AUSTIN FIREFIGHTERS RETIREMENT FUND

Board of Trustees' Governance Policy
Amended and Restated, Effective September 29, 2025

ARTICLE 1: PURPOSE

Under Section 2.01 of Article 6243e.1, Vernon's Texas Civil Statutes (the "***Act***"), the Board of Trustees ("***Board***") of the Austin Firefighters Retirement Fund (the "***Fund***") is responsible for administering the Fund pursuant to the terms of the Act. The Board must also comply with certain federal and state laws and regulations in exercising its duties to the Fund, including, without limitation, Chapter 802 of the Texas Government Code.

The Board recognizes that a sound governance structure is critical to the effective administration of the Fund and has determined that it is prudent and in the best interest of the Fund to set forth a governance policy to best ensure such structure exists. The Board hereby adopts this "Board of Trustees' Governance Policy" (the "***Policy***") (i) to establish the framework within which the Board intends to operate and conduct itself in carrying out its responsibilities and fiduciary duties owed to the Fund, (ii) to clearly define the responsibilities of the Board, Executive Director and Fund staff, and (iii) to provide guidelines for effective communication between Trustees, Fund staff, and any third-parties. This Policy shall be applicable to all Trustees (as defined below). Notwithstanding as otherwise provided herein, the Board retains the authority to take any and all actions it determines are in the best interest of the Fund or necessary for the administration of the Fund.

All references to sections herein shall refer to sections of this Policy, unless otherwise specifically stated. Any capitalized term that is not defined herein shall have the meaning of such term as defined in the Act. To the extent any provision of this Policy is contrary to the Act or other appliable law, such law shall govern.

ARTICLE 2: BOARD GOVERNANCE

§2.1. Composition of Board

(a) Board Members. The Board is composed of seven (7) members as specified in the Act and as further designated below (each, a "***Trustee***" and collectively, the "***Trustees***"):

- *Place 1*. Mayor of the City of Austin or a member of the Austin City Council as designated by the Mayor
- *Place 2*. Chief Financial Officer (CFO) of the City of Austin or a person designated by the CFO
- *Place 3*. Member of the Fund to be selected at large (either active or retired)
- *Place 4*. Member of the Fund to be selected at large (either active or retired)

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- *Place 5*. Member of the Fund who is an active firefighter[1]
- *Place 6*. Member of the Fund who is a retired firefighter[1]
- *Place 7*. Member of the public selected and appointed by the Austin City Council who satisfies the requirements of Section 2.025 of the Act[2]

Trustees serving in Places 1 and 2 are each referred to as an "***Appointed Trustee***" (and collectively, the "***Appointed Trustees***"), and Trustees serving in Places 3, 4, 5 and 6 are each referred to as an "***Elected Trustee***" (and collectively, the "***Elected Trustees***"). The Trustee serving in Place 7 is referred to as the "***Citizen Trustee***".

(b) Terms and Vacancies

(i) *Appointed Trustees*.

(1) Each Appointed Trustee shall serve on the Board for so long as such individual remains in office or employed by the City of Austin in the applicable role, unless such Appointed Trustee designates another individual to serve as a Trustee.

(2) A designee of an Appointed Trustee shall serve on the Board until the earlier of the date that: (i) such individual is no longer in office or employed by the City of Austin, (ii) the Mayor or CFO (as applicable) who designated such individual is no longer in office or employed by the City of Austin in the applicable role, or (iii) the Mayor or CFO (as applicable) designate another person to serve as a Trustee.

(ii) *Elected Trustees*.

(1) The Elected Trustees shall serve staggered terms of four (4) years each, with the term of one Elected Trustee expiring each year. The current terms of the Elected Trustees are as follows:

Place 3 (At Large) – Term Expires December 31, 2026

Place 4 (At Large) – Term Expires December 31, 2027

Place 5 (Active) – Term Expires December 31, 2029

Place 6 (Retired) – Term Expires December 31, 2028

(2) Each Elected Trustee shall serve during the term for which he or she is elected and until a successor is elected and has qualified (i.e., taken an oath of office to serve as a Trustee), unless a vacancy results because of death, resignation, or removal.

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[1] Pursuant to the authority granted to the Board in Section 2.02(b) of the Act, the Board adopted Rule XIV to specify that at least one of the Elected Trustees must be an active member and one must be a retired member. The Board has designated Place 5 and Place 6 for those positions, respectively.

