OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

BOARD GOVERNANCE POLICY MANUAL

Adopted: 10/18/2005
Amended: 3/18/2025

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1. Preamble

Ohio Public Employees Deferred Compensation Program (Ohio DC) Board members (Board) are fiduciaries, and are, at all times, subject to Board policies governing Board conduct, and the statutory and common law duties of a fiduciary. This *Board Governance Policy Manual* is established to set forth the guidelines pursuant to which the Board will fulfill its fiduciary responsibilities; to ensure that the Board will perform its functions in a manner that is consistent with and in furtherance of its fiduciary responsibilities; and to facilitate the organized, efficient, and cohesive functioning of the Board. This *Board Governance Policy Manual* is to be provided to the Board.

<u>Mission Statement and Core Values</u>
The Board is dedicated to seeing that Ohio DC accomplishes its mission. The mission statement is:

> *"Guiding participants along the path to retirement income security."*

The Board, Executive Director* and staff, in all business relationships, are committed to the following core values:

- Integrity and ethics
- Fiduciary accountability
- Professionalism
- Innovation
- Efficiency

* References to the Executive Director throughout this manual include any appropriate designee.

2. Board Organization

Function and Composition

The Board, the governing body of Ohio DC, is responsible for the administration and management of Ohio DC. Among its many duties, the Board reviews and adopts policies concerning investments, adopts administrative rules, and adopts an annual administrative budget.

The Board is established by Ohio Revised Code (ORC) 148.02, which describes the Board's composition. The Board consists of thirteen members comprised of a member of the House of Representatives and a member of the Senate, who shall not be of the same political party, each to be appointed to serve at the pleasure of the member's respective leadership, and the members of the Ohio Public Employees Retirement Board as constituted by ORC 145.04. The Public Employees Retirement System Board consists of five employee Board members elected by the members of the system; two retiree Board members elected by retirees and disability benefit recipients of the system; the Director of Administrative Services; and three investment expert members appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate. Board members serve four-year terms.

Board members are not to be penalized for absences from their regular employment while attending authorized Board meetings, related business meetings, and conferences. Although Board members receive no compensation, reimbursement is made for necessary expenses incurred while serving Ohio DC.

3. Board Code of Conduct

Fiduciary Duty
Board members are trustees of Ohio DC’s funds and as such are subject to strict fiduciary standards of conduct. Board members must act solely in the interests of the participants and beneficiaries of Ohio DC and for the exclusive purposes of providing them with benefits and defraying reasonable administrative expenses. The U.S. Supreme Court has concluded that this duty of loyalty means Board members must wear only one hat as a trustee and not at the same time wear a second hat as a representative of outside interests. Board members are required to discharge their duties with respect to Ohio DC's funds 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 in the conduct of an enterprise of a like character and with like aims.

Conflict of Interest Restrictions
Board members are prohibited by law from engaging in certain party-in-interest transactions (e.g., furnishing of goods or services between Ohio DC and a relative of a Board member), and are prohibited from using assets of Ohio DC for their own interests. Board members are prohibited from receiving any consideration for their own personal account from any party dealing with Ohio DC in connection with a transaction involving Ohio DC's assets. Board members may not act on behalf of a party whose interest’s conflict with Ohio DC, its participants, or beneficiaries.

Ohio Ethics Laws
Board members are also subject to the Ohio ethics laws as set forth in the ORC. The Ohio ethics laws generally govern conflict of interest situations, and violations of such laws are subject to criminal penalties. Board members must annually file Financial Disclosure Statements with the Ohio Ethics Commission. In addition to adhering to the provisions set forth in the Ohio ethics laws, Board members are prohibited from soliciting or accepting payment of travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages from anyone other than Ohio DC. Under the Ohio ethics laws, Board members are also prohibited from accepting anything of value from persons or corporations doing business or seeking to do business with Ohio DC.

Appendix A: Ethics Policy

Insurance
The Board may secure insurance coverage designated to indemnify Board members and employees for their actions or conduct in the performance of official duties, and Ohio DC may pay the required premiums for such coverage from the Ohio DC administrative expense fund. The Executive Director shall be responsible for obtaining and maintaining such coverage and reporting to the Board.

4. Board Operations

Meetings and Quorum

Attendance at Board meetings is an essential element of a Board member's fiduciary duty. Therefore, members are expected to attend all meetings unless there are extenuating circumstances that prevent such attendance.

The Board shall hold regular meetings, typically at nine a.m. on the Tuesday preceding the third Wednesday of a calendar month at a publicly announced location. The date and time of the regular meetings may change by appropriate Board action. The Chair, or in the event of the Chair's incapacity, the Vice Chair, may also change the date, hour and/or location of an upcoming regular Board meeting provided that Board members are immediately notified and that the normal public meeting notice requirements are followed.

Special meetings may be held at the call of the Chair, or in the event of the Chair's incapacity, at the call of the Vice Chair.

The first regular meeting each calendar year shall be the annual meeting, at which time as the first order of business, the Board shall elect from its members a Chair and Vice Chair who shall take office immediately following their election.

A majority of the actual number of Board members that have been elected or appointed to and are serving on the Ohio DC Board at the time of a meeting where official action is to be taken constitutes a quorum to conduct a meeting. A majority of those members present and voting yes on a proposal shall constitute a favorable vote. An abstention from voting shall not be counted as either an affirmative or negative vote, and a member who abstains shall not be counted as a member present when determining whether a majority needed for a favorable vote has been reached. A roll call shall occur if there is a division in the vote. Any Board member may request a roll call on any vote.

The regular order of business shall be:

> Roll call. An employee or retiree member of the Board not able to be present may request to be excused. A request to be excused shall be voted on by the Board.
>
> Items of business as presented on an agenda sent to each Board member and made available to the public, before the meeting, and such other items which may arise between the release date of the agenda and the meeting date.
>
> Announcement of the next regular or special meeting date, hour, and place.
>
> Adjournment.

Ohio Open Meetings Act

Meetings of the Board are governed by the Ohio Open Meetings Act and are open to the public. The Open Meetings Act is intended to require public bodies to take official action and to conduct deliberations regarding official business in open meetings. A public body has three basic responsibilities under the Act: openness, notice, and minutes. ORC Section 121.22(B)(2) defines a meeting as “any prearranged discussion of the public business of the public body by a majority of its members.” Board members must be present in person to vote, deliberate, or be counted in a quorum. Teleconferencing and videoconferencing are generally prohibited but may be held as allowed under the Ohio Open Meetings Act, an Executive Order, or as otherwise prescribed by law.

The minutes shall be the record of the proceedings of the Board. Draft copies of the minutes shall be circulated to the Board in advance of the next meeting. After approval, the final form shall be electronically imaged for future reference.

An Executive Session is authorized by the Open Meetings Act in ORC 121.22(G) to allow the Board or Committee to privately discuss limited matters within the Executive Session. The Board or Committee may exclude members of the public from the Executive Session, and only people invited by the Board or Committee may attend the Executive Session.

Robert’s Rules of Order

When a question of parliamentary procedure arises, the most current edition of Robert’s Rules of Order will be followed, unless in conflict with Ohio DC’s statutes and rules.

Meeting Agendas
The Executive Director, in coordination with the Board Chair and Committee Chairs, will prepare and distribute an agenda for all meetings of the Board and Committees. The agenda items and related materials for Board and Committee meetings will generally be distributed to the Board in advance of the meeting. The agenda will be distributed to interested parties who have expressed an interest in receiving it.

Speaking at a Board or Committee Meeting
The Open Meetings Act itself does not give members of the public the right to be heard at a public meeting. The Board, however, will allow reasonable opportunity for members of the public to be heard according to the following guidelines:

- The matter should relate to a specific meeting agenda item or be within the Board or Committee's jurisdiction.
- The Board or Committee is unable to entertain requests for public comment on matters that have an existing forum for resolution.
- Individuals who wish to address the Board or Committee should complete a request upon a form provided by Ohio DC, listing the individual's name, affiliation, the agenda item upon which the individual wishes to speak, or, if the matter does not relate to an agenda item, a brief description of the nature of the matter to be addressed by the individual.
- A request to speak before the Board or Committee should be submitted on the form approved by Ohio DC.
- Any request to appear before the Board or Committee should be received by 4 p.m. five business days prior to the scheduled Board or Committee meeting. In all cases, the Board Chair and leadership team have the discretion to schedule the date and time of any request.
- Requests to address the Board or Committee will be evaluated for appropriate content by the leadership team, legal counsel, and appropriate staff in consultation with the Board or Committee Chair.
- The Board or Committee Chair will have discretion to grant or deny any request. If a request is granted, the Chair of the Board or Committee will call upon the individual to speak at the appropriate time during the meeting.
- The time allowed for individuals to address the Board or Committee is generally limited to five minutes per person or group.
- The number of requests granted per meeting may be limited depending upon the number of other agenda items for that meeting.
- Speakers may not engage in defamatory, derogatory, or abusive remarks. The Chair may terminate an individual's privilege to speak if they engage in such behavior.

The Board or Committee members may ask speakers questions at the discretion of the Chair.

These guidelines will be posted on the Ohio DC public website.

5. Board Committees

The Board creates Committees to assist the Board in effectively fulfilling its fiduciary responsibilities. All Committees report to the Board. Committees of the Board hear presentations, review reports, deliberate, and make recommendations to the Board. Any policies developed by Committees are to be recommended to the full Board for the Board's approval. Unless otherwise stated for a shorter period, the Committee Chair, Vice Chair and member appointments shall be concurrent with the Board Chair that makes such appointments. The Chair shall announce Committee appointments for the year no later than the second regular meeting. The composition of the Committees shall remain the same until the new appointments.

The Audit Committee is a standing Committee. The Chair may appoint temporary or special Committees for such purposes as the Chair deems necessary.

The minutes shall be the record of the proceedings of the Committees. Draft copies of the minutes shall be circulated to the Committee for review. After final approval by the Board, the final form shall be electronically imaged for future reference.

<u>Audit Committee</u>
This Committee consists of five members appointed by the Board Chair. This Committee meets at least twice annually and at any other time as needed, to review audit plans and audit findings of Ohio DC's independent auditor.

The Audit Committee's purpose is to assist the Board in fulfilling its fiduciary responsibilities related to Ohio DC's financial reporting practices, audit processes and systems of internal control for finance, accounting, and legal compliance. The Audit Committee is responsible for providing direct and open avenues of communication between the Board, independent auditor and management of Ohio DC, and making appropriate recommendations to the Board. The Audit Committee shall have a Board approved Charter defining its purpose, role, and responsibilities as well as the Committee's membership, operations, and reporting requirements.

Appendix B: Audit Committee Charter

6. Board Member Roles and Responsibilities

Basic Responsibilities of the Board

The Board should:

- Determine Ohio DC’s mission and purpose. It is the Board's responsibility to create and review a statement of mission and purpose that articulates Ohio DC’s goals, means, and primary constituents served.
- Determine, monitor, and strengthen Ohio DC’s programs and services. The Board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness.
- Ensure legal and ethical integrity, adhere to fiduciary duties, and maintain accountability. The Board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
- Select the Executive Director after a carefully considered and executed search process.
- Ensure that the Executive Director has the moral and professional support they need to further Ohio DC’s goals.
- Support the Executive Director and annually assess their performance.
- Recommend changes to the Executive Director’s salary and benefits based on the Executive Director’s annual review.
- Provide proper financial oversight. The Board approves the annual budget and ensures that proper financial controls are in place.
- Adopt and amend the Plan Document and the Trust Declaration.
- Review and make final determination on questions of fact regarding a participant or an account necessary to decide the participant’s rights under the Plan.
- Ensure effective organizational planning. The Board will actively participate in the strategic planning process and assist in monitoring the Plan's goals.
- Participate in the orientation of new Board members by welcoming them to the Board, describing the Board’s culture, and discussing current issues facing the Board.
- Conduct an annual self-evaluation of the Board’s performance and effectiveness.
- Enhance Ohio DC’s public standing. The Board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.

Responsibilities of Individual Board Members

Board members should:

- Be informed about Ohio DC’s mission and policies.
- Attend Board and Committee meetings.
- Review agenda and supporting materials prior to Board and Committee meetings.
- Serve on Committees and offer to take on special assignments.
- Keep up to date on developments in the pension and public fund arena.
- Follow conflict of interest, disclosure, and confidentiality policies.
- Counsel and support the Executive Director, as appropriate.
- Complete an annual review of the Executive Director’s performance.

- Assist the Board in carrying out its fiduciary responsibilities.
- At all times, meet high ethical standards to avoid even the appearance of impropriety.

The Chair shall:

- Preside over meetings of the Board and may call upon the Vice Chair to preside during a meeting, or during the Chair’s absence.
- Call special meetings if necessary.
- Appoint all Committee Chairs and Vice Chairs, as well as those who serve on such Committees.
- Appoint temporary or special Committees for such purposes as the Chair deems necessary.
- Develop and review agendas for Board meetings with the Executive Director with input from the Board.
- Start and end meetings within scheduled time parameters.
- Set timelines for each agenda item.
- Keep discussions focused on topic.
- Help clarify Board member comments, summarize often so the Board can see and feel the progress being made and so that staff has clear direction on decisions made and any necessary follow-up.
- Elicit the views of the quieter members and prevent anyone from dominating the discussions, make sure everyone gets an opportunity to voice their views.
- Request further information when the Chair feels the Board needs more data to make a decision and ensure appropriate staff follow-up on agenda items.
- Lead or assign oversight of searches for a new Executive Director.
- Lead or assign oversight of the annual review of the Executive Director and the annual review of the Board.
- Lead or assign oversight of consultant evaluations.
- Periodically consult with Board members on their roles and help them assess their performance.
- Act as alternate spokesperson for Ohio DC, as needed and appropriate.
- Present to the Board for a vote, requests to be excused for members unable to attend meetings.
- Annually at the last regularly scheduled meeting, solicit nominations, from its members, for Chair and Vice Chair for the following year.

