



Board of Trustees

Governance Committee Meeting

September 2, 2020

**Governance Committee Meeting
September 2, 2020**

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Governance Committee Meeting September 2nd, 2020

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AGENDA

WEDNESDAY, SEPTEMBER 2, 2020

- | | |
|-----------|--|
| 3:15 p.m. | CALL TO ORDER |
| | ROLL CALL (Action) |
| | APPROVAL OF AGENDA (Action) |
| | SCHEDULED APPEARANCES AND PUBLIC PARTICIPATION |
| 3:30 p.m. | REVIEW BOARD OF TRUSTEES CHARTERS AND GOVERNANCE POLICIES
(Information) |
| 4:00 p.m. | OTHER MATTERS / FUTURE AGENDA ITEMS / TRUSTEE COMMENTS |
| 4:15 p.m. | ADJOURNMENT |

NOTE: TIMES MAY VARY AND THE CHAIR MAY REORDER AGENDA ITEMS (Please telephone Jennifer Thorsteinson at 907.796.1519 with agenda questions.)
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**ALASKA PERMANENT FUND CORPORATION
MEETING OF THE BOARD OF TRUSTEES**

GOVERNANCE COMMITTEE MEETING

**September 24, 2019
3:30 p.m.**

**Location of Meeting:
The Robert Atwood Room
Atwood Conference Center
550 West 7th Avenue
Anchorage, Alaska 99501**

SUMMARY MINUTES

Trustees Present:

Carl Brady, Chair
Craig Richards
William G. Moran
Bruce Tangeman

Staff Present:

Angela Rodell, CEO
Maggie Meiners
Pauly Swanson
Mason Kullander

PROCEEDINGS

CALL TO ORDER

CHAIR BRADY called the meeting to order and asked for a roll call.

ROLL CALL

TRUSTEES TANGEMAN, MORAN and RICHARDS were present, forming a quorum.

CHAIR BRADY moved to approval of the agenda.

MOTION: A motion to approve the agenda was made by TRUSTEE MORAN;
seconded by TRUSTEE TANGEMAN.

CHAIR BRADY asked for any public appearances either online or in the room. There being none, he moved to the Investment Advisory Review.

INVESTMENT ADVISORY REVIEW

CEO RODELL stated that the purpose of today's discussion is to talk about the Investment Advisory Group Charter. She added that there is an existing charter that was last approved in 2017. The Board requested an explanation of some of the things, and a proposed revision of that charter.

CHAIR BRADY stated that there were several specifics as to attendance and/or excuses.

TRUSTEE RICHARDS stated that the suggested edit was the expectation of the advisors attending three meetings, but could have additional excused absences if approved by the Chair. He suggested to add in on Pages 14 and 15: "Members shall attend in person at least three of the quarterly Board meetings, unless additional absences are approved by the Chair."

CHAIR BRADY suggested saying that the expectation is attendance of so many meetings and leave it at that.

TRUSTEE RICHARDS agreed as long as the language is that there is an expectation of three.

TRUSTEE MORAN commented to shy away from putting something that at least 20 minutes should be expected on making comments. He added that 20 minutes is a long time to talk.

CEO RODELL asked for one clarification on No. 4. There is the additional language "and present at least one topic for the Board's consideration." She asked if that would be that the three advisors would have the expectation of presenting a topic each time by them all.

TRUSTEE RICHARDS replied that was not the intention. The idea that was kicked around in the drafts was that each advisor would try to do one presentation a year or select a proposed topic and it would be up to the Board to decide whether to schedule it. He continued that it was an affirmative expectation that once a year each adviser would offer to do a presentation.

CEO RODELL moved to No. 6 and the changes are for the group to also interact with the Chief Investment Officer and for it to just say "prior to each quarterly Board meeting."

CHAIR BRADY asked if there were any other additions, deletions or changes to the body that was discussed. There being none, he recommended to adopt the amended language just discussed attached to be voted on at the next meeting for the Full Board to approve.

CEO RODELL stated that a motion was needed to make it clear on the record that the committee recommended that the Board adopt the changes.

MOTION: A motion to recommend adoption of the amended charter to the Full Board was made by CHAIR BRADY; seconded by TRUSTEE MORAN.