[2] The Citizen Trustee must (1) be a qualified voter of the City of Austin, (2) be a current resident, and for the prior five years have been a resident, of the City of Austin, and (3) have demonstrated experience in the field of finance or investments. The Citizen Trustee may not be (i) a current or former employee or officer of the City of Austin, (ii) a current or former employee or trustee of the Fund, or (iii) a current or former member or beneficiary of the Fund.

(3) Removal of an Elected Trustee would occur due to the Trustee no longer satisfying the requirements to be eligible to serve (e.g., due to a change in employment status) or by operation of law applicable to members of a governing body of a governmental entity.

(4) Vacancies of Elected Trustees shall be filled for the remainder of that person's term at an election to be held on a date selected by the Board that must be within sixty (60) days after the date of the event that caused the vacancy.

(5) In the event that an active member or retired member is not nominated to serve in Place 5 or Place 6, respectively, the Board may re-open the nominations period pursuant to Rule IV and request additional nominations. Alternatively, the Board may suspend the requirement set forth in Rule XIV that such position be filled by an active or retired member (as applicable) and may re-open the nominations period to elect a member at large (either active or retired).

(iii) *Citizen Trustee*.

(1) The Citizen Trustee shall serve for a term of four (4) years, with the first term beginning on January 1, 2026.

(2) The Citizen Trustee shall serve during the term for which he or she is appointed and until a successor is appointed and has qualified (i.e., taken an oath of office to serve as a Trustee), unless a vacancy results because of death, resignation, or removal.

(3) Removal of the Citizen Trustee would occur due to the Trustee no longer satisfying the requirements to be eligible to serve (as set forth in Section 2.025 of the Act) or by operation of law applicable to members of a governing body of a governmental entity.

(4) A vacancy in the Citizen Trustee position shall be filled for the remainder of that person's term by the City Council in the same manner as the original appointment.

(c) <u>Trustee Elections</u>

(i) The Board has adopted Rule IV "*Trustee Nomination Procedures*" that sets forth rules regarding the nomination of candidates for Elected Trustee positions, including the process for submitting nominations and the effect if only one candidate is nominated for a given position.

(ii) Regular elections for the Elected Trustee positions shall be held annually by secret ballot between November 1 of each year and the first Monday in January of the following year in accordance with the Act. Each year, the Board will establish a period of time during which election ballots may be submitted (the "***Election Period***") and the method for submitting such ballots which may include the use of a third-party vendor to conduct the election (e.g., regular mail, electronic submission, etc.).

(iii) For ballots that are submitted through regular mail, a ballot that is postmarked by the last day of the Election Period will be considered timely submitted. The Fund will allow for a period of seven (7) days after the end of the Election Period for additional ballots that were timely postmarked to be received by the Fund before the ballots are counted or the results are certified by the Board, provided that if the seventh (7^{th}) day falls on weekend or a federal holiday, the period for receiving ballots shall be extended until the first business day following such weekend or holiday.

(iv) In the event a vacancy of an Elected Trustee position occurs, the Board will establish procedures for a special election to elect a replacement Trustee to serve the remainder of the term, with such election to be held within sixty (60) days after the event that caused the vacancy as provided under Section 2.03(f) of the Act. Such procedures need not be identical to the election procedures utilized for annual elections.

§2.2. Board Responsibilities

(a) The Fund is a trust established under state law created for the exclusive purpose of providing retirement, disability, and survivor benefits to the firefighters employed by the City of Austin (the "***City***") and their beneficiaries. The Board has the sole and exclusive responsibility for the administration of the Fund and the investment of Fund assets.

(b) Each Trustee is a fiduciary of the Fund and, as a fiduciary, is responsible for discharging his or her duties solely in the interest of, and for the exclusive purpose of, providing benefits to members and retirees in accordance with the Act. As fiduciaries, Trustees shall act with honor and integrity in their administration of the Fund.

(c) The Board is responsible for establishing the strategic vision, goals, and policies of the Fund as well as regularly monitoring the performance and operations of the Fund. In carrying out its responsibilities, the Board will act as a single entity and not as individual members.