The Vice Chair shall:

- Perform the duties of Chair in the absence of the Chair or upon the Chair's incapacity or request to act.
- Succeed the Chair in the event of resignation, retirement, or death of the Chair.
- Participate as a vital part of the Board leadership.

Responsibilities of a Committee Chair

Each Committee Chair shall:

- Chair Committee meetings and provide leadership to the Committee.
- Develop and review an agenda for Committee meetings with the Executive Director or appropriate staff and set tone for the Committee work.
- Report to the full Board on Committee's decisions, policies, and recommendations.

Staff Authority and Responsibilities

The Board recognizes the following:

- Provide any requested assistance with respect to the Board's search for the Executive Director.
- Provide any requested assistance with respect to the Board's annual review of the Executive Director.
- Upon the request of the Board, evaluate the employee compensation and benefit program, and compare with the competitive marketplace, and provide a report and recommendations to the Board. When directed by the Board, staff will solicit proposals on behalf of the Board for consultant(s) to assist in the review of employee compensation and/or benefits.
- Provide the Board with any proposed compensation changes that fall outside the established master pay range schedules.
- Slot new positions within the established master pay range schedules.
- Set and provide employees with internal human resource policies and ensure compliance with rules and regulations.
- Administer the employee compensation and benefit program.

7. Board Education and Travel

The Executive Director will assist with an Ohio DC-specific orientation for new Board members.

The Board encourages trustees to attend educational seminars and conferences to advance trustee education and understanding of various retirement system topics and to assist the trustees in properly fulfilling their fiduciary responsibilities.

The Board must approve all Board travel, in advance, except for travel in the regular course of Board meetings, Committee meetings, or other regular Board business. Registration, travel, and hotel arrangements are handled on the Board's behalf by staff. Staff will also assist Board members with expense reimbursement documentation after the travel is completed. Board travel reimbursement is subject to the Ohio DC Travel & Expense policy, and Ohio ethics laws and regulations. Board members are prohibited from soliciting or accepting payment of travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages, from anyone other than Ohio DC.

Appendix C: Travel and Expense Policy

8. Board Communications

Staff

Board members will direct questions regarding Ohio DC's operations to the Executive Director or appropriate senior staff member. Board member requests for information that requires a significant expenditure of staff time, or the use of external resources should be formally requested at a Board or Committee meeting. In the spirit of open communication, Board members will share any information pertinent to Ohio DC with the Executive Director in a timely manner. The Executive Director will similarly share with the Board any information pertinent to the Board in a timely manner. The Executive Director will ensure that information requested by the Board or by an individual Board member is available to all Board members as appropriate.

Ohio DC Participants

Board members should refrain from providing specific advice or counsel with respect to the rights or benefits to which a participant may be entitled under ORC Chapter 148. In cases where a participant contacts a Board member with questions pertaining to personal situations or Ohio DC matters, the participant should be referred directly to the Executive Director and/or the appropriate senior staff member within Ohio DC to handle the issue and/or issue appropriate correspondence. The Board member should be informed of the outcome of the contact.

In their external communications, Board members should:

- Limit commentary to interested groups or in public settings to existing Board policies or decisions.
- Speak on behalf of the Board only when explicitly authorized to do so by the Board.
- Indicate when they are representing a personal position, opinion, or analysis that is different from a Board-approved position.
- Indicate if they are speaking in a capacity other than that of a Board member.

Media

The Executive Director will serve as the primary contacts for media inquiries and spokespersons for Ohio DC. On major Board policy issues or issues requiring a Board perspective, the Board Chair will serve as the spokesperson. The Executive Director will closely coordinate with the Board Chair on media inquiries and keep the full Board informed on a timely basis. When contacted by the media, a Board member has the option of directing the inquiry to the Executive Director. If the Board member chooses to be interviewed by the media, the Board member should clarify that he or she is speaking as an individual Board member and not on behalf of the Board.

Press releases concerning Ohio DC will be the responsibility of the Executive Director. All press releases will be distributed to Board members.

Vendors

Individual Board members shall refer proposals or other communications regarding potential or existing investments or contracts directly to the Executive Director or appropriate senior staff member. Board members are prohibited from accepting anything of value from vendors, including any payment for travel expenses.

9. Monitoring and Reporting

A system of routine reporting will be developed to monitor the performance of Ohio DC and ensure that the Board is carrying out its fiduciary responsibilities.

The following written reports and oral reports will be provided regularly to the Board:

- Board Updates providing a status of major issues and activities
- Investment performance reports
- Annual comprehensive financial report, popular annual financial report, annual operating budget, and interim financial reports
- Committee reports
- Litigation reports, when appropriate
- Strategic plan progress reports

In addition, the Executive Director has a duty to report potential material issues or problems on a timely basis to the Board.

10. Board Self-Evaluation

The objective of this policy is to provide a process whereby the Board may engage in self-analysis and discussion for the purposes of improving its own effectiveness as a fiduciary body. In order to carry out this process, the Board will, on an annual basis, schedule a specific time period during which members of the Board may share their thoughts with one another on the Board's effectiveness and ways to improve the Board. Board members will also work with the Chair to complete self-evaluation forms prior to the self-evaluation meeting.

11. Executive Director Evaluation

The primary responsibility of the Executive Director is the efficient and effective management of Ohio DC's operations in accordance with the policy direction established by the Board. To provide feedback and guidance to the Executive Director, the Board has established the following procedures for annually evaluating the performance of the Executive Director.

The Executive Director will prepare a self-evaluation memo focused on Ohio DC's accomplishments and any relevant performance issues. This memo is submitted annually to the Board for review and discussion. The Executive Director's performance evaluation is coordinated by the Chair or designee and is finalized after discussion with the full Board. A written summary evaluation is prepared by the Chair or designee and provided to the Executive Director.

12. Ohio DC Service Providers

The Executive Director will negotiate and execute all agreements in connection with service providers retained by Ohio DC. All significant contracts will be reviewed by the Attorney General representative or other assigned legal counsel as to form and legal sufficiency prior to execution. All service providers will be subject to regular monitoring of performance and periodic reviews, as appropriate, throughout the term of their contracts.

Acquisition of capital items or other expenditures in excess of $25,000 annually which are not included in the approved annual budget will be reviewed and approved by the Board prior to their purchase.

Appendix D: Purchasing Policy

13. Investments

There shall be formal policies regarding all Ohio DC investment options that will be implemented by staff, with the advice of consultants. The Executive Director will negotiate and execute all agreements in connection with the investment providers retained by Ohio DC. All investment contracts will be reviewed by the Attorney General representative or other assigned legal counsel as to form and legal sufficiency prior to execution.

The Stable Value Option Investment Policy Statement and the Investment Policy Statement will be reviewed annually by Ohio DC's investment consultant. Any changes the consultant recommends will be discussed with Ohio DC's staff and presented to the Board for final approval.

A Proxy Policy will be used as a guide in meeting the fiduciary responsibility of Ohio DC in voting proxies. The Executive Director is responsible for voting proxy ballots in a timely manner or assigning proxy ballot voting to a third party. A report summarizing compliance with the Proxy Policy is to be provided annually to the Board.

An Administrative Fee Policy Statement will be adopted to serve as a guideline for the Board to fund Ohio DC administrative services equitably and to provide fee transparency.

A Litigation/Settlement Proceeds Policy will be adopted to handle ongoing dispositions or settlements and provide flexibility to develop an equitable and economical distribution methodology in accordance with the circumstance at the time of the award.

Appendix E: Stable Value Option Investment Policy Statement
Investment Policy Statement
Proxy Policy
Administrative Fee Policy Statement
Litigation/Settlement Proceeds Policy

14. Strategic Planning

To systematically plan for the immediate and long-term challenges and needs of Ohio DC, the Board and staff will engage in an annual strategic planning process. The Executive Director will initiate the strategic planning process and will recommend a timetable and process to the Board. The strategic plan will generally cover a 3-5-year period. The Board will be responsible for:

- Providing staff with input on the strategic plan, including goals and strategic objectives.
- Approving the final strategic plan and operating budget to support the plan.
- Monitoring the implementation of the strategic plan.

Staff will provide periodic updates to the Board. The Board and staff will make official modifications to the strategic plan at the annual strategic planning meeting or as needed.

15. Security and Data Protection

There shall be formal policies and procedures regarding Information Technology (IT) and protection of participant data. Policies will be implemented by staff, with the advice of consultants, as necessary. The Executive Director will negotiate and execute all agreements in connection with the providers of security hardware, software, and/or consulting.

Ohio DC security standards and practices will be reviewed at least annually by the independent public accountant, and by an independent computer security consultant. Any recommended changes will be discussed with Ohio DC's staff and presented to the Board.

There shall be a business continuity and disaster recovery plan in place to be implemented by the appropriate staff and reviewed annually or as needed for relevance and appropriateness.

16. Fund Reserve Policy

To maintain a prudent level of financial resources, Ohio DC will seek to retain a fund reserve equal to six to eighteen months of operating expenses. The fund reserve is intended to provide financial stability and flexibility:

- To maintain services and achieve goals during unanticipated or extended economic downturns resulting in revenue shortfalls
- To fund new initiatives and services
- To respond to unexpected opportunities
- To avoid unplanned increases in fees
- To fund large capital outlays, such as new technology or software upgrades
- To restore and maintain services in the event of disaster

17. Unforeseeable Emergency Withdrawals

As authorized in the Plan Document, a Participant may request an in-service withdrawal in the event of an “unforeseeable emergency.” This Provision of the Plan will be administered in accordance with the Plan Document and the Department of Treasury Internal Revenue Service Regulations 1.457-6(c).

Policies and guidelines will be maintained to enable participants who suffer unforeseeable financial emergencies to withdraw funds from their Ohio DC account prior to severance from employment.

The Board shall review and decide upon appeals by participants of the decision made by the staff.

Appendix F: Unforeseeable Emergency Withdrawal Policy

18. This Manual

Staff shall review this manual annually to ensure that it remains relevant and appropriate and provide the Board with any recommended updates.

Appendix A

Ethics Policy

Policy Statement

It is the policy of this Ohio Public Employees Deferred Compensation Program ("Ohio DC" or the “Board”) to carry out its mission in accordance with the strictest ethical guidelines and to ensure that Board Members and employees conduct themselves in a manner that fosters public confidence in the integrity of Ohio DC, its processes, and its accomplishments.

General Standards of Ethical Conduct

Board Members and employees must, at all times, abide by protections to the public embodied in Ohio's ethics laws, as found in Chapters 102 and 2921 of the Ohio Revised Code, and as interpreted by the Ohio Ethics Commission and Ohio courts. Board Members and employees must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety.

A general summary of the restraints upon the conduct of all Board Members and employees includes, but is not limited to, those listed below. No Board Member or employee shall:

- Solicit or accept anything of value from anyone doing business with the Board or Ohio DC;
- Solicit or accept employment from anyone doing business with the Board or Ohio DC, unless the Board Member or employee completely withdraws from any Board and Ohio DC discretionary or decision-making activity regarding the party offering employment, and the Board approves the withdrawal in the case of a Board Member or the Executive Director, and the Executive Director approves the withdrawal in the case of another employee;
- Use their public position to obtain benefits for the Board Member or employee, a family member, or anyone with whom the Board Member or employee has a business or employment relationship;
- Be paid or accept any form of compensation for personal services rendered on a matter before, or sell goods or services to, the Board or Ohio DC;
- Be paid or accept any form of compensation for personal services rendered on a matter before, or sell (except by competitive bid) goods or services to, any state agency other than the Board or Ohio DC, unless the Board Member or employee first discloses the services or sales and withdraws from matters before the Board or Ohio DC that directly affect officials and employees of the other state agency, as directed in Chapter 102 of the Ohio Revised Code;
- Hold or benefit from a contract with, authorized by, or approved by, the Board or Ohio DC (the ethics law does except some limited stockholdings, and some contracts objectively shown as the lowest cost services, where all criteria under Section 2921.42 of the Ohio Revised Code are met);
- Vote, authorize, recommend, or in any other way use their position to secure approval of a Board or Ohio DC contract (including employment or personal services) in which the

Board Member or employee, a family member, or anyone with whom the Board Member or employee has a business or employment relationship, has an interest;

- Solicit or accept honoraria (per Chapter 102 of the Ohio Revised Code), except that employees who are not financial disclosure filers may receive an honorarium only if the honorarium is paid in recognition of a demonstrable business, professional, or esthetic interest of the employee that exists apart from public office or employment, and is not paid by any person or other entity, or by a representative or association of those persons or entities, doing business with the Board or Ohio DC;
- During public service, and for one year after leaving public service, represent any person, in any fashion, before any public agency, with respect to a matter in which the Board Member or employee personally participated while serving with the Board or Ohio DC;
- Use or disclose confidential information protected by law, unless appropriately authorized;
- Use, or authorize the use of, their title, the name of the Board or Ohio DC, or Ohio DC's logo in a manner that suggests impropriety, favoritism, or bias by the Board or Ohio Dc, or the Board Member or employee;
- Solicit or accept any compensation, except as allowed by law, to perform their official duties or any act or service in their official capacity; and
- No Board Member or employee shall solicit or accept from any person, including a partnership of which Ohio DC is a partner, payment of actual travel expenses, including expenses incurred with the travel for lodging, meals, food, and beverages, unless otherwise allowed by Ohio ethics laws.

