

# MONTANA

## BOARD OF INVESTMENTS

### BOARD ADOPTED POLICY

POLICY NUMBER: 10.162

EFFECTIVE DATE: November 30, 2021

TITLE: Human Resources Committee Charter

SUPERSEDES: Governance Manual  
February 2021

BOARD ADOPTION: November 30, 2021

REVIEWED:

#### I. Human Resources Committee Charter

##### A. Purpose of Committee

1. The purpose of the Human Resources Committee (Committee) is to assist the Board in fulfilling its oversight responsibilities relating to personnel matters of exempt Board staff and their compensation.

##### B. Committee Authority and Resources

1. The Committee has authority to conduct or authorize an investigation on any matters within its scope of responsibility. It is empowered to:
  - a) Select and retain external legal counsel, or others to advise the Committee or assist in the conduct of an investigation, as it deems appropriate.
  - b) Seek any information it requires from any Board employee, all of whom are directed to cooperate with the Committee's requests or external party requests on behalf of the Committee.
  - c) Meet with Board management and other external parties, as necessary.

##### C. Committee Membership

1. The Committee shall consist of at least three (3) Board Members. The Chair of the Board shall serve as an ex officio member of the Committee. The Board Chair will appoint committee members and the Committee Chair per Policy 10.160 of the Governance Manual.

##### D. Committee Meetings

1. The Committee will meet at least twice a year, with authority to convene additional meetings, as circumstances require.
  - a) Committee members are expected to attend each meeting in person or by alternative electronic means.
  - b) Minutes will be prepared.
2. The Committee may invite members of Board staff or others to attend meetings and provide pertinent information.
3. The Executive Director shall attend all meetings, except for where the Executive Director's performance or compensation are being discussed.

##### E. Board Staff Duties and Responsibilities

1. In consultation with the Committee Chair, Board staff will prepare meeting agendas which will be provided in advance to committee members, along with appropriate briefing materials.

2. Board staff will direct and recommend to the Committee the hiring of exempt staff, excluding the Executive Director and Chief Investment Officer (CIO) positions.
3. The Executive Director, CIO, or portfolio director will prepare performance evaluations for any exempt staff reporting to them. The Executive Director and CIO will review any evaluation prepared by portfolio directors.
4. The Executive Director will prepare an improvement plan for exempt staff reporting to Executive Director or CIO.

F. Committee Duties and Responsibilities

1. Exempt staff hiring, disciplinary, or termination action
  - a) Executive Director and CIO:
    - (1) Direct and recommend to the Board the selection and hiring of these positions.
    - (2) Direct and approve of other exempt staff disciplinary or termination action to be undertaken.
2. Review exempt staff human resource policies
  - a) Review and approve policies relating to the evaluation or compensation of exempt staff, subject to budget constraints.
  - b) Oversee the development and implementation of compensation programs.
  - c) Review and advise the Board concerning the adequacy and competitiveness of the Board's compensation programs.
    - (1) This activity may include the commissioning of peer salary surveys, the reviewing of such surveys, and establishing of pay ranges based on the surveys.
3. Evaluation and compensation of exempt staff
  - a) Evaluate and advise the Board concerning the performance of the Executive Director and CIO against established goals and objectives of the Committee.
  - b) Review job descriptions and performance for the other exempt staff as prepared by the Executive Director or CIO against established goals and objectives.
  - c) The Committee will recommend to the Board the compensation level for all exempt staff, within budget constraints, for the upcoming year.
    - (1) The Committee may consider, among other factors:
      - (a) the Board's investment performance and return relative to investment performance at comparable investment boards.
      - (b) The awards given to the exempt staff in past years.
      - (c) The provisions of the Board's compensation plan for exempt staff.
  - d) Recommend, as appropriate, a course of action to remedy deficiencies observed or improve performance.
4. Other Responsibilities
  - a) Oversee the Executive Director in the development and maintenance of a succession plan for exempt staff and other key employees.

- b) Oversee regulatory compliance with respect to compensation matters for all employees, in consultation with the Executive Director.
- c) Consider and act on written employee appeals and grievances when the Executive Director is unable to resolve differences with exempt employees.
- d) Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes.
- e) Perform other activities related to this charter as requested by the Board.

G. Committee Reports

1. The Committee will keep the Board informed on a timely basis on the actions taken, recommendations, and decisions made by the Committee.
  - a) The Committee has the discretion to keep specific personnel matters within the Committee or, if required by the Board, to report on any such matter in executive session of the Board.