After a ROLL CALL VOTE the MOTION was approved (TRUSTEES BRADY, MORAN, TANGEMAN, and RICHARDS.)

CHAIR BRADY asked for any other matters or trustee comments at this time.

CEO RODELL stated that there will need to be another Governance Committee meeting in December.

MOTION: A motion to adjourn the meeting was made by TRUSTEE TANGEMAN.

CHAIR BRADY adjourned the meeting.

(Governance Committee meeting adjourned at 3:44 p.m.)

ALASKA PERMANENT FUND
CORPORATION

BOARD OF TRUSTEES CHARTERS
AND GOVERNANCE POLICIES

SEPTEMBER 23RD, ~~FEBRUARY 2017~~2020

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BOARD CHARTERS AND GOVERNANCE POLICIES

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ALASKA PERMANENT FUND CORPORATION

Charter of the Board of Trustees

INTRODUCTION

1. The State of Alaska has established the Alaska Permanent Fund Corporation (APFC) to manage and invest the assets of the Alaska Permanent Fund and other funds designated by law (Fund). [AS 37.13.040]
2. The Board of Trustees of the APFC (Board) consists of six members appointed by the Governor. Two of the members are required by law to be heads of principal departments of state government, one of whom shall be the commissioner of revenue. Four members shall be appointed by the Governor from the public with recognized competence and wide experience in finance, investments, or other business management-related fields. [AS 37.13.050]

DUTIES AND RESPONSIBILITIES

Governance

3. The Board ~~of Trustees~~ will establish a committee structure that it considers necessary and appropriate.
4. The Board will establish charters setting out the duties and responsibilities of:
 - (a) The Board of Trustees;
 - (b) The Chair and Vice Chair of the Board;
 - (c) The ~~Committees~~ of the Board;
 - (d) The Investment Advisory Group; and
 - (e) The Executive Director.
5. The Board will establish governance policies as necessary, including bylaws and other Board standards, to ensure effective operation of the affairs of the Board.
6. The Board will establish a process for the evaluation of the performance of the Executive Director and will conduct such performance evaluation annually.

Investments

7. In managing and investing the assets of the ~~Alaska Permanent~~ Fund, the Board is required to exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the Fund

**Alaska Permanent Fund Corporation
Charter of the Board of Trustees**

over time while maximizing the expected total return from both income and the appreciation of capital. [AS 37.13.120]

8. The Board will establish an investment policy which shall include the Board's overall investment philosophy, as well as other related policies as necessary for the effective management and investment of the assets of the Fund.
9. The Board will establish a framework and process for the management of the investment risk of the Fund, which shall be set out in the investment policy.
10. ~~Every~~ At least every five years the Board will review the investment policy and approve the long-term or strategic asset allocation of the Fund in terms of the proportion of total assets to be invested within ~~a minimum~~ a minimum-maximum range at any point in time.

Finance, Accounting and Audit

11. The Board will ensure that appropriate financial and operational controls and procedures are in place to safeguard the assets of the Fund.
12. The Board will ensure that audits of these controls and procedures are conducted from time to time by an independent external auditor in order to ensure that the assets are properly accounted for, and that the investments of the Fund are in accordance with applicable laws and regulations.
13. The Board will ensure that annual financial statements of the Fund are prepared and that these statements are audited by an independent external auditor. It will approve the annual financial statements, and include them as part of an annual report for distribution to the Governor, the Legislature and the public. [AS 37.13.170]

Operations and Human Resources

14. The Board will appoint an Executive Director and review the performance of the Executive Director annually.
15. The Board will establish a five-year strategic plan for the APFC and review the strategic plan annually.
16. The Board will approve an annual operating budget for the APFC.
17. The Board will establish human resources policies and procedures necessary for the effective management of the APFC, including a compensation and benefit policy and a succession plan for the senior management of the organization.

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Charter of the Board of Trustees**

Communications

18. The Board will establish a communications policy which sets out guidelines with respect to how the Board and individual trustees should communicate with:
- (a) The staff of the APFC;
 - (b) Service providers;
 - (c) The media, including social media such as Facebook, LinkedIn, and Twitter and
 - (d) Other external parties.

Appointments

19. The Board will approve the appointment of the following key service providers and advisors:
- (a) The External Auditor;
 - (b) The Custodian;
 - (c) The Investment Consultant;
 - (d) The members of the Investment Advisory Group; and
 - (e) At the Board's election, any other service providers.