For purposes of this policy:

- "Anything of value" includes anything of monetary value, including, but not limited to, money, loans, gifts, food or beverages, social event tickets and expenses, travel expenses, golf outings, consulting fees, compensation, or employment. "Value" means worth greater than de minimis or nominal.
- "Anyone doing business with the Board or Ohio DC" includes, but is not limited to, any person, corporation, or other party that is doing or seeking to business with, regulated by, or has interests before the Board or Ohio DC, including anyone who is known or should be known to be an agent or acting on behalf of such a party, including any partnership of which the system is a partner, any person or entity that has a contract related to investment of Ohio DC funds, and any other person marketing or otherwise attempting to secure business involving Ohio DC funds.

Financial Disclosure:

Every Board Member or employee required to file a financial disclosure statement must file a complete and accurate statement with the Ohio Ethics Commission by their established deadline annually. Any Board Member or employee appointed, or employed to a filing position during the year and required to file a financial disclosure statement must file a statement within the required time period after appointment or employment.

Assistance

The Ohio Ethics Commission is available to provide advice and assistance regarding the application of the ethics laws and related statutes. The Commission can be contacted at (614) 466-7090. The Commission's web site address is: www.ethics.ohio.gov.

Penalties

Failure of any Board Member or employee to abide by this Ethics Policy, or to comply with the ethics laws and related statutes, will result in discipline, which may include dismissal, as well as any potential civil or criminal sanctions under the law.

Changes

This policy shall be evaluated for effectiveness by the Board no less than biennially. The policy may be changed only by a majority vote of the Board.

Adopted: 7/18/2006
Amended: 11/19/2024

Ohio Deferred Compensation

Appendix B

Audit Committee Charter

PURPOSE – The Audit Committee shall ensure through the finance department and the independent public accountant that the records of the Ohio Public Employees Deferred Compensation Program (Ohio DC or the "Board") properly reflect the transactions and conditions of Ohio DC in accordance with the laws of the State of Ohio and are consistent with the policies of the Board.

In addition to the powers and responsibilities set forth in this Charter, the Audit Committee may exercise any other powers and carry out any responsibilities delegated to it by the Board.

COMMITTEE MEMBERSHIP AND MEETINGS – The Audit Committee shall consist of five Board members appointed by the Board Chair. The Board Chair will also name the Audit Committee Chair and Vice Chair. The Board Chair has a responsibility to ensure that requisite accounting/business management backgrounds of existing Board members are utilized when determining the committee composition. The Audit Committee shall meet as needed, but at least twice annually and at any time the independent public accountant feels it is necessary.

COMMITTEE AUTHORITY AND RESPONSIBILITIES – The Audit Committee will normally meet with the Executive Director* and Director of Finance to exercise its responsibilities. However, the independent public accountant may request to meet with the Audit Committee if there are material weaknesses involving the office of the executive director or any other part of the organization, or if the Executive Director has failed to respond to recommendations of the independent public accountant. Audit Committee meetings will include the opportunity for a session with only the Committee members and the independent public accountant present. The work of the Audit Committee shall be confidential to the extent allowed by law, except for reports to the Ohio DC Board.

The responsibilities of the Audit Committee are:

- recommend the selection or reappointment of the independent public accountant to the Board.
- review audit plans of the independent public accountant with specific inquiry as to the extent to which the planned audit scope can be relied on to detect any fraud or weakness in the internal controls.
- ensure the adequacy of systems for compliance with policies, plans, procedures, laws and regulations.
- meet with the independent public accountant to review examination results and to discuss accounting issues.
- ensure appropriate action is taken on audit findings.

The Audit Committee shall report its actions and recommendations to the Board on a regular basis. The Audit Committee or staff shall periodically review this Charter and recommend any proposed changes to the Board for approval.

* References to the Executive Director throughout this Charter include any appropriate designee.

Adopted: 10/18/2005
Amended: 11/19/2024

Ohio Deferred Compensation

Appendix C

Deferred Compensation

TRAVEL AND EXPENSE POLICY

Table of Contents

Purpose and Scope

For purposes of this policy, an Ohio DC employee shall be considered any officer, exempt or non-exempt employee of Ohio DC, and includes Ohio DC Board members, and an Attorney General representative unless specifically stated otherwise.

The guidelines contained herein are designed to ensure the accurate, timely, and cost-effective handling of travel-related expenses incurred by an employee of Ohio DC, consistent with applicable laws and the public interest. The guidelines contained herein apply to travel expenses incurred both within and outside the State of Ohio, while on official Ohio DC business to attend and participate in meetings, conferences, seminars, training, and other events or field visits that benefit Ohio DC.

The intent of this policy/procedure is to reimburse employees for the reasonable cost of necessary expenses incurred while on Ohio DC related business travel, over and above those that would have been incurred by the employee had the employee reported to their normal work location. Accordingly, the guidelines contained herein are intended to substantially comply with IRS regulations impacting the employee's taxable income.

Responsibility

Employees are responsible for complying with this policy. Ohio DC employees and Board members covered by this policy should not accept reimbursement for travel expenses, including meals, from outside parties.

Ohio DC will reimburse employees for all reasonable and customary expenses incurred while traveling on authorized Ohio DC business as explained in this policy. Ohio DC assumes no obligation to reimburse employees for expenses not in compliance with the Ohio DC Travel and Expense Policy.

All employee travel must be authorized by the Executive Director* in order to be reimbursed. This authorization may be signified by signing and dating the Expense Report. Any out-of-state employee travel must be pre-approved by the Executive Director before the travel date.

If travel plans change, employees are responsible for canceling/changing reservations. Responsibility for the cost of unused/changed reservations such as common air carriers, lodging establishments, or conference registration fees will depend on the circumstances, and an employee may submit a written request for Ohio DC to assume the costs. Assumption of such costs by Ohio DC will be determined based on valid business reasons, weather-related issues, or personal reasons (such as medical or family emergencies). Approval/denial of requests by employees will be made by the Executive Director. Approval/denial of requests by the Executive Director or other Board members will be made by the Board Chair. Approval/denial of a request by the Board Chair will be made by the Board Vice Chair.

* References to the Executive Director throughout this policy include any appropriate designee.

Board Specific Policies

No out-of-state travel expense for Board members shall be reimbursed unless approved in advance by a majority of the Board at a regular Board meeting. The only exception to this pre-approval requirement would be in the case of emergency. Unless otherwise authorized or directed by a vote of the Board, each Board member may be reimbursed for out-of-state travel expenses for a maximum of three trips per year to participate in conferences, seminars, or other continuing education programs.

Board members shall be reimbursed for travel expenses incurred for Ohio DC business, that are actual, necessary, reasonable, and incurred during attendance at meetings of the Ohio DC Board or committees, or at meetings, conferences, seminars, workshops or sessions presented by other organizations and other group meetings as authorized by the Board.

All Board member travel must be approved in advance by the Board, except for travel in the regular course of Board meetings, committee meetings, or other regular Board business. Expense Reports of members of the Board require Board Chair approval for payment. Expense Reports of the Board Chair require Vice Board Chair approval for payment.

Transportation

The Executive Director shall, within the provisions of this policy, approve the appropriate mode or modes of transportation to be utilized by an Ohio DC employee.

Transportation by auto (in-state)
When an Ohio DC employee is traveling in-state on Ohio DC business, the employee will travel by privately owned automobile.

- Travel by privately owned automobile is authorized only if the owner thereof is insured under a policy of liability insurance complying with the requirements of section 4509.51 of the Revised Code.

- Travel will be reimbursed at the standard mileage rate established by the Internal Revenue Service.

- An Ohio DC employee (excluding Board members) shall not be reimbursed for mileage commuting from their residence to the Ohio DC office nor from the Ohio DC office to their residence. Business travel for an employee between the Ohio DC employee's residence and another business location, other than the Ohio DC office, which is located generally within the Columbus metropolitan area, shall not be reimbursed.

Transportation by auto (out-of-state)
Whenever an Ohio DC employee is traveling out-of-state on Ohio DC business the employee may utilize either: 1) a privately-owned automobile, 2) a rental car, or 3) another mode of transportation. The employee reimbursement shall be limited to the lesser of 1) the actual cost of a rental car or the other mode of transportation, or 2) mileage at the Board established rate.

<u>Travel by privately-owned automobile</u>

- Travel by privately owned automobile is authorized only if the owner thereof is insured under a policy of liability insurance complying with the requirements of section 4509.51 of the Revised Code.

- Reimbursement, when a personal auto is used for out-of-state travel, is limited to the lesser of actual *Portal to Portal* expenditures or *Air Travel cost* (see *Transportation–alternative modes of travel* section).

<u>Travel by rental car</u>

- Ohio DC will reimburse for mid-size vehicles, unless several Ohio DC employees are traveling together, and a larger vehicle is necessary, as determined by the Executive Director.

- Reimbursement for a rental car used for out-of-state travel will be limited to the lesser of actual *Portal to Portal* expenditures or *Air Travel cost* (see *Transportation–alternative modes of travel* section).

Transportation by common air carrier

- Ohio DC employees are authorized to travel by common air carrier only when traveling out-of-state. All air travel should utilize the standard coach class. Reservations should be made at least thirty (30) days in advance whenever possible at the lowest reasonable airfare cost obtainable. Guidelines to be used in determining "reasonable" cost could include: 1) considering only flights requiring layovers totaling two hours or less, or 2) not considering flights departing prior to 8:00 a.m. or arriving at their destination after 10:00 p.m. Non-refundable tickets may be considered when determining "lowest rate."

- Airfare may be paid directly by Ohio DC if arrangements are made through the Administrative Services Director. If a personal credit card is used for airfare, reimbursement will not occur until after submission of an authorized Expense Report.

- Ohio DC employees should not utilize on-line travel services nor use travel agents that do not provide a breakdown of travel costs sufficient to administer this policy.

- Frequent flyer miles earned while on Ohio DC business shall be used only for subsequent Ohio DC business travel

- Reimbursable transportation expenses between home and destination will be limited to:
  - The actual cost of coach or economy class airfare.
  - Airport parking at a remote-lot, long-term rate;
  - Round-trip mileage from home to the airport and back home, which is in excess of the employee’s (excluding Board members) normal round-trip commute. If the Ohio DC employee chooses to be dropped off at the airport rather than storing their car, Ohio DC will reimburse mileage for two round trips to the airport and back home. An Ohio DC employee may utilize a cab (or alternative transportation, such as a rideshare service) for transportation to and/or from the airport.
  - Shuttle service/taxi between destination airport and hotel.
  - Shuttle service/taxi between hotel and final destination.

- Reduced airfare–If lower airfare can be obtained with alternative travel dates, and enough savings can be demonstrated to exceed the additional travel costs incurred (lodging, meals, etc.), the employee can request approval of alternative travel dates.

Transportation–alternate modes of travel
Employees may choose to drive, fly, or use some other mode of transportation to reach their destination; however, transportation expenses will be reimbursed based on the lesser of actual *Portal to Portal* expenditures or *Air Travel cost*.

Portal to Portal expenditures include:
- Lodging and meals in transit.
- Auto storage at hotel.
- Reimbursement of mileage at the Board established rate based on actual miles driven or on published (e.g., web) standard highway distance charts when actual miles are not documented.
- For alternative modes of transportation, other than personal auto, reimbursement will be at the lesser of actual cost or 30-day advanced-notice airfare.

Air Travel cost includes:
- 30-day advanced-notice coach airfare, including single checked baggage fees.
- Allowance for airport parking.
- Mileage which would have been required between home and airport in excess of the employee's (excluding Board members) normal commute.
- Allowance for taxi or shuttle service between destination airport and hotel.

When selecting an alternative mode of travel, seven days' prior notice should be given to the Director of Finance to allow time for calculation of alternative travel reimbursement expenses. The Director of Finance will calculate and provide the Ohio DC employee with a copy of the travel expense amount for use in applying for reimbursement.

Destination transportation expenses

Taxi and/or shuttle costs
- The cost of taxi, shuttle, or rideshare service between airport and hotel or between hotel and conference site is reimbursable.
- If taxi, shuttle, or rideshare service between locations at destination is unavailable or more expensive than a rental car, a rental car may be considered as an option.
- A receipt is required for any rides costing greater than $10 per occurrence.

Car rental
- Ohio DC will reimburse for mid-size vehicles, unless several Ohio DC employees are traveling together, and a larger vehicle is necessary, as determined by the Executive Director.
- Reimbursement is authorized for car rental only if car rental is more economical than any other mode of transportation or if the Ohio DC employee's destination is not easily accessible by any other available mode of transportation.
- If a conference provides shuttle service between hotel and the conference site, rental car costs, for the duration of the conference, will be borne exclusively by the Ohio DC employee.

- If an Ohio DC employee obtains a rental car which, in the opinion of the Executive Director, is not a fully reimbursable expense under this policy, the employee still may be reimbursed for the cost that would have been paid to obtain transportation between the airport and the destination hotel on the day of arrival and the day of departure.