(d) The Board's responsibilities include, without limitation:

(i) Adopting rules and performing reasonable activities it considers necessary or desirable for the efficient administration of the Fund and to maintain the qualified status of the Fund under Section 401(a) of the Internal Revenue Code of 1986, as amended;

(ii) Selecting, appointing, and overseeing the Executive Director to ensure efficient administration of the Fund, including, without limitation, the assignment of duties, performance evaluation, compensation, and discipline, including dismissal;

(iii) Approving, hearing and determining all matters related to eligibility or benefits under the Fund and any appeals thereof, including, without limitation, (1) the eligibility of any person to participate in the Fund, (2) the eligibility of any person to receive a service, disability, or survivor's benefit and the amount of that benefit, (3) whether a child or a parent of a deceased member was dependent on the member for financial support, and (4) any other determinations related to the administration of the Fund;

(iv) Investing, reinvesting, or changing the assets of the Fund in whatever instruments or investments the Board considers prudent and in accordance with its investment policy statement and monitoring the investments made by any investment manager for the Fund;

(v) Monitoring the funded status of the Fund, hiring an actuary to perform periodic actuarial valuations of the Fund, approving the actuarial methods and tables used, and adopting reasonable actuarial assumptions;

(vi) Preparing for and attending monthly Board meetings, contributing to and participating in discussions of the Board during meetings, and working constructively with other Trustees to oversee and monitor the activities of the Fund;

(vii) Hiring certain third-party service providers to assist the Board in administering the Fund, including, without limitation, any investment or fund manager, attorney, actuary, accountant, professional investment counselors or consultants, or custodians (the "***Vendors***"), and monitoring their performance through the Executive Director;

(viii) Approving and monitoring the Fund's annual budget;

(ix) Keeping the money and other assets it receives for the benefit of the Fund separate from all other funds or assets of the City;

(x) Keeping a record of all claims, receipts, and disbursements and making disbursements only on vouchers signed by such persons as the Board designates by resolution;

(xi) Publishing an annual report containing a balance sheet showing the financial and actuarial condition of the Fund, an income statement showing receipts and disbursements during such year, and such additional matters as may be determined to be appropriate by the Board;

(xii) Determining whether a cost-of-living adjustment may be granted pursuant to the parameters set forth in the Act in consultation with the Fund's actuary;

(xiii) Designating a medical board to assist the Board in reviewing and evaluating any applications for disability retirement;

(xiv) Complying with minimum training requirements under state law;

(xv) Respecting open meetings laws by not convening meetings with other Trustees outside the properly noticed Board meetings; and

(xvi) Maintaining confidentiality of member records, certain investment activity, or other Fund information that is confidential pursuant to law or contractual agreement.

(e) To the extent appropriate and practicable, the Board may delegate its responsibilities to the Executive Director, a committee of the Board, Fund staff, or any third-party engaged by the Board for such purpose as it deems necessary and prudent in carrying out its duties owed to the Fund. Any such delegation will not relieve the Board of its ultimate responsibility for such duties, and the Board shall be responsible for monitoring any such delegation.

§2.3. Board Officers

(a) Officers. The Board shall have two (2) officers: the Chairman and the Vice-Chairman.

(i) *Chairman*. The Board shall elect annually from its membership in open session a chair (the "***Chairman***") to serve as the presiding officer of the Board. Once elected, the Chairman shall serve a one (1) year term.

(ii) *Vice-Chairman*. The Board shall annually elect from its membership in open session an alternate presiding officer (the "***Vice-Chairman***") who shall preside in the absence or disability of the Chairman. Once elected, the Vice-Chairman shall serve a one (1) year term.

(b) Election of Officers and Vacancies.

(i) The election of officers shall occur during the first Board meeting of each calendar year.

(ii) Any Trustee is eligible to be elected to serve as an officer, provided that no Trustee may hold both officer positions concurrently. Any Trustee elected as an officer should be capable of dedicating the time necessary to fulfill the required duties and responsibilities that the position entails as outlined in more detail below.

(iii) A Trustee may be nominated for an officer position through a motion made by another Trustee or by himself or herself. Every motion to nominate an officer must receive a second to the motion before it can be voted on. If a motion fails to receive a second, the motion dies and the Trustee cannot be voted on for such officer position.

(iv) A Trustee may resign from his or her position as Chairman or Vice-Chairman at any time by providing written notice to the Board or may be removed by a unanimous vote of the other members of the Board. In the event of the resignation or removal of an officer, a new officer shall be selected by a majority of the remaining Trustees to complete the term of the officer.