Monitoring and Reporting

20. The Board will establish a policy which sets out its requirements regarding the reports the Board will receive on a regular basis in order to meet its responsibility for the oversight of the management of the APFC.
21. The Board will review on a regular basis, without limitation, the following:
- (a) The investment performance of the Fund and each asset class, including the costs of managing the Fund;
 - (b) The asset allocation and investment risk of the Fund; and
 - (c) The compliance program of the Fund and the APFC in relation to applicable laws and regulations, as well as all policies, procedures and bylaws established by the Board.
22. The Board will review the compliance of the Board, its committees, the Chair and Vice Chair of the Board, and the Executive Director with the duties and responsibilities set out in their respective charters.
23. The Board will review all policies established by the Board as frequently as required under the terms of the individual policy.
- ~~24. The Board will review and evaluate the performance of the Executive Director on an annual basis.~~

Commented [PC1]: This is already set out in 14 above.

**Alaska Permanent Fund Corporation
Charter of the Board of Trustees**

~~25. The Board will ensure that an annual report of the APFC is prepared and distributed as required by Alaska Statute 37.13.170.~~

Commented [PC2]: This is already covered in 13 above.

REVIEW AND AMENDMENT OF THE CHARTER

~~26-24.~~ The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

~~27-25.~~ The Board of Trustees adopted this Charter on ~~September 23rd, 2017~~rd, ~~February 23rd, 2017~~rd.

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ALASKA PERMANENT FUND CORPORATION
Charter of the Audit Committee of the Board

INTRODUCTION

1. The Board ~~of Trustees of the Alaska Permanent Fund Corporation ("APFC")~~ has established an Audit Committee ("the Committee") to assist the Board in the financial oversight of the APFC.
2. The Board has established this Charter which sets out the duties and responsibilities of the Committee.

ROLE

3. The role of the Audit Committee will be to:
 - (a) Monitor the integrity of the financial reporting process and the system of internal controls and procedures regarding finance, accounting, and legal compliance;
 - (b) Review the performance and independence of the APFC's external auditors; and
 - (c) Provide an avenue of communication among the external auditors, management, the Chief Financial Officer, and the Board.

AUTHORITIES

4. The Committee will have the authority to conduct any investigation appropriate to fulfill its responsibilities.
5. The Committee will have direct access to the external auditors, as well as all APFC management and staff, legal counsel, as well as all advisors, consultants and investment managers of the Fund.
6. The Committee may retain, at the expense of the APFC and consistent with applicable procurement requirements, consultants or experts it considers necessary in the performance of its duties.

OPERATING PROCEDURES

7. The Committee will consist of at least three Trustees, each of whom must have a basic understanding of finance and accounting and be able to read and understand financial statements.

**Alaska Permanent Fund Corporation
Charter of the Audit Committee of the Board**

8. The Committee will meet at least two times annually, or more frequently as circumstances dictate. The Committee Chair will ~~prepare and/or~~ approve an agenda in advance of each meeting.
9. The Committee will invite members of management, auditors, or other professionals as deemed necessary, to attend meetings and provide pertinent information. The Committee may meet in executive sessions as necessary within the requirements of the Alaska Open Meetings Act [AS 44.62.310].
10. The Committee will maintain minutes or digital recordings of Committee meetings and periodically report to the board of Trustees on significant results of the Committee's activities.
11. The Committee will annually perform a self-assessment of the Committee's performance.

DUTIES AND RESPONSIBILITIES

Financial Reporting and Internal Controls

12. The Committee will carry out the following responsibilities with respect to financial reporting and internal controls:
 - (a) Review the annual audited financial statements prior to filing or distribution of the final report. This review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and judgments;
 - (b) In consultation with management, the external auditors, and the Chief Financial Officer, consider the integrity of the financial reporting processes and controls; discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and review significant findings prepared by the external auditors and the Chief Financial Officer together with management's responses;
 - (c) Discuss any significant changes to applicable accounting principles and any items required to be communicated by the independent auditors;
 - (d) At least annually, review with the APFC's counsel any legal matters that could have a material impact on the Fund's financial statements, the APFC's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies; and