Miscellaneous transportation expenses
Reimbursement is authorized for parking charges, road tolls, single checked baggage fee, and other reasonably incurred miscellaneous transportation expenses directly related to authorized travel. Miscellaneous transportation expenses shall be listed separately on the Expense Report. A receipt is required for all miscellaneous travel expenses costing greater than $10 per occurrence.

Use of leave while traveling
References to the use of leave time and overtime are not applicable to Board members.

- Employees traveling on Ohio DC business may utilize the day before a conference or class begins and the day after a conference or class ends as travel days. The employee shall not be charged leave time for travel on such designated travel days.
- Travel time outside of normal scheduled business hours may not be paid as overtime.
- Any additional business days used on travel status, in excess of the actual days of the conference and the day before and the day after the conference, as described above, which would otherwise have been worked at the employee's normal work location will be charged against the Ohio DC employee's annual leave balance.

Meals

Reimbursement for meals for Ohio DC employees is authorized and shall meet all the applicable provisions of this policy.

- Meals may be reimbursed for both in-state and out-of-state travel only if overnight lodging is required, except when:
  - The main purpose of the combined business and meal is active conduct of business,
  - Business is actually conducted during the meal with a non-Ohio DC person, and
  - There is more than a general expectation of deriving some business benefit at some future time.

Reimbursement for meals for Ohio DC employees is limited to the following per Ohio DC employee per calendar day whether in-state or out-of-state:

- Actual cost up to a maximum rate of sixty dollars ($60) per calendar day. There is no set allocation for breakfast, lunch, and dinner when traveling for an entire day. The daily meal reimbursement is to be allocated 20% to breakfast ($12), 30% to lunch ($18), and 50% to dinner ($30) when traveling a partial day.
- Reimbursement of meal gratuities is authorized at actual expense but not to exceed twenty percent (20%) of the actual meal expense including tax. The amount of the gratuity shall not count against the daily meal allowance.
- Itemized receipts are required for all meals costing greater than $10.
- For meals in association with a conference see the *Conference and Ohio DC Sponsored Meetings* section of this policy.
- When multiple Ohio DC employees dine together, one employee may pay for the entire meal and be reimbursed for all Ohio DC employees' meal expenses. Only the paying employee shall report the meal expenses on an Expense Report and be reimbursed. All other Ohio DC employees should show the meal expenses as a prepaid expense on their Expense Report.
- The allocation of the sixty-dollar daily ($60) meal reimbursement may be waived by the Executive Director.
- Daily meal expenses in excess of sixty dollars are reimbursable if the Executive Director is satisfied that meals totaling less than or equal to sixty dollars per day were not reasonably obtainable.
- **Ohio DC does not reimburse or pay for alcoholic beverages.**

Lodging

Lodging at a reduced governmental rate should be obtained whenever available.

No reimbursement shall be made for any expenses of family members or friends traveling with Ohio DC employees. When an employee shares a room with a family member or friend, Ohio DC will reimburse only for the single room rate (including appropriate taxes).

The cost of alcoholic beverages from in-room “mini bars” and in-room entertainment included on the hotel receipts will not be reimbursed.

<u>In-state</u>

- Reimbursement for lodging at in-state commercial establishments is authorized per employee per calendar day at actual cost up to $150 plus applicable taxes on the entire room. Lodging in excess of $150 per day is reimbursable if the Executive Director is satisfied that lodging less than or equal to $150 per day was not reasonably obtainable.
- Lodging may be paid directly by Ohio DC. If a personal credit card is used for lodging, reimbursement will not occur until after the trip.
- For reimbursement of lodging associated with a conference see the *Conferences and Ohio DC Sponsored Meetings* section of this policy.
- Receipts are required for all lodging expenses.

<u>Out-of-state</u>

- Reimbursement for lodging at out-of-state commercial establishments is authorized per Ohio DC employee per calendar day at actual cost when such cost is reasonable as determined by the Executive Director.
- Lodging may be paid directly by Ohio DC. If a personal credit card is used for lodging, reimbursement will not occur until after the trip.
- For reimbursement of lodging associated with a conference see the *Conferences and Ohio DC Sponsored Meetings* section of this policy.
- Receipts are required for all lodging expenses.

Conferences and Ohio DC Sponsored Meetings

Reimbursement is authorized for conference registration fees, conference expenses, and expenses related to Ohio DC sponsored meetings or seminars as follows:

Registration fees
Conference registration fees may be reimbursed to the Ohio DC employee (receipt required), or conference registration fees may be paid directly by Ohio DC in advance of the conference. If the registration fee includes any meals, the daily meal allowance may be appropriately reduced when one or more meals are provided as part of a conference or Ohio DC sponsored meeting.

Meals

- Meals that are not included in the registration fee but are an integral part of the conference may be reimbursed at actual cost (receipt required) provided such cost is reasonable as determined by the Executive Director. Meals are considered to be an integral part of the conference when the meals are provided at the conference site as an organized group activity for all conference participants.

- If a conference or Ohio DC sponsored meeting includes or provides a meal, it is expected that the Ohio DC employee, if choosing not to participate in the meal provided, would not seek reimbursement for a meal in lieu of the one provided. Employees with special dietary needs may be reimbursed for meals purchased in lieu of meals provided by a conference, if none of the conference meals offered met the special dietary requirements.

- If a conference or Ohio DC sponsored meeting includes or provides a meal, the daily meal allowance will be reduced for these provided meals, similar to the meal reimbursement rules when traveling for a partial day. For example, if a conference registration fee includes breakfast and lunch, only the remaining dinner allowance will be available. The Executive Director may allow adjustments to this rule, under certain circumstances, such as lack of economical dining options as a result of location or weather conditions.

- If a conference or meeting includes a meal provided by a third-party vendor, Ohio DC will require that the vendor invoice Ohio DC for the cost of all Ohio DC employees and guest meals. Since Ohio DC is reimbursing the vendor for the meal expense, Ohio DC employees will report these expenses on their Expense Reports but will not be reimbursed for them. These prepaid meals are subject to the daily meal allowance. Ohio DC employees, who bring guests to these meals, will be required to reimburse Ohio DC for their guest's meal expense and may adjust the total amount of their travel reimbursement for these expenses. Ohio DC employees choosing not to participate in a conference or meeting meal that is provided by a third-party vendor will be allowed to seek reimbursement for that meal.

Lodging
Lodging at the conference site or lodging at a hotel identified in the conference registration materials as one of the conference hotels may be reimbursed at actual cost (receipt required).

Direct payment
Instead of reimbursing an Ohio DC employee for their travel expenses, Ohio DC may make direct payment to a vendor who provides services for the employee.

Internet Access

Many airports, planes and hotels now offer Internet access or Wi-Fi. Employees are encouraged to inquire about the availability of these free services, if secure, when accessing the Internet while on business travel. If Internet access is not free and the employee requires it for business use while traveling, Ohio DC will reimburse access fees for each day of the business trip, one fee per day. (Ohio DC will not reimburse for airport, planes and hotel Internet access fees – any two or all three – on any one day.)

Outside Contractors

Ohio DC may authorize reimbursement of travel, lodging, and meal expenses incurred by third-party contractors if required by the parties' written agreement.

Reimbursement shall be made at rates that do not exceed those specified in this policy and in accordance with all provisions of the policy that are applicable to employees.

The contractor shall provide Ohio DC with an itemized travel statement and all receipts required by this policy.

Reimbursement Procedures

Forms
The Expense Report is used to request reimbursement of travel-related business expenses and record prepaid expenses. No reimbursement shall be paid until after completion of a business trip.

At the conclusion of a business trip, an Ohio DC employee shall promptly complete an Expense Report, documenting travel expenses incurred, and shall submit it to the Executive Director for approval. The Expense Report and required receipts must be submitted within fourteen (14) days of the conclusion of the trip for expenses charged to the Ohio DC credit card and within thirty days (30) of the conclusion of the trip for all other expenses. A letter from the Ohio DC employee's immediate Manager (or Board Chair) explaining the reasons why an Expense Report was submitted late shall accompany any Expense Report that is more than 30 days late.

Expense Reports, with approvals and other documentation required by this policy attached thereto, should be submitted to the Fiscal Specialist.

At no time shall an Ohio DC employee make claim for or be reimbursed for more than their actual travel expenses.

Expense Report Documentation

- **Receipts are required for all expenses costing greater than $10 per occurrence.**

- For foreign travel, all reimbursable expenses must be converted to U.S. dollars, the exchange rate(s) noted on the Expense Report and a copy of the credit card statement attached.

Meals
A detailed itemized receipt with specific meal charges is required for any meal costing greater than $10.

Airfare
- A passenger receipt if the airfare was prepaid.

- A passenger receipt or other proof of payment if a ticket is charged to a personal credit card.

- An unused, non-refundable ticket with an accompanying explanation for non-use approved by the Executive Director.

- If the unused, non-refundable airline ticket was purchased through an electronic service, the receipt (with itinerary and cost) and boarding pass, including credit card statement with account number blacked out, if purchased on a personal credit card.

Automobile

Privately owned automobile

- Documentation of mileage. This includes all intermediate destinations (i.e., specify intermediate towns and cities but not stops within a town or city) between the commencement and termination of travel as well as all vicinity mileage after arrival at destination.
- Reimbursement of mileage expenses incurred on Ohio DC business is authorized at the standard mileage rate established by the Internal Revenue Service.
- When two or more Ohio DC employees are traveling in the same privately-owned automobile, only one Ohio DC employee may be reimbursed mileage.
- Any departure from utilizing the most economical mode of transportation should be explained in writing and approved by the Executive Director and must accompany the reimbursement request.

Rental car

- A receipt for the rental car.
- A receipt for driving costs greater than $10, including gasoline, parking charges, road tolls, etc.

Driving or using other non-air transportation

A copy of the alternative travel reimbursement determination.

Taxi/shuttle fare

A receipt for any taxi, shuttle, or rideshare service costing greater than $10

Miscellaneous travel expenses

Receipts for single checked baggage fee, public transportation costs, gratuities and other reasonably incurred transportation expenses directly related to authorized travel.

No reimbursement shall be made for the costs of entertainment.

Off-site supply needs

- Expenditures must be documented.
- Receipts are required for supplies costing greater than $10.

Registration fees

- A receipt for registration fees paid directly to a vendor (in advance) by Ohio DC

Lodging expenses

- A detailed hotel receipt with all charges, even if paid directly by Ohio DC

Prepaid expenses

Ohio DC may prepay certain expenses. These prepaid expenses include:

- Conference registration fees
- Advance room deposits for overnight accommodations

- Airfare

To have Ohio DC prepay registration fees and/or room deposits, a completed conference registration form shall be submitted to the Administrative Services Director and a purchase order will be created and approved. The amount of travel expenses that were prepaid by Ohio DC should be deducted as prepaid credits and so noted at the appropriate space of the Expense Report. This procedure should be followed even if utilization of prepayment satisfied 100% of the travel expenses.

Approval Process

All Expense Reports must be approved by the Executive Director in order to be processed for reimbursement. Expense Reports of the Executive Director and other members of the Board require approval by the Board Chair for reimbursement. Expense Reports of the Board Chair require approval by the Board Vice Chair for reimbursement. Forms submitted without the necessary signatures or approvals will be returned unprocessed. The approval of an Ohio DC employee's completed Expense Report by the Board Chair or Vice Chair, Executive Director, constitutes certification of the propriety of the reimbursement of such Ohio DC employee's travel expenses.

The Board Chair or Vice Chair, Executive Director, may require any reasonable form of verification of an expense, in addition to or in lieu of the receipts required under this rule, if they determine that additional verification is necessary to their certification of the propriety of the reimbursement or if required receipts are not available.

Exceptions

Exceptions may be approved in unusual circumstances such as illness, emergency situations, and weather-related issues.

The Executive Director may grant exceptions to this policy for employees requiring special travel arrangements due to a handicap or for other justifiable business reasons. Exceptions granted by the Executive Director should be based on a written request submitted by an employee prior to the expense being incurred or, at the Executive Director's discretion, after the expense has been incurred. No exception shall remain in effect for more than one fiscal year.

The Executive Director authorizes the Directors to grant, for their employees, any of the exceptions to this policy that have been previously approved by the Executive Director under the preceding paragraph. All other provisions of the policy shall remain in effect. The Executive Director may establish the terms and conditions under which a Director may grant those exceptions.

For any travel for which an exception has been granted, the Director shall issue a written description of the exception, the exception category the exception meets, the Ohio DC employee(s) or contractor(s) for whom the exception has been issued, and the period covered by the exception that shall not extend into the next fiscal year. A copy of the exception shall be noted on the Expense Report of any employee for whom the exception was issued and shall be submitted with the Expense Report.

Adopted: 11/2003
Amended: 11/15/2005,1/16/2018, 10/26/2022, 11/19/2024

Ohio Deferred Compensation

Appendix D

Purchasing Policy

Purpose

This policy applies to all Ohio Public Employee Deferred Compensation Program ("Ohio DC" or the "Board") staff requesting goods and services for official Ohio DC business use. The policy covers the general purchasing and competitive selection requirements.

