed unless there is

sufficient evidence that the issue that caused it to be placed on the Watch List is not systemic or the Committee determines there are other considerations that justify its retention.

The Committee may place a DIA on Watch List which calls for heightened review of the fund's performance. The Committee may decide to take action, including but not limited to the following:

- a. Extend the Watch List period.
- b. Remove the DIA from the Watch List.
- c. Terminate the DIA after four consecutive quarters unless there is sufficient evidence that the issue(s) that caused it to be placed on Watch List are not systemic or the Committee determines there are other considerations that justify its retention.

X. MODEL PORTFOLIOS (OPTIONAL)

Department of Labor Interpretive Bulletin 96-1 creates a safeharbor from fiduciary advice, by recharacterizing as non-fiduciary education, Model Portfolios – and the retirement calculators and questionnaires to be used with them. Model Portfolios are a form of customized asset allocations made available to participants and constructed from the Retirement Plans' DIA's – and which are generally automatically rebalanced. The implementation and timing of any automatic portfolio rebalancing feature that may be made available by the Retirement Plans' Service Provider(s) will be at the direction of the Committee.

The historical data, assumptions, and benchmark performance used to create each Model Portfolio will be reviewed periodically. If that review indicates that a change in asset allocation strategy may be warranted, the asset allocation recommendation for each Model Portfolio may be revised. The Committee recognizes the long-term nature of retirement plan investing and the variability of market returns. Thus periodic underperformance will not necessarily lead to an alteration of the Model Portfolios but may warrant further research and consideration of the Committee.

Each Model Portfolio will be monitored and benchmarked against a similarly weighted benchmark consisting of the three (3) asset classes articulated in 404c. E.g. cash, stock and bond.

Model Portfolios			
Risk Based		Adopted	
Age Based		Adopted	
Risk & Age Based		Adopted	
Yes/No		Adopted	
Frequency of Automatic Rebalancing			

XI. "QUALIFIED DEFAULT INVESTMENT ALTERNATIVE" (QDIA) (OPTIONAL)

QDIA

Three Types:

1. **Product (Mutual Fund)**
2. **Portfolio (Model Portfolio)**
3. **Service (Managed Account)**

Must Be Overseen by:

1. **Plan Sponsor;**
2. **Investment Company Act (1940); or**
3. **ERISA 3(38) Investment Adviser**

Must be Age Based:

1. **Product or Portfolio that takes into consideration each individual participant's age, target retirement age OR life expectancy;**
2. **Product or Portfolio "Balanced Fund" the target level of risk of which is appropriate for participants of the plan as a whole [as determined initially and periodically thereafter]; or**
3. **Investment Management Service that is based on each individual participant's age, target retirement date OR life expectancy**

If an ERISA Title I §3(38) Investment Manager (which is a bank, insurance company or adviser registered with the SEC who acknowledges in writing that it is accepting fiduciary responsibility for the discretionary management of the QDIA) is used to manage the Plan's QDIA, a separate Service Agreement will be executed setting out its QDIA management duties. Annually, the §3(38) Investment Manager shall be required provide the Committee with a fee-disclosure accounting consistent with and responsive to 29 CFR 2550.408b-2.

The Committee has elected effective _____ to use the following type of QDIA:

QDIA			
1.	Product or Portfolio that takes into consideration each individual participant's age, target retirement age OR life expectancy		
	a.	Age-Based Mutual Funds	
	b.	Age-Based Model Portfolios	
			Managed by Plan Sponsor
			Managed by ERISA Title I §3(38) Investment Manager
2.	Product or Portfolio "Balanced Fund" the target level of risk of which is appropriate for participants of the plan as a whole [as determined initially and periodically thereafter]		
	a.	Balanced Mutual Fund	
	b.	Balanced Model Portfolio	
			Managed by Plan Sponsor
			Managed by ERISA Title I §3(38) Investment Manager
3.	Investment Management Service that is based on each individual participant's age, target retirement date OR life expectancy		
		Managed by ERISA Title I §3(38) Investment Manager	

XII. THIRD PARTY INVESTMENT CONSULTANT SERVICE PROVIDER (OPTIONAL)

The Committee may elect to engage the services of an independent third party to aid in the selection, monitoring (performance and reasonableness of fees), replacement and mapping (when necessary) of the Retirement Plans DIA's and the construction and monitoring, if applicable, of the Retirement Plans' Model Portfolios – and prepare periodic written reports summarizing its overview activities. It will also be expected to

That independent third party shall be an Investment Adviser who is registered with the SEC and subject to the Investment Advisers Act (1940). The Investment Adviser shall make available to the Committee upon request the most current copy of the Form ADV which it files with the SEC. The Committee will execute an Investment Advisory Service Agreement in which, in part, the Investment Adviser shall confirm in writing that it will serve in the capacity of a non-discretionary investment co-fiduciary in conformance with ERISA Title I §3(21)(A)(ii). Annually, the Investment Adviser shall also provide the Committee with a fee-disclosure accounting consistent with and responsive to 29 CFR 2550.408b-2 so that it has a basis for evaluating the reasonableness of its fees. Periodically, the Committee shall review the reasonableness of those fees.

Co-Fiduciary Investment Adviser			
Yes/No		Date	

XIII. SELF-DIRECTED MUTUAL FUND WINDOW (OPTIONAL)

The Committee may decide to offer a self-directed mutual fund window. Investments available under the Retirement Plans' self-directed mutual fund window are not selected or monitored as DIAs' by the Committee and are not covered under this IPS.