External Audit

13. The Committee will have the following responsibilities with respect to the APFC's external auditors:

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Charter of the Audit Committee of the Board**

- (a) Review the external auditors' audit plan - discuss scope, staffing, locations, reliance upon management, and general audit approach;
- (b) Consider the external auditors' judgments about the quality and appropriateness of the APFC's accounting principles as applied in its financial reporting;
- (c) Discuss with management and the external auditors the quality of the accounting principles and underlying estimates used in the preparation of the Fund's financial statements;
- (d) Discuss with the external auditors the clarity of the financial disclosure practices used or proposed by the APFC;
- (e) Review the performance and independence of the auditors and periodically recommend to the Board ~~of Trustees~~ the appointment of the external auditors or approve any discharge of auditors when circumstances warrant; and
- (f) On an annual basis, review and discuss with the external auditors all significant relationships the auditors have with the APFC that could impair the auditors' independence.

REVIEW AND AMENDMENT OF THE CHARTER

- 14. The Governance Committee, in consultation with the Audit Committee, and staff will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
- 15. The Board of Trustees adopted this Charter on ~~September~~ February 23rd, 201720.

ALASKA PERMANENT FUND CORPORATION

Charter of the Governance Committee of the Board

INTRODUCTION

1. The Board ~~of Trustees of the Alaska Permanent Fund Corporation ("APFC")~~ has established a Governance Committee ("the Committee") to assist the Board in the governance of the APFC.
2. The Vice Chair of the Board will serve as the Chair of the Governance Committee. The Vice Chair may act on behalf of the Governance Committee in performing the ~~following~~ duties set forth in this Charter with the approval of the full Board.

DUTIES AND RESPONSIBILITIES

Governance

3. The Governance Committee will review the charters of the Board, its committees, the Chair, the Vice Chair, the Investment Advisory Group, and the Executive Director, as well as the governance policies of the Board as frequently as required under the terms of the individual charter or policy. The Committee will recommend any proposed changes in the charters and policies to the Board for approval as necessary.
4. The Committee will review compliance by the Board, its committees, the Chair, the Vice Chair and the Executive Director with the duties and responsibilities set forth in their respective charters.
5. The Committee will ensure that the Board undertakes an evaluation of the performance of the Executive Director annually. It will supervise and coordinate the process by which the evaluation is conducted, including developing and recommending to the Board an evaluation survey, meeting with the Executive Director to discuss the evaluation results, and preparing an evaluation report.
6. Every three years, the Committee will review and update the senior management personnel (including Executive Director, Chief Investment Officer, Chief Risk Officer ~~and~~ Chief Financial Officer) succession plan.

Strategic Planning and Budgeting

7. The Committee will assist the Board in establishing a Strategic Plan. It will undertake a comprehensive review of the Plan every three to five years, and supervise the preparation of a new Strategic Plan.

**Alaska Permanent Fund Corporation
Charter of the Governance Committee of the Board**

Monitoring and Reporting

8. The Committee will review and approve any changes to the list of reports that the Board will receive on a regular basis as set out in the *Monitoring and Reporting Policy*.

REVIEW AND AMENDMENT OF THE CHARTER

9. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
10. The Board of Trustees adopted this Charter on ~~September~~February 23rd, 20~~17~~20.

ALASKA PERMANENT FUND CORPORATION

Charter of the Chair of the Board

INTRODUCTION

1. Alaska Statute 37.13.050 requires the Board of Trustees to elect a Chair annually from among its members.

DUTIES AND RESPONSIBILITIES

2. The Chair will perform the duties and responsibilities and exercise the powers as specified below:
 - (a) Appoint the members of the committees of the Board and the committee chairs (other than the chair of the Governance Committee);
 - (b) Coordinate Board meetings, agendas, schedules and presentations, in consultation with the Executive Director;
 - (c) Preside at the meetings of the Board and ensure that such meetings are conducted in an efficient manner and in accordance with Alaska's Open Meetings Act and agreed-upon rules of order;
 - (d) Facilitate effective and open communications between the Board and the Executive Director;
 - (e) Act as one of the official spokespersons for the APFC, together with the Executive Director;
 - (f) Review and approve travel and other expenses of the members of the Board of Trustees;
 - (g) Review and approve travel outside of the United States and other expenses of the Executive Director; and
 - (h) Carry out any other duties and responsibilities as assigned by the Board.