General Provisions

1) The Board, in consultation with staff, shall select Ohio DC's investment consultant(s).
2) The Board, in consultation with staff and the investment consultant, shall select investment managers as provided in Ohio DC's investment policies.
3) The Board, subject to the Auditor of State recommendations, and in consultation with the Audit Committee and staff, shall select an independent external auditor to perform audit services.
4) The Board, in consultation with staff, shall select provider(s) for participant enrollment, education and customer services.
5) The Board, in consultation with staff and when necessary, in consultation with the Attorney General, shall select outside counsel.
6) The Board in consultation with staff, shall select a consultant(s) to assist with the review of employee compensation and/or benefits.
7) The Executive Director shall be authorized to select all other vendors, service providers, and consultants.
8) The Executive Director will negotiate and execute all agreements as provided in section 12, Ohio DC Service Providers, of the Board Governance Policy Manual. The Authority to negotiate and execute agreements shall include negotiation of amendments to agreements provided that the Board is advised in writing at least 14 days in advance of the execution of the amendments covered in items (1) through (5) above.

Definitions

1) "Executive Director" references throughout this policy include any appropriate designee.
2) "Authorized Person" means a supervisor, manager, or executive director.
3) "Requester" means the person who requests an order for goods or services. This includes any non-management employee of Ohio DC who has obtained authorization to purchase from an Authorized Person.
4) "Services" means the furnishing of labor, time or effort by a person or company for services such as temporary assistant, equipment repair, training, and utilities.
5) "Goods" means property or products including but not limited to equipment, furniture, office supplies, subscriptions, professional dues, and registrations.
6) "RFP" means request for proposal.
7) "RFI" means request for information.
8) "PO" means purchase order.

Policy Guidelines

1) **Goods or Services of $25,000 or less.** Competitive bids are not required for the purchase of Goods or Services less than $25,000. While no competitive bid information is required, Requestor is encouraged to obtain competitive bids whenever possible.
2) **Goods or Services greater than $25,000, but less than $50,000.** A minimum of three competitive bids (informal telephone quotes or written) will be sought (unless purchased from a State contract) for the purchase of Goods or Services costing more than $25,000 but less than $50,000. If Requestor is unable to obtain three responses, Requestor should document explanation as to why three responses were unobtainable and proceed with the available responses. If the Goods or Services are acceptable, the selected company's competitive bid may continue to be used for up to 12 months.
3) **Goods or Services of $50,000 or greater.** The purchase of Goods or Services of $50,000 or greater requires a written RFP (unless purchased from a State contract). Ohio DC requires a minimum of three responses to RFPs. If Requester is unable to obtain three responses, Requester should document explanation as to why three responses were unobtainable and proceed with available responses. If fewer than three vendors respond to the RFP, the Authorized Person may select a vendor from the responses received.
4) **Goods or Services purchased under State contract.** Competitive bids are not required for the purchase of Goods or Services that are priced according to established State contracts.
5) Acquisition of capital items, or other expenditures, **in excess of $25,000** annually which are not included in the approved annual budget will be reviewed and approved by the Board prior to their purchase.

Women- and Minority-Owned, Ohio-Based and Emerging (WMOE) Business Enterprises

The Board recognizes that Ohio DC is a public agency with a diverse membership that aspires to fully consider WMOE organizations for all its service provider relationships. Staff shall ensure that WMOE businesses are regularly included when soliciting bids for awarding of contracts or agreements or purchasing goods or services. These businesses are subject to and governed under the same policies and procedures applicable to all businesses in relationship to terms, price, conditions, and quality for participation in non-investment procurement activities with Ohio DC.

Processes

1) Competitive Bids

   Competitive bids shall be obtained informally by telephone, in writing or by email from the provider and documented on a competitive bid form. When competitive bids are required, at least three bids will be sought unless there are less than three sources. A competitive bid form will be completed to document the bid results. If there are less than three sources reasonably available, a written explanation must be provided on the Purchase Order. Purchases of Goods and/or Services shall not be divided in order to avoid competitive selection.

2) Purchase Orders, Receiving and Invoicing

   A PO will be prepared for each discretionary purchase of Goods or Services and signed by the Executive Director. Complete purchasing procedures regarding Purchase Orders, receiving and invoicing will be maintained by staff.

3) Request for Proposals

   An Authorized Person shall use the RFP template to prepare and issue an RFP per the Policy Guidelines. Proposals from product/service providers affiliated in any way with a company assisting in the evaluation of proposals will not be considered.

4) Request for Information

   A RFI shall be utilized when the need for new or additional information arises regarding specific Goods, Services, or consulting deliverables. In these situations, typically providers are a more efficient resource during the information gathering and analysis state of a purchase. The emphasis during the RFI evaluation process is on the provider's product or service credentials.

Renewal and Expansion

Periodically, long-term business relationships need to be re-bid or renegotiated, or the existing business relations may need to be expanded. This section is intended to provide both a framework and parameters for how often existing business relationships should be re-bid and when existing business relationships may be expanded without a formal bid. The renewal and expansion rules in this section should be applied during a renewal or expansion phase and supersede the original purchasing rules.

1) Re-bidding or renegotiating a current business relationship

   Generally, Ohio DC shall not be party to contracts of greater than five years in duration unless clearly required to do so due to the anticipated duration of a contracted project.

   Ohio DC's standard policy is that all business relationships be re-bid through a formal RFP process (based on the criteria established under Item 3 of the Processes Section of this policy) at least every five years. The exclusion to this requirement occurs when Ohio DC's management deems that extending the contract without re-bidding would be advantageous and provided that all of the following criteria are met:

   IF:

   a. Both Ohio DC and the vendor wish to extend the business relationship for a second contract term, without a formal bid or RFP process, AND

   b. The vendor has demonstrated satisfactory performance of contracted duties. Satisfactory completion of contracted duties must be documented.

THEN, Ohio DC shall:

a. Determine the reasonableness of contract terms and fees in light of the current business climate.

2) Expanding a current business relationship

At times it is clearly a business advantage to Ohio DC to utilize the services of a vendor with which Ohio DC has an existing (or has had a recent) business relationship. A clear business advantage is manifested when the following two elements are present:

a. A current vendor can commence a project with a very short lead-time due to familiarity with Ohio DC's operations, and the vendor has personnel immediately available who are already familiar with the Ohio DC account.

b. Ohio DC management can substantiate that the cost of the services is reasonable when considering the current market rates for such services and the savings gained from having the services performed more efficiently.

In order to expand a current business relationship without a formal bid, Ohio DC must have entered into the primary business relationship with the vendor through a formal bid or RFP process within the past five years. In addition, if the term of the original business contract was less than five years, the formal business relationship must have concluded within the past 24 months.

Emergency Services

In situations of unusual or compelling urgency wherein Ohio DC must acquire immediate assistance in restoring critical systems or life safety functions, Ohio DC may obtain such services without adhering to the requirements of either the purchasing or this renewal policy. Such situations would be expected to be infrequent and very short in duration.

Board Authority

The Board has discretion to waive or modify any provision of this policy, if doing so is deemed to be in the best interest of Ohio DC and its participants.

Adopted: 7/18/2006
Amended: 1/16/2008; 11/19/2019, 11/15/2022, 11/19/2024

Appendix E

Stable Value Option Investment Policy Statement

The purpose of this statement is to establish the investment policy for the management of the Stable Value Option assets of the Ohio Public Employees Deferred Compensation Program ("Ohio DC" or the "Board"). The Board assumes the responsibility for establishing this investment policy, the purpose of which is to guide the investment of assets within the Stable Value Option. The investment policy describes the degree of investment risk the Board deems appropriate.

General

This policy will be reviewed periodically by Ohio DC's staff ("Staff") and investment consultant ("Consultant") and stable value roll-up manager ("Roll-Up Manager"). Any changes the Consultant or Roll-Up Manager recommends will be discussed with Staff and presented to the Board for final approval.

In addition, the Consultant will be evaluated by the Staff and Board periodically concerning their work on the Stable Value Option.

It is the intention of the Board that the assets of Ohio DC shall be maintained in compliance with all applicable laws governing the operation of Ohio DC. Practices in this regard include, but are not limited to, the following:

- Stable Value Option investment managers ("Managers") shall be selected and monitored with the care, skill and diligence that would be applied by a prudent investor, acting in a like capacity and knowledgeable in the investment of retirement funds.

- All transactions undertaken on behalf of Ohio DC shall be for the sole interest of participants. For purposes of this policy, the term "Participants" means any participant, beneficiary, or alternate payee who has an account or accounts within Ohio DC.

- The Board, in consultation with the Consultant and Staff, will select and retain Managers in the Stable Value Option after satisfactory review of such factors such as perceived skill, trading practices, product importance, product fit, organizational and ownership structure, fees, and the investment record.

Investment Objective

The Stable Value Option seeks to provide a stable principal value and a competitive level of interest income by investing in a diversified portfolio of high-quality investment contracts and other high-quality fixed income instruments. Over longer periods of time, performance of the Stable Value Option is expected to exceed the 3 Year Constant Maturity Treasury Index, net of fees as well as meeting or exceeding the performance of the Morningstar US CIT Stable Value Index on a gross of fees basis.

Investment Strategy

The Stable Value Option may invest in benefit-responsive general and separate account GIC contracts, BIC contracts, "synthetic" GIC contracts (i.e., wrap contracts), (collectively, "Stable Value Contracts"), short-term investments, and other fixed income instruments that are provided by product issuers which meet the Stable Value Option's credit quality standards.

Within the Stable Value Option, investments will be segmented between a liquidity buffer, fixed maturity structure, and an open maturity structure as defined below:

- Liquidity buffer – will accept ongoing contributions and transfers remitted to the Stable Value Option and provide the first source of liquidity for all Stable Value Option withdrawals. Within the liquidity buffer, the Stable Value Option will primarily invest in short-term investment funds or money market instruments, but it may also invest in high-quality buffer Stable Value Contracts that provide same-day liquidity for withdrawals.

- Fixed maturity structure – will emphasize a laddered maturity structure of investments to generate periodic cash flow that may be used to replenish the Liquidity Buffer. Stable Value Contracts in the fixed maturity structure will pay qualified withdrawals on a net pro-rata basis after the depletion of the liquidity buffer.

  Within the fixed maturity structure, the Stable Value Option will invest primarily in investments which have average maturities at the time of issuance of less than five years.

  The fixed maturity structure will normally pursue a laddered maturity structure, whereby the dollar-weighted average duration of the structure will be no more than 3.5 years. To avoid the adverse impact of future reinvestment risk, the fixed maturity structure will target a fairly equal ladder of maturities.

- Open maturity structure – may maintain both active and passive investment management benchmarked against the Bloomberg Intermediate Aggregate Bond Index or the Bloomberg Intermediate Government/Credit Index. A passive core allocation may be maintained replicating the characteristics of the underlying index (subject to constraints by the wrap contract(s)). An actively managed component will be benchmarked against the Bloomberg Intermediate Aggregate Bond Index with the selected Managers exercising investment discretion with respect to yield curve positioning, sector allocation, and security selection. The active Managers will have investment discretion to utilize non-dollar investments as well as high yield investments within agreed upon constraints.

- Stable value wrap contracts used in the open maturity structure will pay qualified withdrawals on a net pro-rata basis after the depletion of the liquidity buffer.

Portfolio Structure and Rebalancing Policy
The Board, in consultation with the Consultant, Staff, and Roll-Up Manager, will periodically review and evaluate the portfolio structure. The Staff shall, on an ongoing basis in accordance with market fluctuations and participant cash flow experience, rebalance the Stable Value Option portfolio to remain within the range of permitted allocations. The table below summarizes the permissible ranges.

Mandate	Permissible Ranges
Fixed Maturity	20% to 40%
Open Maturity	50% to 80%
Liquidity Buffer	0% to 10%

It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be a material determinant of the crediting rate. As a result, a systematic decision rule-based procedure for determining target allocations and rebalancing shall be implemented as discussed below.

- The Board delegates to the Staff and the Consultant, in consultation with the Roll-Up Manager, the responsibility for monitoring to ensure that the Stable Value Option's asset allocation remains within the permissible ranges, determining appropriate target allocations, implementing rebalancing as needed, and reporting the current targets and any rebalancing activities to the Board at the periodic Stable Value Option review.

- The Staff, in consultation with the Roll-Up Manager, will make quarterly observations of the market values of each mandate, participant cash flows, market dynamics, among other factors. Based on these observations, Staff, in consultation with the Roll-Up Manager and Consultant, will be responsible for adjusting the current target allocations as needed and/or rebalancing each mandate back to its respective target allocation whenever that mandate falls outside the established range.

- The Roll-Up Manager will monitor the overall duration of the Stable Value Option and seek to keep the overall duration no more than 4 years with a cap of 3.5 years for the fixed maturity component. The Roll-Up Manager will notify Staff and the Consultant if the duration of the Stable Value Option goes outside of this target range.

- Rebalancing will first use normal cash flows where practical and secondarily be accomplished through reallocation of assets between mandates.

- The Staff and Consultant, in consultation with the Roll-Up Manager (with respect to obtaining wrap contract coverage for the Managers), will recommend individual Manager funding levels within the open maturity segment for Board approval.

Insurance and other Institution Diversification and Credit Quality Restrictions
The following diversification limits will apply to Stable Value Contracts held within the Stable Value Option at time of purchase.

- The allocation to any one wrap contract issuer or separate account GIC issuer shall not exceed one-third (33%) of the Stable Value Option's assets. In addition, the Stable Value Option's allocation to any single issuer of general account GIC contracts shall not exceed 5% of the Stable Value Option's assets.