The Committee shall provide participants with general information about the fees associated with the brokerage accounts including, but not limited to, annual account maintenance fees and general trading costs.

Self-Directed Mutual Fund Window			
Yes/No		Date	

XV. PLAN DESIGN + NOTICES

The Committee shall oversee the timely delivery of "notices" in connection with those Regulatory plan design features which are used by the Retirement Plans.

Adopted	Regulation	"Optional" Safeharbors
	404c	Participant Investment Losses
	96-1	Model Portfolios
	SBJPA	Safeharbor 401k
	QDIA	Qualified Default Investment Alternative
	EACA	Automatic Enrollment Arrangement
	ACA	Automatic Contribution Arrangement

	QACA	ACA that satisfies ADP + ACP Testing
	PPA	Fiduciary Adviser – Participant Advice
Participant investment Disclosures		
	404a-5	Designated Investment Alternatives
	QLAC	Longevity Annuities “in” Retirement Plans

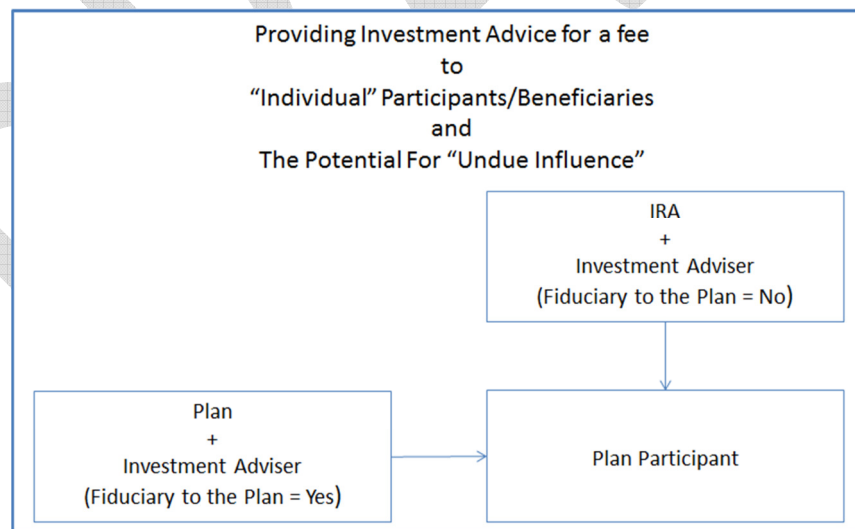
XVI. PROXY VOTING

Discuss Options: 1) Plan Sponsor retains, 2) Delegates to Investment Manager or Directed Trustee, 3) Passes through to participants.

The Committee, acting on behalf of the Plan Sponsor, may vote proxies. Suggested guidelines for voting include, but are not limited to, the following.

- The Committee may use the services of an independent proxy voting third party and/or may consult an investment advisor, but retain ultimate responsibility for voting.
- For routine matters likely to pass, or for which voting carries little or no economic value for participants (net of direct or indirect costs), the Committee may abstain.
- For issues warranting investigation, investigate through any means appropriate, then vote if there is reason to believe the vote can benefit participants economically.
- Keep copies of the completed proxy indicating the date, nature of the vote, and the actual vote cast, plus the rationale for the vote cast.
- Keep copies of any additional proxy materials received. If a vote is not cast, record the reasoning for this action.

XVII. FIDUCIARY ADVISER (OPTIONAL)



The Pension Protection Act (PPA) created a safe harbor for investment advice provided by a Plan Fiduciary to individual Plan Participants/Beneficiaries. The rationale was that the benefit of investment advice outweighed the potential for undue influence (which, if exercised, could be a Plan Prohibited Transaction and thereby put the plan at risk of being out of compliance with ERISA) – as long as sufficient safeguards were created and implemented. The Department of Labor then issued a “Final

Rule” articulating the specifics. (See *Investment Advice –Participants and Beneficiaries*, Federal Register Vol. 76, No. 206, pp. 66136-66167, Oct. 25, 2011).

Should the Committee wish to provide the Retirement Plans’ individual participants/beneficiaryess with the option of retaining (for a fee) the same Investment Adviser who provides co-fiduciary investment-advice to the Retirement Plans, the Retirement Plans’ Investment Adviser will be required to comply with the provisions of the Final Rule set out above. In that event, a separate contract will be executed formalizing that service arrangement and a copy of that contract will be provided to the Board of Directors.

Investment Advice – Participants and Beneficiaries			
Yes/No		Date Last Discussed by Investment Committee	

XIV. PARTICIPANT INVESTMENT EDUCATION

The Committee shall coordinate periodic participant investment education which may consist of any combination of the following:

- Onsite group meetings
- One-on-one meeetings
- Newsletters (electronic and/or hard copy)
- Internet based tutorials
- Internet hosted meetings

XVIII. COORDINATION WITH PLAN DOCUMENTS

If any term of this IPS conflicts with any term of the formal documents or instruments for the Plan, the terms of such formal documents or instruments shall always control.

XIX. AMENDMENT OR TERMINATION

Prior to adopting this IPS and any amendment to it, the Committee, to the extent it deems necessary, will consult with its legal, tax and other advisors. A copy of this IPA as well as any change to it must be provided to the Board of Directors as reasonably soon after adoption as is practicable.

This Investment Policy Statement is hereby adopted and shall remain in effect until amended or terminated by the Committee.

Adopted: _____, 2015

By: _____, Committee Chair