REVIEW AND AMENDMENT OF THE CHARTER

3. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
4. The Board of Trustees adopted this Charter on ~~September~~February 23rd, 2017~~20~~.

ALASKA PERMANENT FUND CORPORATION

Charter of the Vice Chair of the Board

INTRODUCTION

1. The Bylaws of the APFC establish the Vice Chair as an officer of the Board. The Vice Chair is elected annually.

DUTIES AND RESPONSIBILITIES

2. The Vice-Chair will perform the duties and responsibilities and exercise the powers as specified below:
 - (a) Assume the duties of the Chair when the Chair is absent, or when the Chair designates the Vice-Chair to act in that capacity;
 - (b) Temporarily act as the Chair in the event of death, resignation, removal from office, or permanent disability of the Chair, until the election of a new Chair;
 - (c) Serve as the Chair of the Governance Committee; and
 - (d) Carry out any other duties and responsibilities as assigned by the Board.

REVIEW AND AMENDMENT OF THE CHARTER

3. The Board of Trustees will review this Charter at least once every three (3) years and make any amendments as necessary to ensure that the Charter remains relevant and appropriate.

4. The Board of Trustees adopted this Charter on ~~September~~ February 23rd, 2017~~20~~.

ALASKA PERMANENT FUND CORPORATION

Charter of the Investment Advisory Group

INTRODUCTION

1. The Board of Trustees has established an Investment Advisory Group consisting of at least one but not more than three individuals who have considerable knowledge and experience in the management and investment of large endowment or trust funds to serve as independent advisors to the Board of Trustees.
2. This Charter sets out the duties and responsibilities of the Investment Advisory Group, which includes evaluating Fund performance, asset allocation, the merits of specific investment proposals, and other investment topics identified by the Board.
3. The Board will have full authority over the selection and appointment of the members of the Investment Advisory Group who will serve at the pleasure of the Board.

DUTIES AND RESPONSIBILITIES

4. The Investment Advisory Group (or "IAG") members are expected to attend in-person at least three of the quarterly Board meetings and present at least one topic annually for the Board's consideration on best practices in the management of large institutional funds, with input from the Board on the specific topic for presentation.
5. The IAG will provide comments to the Board on the following issues:
 - (a) The long-term or strategic asset allocation of the Fund;
 - (b) The risk management framework of the Fund;
 - (c) Any changes to the investment policy;
 - (d) Any proposed investment in new asset classes;
 - (e) Any proposed investment in new or innovative investment products or strategies, particularly those involving alternative or non-traditional asset classes;
 - (f) Any significant changes to the investment management structure of the Fund, including the following:

**Alaska Permanent Fund Corporation
Charter of the Investment Advisory Group**

- i) The relative proportion of assets in an asset class managed by external investment managers versus internal staff;
 - ii) The relative proportion of assets in an asset class managed using active versus passive investment strategies;
 - iii) The total number of active investment managers or portfolios in an asset class; and
- (g) Any other issue at the discretion of the Investment Advisory Group or as requested by the Board.
6. The IAG shall make contact with the Chief Investment Officer prior to each quarterly Board meeting to discuss topics on the agenda for the upcoming meeting, including:
- (a) Fund performance for the quarter;
 - (b) Changes being considered or implemented to the asset allocation or investment policy; and
 - (c) Any special topics that are to be discussed at the upcoming Board meeting.
7. Each member of the Investment Advisory Group will annually visit the Juneau office of the APFC and attend in-person an investment committee meeting of the APFC Staff.

REVIEW AND AMENDMENT OF THE CHARTER

8. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
9. The Board of Trustees adopted this Charter on September 25~~3rd~~rd, 20~~2019~~¹⁹.

ALASKA PERMANENT FUND CORPORATION

Charter of the Executive Director

INTRODUCTION

1. Alaska Statute 37.13.100 states that the Board of Trustees of the APFC may employ and determine the salary of an Executive Director.
2. The Bylaws of the APFC state that the Executive Director will be the chief executive officer of the Corporation and serve at the pleasure of the Board. ~~They~~ The Bylaws, set out, in general terms, the duties of the Executive Director.
3. The Board has, for greater clarity, established this Charter which sets out, in more specific terms, the duties and responsibilities of the Executive Director.
4. The Executive Director may delegate certain of these duties to staff. The Executive Director will, however, remain responsible for ensuring that these duties are carried out.