- The Stable Value Option will seek to limit its aggregate exposure to insurance company general account contracts to no more than 25% of Stable Value Option assets.

Insurance companies issuing Stable Value Contracts must meet the following credit quality guidelines at time of purchase:

- Fitch, Moody's, and Standard & Poor's ratings such that;
  - There are ratings from at least two of the three rating services;
  - The weighted-average of such ratings must be A- (A3 Moody's) or better; and
  - No rating shall be below A- (A3 Moody's).

Banks and other financial institutions issuing Stable Value Contracts must meet the following guidelines at time of purchase:

- Fitch, Moody's, and Standard & Poor's ratings such that:
  - There is an A (A2 Moody's) or better senior unsecured debt rating from one of the three rating services;

- The weighted-average of such ratings must be A- (A3 Moody's) or better; and
- No rating shall be below A- (A3 Moody's).

Synthetic Contracts
Assets underlying each wrap contract or separate account GIC contract must meet the following guidelines:

- Stable Value Option assets may be invested in Government, Government Agency, mortgage backed, asset backed and corporate debt securities, and other securities included in the Bloomberg Intermediate Aggregate Bond Index. Mortgage-backed securities would include collateralized mortgage obligations (CMOs), Real Estate Mortgage Investment Conduits (REMICs), and Commercial and Residential Mortgage Backed Securities (CMBS and RMBS). Private placements and 144a debt securities are permissible. Derivatives, including but not limited to, futures and swaps are permissible.

- Securities rated below BBB-/Baa3 may not exceed 10% of Stable Value Option assets within a portfolio. In addition, no more than 1% of a portfolio's assets may be invested in any single high yield (below BBB-/Baa3) issuer.

- The average quality of the Stable Value Option's assets within a portfolio will be A- (A3 Moody's) or better.

- No more than 5% of the Stable Value Option's assets within a portfolio may be invested with any one corporate issuer.

- Investments in non-dollar fixed income securities may not exceed 20% of the assets allocated to the Stable Value Option structure.

- If any security is downgraded below these policy guidelines, or such downgrade causes a portfolio to fall out of compliance with these guidelines, the Manager will notify Staff, the Roll-Up Manager, and Consultant about the development with a recommended next step. The Manager will be encouraged to sell the security within an appropriate period of time, taking into consideration liquidity and market conditions and an appropriate level of prudence, to ensure the portfolio is not adversely affected.

Staff has the discretion, in consultation with the Consultant and Roll-Up Manager, to make changes to Manager investment guidelines that do not otherwise conflict with this policy.

Cash Investments
The Stable Value Option's cash investments fund must meet the following guidelines:

- Must be invested in money market instruments or commingled funds which invest in money market instruments which are issued by the U.S. Government or U.S. Government agencies, repurchase agreements which are collateralized by such securities, non-governmental securities rated P-1 by Moody's or A-1 by Standard & Poor's or their equivalents, or deposits with investment grade banks meeting the Bank Credit Quality Guidelines referenced above.

Manager Reporting Requirements

- Managers will provide the necessary reports and statements as requested by the Staff, Consultant, and Roll-Up Manager, to conduct their due diligence, reporting, and analyses by the 15th business day of the following month. In addition, a discussion of the portfolio's recent strategy and expected future strategy and demonstration of compliance with guidelines must be included in this package.

- Managers must reconcile quarterly accounting, transaction, and asset summary data with custodian reports and communicate and resolve any significant discrepancies with the custodian. If requested by Staff, Managers must also send a copy of the reconciliation to Staff by the 15th business day of the following month subsequent to quarter end.

- Managers will meet with the Staff and/or Consultant as often as determined necessary by the Board. Managers will also provide the Staff with proof of liability and fiduciary insurance coverage of the at least $5 million, in writing, as requested.

- Managers will keep the Staff, Consultant, and Board apprised of relevant information regarding its organization, personnel, and investment strategy. The firm will notify Staff within one business day of any change in the lead personnel assigned to manage the account.

Women and Minority-Owned, Ohio-Based and Emerging (WMOE) Business Enterprises
The Board recognizes that Ohio DC is a public agency with a diverse membership that aspires to fully consider WMOE organizations for all its service provider relationships. The Staff and Consultant are requested to provide an assessment of the most qualified WMOE organizations that meet its criteria as approved by the Board while conducting searches for service providers. Disabled veterans are included in the definition of minority.

The Staff and Consultant are asked to relax specific criteria, to the extent that the Staff and Consultant are unable to find a representative list of WMOE enterprises that meet the criteria as approved by the Board. The candidate(s) that most closely meet the criteria and WMOE characteristics will be presented to the Board for final approval. The Board requests that the Staff and Consultant report fully what specific criteria were relaxed with reasons upon delivery of the search materials.

Performance Guidelines and Manager Monitoring
On a periodic (typically annual) basis, the Stable Value Option's performance will be evaluated against the following two metrics:

- Exceed the 3 Year Constant Maturity Treasury Index, net of fees.

- Meet or exceed the Morningstar US CIT Stable Value Index, gross of fees.

On a quarterly basis, the Consultant will prepare for the Staff and Board a performance assessment of each individual Manager employed, confirmation of compliance with individual Manager guidelines, and the asset positioning of the overall Stable Value Option. In addition, Staff, in conjunction with the Consultant, will report to the Board material changes in underlying Managers' talent, process, philosophy, and fee levels with recommendations for change as needed.

Fund Monitoring Policy
The Board acknowledges that, from time to time, there may be the need to replace an existing Manager with a new Manager within the open maturity portion of the Stable Value Option. The Board has developed the following Fund Monitoring methodology to help govern decisions to terminate an existing Manager.

The Board's considerations in the process will be based on the following key criteria:

- The Manager has underperformed its benchmark over the most recent trailing five-year period
- The Manager has underperformed its benchmark in three of the four most recent calendar quarters
- The Manager's investment strategy and/or portfolio characteristics have materially diverged from its designated style
- Adverse change in the Manager's portfolio management team and/or organizational structure
- Weak Manager research rating, as reported by the Consultant

The table below summarizes the status that will be applied in this methodology:

Status		Number of Criteria Met	Generally Indicated Action
	GREEN	Less than 2	No action.
	YELLOW	2 to 3	The Board may place the Manager on a "closely monitored list."
	ORANGE	4	The Board will evaluate if all future contributions to the investment alternative or investment Manager should be halted. The Board will continue to closely monitor the investment manager and decide within 180 days whether to terminate the Manager or continue to closely monitor.
	RED	Greater than 4	The Board will evaluate terminating the investment Manager and moving all invested balances to another investment Manager or new investment Manager as soon as administratively possible.

It is expected that investment Managers will not be reactivated once a status change occurs and the process to terminate begins. However, the Board retains the discretion to re-evaluate investment Managers or delay the process as it may deem appropriate. If significant negative factors exist, accelerated status changes may be recommended. The Board reserves the right to terminate an investment Manager at any time for reasons that may go beyond the fund monitoring policy, such as material administrative and/or operational problems with the investment management company.

If an investment Manager is terminated and/or added, advance notification to participants is not required, but will be announced in the appropriate newsletter(s).

Adopted: 12/16/97
Amended: 10/19/2022, 10/15/2024

Investment Policy Statement

I. **General.** The purpose of this statement is to establish the investment policy for the management of the assets of the Ohio Public Employees Deferred Compensation Program ("Ohio DC"), with the exception of the Stable Value Option, which has additional investment policy guidelines outlined within the "Stable Value Option Investment Policy Statement." This policy will be reviewed periodically (typically annually) by Ohio DC's investment consultant ("Consultant"). Any changes the Consultant recommends will be discussed with Ohio DC's staff ("Staff") and presented to the Board for final approval. In addition, the Consultant will be evaluated by the Staff and Board annually concerning their work with Ohio DC.

It is the intention of the Board that the assets of Ohio DC shall be maintained in compliance with all applicable laws governing the operation of Ohio DC. Practices in this regard include, but are not limited to, the following:

- Although Ohio DC is not subject to Employee Retirement Income Security Act of 1974 ("ERISA"), Ohio DC intends to generally follow the fiduciary best practices of ERISA when feasible.
- Ohio DC investment alternatives shall be selected and monitored with the care, skill, and diligence that would be applied by a prudent investor, acting in a like capacity and knowledgeable in the investment of retirement funds.
  - All transactions undertaken on behalf of Ohio DC shall be for the sole interest of participants. For purposes of this policy, the term "Participants" means any participant, beneficiary, or alternate payee who has an account or accounts within Ohio DC.
- The Board, in consultation with the Consultant and Staff, will select and retain investment alternatives after review of such factors as the investment experience of the underlying investment manager, suitability of the investment approach employed, investment record, and other components as listed in Section V.
- Participants will be provided the opportunity to obtain information to make informed decisions with regard to the investment alternatives available under Ohio DC.

II. **Distinction of Responsibilities.** The Board, in consultation with its Staff and Consultant, is responsible for the selection and monitoring of the investment alternatives and service providers of Ohio DC. Participants are responsible for the allocation of their assets among the investment alternatives in Ohio DC. The Staff, Custodian Bank, and retained service providers are responsible for the safekeeping of securities, settlement of trades, collection of income, establishment and monitoring of liquidity allocations to accommodate participant cash flow needs, rebalancing multi-manager investment options, and administrative reporting.

The Consultant is responsible for providing investment advice concerning the investment management of Ohio DC assets consistent with the investment objectives, policies, guidelines, and constraints as established in this Policy. The investment managers are responsible for selecting investments with the same care, skill, prudence, and due diligence that experienced investment professionals acting in a like capacity would use in accordance and compliance with all applicable laws, rules and regulations.

Investment managers are responsible for communicating any material changes in the process, philosophy, management, organizational and significant personnel changes, and product asset level (including if the strategy assets fall under $100 million), and/or performance of the underlying investment strategies, and voting all proxies in the best interests of Participants. There are additional considerations for voting and monitoring proxies, which are included in Ohio DC's Proxy Policy.

III. Investment Objectives and Lineup Structure. The objective of the Board is to offer a broad range of investment alternatives with materially different risk and return characteristics to allow participants, by choosing among such investment alternatives, the opportunity to diversify their balances and construct portfolios consistent with their unique individual circumstances, goals, time horizons, and tolerance for risk. It is also the objective of the Board to offer investment alternatives at a reasonable cost. The Board will periodically re-evaluate the investment alternative structure and make changes as appropriate.

The appropriate fund peer group and/or passive benchmark for each investment objective type and current offerings can be found in the table below. Additional information regarding allocations and rebalancing for multi-manager funds can be found in Appendix A.

Investment Objective Type	Universe/Peer Group	Investment Alternative	Benchmark
Targeted Maturity Asset Allocation	Multi-Asset or Target Date Strategy by Vintage	LifePath Portfolios (BlackRock) – Five-year vintages ranging from Retirement to 2065	Blended benchmark comprising Russell 1000 Index, Russell 2000 Index, MSCI All Country World Ex US IM Index, Bloomberg US Aggregate Bond Index, Bloomberg US Treasury: US TIPS Index, FTSE EPRA/NAREIT Developed Index, Bloomberg Commodity Index, and FTSE 3 Month T-Bill Index
Indexed US Fixed Income	Not Applicable	US Bond Index (State Street)	Bloomberg US Aggregate Bond Index
Indexed US Large Company Stock	Not Applicable	US Large Company Stock Index (State Street)	S&P 500 Index
Indexed US Small Company Stock	Not Applicable	Non-US Company Stock Index (State Street)	Russell Small Cap Completion Index
Indexed Non-US Stock	Not Applicable	Non-US Company Stock Index (State Street)	MSCI ACW Ex US IM Index
Stable Value	Not Applicable	Stable Value Option (Multiple Managers)	See Stable Value Policy
Diversified US Fixed Income	Core Plus Fixed Income Universe	US Bond (TCW)	Bloomberg US Aggregate Bond Index
Large US Company Value Stock	US Large-Cap Value Universe	US Large Value Company Stock (Dodge & Cox)	Russell 1000 Value Index
Large US Company Growth Stock	US Large-Cap Growth Universe	Fidelity Contrafund Fidelity Growth Company US Large Growth Company Stock (T. Rowe Price/State Street)	Russell 1000 Growth Index
Medium US Company Stock	US Mid-Cap Growth Universe	Vanguard Capital Opportunity	Russell Mid-Cap Growth Index
Small US Company Value Stock	US Small-Cap Value Universe	US Small Value Company Stock (Westwood/State Street)	Russell 2000 Value Index
Small US Company Growth Stock	US Small-Cap Growth Universe	US Small Growth Company Stock (Westfield/Fiera/State Street)	Russell 2000 Growth Index
Non-US Stock	All Country World Ex US Universe	Non-US Company Stock (Arrowstreet, Schroders, Vanguard)	MSCI All Country World Ex US Index

IV. Adding New Investment Alternatives/Managers. Investment alternative or investment manager additions may be the result of a Request For Proposal ("RFP") with public notice or Staff/Consultant search and evaluation. A formal RFP process may be waived at the discretion of the Board if doing so is determined to be in the best interests of Participants. The screening process for the initial selection of a new investment alternative or investment manager for inclusion in Ohio DC's lineup will consider attributes relevant to the specific asset class and search objective, as developed by the Staff, with the assistance of the Consultant. These attributes may include:

- Appropriate governance practices such as board oversight, relative transparency, and appropriate incentives for key talent (governance rating)
- Compelling aspects from a talent, process, trading, size, product fit, ownership, and organizational perspective (manager research rating)
- Strategy assets of at least $100 million with at least five years of operating history
- No-load fund structure (no front-end or deferred sales charges), or be willing to waive the load or charges
- Three- and five-year returns equal to or exceeding the appropriate fund peer group median or passive benchmark
- Ability to execute prior day pricing for trading matched with redemption fee policies (if relevant) within the parameters necessary to administratively record keep the investment alternative
- Ability to provide Ohio DC, or an acceptable intermediary, daily share/unit prices
- No recordkeeping reimbursements in the fund's expense ratio
- Competitive and reasonable fees
- Agreement to conduct operational processes regarding the receipt of daily fund prices and transaction orders
- Portfolio manager should have at least two years tenure with the strategy unless there is team management, in which case the average team tenure should be at least five years

In certain cases, some of the above criteria may be waived as approved by the Board. For example, there may be few investment products available related to a specific search, or an investment manager qualifies under the policy that follows below.