(c) Duties of Chairman. In addition to the regular duties and responsibilities of a Trustee, the Chairman shall be responsible for leading the Board in the conduct of Board business and ensuring the integrity of the Board's process. More specifically, the Chairman shall be responsible for:

(i) Providing leadership to the Board in terms of collegiality, civility and ethical conduct;

(ii) Ensuring the Board behaves consistently with its own rules and any rules imposed upon it by state or federal law;

(iii) Consulting with the Executive Director on Board meeting agendas;

(iv) Presiding over Board meetings and running them in an orderly manner and in accordance with the statutory requirements of the Texas Open Meetings Act, Chapter 551, Texas Government Code ("***TOMA***") and generally accepted parliamentary procedures;

(v) Providing for participation of all Board members in discussions that are fair, open, and thorough, but also timely, orderly, and kept to the point;

(vi) Appointing members to serve on committees;

(vii) Allowing for public comment at a Board meeting in accordance with this Policy;

(viii) Addressing ethical issues that have been brought up by the Board, Fund staff, or others in accordance with the *Board of Trustees' Code of Ethics*;

(ix) Acting as the primary liaison between the Board and the Executive Director and other Fund staff;

(x) Leading the annual performance evaluation of the Executive Director; and

(xi) Performing any other duties delegated to the Chairman in this Policy, another Fund policy or rule, or reasonably related to the role of Chairman, as requested by the Board.

(d) <u>Duties of Vice-Chairman</u>. In addition to the regular duties and responsibilities of a Trustee, the Vice-Chairman shall be responsible for (i) serving as and performing the duties required of the Chairman if the Trustee elected to that position resigns or is unable to serve in such capacity due to absence or otherwise and (ii) performing any other duties delegated to the Vice-Chairman in this Policy, another Fund policy or rule, or reasonably related to the role of Vice-Chairman, as requested by the Board.

§2.4. Review of Vendors

(a) To ensure prudent monitoring of its Vendors, the Board will periodically review its agreements and contracts with Vendors that have been engaged to assist the Board in administering the Fund. In connection with such review, the Board may or may not determine, in its full discretion, that a request for qualifications (RFQ), request for proposal (RFP) or other method of evaluation or review is necessary to evaluate its service providers and the costs or fees incurred under such engagement.

(b) The Board's intent is to review its Vendors on a staggered basis at least as frequently as set forth below; *provided, however*, the Board may review a contract or its engagement with any Vendor at any time within its sole discretion.

Type of Vendor	Frequency of Review
Actuary	Every 5 Years
Custodial Bank	Every 7 Years
Depository Bank	Every 4 Years
Independent Auditor	Every 5 Years
Investment Consultant	Every 5 Years
Legal Counsel	Every 5 Years

ARTICLE 3: BOARD MEETINGS AND CONDUCT

§3.1. Meeting Conduct; Voting Requirements

(a) The Board shall hold regular meetings on such dates designated by the Board, provided that the Board must meet at least four times each calendar year (ideally, at least once per calendar quarter). The Board may hold special meetings as called by the Chairman. Trustees are expected to be properly prepared for Board meetings and deliberations.

(b) All regular and special meetings will be open to the public, and notice of such meetings will be posted at least three (3) business days before the scheduled date of the meeting in accordance with TOMA. The Executive Director shall be responsible for posting notice of any meeting of the Board in accordance with the requirements of TOMA and Section 3.3 below.

(c) Emergency meetings may be called in the same manner as special meetings, provided the purpose for such emergency meeting meets the statutory requirements of TOMA. An emergency meeting is one which cannot be posted within the time period normally required by TOMA because of an emergency, an imminent threat to public health and safety, or a reasonably unforeseeable situation as defined in Section 551.045 of TOMA. Notice of an emergency meeting must be posted at least one (1) hour before the emergency meeting is scheduled to convene in accordance with the requirements of TOMA and Section 3.3 below.

(d) All Board meetings shall begin at the time designated in the meeting notice.

(e) A quorum is required for the Board to conduct business. Four (4) Trustees constitute a quorum, unless there are vacancies on the Board in which case the number of Trustees required for a quorum shall be reduced accordingly. A majority vote of members of the Board attending a meeting at which a quorum is present is necessary for any decision of the Board. Each member of the Board is entitled to one (1) vote. Should a quorum fail to convene, the Trustees present may continue in a workshop format for educational purposes only and no action will be taken.

(f) The meetings of the Board shall be conducted in accordance with generally accepted rules for parliamentary procedures and applicable federal or state law, including TOMA.

(g) All action taken will be in open session. The Board may go into closed session to discuss any matter permitted by TOMA, but no action will be taken by the Board during closed session.

(h) The Board shall keep accurate minutes of its meetings and records of its proceedings. A resolution or order of the Board must be made by a vote recorded in the minutes of its proceedings.