DUTIES AND RESPONSIBILITIES

Leadership

5. The Executive Director will provide executive leadership to the APFC in setting and achieving its mission, goals and objectives and will manage the APFC in accordance with guidelines and parameters established by the Board. In doing so, the Executive Director may solicit advice and counsel from the Board as necessary.

Policy Development

6. The Executive Director will provide support to the Board in establishing the policies of the Board. This will involve working with the Board and the Governance Committee to identify issues requiring Board policy, conducting the necessary analysis of such issues and providing clear and well-supported policy recommendations for Board approval.

Investments

7. The Executive Director will develop and recommend to the Board:
 - (a) An investment policy, including the Board's overall investment philosophy, and mechanism for monitoring and managing investment risk;
 - (b) The long-term or strategic asset allocation of the Fund in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time; and

**Alaska Permanent Fund Corporation
Charter of the Executive Director**

8. The Executive Director will implement all investment policies and strategies as approved by the Board.

Finance, Accounting and Audit

9. The Executive Director will direct that appropriate financial and operational controls and procedures are put in place to safeguard the assets of the Fund.
10. The Executive Director will direct and supervise a review of the Corporation's internal controls and procedures to ensure that the operations of the Corporation are performed in a secure and appropriate manner.
11. The Executive Director will direct and supervise the preparation of annual financial statements of the APFC and cooperate in the audit of these statements by an independent external auditor prior to their submission to the Audit Committee for its review.
12. The Executive Director will prepare and coordinate management's response to any issues of significant concern on the part of the external auditor, and will meet and discuss with the Audit Committee the findings of the audit.

Operations and Human Resources

13. The Executive Director will develop and recommend to the Board the overall organizational structure of the APFC.
14. The Executive Director will be responsible for managing the day-to-day operations of the APFC.
15. The Executive Director will have the authority to make all necessary operational expenditures, consistent with budgets, policies, and internal controls established by the Board.
16. The Executive Director will have the authority to execute all formal documents and contracts on behalf of the APFC.
17. The Executive Director will develop and recommend to the Board:
 - (a) A strategic plan; and
 - (b) An annual operating budget for the APFC.
18. The Executive Director will select and employ the staff necessary to manage the APFC and develop appropriate staff training and development programs.
19. The Executive Director will develop and recommend to the Board human resources policies and procedures necessary for the effective management of the APFC,

**Alaska Permanent Fund Corporation
Charter of the Executive Director**

including a compensation and benefit policy and a succession plan for the senior management of the organization.

20. The Executive Director will determine the appropriate level of compensation for staff within the benefits and compensation policy approved by the Board.

Communications

21. The Executive Director will develop and recommend to the Board a communications policy which sets out guidelines with respect to how the Board and individual trustees will communicate with:
- (a) The staff of the APFC;
 - (b) Service providers;
 - (c) The media, including social media such as Facebook, LinkedIn, and Twitter; and
 - (d) Other external parties.
22. The Executive Director will serve as one of the official spokespersons for the APFC, together with the Chair of the Board.

Appointments

23. The Executive Director will direct and supervise the conduct of all necessary due diligence that is appropriate in the search and selection of all service providers of the Fund.
24. The Executive Director will develop and recommend to the Board the appointment of the following key service providers and advisors:
- (a) The [External Auditor](#);
 - (b) The Custodian;
 - (c) The members of the Investment Advisory Group;
 - (d) The Investment Consultant; and
 - (e) Other service providers as the Board may direct.
25. The Executive Director will be responsible for the selection and appointment of all other service providers not appointed by the Board.
26. The Executive Director will negotiate and execute the terms and provisions of all agreements and contracts with the service providers of the Fund, including those appointed by the Board.

Monitoring and Reporting

27. The Executive Director will develop and recommend to the Board a monitoring and reporting policy which sets out the Board's requirements regarding the reports it will receive on a regular basis in order to meet its responsibility for the oversight of the management of the APFC.