Women and Minority-Owned, Ohio-Based and Emerging (WMOE) Business Enterprises. The Board recognizes that Ohio DC is a public agency with a diverse membership that aspires to fully consider WMOE organizations for all its service provider relationships. The Staff and Consultant are requested to provide an assessment of the most qualified WMOE organizations that meet its criteria as approved by the Board while conducting searches for service providers. Disabled veterans are included in the definition of minority.

The Staff and Consultant are allowed to relax specific criteria, to the extent that the Staff and Consultant are unable to find a representative list of WMOE enterprises that meet the selection criteria as approved by the Board. The candidate(s) that most closely meet the criteria and WMOE characteristics will be presented to the Board for consideration. The Board requests that the Staff and Consultant report on the specific criteria that was relaxed, with reasoning, upon delivery of the search materials.

V. Quarterly Review. A quarterly review of investment alternatives and investment managers will generally include historical performance and other information as listed below:

- Ohio DC, investment alternative, and investment manager assets
- Appropriate peer group and benchmark comparisons over various time periods
- Risk/reward analysis over short- and longer-term time periods
- Any material changes in the investment manager's investment philosophy or process, personnel, or organization
- Style analysis
- Fund objective (and changes in fund objective)
- Expense ratio
- Portfolio turnover
- Tracking error
- Sector, regional, and cash allocations
- Current level of participation among Ohio DC participants (number of actively deferring/account holders, total current deferrals, etc.)
- Other pertinent information as available

VI. Investment Alternative/Manager Monitoring Policy. The Board acknowledges that, from time to time, there may be a need to replace an existing investment alternative or investment manager. The Board has developed the following "Fund Monitoring" methodology to help govern decisions to close an investment alternative or replace an investment manager, though the Board is permitted to make changes deemed to be in the best interests of participants even if not required under this methodology.

The Board's considerations in the process will generally be based on the following key criteria on a net-of-fee basis:

- The investment alternative or investment manager has underperformed its benchmark over the most recent trailing five-year period
- The investment alternative or investment manager has underperformed its benchmark in three of four of the most recent calendar quarters
- The passively managed investment mandates have an acceptable level of tracking error to their respective benchmark
- The investment alternative or investment manager's investment strategy and/or portfolio characteristics have materially diverged from its designated style
- Adverse change in the investment alternative or investment manager's portfolio management team and/or organizational structure
- Weak manager research rating, as reported by the Consultant

The table below summarizes the status that will be applied in this methodology:

Status		Number of Criteria Met	Generally Indicated Action
	GREEN	Less than 2	No action.
	YELLOW	2 to 3	The Board may place the investment alternative or investment manager on a "closely monitored list".
	ORANGE	4	The Board will evaluate if all future contributions to the investment alternative or investment manager should be halted. The Board will continue to closely monitor the investment alternative or investment manager and make a decision within 180 days whether to close out the investment alternative or continue to closely monitor.
	RED	Greater than 4	The Board will evaluate closing out the investment alternative or investment manager and moving all invested balances to another investment alternative or investment manager as soon as administratively possible.

Managers that are in the yellow through red status level are subject to additional oversight by the Consultant and/or Staff. This may include further quantitative and qualitative analysis presented by the Consultant during board meetings, frequent meetings and/or oversite by various parties, and additional reporting requirements.

It is expected that investment alternatives or investment managers will not be reactivated once a status change occurs and the process to close out begins. However, the Board retains the discretion to re-evaluate investment alternatives and investment managers or delay the process as it may deem appropriate. If significant negative factors exist, accelerated status changes may be recommended. The Board reserves the right to close an investment alternative at any time for reasons that may go beyond the fund monitoring policy, such as material administrative and operational problems with the investment management company.

All investment alternative status changes will be announced in the most appropriate issue(s) of Ohio DC's newsletter, and all affected participants will be sent individual notifications. Deadlines for completing a new allocation or transferring balances to another investment alternative will be communicated at least 30 days prior to the transition date. Investment alternative changes to a lower fee share class or investment vehicle of the same strategy and portfolio management do not require 30 days advance notification.

If an investment manager is terminated and/or added within a white label option, advance notification to participants is not required, but will be announced in the appropriate newsletter(s).

VII. **Plan Fees.** It is the intention of the Board to act in the best interest of Participants. On a periodic (typically annual) basis, costs will be evaluated to determine if they are considered "reasonable." More information on Plan Fees can be found in the "Administrative Fee Policy Statement."

VIII. **Fund Mapping**. If the Board decides to terminate an investment alternative, participants will be granted an opportunity to direct their assets to Ohio DC's other investment alternatives prior to the termination date. Assets that are not directed by participants will be transferred or "mapped" to Ohio DC's investment alternative(s) that the Board deems appropriate. Changes to a lower fee share class or investment vehicle of the same strategy and portfolio management do not require the opportunity for Participants to direct their assets to Ohio DC's other investment alternatives.

The mapping factors that the Board may consider include, but are not limited to, the following:

Alignment of investment fund type, such as:

- Asset class (e.g., US stock, non-US stock, fixed income)
- Capitalization (e.g., large, mid, small)
- Style (e.g., value, growth)
- Maturity (short, intermediate, long-term)

Similar investment strategy, such as:

- Broad market vs. focused market
- Active vs. passive management
- Balanced vs. 100% stock or bond
- Equity income, growth & income, aggressive growth
- Diversified vs. concentrated
- Core vs. core-plus

Age-based that corresponds to the appropriate time period until reaching the age of 65 for each participant.

IX. **Target Date Funds**. Target Date Funds ("TDF") are offered to provide a suite of asset allocation portfolios that allow participants to choose a single investment alternative that is appropriate based on an expected target retirement date. Each TDF vintage (e.g., 2040 Fund) will include a professionally managed portfolio of underlying investments that may include fixed income, equity, and alternative asset classes. The investment manager will adjust and rebalance the allocation of assets within each TDF vintage over time to reduce the expected risk by decreasing the equity allocation as each TDF vintage progresses towards its target retirement date.

TDF vintages that reach the end of their de-risking glide path will be automatically discontinued and the assets will be mapped into the TDF Retirement vintage. Additionally, new TDF vintages may be added over time to ensure portfolios exist for all stages of the glide path and participant target retirement dates.

The Board recognizes that some Ohio DC participants may fail to make investment choices for their Ohio DC account. Therefore, the Board believes it is appropriate to designate the target date funds as the default investment option for any Participant who fails to make an investment choice for his or her contributions.

Appendix A. – Multi-Manager Investment Options

I. Targets. The below table outlines Ohio DC's current multi-manager investment options and details the underlying investment managers and their target allocations.

Investment Option Name	Underlying Managers and Target Allocations	Permitted Tolerance Range & Rebalancing Frequency
Large US Company Growth Stock	95% - T Rowe Price 5% - State Street	+/- 3.0% (monthly*)
Small US Company Value Stock	93% - Westwood 7% - State Street	+/- 4.0% (monthly*)
Small US Company Growth Stock	66% - Westfield 27% - Fiera 7% - State Street	+/- 4.0% (monthly*)
Non-US Company Stock	35% - Schroders 30% - Arrowstreet 35% - Vanguard	+/- 0.0% (daily rebalancing through cash flows, with monthly rebalance to target)
Stable Value Option	See Stable Value Policy	See Stable Value Policy

* Measured monthly and rebalanced to target triggered if tolerance breached.

II. Rebalancing Policy. Rebalancing manager allocations is necessary to control risk, as market movements will cause the investment option's manager allocations to deviate from their strategic target allocations. Rebalances can be meaningful to a portfolio, so to minimize transaction costs and active manager holdings impact, permitted tolerance ranges are utilized to determine if a rebalance is needed. A standing instruction is in place with the custodian bank to allocate daily participant cash flows and measure the need for periodic rebalancing in accordance with the permitted tolerance ranges and rebalancing frequency shown in the table above. The custodian bank executes necessary portfolio trades and/or cash movements based on a standing direction. Stable Value Option rebalancing policy can be found in the Stable Value Policy.

Adopted: 12/17/1996
Last Amended: 3/18/2025

Proxy Policy

I. GENERAL PROVISIONS

A. Policy Overview

The Board of Trustees of the Ohio Public Employees Deferred Compensation Program ("Ohio DC" or the "Board") believes that proxies are valuable assets of Ohio DC. Ohio DC recognizes that certain proposals, if implemented, may have a substantial impact on participant shareholders. As such, Ohio DC and/or fiduciaries to whom it has delegated proxy voting duties, are obligated to exercise its shareholder rights by voting proxies solely in the interests of Ohio DC's participants and beneficiaries.

This Proxy Policy sets forth general guidelines or positions on key areas of corporate governance. The Board directs the Staff to use the Proxy Policy as a guide in meetings and overseeing the fiduciary responsibility of Ohio DC in voting proxies. In areas where the Policy is silent, Staff is directed to use its judgment in interpreting the Policy to vote issues in the best interest of plan participants.

B. Purpose

The purpose of the Ohio DC *Proxy Policy* is to:

- Articulate Ohio DC's position on important areas in corporate governance.
- Provide guidance and direction to Staff and other delegates to vote on individual proxy issues on behalf of Ohio DC.
- Establish roles and responsibilities for the maintenance of proxy policy and the administration of proxy voting.

II. OBJECTIVE

The objective of this Policy is to enhance the long-term value of the participants' investments by:

- Encouraging management to act in the shareholders' best interest.
- Protecting and/or increasing shareholder rights.
- Not overburdening management with issues unrelated to the company's long-term performance.
- Promoting corporate accountability, transparency, and responsibility as essential elements of a program of corporate governance designed to increase long-term shareholder value.

III. PHILOSOPHY

Ohio DC considers the right to vote shares to be an asset to Ohio DC and a responsibility to be accorded due care to ensure that issues are appropriately analyzed and voting positions are taken that fully reflect and consider the best interest of Ohio DC's participants and beneficiaries.

IV. ROLES AND RESPONSIBILITIES

A. Board of Trustees

The Board has the responsibility for approving the *Proxy Policy* as well as reviewing the *Proxy Policy* on a periodic basis (generally annually) to determine if modifications are necessary.

B. Staff

Staff monitors compliance with the Policy as set forth in this document. It evaluates proposals for modifications as needed, makes recommendations for consideration by the Board, and periodically receives reports of votes cast.

C. Executive Director*

The Executive Director is responsible for working with the Board to establish the overall corporate governance strategy and policy. The Executive Director is responsible for establishing appropriate proxy voting procedures to support and implement the Policy and coordinating such procedures to support and implement the Policy.

The Executive Director is responsible for ensuring that proxy ballots are voted in a timely manner according to Ohio DC established Policy and administering and maintaining records of proxy votes. The Executive Director will ensure that proxy votes are made in accordance with voting instructions created from Ohio DC Proxy Policy.

The Executive Director is responsible for reviewing detailed research and vote recommendations on each proxy vote not delegated to another party cast in fulfilling the fiduciary duty of the Board to cast proxy votes in the interests of shareholders and therefore, its participants.

The Executive Director is responsible for overseeing those fiduciaries to whom voting authority has been delegated to confirm they are voting proxies according to Section VIII of this Policy.

V. PROCESS FOR VOTING PROXY BALLOTS OF MUTUAL FUNDS OR INVESTMENT MANAGEMENT FIRMS DOING BUSINESS WITH OHIO DC

A. Routine Issues

Corporate governance and social issues that are covered by the Ohio DC Proxy Policy are to be voted on accordingly.

* References to the Executive Director throughout this policy include any appropriate designee.

B. Case-by-Case

The Executive Director may work with a proxy advisory service to research proxy issues that are not covered by this Policy, as needed. The Executive Director will prepare a memorandum based upon interpretation of the intent of the Policy and circumstances of the issue. Once the recommendation is developed and documented, the Executive Director will vote accordingly.

C. Missed Votes and Non-Conforming Votes

Should Ohio DC miss a voting deadline due to an operational issue or unforeseen circumstance, the Board will be provided with a report of any missed votes at the next scheduled Board meeting following the occurrence of the missed vote or the discovery of the missed vote, along with an analysis of the reason(s), and a discussion of the corrective action taken.

