

**RETIREMENT SYSTEM INVESTMENT COMMISSION  
HUMAN RESOURCES AND COMPENSATION COMMITTEE MEETING MINUTES**

**May 19, 2014**

**SC Retirement System Investment Commission  
1201 Main Street, 15<sup>th</sup> Floor  
Columbia, SC 29201  
Meeting Location: Presentation Center**

**Committee Members Present:**

Mr. Edward Giobbe, Chairman  
Dr. Rebecca Gunnlaugsson  
Dr. Ronald Wilder

**Others present for all or a portion of the meeting on Monday, May 19, 2014:**

Andrew Chernick, Sarah Corbett, Dori Ditty, Hershel Harper, Greg Ryberg, Katie Walker, and Danny Varat from the South Carolina Retirement System Investment Commission (“RSIC”); Wayne Pruitt and Donald Tudor from the State Retirees Association of South Carolina.

**I. CALL TO ORDER**

Chairman Edward Giobbe called the meeting of the Human Resources and Compensation Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“Commission”) to order at 11:04 a.m.

**II. APPROVAL OF MINUTES**

Chairman Giobbe requested a motion to approve the meeting minutes from the April 9, 2014 Compensation Committee meeting. Dr. Rebecca Gunnlaugsson made a motion to approve the minutes, which was seconded by Dr. Ronald Wilder and passed unanimously.

**III. REVIEW OF FY 2014 COMPENSATION POLICY**

Ms. Sarah Corbett, Director of Operations and Operational Due Diligence, reminded the Committee that both the House and the Senate must approve the PIC (“Performance Incentive Compensation”) plan before its implementation. Ms. Corbett stated that the Senate approved the PIC plan for FY 2014, while the House has met twice but taken no action to approve or not approve the PIC plan. Ms. Corbett compiled questions asked by the House Committee members following her April 1, 2014 testimony. Ms. Corbett noted that information regarding PIC, including detailed explanations of bench marks and asset allocation, had been given to the House Committee members prior to her testimony, and that the RSIC staff had addressed several of their questions. The Committee discussed each question from the House Committee, and the apparent need for providing the members with better education regarding benchmarks.

#### **IV. REVIEW OF FY 2015 COMPENSATION POLICY**

Ms. Corbett informed the Committee that a draft Request for Proposal (“RFP”) scope detailing the hiring of a Compensation Consultant was included within the Committee’s meeting materials. Ms. Corbett explained that the Compensation Consultant would review compensation and the PIC plan beginning with FY 2015 and as required in the recent amendment to the Committee’s charter, to make sure RSIC’s Compensation Policy was in line with industry standards.

Chairman Giobbe requested a motion that the RFP scope be recommended to the full Commission for approval on June 3, 2014. Dr. Wilder made a motion, which was seconded by Dr. Gunnlaugsson and passed unanimously. It was noted that the Committee members would review the RFP scope over next few days and make any necessary adjustments.

Following a brief discussion, it was determined that a written response to the House Committee addressing their questions would be sent initially, followed by in person meetings, as needed.

#### **V. EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS AND RECEIVE LEGAL ADVICE AND BRIEFINGS PURSUANT TO S.C. CODE ANN. §30-4-70(a)(1)-(2)**

Dr. Wilder made a motion to recede into Executive Session, which was seconded by Dr. Gunnlaugsson and passed unanimously. The Committee receded into Executive Session to discuss personnel matters and receive legal advice at 11:31 a.m.

#### **VI. ADJOURNMENT**

It was noted that personnel and legal matters were discussed within Executive Session, but no vote was taken. Ms. Dori Ditty, Legal and Policy Counsel, read aloud the recommendation from the Committee that as a part of conducting the annual review of the Compensation Policy, and before payment of PIC by RSIC, the Human Resources and Compensation Committee will ensure that actual individual PIC opportunities are subject to an individual assessment in accordance with the Compensation Policy, section D, for fiscal year 2014. Dr. Wilder made the motion to adopt the recommendation and report it to the Commission, which was seconded by Dr. Gunnlaugsson and passed unanimously. There being no further business, Chairman Giobbe requested a motion to adjourn the meeting. Dr. Gunnlaugsson made a motion, which was seconded Dr. Wilder and passed unanimously. The Human Resources and Compensation Committee meeting adjourned at 1:18 p.m.

[Staff Note: In compliance with S.C. Code Ann. §30-4-80, public notice of and the agenda for this meeting were delivered to the press and to parties who requested notice and were posted at the entrance, in the lobbies, and near the 15<sup>th</sup> Floor Conference Room at 1201 Main Street, Columbia, SC, on May 16, 2014 at 1:00 p.m.]