(i) A Trustee may participate remotely in a Board meeting via videoconference in accordance with the requirements of Section 551.127 of TOMA.

§3.2. Public Comment at Meetings.

(a) The Board may allow reasonable opportunity for the public to comment to the Board on any issue under the jurisdiction of the Board at the beginning of the meeting or in connection with the agenda item to which the comment relates. No Board discussion will occur after the individual completes his or her comments unless such public comment relates to a specific posted agenda item.

(b) Persons who desire to make a public comment at a Board meeting must register to speak prior to the Board meeting in the manner prescribed by the Board. The Chairman may specify the length of time to be allowed for each person to speak.

§3.3. Notice of Meetings; Setting of Agenda

(a) Regular Meetings.

(i) For regular meetings, an initial agenda draft will be prepared and distributed to the Trustees by the Executive Director, or Fund staff as directed by the Executive Director, 7-10 days prior to the meeting. The Executive Director, in consultation with the Chairman, will determine the agenda items on the initial draft, including the consideration of any agenda items previously requested by a Trustee.

(ii) The initial agenda draft will include each subject that the Board will consider or discuss at the upcoming meeting, as well as the date, hour, and place of the meeting. The agenda may include additional documentation as required by TOMA.

(iii) Any suggested additions or deletions to the agenda draft must be submitted to the Executive Director within two (2) business days from receipt of the agenda draft. Items may be added to the draft agenda by the Chairman, the Executive Director, the written request of any Trustee if approved by the Chairman, or the co-sponsorship of two (2) Trustees by written request with or without the Chairman's approval. The Executive Director will finalize the agenda and distribute such final agenda to the Trustees for review at least one (1) business day prior to posting.

(iv) The Executive Director will post the final agenda on the Fund's website and also distribute it to the City of Austin for posting at least three (3) business days prior to the date of the meeting.

(v) In the absence of the Executive Director, the Chairman in coordination with Fund staff will be responsible for preparing and finalizing the agenda for distribution and posting.

(b) Special Meetings.

(i) Special meetings may be called between the required regular monthly meetings to conduct business that requires action or other attention by the Board prior to the next regularly scheduled meeting. The Executive Director will prepare and distribute an initial agenda draft for the special meeting to the Trustees at least four (4) days prior to the meeting.

(ii) The agenda for a special meeting will be posted on the Fund's website and will be distributed to the Trustees and the City of Austin for posting at least three (3) business days prior to the special meeting.

(c) Emergency Meetings.

(i) Emergency meetings are to be held only when there is an emergency or urgent public necessity due to what is deemed to be an imminent threat to public health and safety, or for a reasonably unforeseeable event or situation (such as a natural disaster, or power or communication failures) requiring immediate deliberation or action by the Board. The Board may consider an emergency item during a previously scheduled meeting instead of calling a new emergency meeting in which case a supplemental agenda notice must be published with respect to such emergency item.

(ii) The Executive Director will take all reasonable steps to notify the Trustees of an emergency meeting as soon as possible after the need for such emergency meeting arises.

(iii) The public notice of an emergency meeting or an emergency item must clearly identify the emergency or urgent public necessity and is subject to judicial review.

(iv) The notice of an emergency meeting and the subject matter of such meeting must be posted at least one (1) hour prior to the meeting and will be distributed to the Trustees and the City of Austin.

(d) Closed Session.

(i) The Board may conduct a meeting in closed session during a regular, special or emergency meeting pursuant to an exception provided under TOMA.

(ii) The Board will maintain a certified agenda for each closed session held by the Board, if and as required by TOMA.

§3.4. Code of Ethics; Conflicts of Interest

(a) In addition to compliance with this Policy and any other applicable legal requirements, all Trustees are expected to be guided by the basic principles of honesty and fairness in the conduct of Fund business and to comply with the *Board of Trustees' Code of Ethics.*

(b) Trustees shall actively avoid both the appearance and the fact of conflict of interests in accordance with Chapters 171 and 176 of the Texas Local Government Code and other applicable law.

§3.5. Compensation; Reimbursements

Trustees serve without compensation, but may be reimbursed for any necessary expenditures that are incurred in connection with his or her role as Trustee in accordance with the *Board of Trustees' Code of Ethics*.

ARTICLE 4: BOARD COMMITTEES

§4.1. Board Committees

(a) The Board has determined that it is in the best interest of the Fund and consistent with best governance practices to establish committees of the Board to perform certain tasks as delegated to such committee by the Board.

