

**South Carolina Retirement System Investment Commission
Human Resources and Compensation Committee Meeting
Minutes
August 30, 2018**

**Capitol Center
1201 Main Street, Suite 1510
Columbia, South Carolina 29201**

Committee Members Present:
Dr. Rebecca Gunnlaugsson, Acting Chair
Dr. Ronald Wilder
Mr. Reynolds Williams (via teleconference)

Others present for all or a portion of the meeting on Thursday, August 30, 2018: LaJoia Broughton, Betsy Burn, Andrew Chernick, Mitchell Goldsmith, Michael Hitchcock, Tricia Miller, and Brittany Storey from the South Carolina Retirement System Investment Commission (“RSIC”).

I. Call to Order and Adoption of Proposed Agenda

Dr. Rebecca Gunnlaugsson, acting as Chair of the Human Resources (“HR”) and Compensation Committee (“Committee”) of the South Carolina Retirement System Investment Commission (“Commission”), called the meeting of the Committee to order at 9:02 a.m. Dr. Ronald Wilder made a motion, which was seconded by Mr. Reynolds Williams and passed unanimously, to adopt the agenda as presented.

II. Approval of Minutes (March 8, 2018)

Chair Gunnlaugsson referred to the draft minutes from the March 8, 2018 Committee meeting and asked if there were any objections or corrections. Dr. Wilder made a motion to adopt the minutes from the March 8, 2018 Committee meeting as presented. Mr. Williams seconded the motion, and it was unanimously approved.

III. Human Resources Department Update

Mr. Michael Hitchcock, Chief Executive Officer (“CEO”), gave an update to the Committee about recent RSIC Staff (“Staff”) changes. Mr. Hitchcock explained that the following individuals had left RSIC: Mr. Ryan Hill, Senior Investment Officer, Ms. Weiyi Ning, Director of Hedge Funds, Mr. Alexander Campbell, Investment Officer, and Mr. Brad Gainey, Director of Enterprise Risk and Compliance. Mr. Hitchcock noted that Mr. Gainey had left RSIC to return to work with his former employer and that RSIC would be beginning a search for a new Director of Enterprise Risk Management and Compliance.

Mr. Hitchcock then updated the Committee on several promotions. He informed the Committee that Mr. Steve Marino has been promoted to Managing Director of Private Markets, and Mr. Bryan Moore has been promoted to Managing Director of Public Markets. Mr. James Wingo has been promoted to Director of Quantitative Solutions, and

Mr. Jonathan Graab has been promoted to Quantitative Solutions Officer. In addition, Mr. Colin Bernier and Mr. Alan Bevard have both been elevated to Associate Analyst within RSIC's Junior Analyst Program. Mr. Christopher Alexander has progressed to the role of Investment Analyst. Mr. David King has been promoted to Senior Reporting Officer, and Mr. Nick Poole has been promoted to Senior Reporting Analyst. Finally, Ms. Lisa Scott has been promoted to the role of Administrative Support Officer.

Following Mr. Hitchcock's report, Dr. Wilder asked if any of the departures that Mr. Hitchcock had referenced resulted from dissatisfaction with compensation. Mr. Hitchcock responded that he was concerned about the departures but stated that he did not believe that compensation levels played a role in the departures. Mr. Hitchcock added that most of the individuals that had recently departed RSIC had overall positive reviews of the organization.

Mr. Hitchcock then turned the discussion to the Committee's Charter and explained that the Committee is currently in compliance with most all of the Charter's requirements. Mr. Hitchcock noted that the Committee received an exemption from the Commission and will not be required to complete a compensation study during the current year as would otherwise have been required by the Charter. In fulfilling the Charter's requirement that the Committee discuss the CEO's evaluation, he noted that the Committee would discuss the CEO's evaluation later in the meeting. Concluding his remarks about the Charter, Mr. Hitchcock noted that no non-Committee member Commissioners had attended any Committee meetings, and the Committee had received no requests from the Commission to perform additional activities.

Next, Ms. Brittany Storey, HR Manager, began a discussion of succession planning. She explained that RSIC's Existing Succession Plan ("Existing Plan") needs to be updated. Mr. Hitchcock then explained that RSIC's New Succession Plan ("New Plan") will detail how RSIC, in the event of Staff departures, will fill roles and reduce the loss of institutional knowledge. Mr. Hitchcock opined that the Existing Plan had worked well in terms of ensuring roles are seamlessly transferred.

Mr. Hitchcock explained that the New Plan will emphasize a collective process to show individual Staff members a path to advancement and not just be reactive when positions suddenly become available. Mr. Hitchcock noted that, while sometimes it is necessary to recruit talent from the marketplace, RSIC's goal is to identify existing members of Staff to groom for certain positions. He opined that the most important goal for the New Plan will be to identify areas of weakness in RSIC's succession planning so they can be addressed. He then underscored RSIC's commitment to building talent from within the organization. The Executive Team will be constructing the New Plan within the coming months. Dr. Wilder noted that RSIC has been fortunate to have not lost many top managers and further underscored the importance of proactive succession planning.

IV. Executive Session

Dr. Wilder made a motion to recede into Executive Session to discuss personnel matters relating to employee compensation and the CEO's performance review, negotiations incident to proposed contractual arrangements, and receive legal advice pursuant to S.C. Code Ann. § 30-4-70(a)(1)-(2). Mr. Williams seconded the motion, which was unanimously approved.

V. Potential Actions Resulting from Executive Session

Upon returning to open session, Dr. Gunnlaugsson noted that the Committee met in Executive Session to discuss personnel matters relating to employee compensation and the CEO's performance review, negotiations incident to proposed contractual arrangements, and receive legal advice. She stated that no action was taken during Executive Session.

VI. Adjournment

There being no further business, Mr. Williams made a motion to adjourn. Dr. Wilder seconded the motion, and it was approved unanimously.

[Staff Note: In compliance with S.C. Code Ann. Section 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 on August 28, 2018 at 3:37 p.m. at the entrance, in the lobbies, and near the 15th Floor Presentation Center at 1201 Main Street, Columbia, S.C.]