From time-to-time it may be necessary for Ohio DC to vote contrary to established policy. In these circumstances, Staff will at a minimum discuss the voting issue and recommend a voting stance with the Board Chair in advance of casting the non-conforming vote. Time permitting, the issue will be discussed with the full Board ahead of casting the non-conforming vote. The voting position and rationale will be reported to the full Board at the next scheduled Board meeting following the non-conforming vote being cast.

VI. REPORTING AND COMPLIANCE

The following reports are provided on a periodic basis to the Board:

- **Case-By-Case Issues (As Needed)** Reports of case-by-case issues, Ohio DC voting position, and supporting rationale are provided at the next regularly scheduled Board meeting following the casting of such votes.
- **Missed Votes or Non-Conforming Votes (As Needed)** Reports of missed votes or non-conforming votes are provided at the next regularly scheduled Board meeting following the voting deadline or the casting of such votes.
- **Summary Report (Annually)** A report summarizing compliance with the Proxy Policy is to be provided on a periodic basis (generally annually) to the Board.

VII. GENERAL GUIDELINES

In general, Ohio DC will support measures to increase Corporate Board independence and to promote disclosure, including but not limited to fees and expenses, fund holdings, commissions paid to brokers, soft dollar services, and turnover of key personnel.

A. Corporate Governance

1. Directorship

Ohio DC believes that Corporate Boards should act in the best interest of the shareholders. Corporate Boards should enhance/protect shareholder rights and ensure that all shareholders are treated equally.

Ohio DC advocates that Corporate Boards should make every effort to be sufficiently diverse, yet not be required to reserve a seat for any special interest group. Ohio DC does not believe in imposing restrictions on compensation, age, or tenure of directors. Additionally, Ohio DC believes there should be adequate justification to change the size of a Corporate Board, a requirement for directors to own a minimum amount of shares of the fund(s), and an effort made by the directors to attend all board and committee meetings.

Ohio DC believes that the nominating, compensation, and auditing committees should be comprised solely of independent directors. Corporate Boards should have an independent Chair and be comprised of a substantial majority of independent directors (as defined by the proxy voting agent). If the Chair is not independent, an independent Lead Director should be appointed.

When ratifying the Corporate Board's selection of an auditor, Ohio DC believes that a review of independence of the auditor should be completed by evaluating the ratio of audit fees to non-audit fees.

Finally, Ohio DC supports confidential voting and the independent tabulation of proxy ballots.

2. Compensation

Ohio DC generally supports compensation plans that provide challenging performance objectives and serve to motivate executives to achieve high performance. Although Ohio DC believes that there should be no cap on executive pay, Ohio DC generally does not support executive compensation plans that allow the re-pricing of stock options, have the potential to excessively dilute the outstanding voting power, or that have automatic renewal features (evergreen plans). Ohio DC supports linking executive compensation to the company's achievement of goals that improve the long-term performance of the fund(s). Ohio DC believes broad-based employee share ownership plans or other profit-sharing programs are effective market mechanisms that promote employee participation.

Ohio DC opposes compensation plans that exceed amounts necessary to attract and retain qualified and skilled managers, that adversely affect shareholders, are excessively generous, lack clear and challenging performance goals or adversely affect employee productivity and morale. Ohio DC will not support severance plans that are overly generous, pay for failure or pay out according to technical changes in control.

Ohio DC believes in the shareholders' right to vote on all compensation plans and supports full disclosure to shareholders on executive and director compensation packages.

3. Capital Structure

Major strategic modifications should not be made without prior shareholder approval of the proposed modification. Ohio DC reviews and votes all corporate restructurings or re-incorporations on an individual, case-by-case basis.

Ohio DC does not support stock related proposals that decrease shareholders' voting rights, cause voting rights to be unequal, or that create excessive dilution.

Ohio DC does not believe that companies should reincorporate in another jurisdiction if the re-incorporation adversely affects shareholder rights.

4. General & Miscellaneous Corporate Governance

Proposals that are not covered by the Ohio DC Proxy Policy are voted on a case-by-case basis in the long-term economic interests of plan participants and beneficiaries.

B. Fund Strategy Changes

Proxies for mutual funds or other collective funds that propose a change in strategy, allowable investments, or other investment criteria will be reviewed with Ohio DC's Investment Consultant. The Investment Consultant and Staff will develop a voting proposal for the Executive Director to present to the Board at the next regularly scheduled Board meeting. If the proxy does not provide sufficient time for the voting proposal to be presented at the next regularly scheduled Board meeting, the Executive Director will discuss the voting issue and recommended voting stance with the Board Chair, who will determine if the vote can be delegated to the Executive Director or if a special meeting of the Board should be called.

VIII. PROCESS FOR ASSIGNING PROXY VOTING RESPONSIBLITIES TO A THIRD PARTY

The Executive Director may assign proxy ballot voting responsibilities to a third party such as a proxy voting service, or the investment manager or custodian for a separate investment account, to vote ballots pertaining to the underlying securities held within a separate investment account.

If a manager provides the ability for Ohio DC to select from among a range of voting policies that will be applied to Ohio DC's shares held in those funds, Ohio DC will select the policy that best aligns with this Policy.

Voting by the third party shall generally conform to this Policy and all voting positions shall consider the best interest of Ohio DC's participants and beneficiaries.

Adopted: 7/20/2004
Amended: 5/20/2014, 11/14/2023, 11/19/2024

Ohio Deferred Compensation

Administrative Fee Policy Statement

Purpose

The Administrative Fee Policy Statement (AFPS) of the Ohio Public Employees Deferred Compensation Program ("Ohio DC" or the "Board") is intended to serve as a guideline for the Board to fund Ohio DC's administrative services in an equitable manner and to provide enhanced fee transparency.

Ohio DC expenses and related fees can be split into two general categories: investment services and administrative services.

Investment services are expenses incurred by the investment manager and are associated with investing participants' assets. Participants are charged asset-based fees to cover the investment services expenses as determined by the investment manager. The investment expenses are collected by the investment manager through the expense ratio, which reduces fund performance accordingly.

Administrative services include all other services to run Ohio DC such as recordkeeping, accounting, legal, trustee services, website, customer service, and participant communications.

Ohio DC does not receive any external funding from participating employers or from the State of Ohio to offset its administrative services expenses. Participants are charged administrative fees to cover all Ohio DC expenses and to provide Ohio DC with sufficient operating cash reserves.

Administrative Fee Structure

The administrative fee structure includes:

1. Charging an explicit asset-based administrative fee that will be disclosed in quarterly account statements.
2. Waiving fees for participants with small account balances.
3. Capping the maximum annual amount of administrative fees to be charged to each participant.
4. Excluding investment options with revenue sharing from future manager searches.

Establishing Fees

As part of the review and approval of each annual administrative expense budget, the Board will review the administrative fee structure and determine if any changes are needed to the fees. The Board may also approve fee changes as needed in accordance with the AFPS.

Whenever the Board changes the administrative fee structure, this policy should be amended to reflect the new administrative fee structure.

All changes to the administrative fees shall be communicated to participants in a timely and appropriate manner.

Adopted: 5/19/2015
Amended: 11/17/2015, 11/19/2024

Litigation/Settlement Proceeds Policy

Policy Background

The Ohio Public Employees Deferred Compensation Program ("Ohio DC" or the "Board") established a policy to distribute litigation or settlement award monies received in an equitable and economic manner in accordance with the circumstances at the time of the award. This may include any requirements imposed by the issuer of the settlement or federal oversight agencies (Securities Exchange Commission, Internal Revenue Service, etc.). The settlement award may be the result of federal or State regulatory, legislative, or judicial actions.

Although this policy applies to all litigation/settlement proceeds, regardless of the nature of the underlying event(s), the policy is intended to be generally consistent with the guidance provided in the Department of Labor Field Assistance Bulletin No.2006-01, The Distribution to Plans of Settlement Proceeds Related to Late Trading and Market Timing. Key provisions of the field bulletin are:

1. Proceeds will constitute plan assets and, as such, will be required to be held in trust and managed in accordance with fiduciary responsibility.
2. If not required to use a specified methodology, the plan will be responsible for developing and implementing a plan for allocating proceeds that is prudent, where the proceeds are allocated, where possible, to the affected account holders in relation to the impact of the improper activities that resulted in the distribution of proceeds, while weighing the cost and benefits of the distribution plan.
3. Any such distribution plan should be reasonable, fair, and objective.
4. A plan may charge for any direct expenses incurred in connection with receipt, allocation and/or distribution of proceeds, but cannot compensate itself beyond direct expenses without violating the prohibited transaction rule of section 503 of the Internal Revenue Code.
5. The plan may properly weigh the competing interests of various participants or classes of plan participants (e.g., affected versus current participants), provided a rational basis exists for the selected method. For example, if the cost to allocate proceeds among affected account holders whose accounts were invested in the fund during the relevant period approximates the amount of proceeds, the proceeds may be allocated to current account holders in the fund.
6. A plan may conclude that certain participant-level allocations that are not cost-effective may instead be used for other permissible plan purposes, such as payment of expenses of administering the plan.

Policy Principles

Proceeds resulting from SEC settlement distributions and class-action lawsuits will be retained by Ohio DC or distributed to participants in accordance with related orders, distribution guidelines, or other applicable requirements. However, to the extent that discretion is left to Ohio DC to determine the use or distribution of such proceeds, Ohio DC will be guided by the following principles:

Principle 1: The fairest way to apportion among affected current participants/past participants/beneficiaries (account holders), assuming availability of data and reasonable cost to distribute, is on the basis of each affected account holder's relative holdings in the affected fund during the period to which the litigation or related proceeding applied.

Principle 2: The distribution plan should proceed without unnecessary economic waste. Estimated direct expenses of a distribution plan will be recovered by Ohio DC from the gross proceeds before distributing any remaining net proceeds to account holders. De minimus amounts may be retained by Ohio DC for the general benefit of all participants and beneficiaries.

Principle 3: If the amount of the gross proceeds received by Ohio DC is not substantial enough to be distributed in an economical manner according to Principle 2, all proceeds will be deposited into Ohio DC's Administrative account to support the operation of Ohio DC for the general benefit of all participants and beneficiaries.

Policy Guidelines

Based on the above principles, the disposition of proceeds will be determined as follows, unless otherwise required to comply with an order, a mandated distribution methodology, or other applicable requirements:

1. Affected account holders will be identified.
2. The estimated cost to distribute proceeds to all affected account holders will be reasonably determined. Initial cost estimates will assume that the minimum amount to be distributed to an individual will be $20.
3. If the estimated cost to distribute proceeds to all affected account holders is less than 30 percent of the gross proceeds, a plan for distribution will be implemented that is consistent with the policy's principles.
4. If the estimated costs to distribute proceeds to all affected account holders is equal to or exceeds 30 percent of the gross proceeds, other methodologies will be considered to reduce the estimated costs below 30 percent, which may result in the exclusion of some or all the affected account holders. For example, the minimum amount to be distributed to individuals may be raised above $20, or distributions may be made to current account holders only.
5. If a reasonable, fair, and objective methodology cannot be determined which will result in costs less than 30 percent of the gross proceeds, the gross proceeds will be deposited into Ohio DC's Administrative account to support the operation of Ohio DC for the general benefit of all participants and beneficiaries.

The Board will be informed of the receipt of all litigation or settlement proceeds. Whenever such proceeds exceed $250,000 as a result of a litigation or settlement award, the distribution methodology for such monies shall be approved by the Board. Whenever such proceeds are equal to or less than $250,000 as a result of a litigation or settlement award, staff will proceed to develop and implement a distribution methodology consistent with this policy and notify the Board of the methodology and timing of the distribution.

Adopted: 3/16/2010
Amended: 11/19/2024

Ohio Deferred Compensation

Appendix F

Unforeseeable Emergency Withdrawal Policy

As authorized in section 4.06 in the Plan Document, a participant may request an in-service withdrawal in the event of an "Unforeseeable Emergency." This provision of the Plan will be administered in accordance with the Plan Document and the Department of Treasury Internal Revenue Service Regulation 1.457-6(c).

Minimum Requirements for Application

The minimum requirements for each application are:

- A completed and signed application
- A copy of the participant's (and spouse's) last Federal tax return
- A copy of the participant (and spouse's) last pay stub
- Supporting documentation of a qualifying loss if not self-certifying the application
-

Objective Standards for Approval

Participants are permitted to self-certify the existence of a qualifying unforeseeable emergency under federal guidance. Decisions to approve or deny a completed application will be based governing law and the facts and circumstances of each application.

The event causing the severe financial emergency must have taken place within the last 24 months proceeding the date of the application.

Applications will not be approved in cases where the participant (or dependent) had significant control and failed to exercise prudent judgment as to the cause of the emergency and in cases where laws, other than minor traffic violations, were violated.

Procedures

The Service Center will be responsible for answering initial requests, distributing and receiving applications, and ensuring that the minimum requirements are met and minimum documentation is received. The Benefit Claims Coordinator will make the decision to approve or deny the application and, in the case of approvals, the amount to be released. The decision may be appealed as outlined in the Plan Document.

If a participant appeals the decision to the full Board, the Executive Director* will send a letter acknowledging the request and informing the participant or a representative may present the appeal in Executive Session at the Board meeting. If the participant chooses to be present, the participant or a representative will have five minutes to present and answer questions from Board members. The Board will then excuse the participant or representative before deliberating the appeal.

* References to the Executive Director throughout this policy include any appropriate designee.

Adopted: 7/15/2008
Amended: 3/17/2009, 9/20/2011, 11/19/2024