(b) The Board shall have three (3) standing committees:

(i) Investment Committee

(ii) Benefits Committee

(iii) Policy Committee

(c) Each standing committee may have no more than three (3) Trustees appointed as members of the committee. No non-Board members shall be appointed to a standing committee.

(d) Each Trustee will be designated to serve on at least one standing committee of the Board for a one-year term. Committee appointments will be made by the Chairman in his/her sole discretion at the beginning of each calendar year after consultation with each Trustee. In making such appointments, the Chairman may consider each individual Trustee's experience or expertise in the matters to be delegated to such committee and the individual Trustee's ability, interest, and willingness to serve on a given committee.

(e) The Chairman may also create special or ad hoc committees as the situation may demand or for a specific task. Members of such special or ad hoc committees shall also be appointed by the Chairman when and as needed.

§4.2. Committee Governance

(a) The Board shall adopt a committee charter for each standing committee that specifies its purpose, the specific responsibilities delegated to such committee by the Board, and any other matters related to the operation or authority of the committee. Each committee shall elect a Committee Chair who shall serve as the presiding officer of such committee.

(b) Committee members are expected to attend and be prepared for each meeting of a committee to which they are appointed.

(c) Any member of the Board may attend a meeting of a committee of which he or she is not a member. Public notice of a committee meeting where a quorum of the Board may be present will be posted as a Board meeting under TOMA in accordance with Article 3.

(d) The Executive Director, in consultation with the Committee Chair, will determine the agenda items for a committee meeting.

ARTICLE 5: EXECUTIVE DIRECTOR OVERSIGHT

§5.1. Designation and Responsibilities of Executive Director

(a) Executive Director and Fund Staff

(i) Pursuant to §12.01 of the Act, the Board shall appoint an Executive Director (previously referred to as the "Fund Administrator") who shall administer the Fund under the supervision and direction of the Board. The use of the titles of "Fund Administrator" and "Executive Director" shall be understood to be synonymous for all purposes of the Fund, including the administration and interpretation of the Act and the Fund's rules and policies.

(ii) Hiring of other Fund staff (other than a Chief Investment Officer, if any) will be conducted by the Executive Director, provided that the Board shall approve the budget expense for any newly created staff position of the Fund prior to the hiring of any individual to fill such position.

(iii) All staffing decisions will be subject to and in compliance with the Equal Employment Opportunity Policy as set forth in the Fund's Personnel Policies.

(b) Responsibilities of Executive Director. The Board delegates its responsibility for the day-to-day administrative and operational functions of the Fund to the Executive Director, including, without limitation:

(i) Overseeing and managing all Fund staff, establishing and enforcing all staff policies, and managing any staff-related employment issues;

(ii) Managing the Fund's assets, expenses, and investments, including, without limitation, satisfying member distributions on a monthly basis and funding any capital calls and Fund expenses as needed;

(iii) Communicating timely and effectively with individual Trustees and the Board as a whole on all Fund matters that require Board input or discussion;

(iv) Hiring, monitoring, and evaluating other Fund staff;

(v) Conducting benefit and retirement consultations with members of the Fund and responding to member inquiries in a timely manner;

(vi) Responding to requests for public information of the Fund in accordance with the Texas Public Information Act;

(vii) Managing the relationship and communication between the Fund and current Vendors and interfacing with prospective Vendors and other third-parties;

(viii) Preparing a budget for Board approval and operating the Fund in accordance with such budget; and

(ix) Complying with minimum training requirements under state law.

(c) More specific responsibilities of the Executive Director may be maintained in a written job description of the position to be maintained by the Fund and reviewed by the Board from time to time.

(d) The Executive Director may delegate certain duties of the Executive Director to other Fund staff as necessary to assist in carrying out the Executive Director's duties and responsibilities. Any such delegation will not relieve the Executive Director of his or her ultimate responsibility for such duties, and the Executive Director shall be responsible for monitoring any such delegation.

§5.2. Evaluation and Oversight of Executive Director

(a) The Executive Director will report directly to the Board and is responsible for effectively communicating with the Board.

(b) On an annual basis, the Board shall conduct an evaluation of the Executive Director to review performance for the prior year and set goals for the upcoming year. The Board will evaluate the performance of the Executive Director based on the achievement of such goals and the overall operation and performance of the Fund during the year.

(c) The Board must set the compensation for the Executive Director, which will be reviewed annually by the Board. The Board will also periodically review all staff compensation to ensure that it is comparable to compensation offered by other Texas and US public pension funds.

§5.3. Hiring of Executive Director

(a) In the event the Executive Director resigns, is removed, or is no longer able to serve as the Executive Director, the Board shall publish the open position, collect, review and screen applications and resumes, perform background checks (criminal and financial), and interview applicants. The Board may, but is not required to, involve a third-party search firm in the process. Notwithstanding the above, the Board is solely responsible for conducting the final interviews and making the final decision on filling the position.

(b) The Board expects that any candidate applying for the Executive Director position will satisfy the following requirements:

(i) Bachelor's degree in business administration, accounting, finance or a related field;

(ii) A minimum of 5 years' experience with comparable duties at a public pension fund, trust, foundation, endowment, or a similar entity;

(iii) Knowledge of pension plan design, accounting principles related to defined benefit pension plans, and basic principles of business law;

(iv) Knowledge of investment terminology and methods of investments analysis;

(v) Knowledge and skills required for commonly used software packages and ability to apply computerized automated applications to standard operating procedures;

(vi) Ability to effectively interface with individual Trustees and the Board, active members, retirees, City of Austin staff, and Fund staff;

(vii) Ability to organize effectively; and

(viii) Ability to effectively and accurately communicate, both verbally and in writing.

(c) The Board may set forth other requirements for the Executive Director position in a written job description maintained at the Fund and may vary from any position requirements in connection with an individual hire.

ARTICLE 6: TRAINING AND EDUCATION

§6.1. Required Training

(a) Education of Trustees and the Executive Director is essential to ensure that Trustees and the Executive Director have a full understanding of the issues facing the Fund. Each Trustee and the Executive Director must comply with the minimum and continuing education requirements under state law, including ethics and fiduciary training.

(b) Trustees are required to complete training courses regarding their responsibilities under TOMA and the Texas Public Information Act. Trustees must complete the training not later than the 90th day after assuming their duties as a Trustee. Qualifying online training courses are offered by the Texas Attorney General's Office at www.texasattorneygeneral.gov. Certificates are awarded at completion of each online training course, which must be submitted to the Executive Director for retention and proof of education compliance.

(c) Texas law provides that the Texas Pension Review Board ("***PRB***") establish a Minimum Education Training ("***MET***") program for Trustees and the Executive Director. The MET program requires seven (7) credit hours of core content training for the first year of service as a Trustee or Executive Director and at least four (4) credit hours of continuing education in core and/or non-core content within each two (2) year period subsequent to the first year of service as a Trustee or Executive Director. The PRB requires semi-annual reporting of training hours and courses to verify compliance. Information regarding MET can be obtained on the PRB website.

§6.2. Educational Opportunities

(a) After the first year of service, Trustees and the Executive Director shall attend at least one continuing education program every two (2) years. Continuing education programs that satisfy this requirement may include:

(i) Certain training classes sponsored by the Texas Association of Public Employee Retirement Systems (TEXPERS) or the National Conference on Public Employee Retirement Systems (NCPERS); or

(ii) Any other conference or training designed to educate public pension administrators and trustees.

(b) Attendance at all education conferences will be consistent with the *Board of Trustees' Code of Ethics.*

§6.3. Reporting

The Executive Director will file the required reports on Trustee and Executive Director training activity with the PRB, keep Trustees informed on the status of their compliance with training requirements, and maintain records of Board education and travel expenses related to education and training.

ARTICLE 7: BOARD COMMUNICATIONS

§7.1. Trustee Communications with Fund Staff

(a) The Executive Director is the Trustees' primary link to Fund operations and administration. Trustees shall direct all questions regarding any aspect of the Fund's operations to the Executive Director.

(b) In the spirit of open communication, individual Trustees shall share any information pertinent to the Fund with the Executive Director in a timely manner, and the Executive Director shall similarly share with the Board any information pertinent to the Board's role and responsibilities in a timely manner.

(c) Fund staff serve the full Board and not individual Trustees. A Trustee may not exercise authority over individual Fund staff members. Trustees are entitled to information necessary to make informed decisions relating to their role and responsibilities as a Trustee. However, to avoid the appearance of undue influence, all requests by individual Trustees for information should be directed to the Executive Director or presented at a Board meeting as opposed to being directed to individual Fund staff. Any requests by a Trustee for confidential information will be presented to the Board as a whole for consideration as to whether such information may be disclosed to the Trustee.

§7.2. Trustee Communications with Members

(a) Information provided to members of the Fund regarding the Fund or benefits provided under the Fund is best communicated by the Fund staff who have the knowledge and expertise on the Fund's eligibility and benefit provisions. To avoid miscommunications to members, Trustees shall refrain from providing specific advice, counsel or education with respect to the rights or benefits a member or beneficiary may be entitled to pursuant to the Act or any relevant rules or policies.

(b) In the event a member or beneficiary requests that a Trustee provide explicit advice with respect to Fund benefits or related policies, the Trustee should refer the member or beneficiary to the Executive Director or ask the Executive Director to contact the member or beneficiary. The Executive Director shall inform the Trustee of the outcome.

§7.3. Trustee Communications with Vendors and Prospective Vendors

(a) The Executive Director shall be solely responsible for managing relationships and communications with Vendors and prospective Vendors.

(b) Vendors are hired by and work for the full Board and not individual Trustees. Trustees shall not communicate directly with Vendors or prospective Vendors on any matters relating to the Fund without the permission and coordination of the Executive Director, except for communications with the Fund's attorney relating to the performance of the Trustee's duties.

(c) If a Trustee wishes to communicate with a Vendor or prospective Vendor, the Trustee shall make a request to the Executive Director in advance of any communication. Communications at conferences and events with Vendors that are attended by the Trustee do not require pre-approval if such attendance is authorized by the policies of the Board.

(d) If the request for communication with a Vendor or prospective Vendor is granted, the Trustee shall include the Executive Director in all written and electronic communications and shall notify the Executive Director within 48 hours following the completion of any oral communications. In the event the request for communication with a Vendor or prospective Vendor is denied, the Trustee may request that the denial be presented at a future Board meeting for discussion.

(e) The Executive Director shall instruct Vendors and prospective Vendors on the restrictions relating to communications between Vendors and Trustees. Vendors and prospective Vendors will be instructed to communicate directly with the Executive Director and to not communicate with Trustees on any Fund business without the prior permission of the Executive Director. If a Vendor or prospective Vendor contacts a Trustee directly without including the Executive Director, the Trustee shall direct the Vendor to the Executive Director and immediately notify the Executive Director. Communication with Trustees that is inconsistent with this policy shall be communicated to the full Board and is grounds for termination of any contract.

(f) All requests by individual Trustees for information or for additional work to be performed by a Vendor should be directed to the Executive Director or presented at a Board meeting for discussion by the full Board. If the Executive Director determines that an individual Board member request for a Vendor to perform additional work would incur significant costs or is overly burdensome, the Executive Director will present the request at the next Board meeting.

(g) Trustee communications with Vendors and prospective Vendors shall also be consistent with the provisions of the *Board of Trustees' Code of Ethics*, including provisions related to the no-contact period.

§7.4. Trustee Communications with Third Parties and the Public

(a) The Executive Director shall serve as the spokesperson for the Fund with respect to all written or oral communication to third parties, unless the Board designates another individual to serve as spokesperson on a specified issue. To the extent possible, in situations where Board policy concerning an issue has not been established, the Board shall meet to discuss the issue prior to the spokesperson's engaging in external communications.

(b) Trustees may indicate publicly that they disagree with a policy or decision of the Board, but shall do so respectfully and shall abide by such policy or decision of the Board to the extent consistent with their fiduciary duties. When speaking in a public setting where it is clear that the Trustee is speaking solely because of the Trustee's position on the Board, the Trustee will preface his or her remarks with the following disclaimer: "The views I express here are my own and do not necessarily reflect the views of the Board, my fellow Trustees or Fund staff."

(c) When asked to be interviewed or otherwise approached by the media for substantive information concerning the affairs of the Fund, Trustees should generally refer the matter to the Executive Director or spokesperson and shall make no commitments to the media on behalf of the Board or the Fund. Trustees shall inform the Executive Director in a timely fashion if a personal position, opinion, or analysis was publicly communicated, such that it could receive media coverage. The Trustee shall advise as to whom the communication was made and what was discussed.

(d) Written press releases concerning the business of Fund shall be the responsibility of the Executive Director and shall clearly and accurately reflect the provisions of the Fund and the policies of the Board. The Executive Director shall, when feasible, submit all press releases of a sensitive or high-profile nature or pertaining to Board policy to the Chairman for approval. Such press releases shall be shared with the Board concurrently with their release. Trustees should not prepare materials for publication or general distribution which are related to the affairs of the Fund.

ARTICLE 8: AMENDMENT OF GOVERNANCE POLICY

The Board will review this Policy periodically and may amend this Policy from time to time, in its sole and absolute discretion, by a majority vote of the Board.