**Alaska Permanent Fund Corporation
Charter of the Executive Director**

28. The Executive Director will provide the Board with all relevant and appropriate information in a timely manner so as to enable the Board to meet its responsibilities.
29. The Executive Director will monitor on an ongoing basis, without limitation, the following:
 - (a) The investment performance of the Fund, asset classes, and investment managers and portfolios, including the costs of managing the Fund;
 - (b) The asset allocation and investment risk of the Fund; and
 - (c) The compliance of the Fund and the APFC with all applicable laws and regulations, as well as all policies, procedures and bylaws established by the Board, including those set forth in the Board standards.
30. The Executive Director will periodically review the performance, level of service and fees of the service providers appointed by the Executive Director.
31. The Executive Director will direct and supervise the preparation of an annual report of the APFC for distribution as required by Alaska Statute 37.13.170.

REVIEW AND AMENDMENT OF THE CHARTER

32. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
33. The Board of Trustees adopted this Charter on ~~September~~February 23rd, 2017~~20~~.

ALASKA PERMANENT FUND CORPORATION

Board Policy Development Process

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Board Policy Development Process* in order to meet the following objectives:
 - (a) To set out the process by which the Board will develop and establish the policies of the Board; and
 - (b) To ensure that the process is sound and reasonable and provides the Board with effective policies that achieves the goals and objectives of the APFC.

POLICY GUIDELINES

Roles and Responsibilities

2. The role of the Executive Director in the policy development process will be to:
 - (a) Assist the Board in identifying appropriate areas or subject matters in which a board policy may be required;
 - (b) Provide the Board with sound and comprehensive analysis of the underlying issues;
 - (c) Undertake any research and analysis required in the development of the proposed policy, with the assistance of external advisors and consultants if necessary; and
 - (d) Prepare a draft of the proposed policy for the Board's consideration.
3. The role of the Board is to review the proposed policy, including the research and analysis undertaken, and approve it if the Board determines that the policy will achieve the goals and objectives of the APFC.

Development and Approval

4. Any member of the Board, a Board committee, or the Executive Director may propose to the Board that it consider the development of a new Board policy.
5. In determining whether a particular matter warrants a Board policy, the Board should consider whether it meets the following criteria:
 - (a) The matter may have a significant impact on the APFC's ability to achieve its goals and objectives;

**Alaska Permanent Fund Corporation
Board Policy Development Process**

- (b) It is an ongoing concern which is expected to come up again or remain indefinitely; and
 - (c) It is not an operational matter that would otherwise fall within the responsibility of the Executive Director.
6. If the Board determines that the matter warrants a Board policy, it will pass a motion directing the Executive Director to prepare and submit a draft policy to the Board for its consideration.
7. A Board policy should contain, at a minimum, the following sections:
- (a) Objectives of the policy – what the policy is intended to achieve;
 - (b) Policy guidelines – the actual terms and provisions of the policy; and
 - (c) Review and amendment of the policy – how often the policy will be reviewed, and the date(s) on which the policy was adopted and/or amended.
8. The Board will approve the final language of a policy by a roll call vote/resolution in order for the policy to take effect.

Maintenance and Review

9. All Board policies will be maintained in up-to-date form in a single volume or a series of volumes within the APFC's offices, and will be accessible to trustees, staff and the public. Trustees will be provided with a copy of the Board policies which will be updated as necessary.
10. The Board will formally review a Board policy within the time period specified in the policy, but no less frequently than once every three years. Any Trustee, Board committee, or the Executive Director may propose to the Governance Committee that a particular policy be reviewed earlier than required.

REVIEW AND AMENDMENT OF THE POLICY

11. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
12. The Board of Trustees adopted this Policy on September/February 23rd, 2017/20.

ALASKA PERMANENT FUND CORPORATION
Strategic Planning and Budgeting Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Strategic Planning and Budgeting Policy* in order to meet the following objectives:
 - (a) To ensure that the APFC plans, in a deliberate and systematic way, for the future needs of the organization; and
 - (b) To achieve a consensus among the Board and staff on how those needs and priorities are going to be met.

POLICY GUIDELINES

The Strategic Plan

2. The APFC will establish a Strategic Plan, extending over a period of five years into the future, to be reviewed and updated annually, which will address, without limitation, the following:
 - (a) The mission of the APFC;
 - (b) The philosophy and core values of the organization;
 - (c) The goals and objectives of the APFC over the three to five-year period;
 - (d) An evaluation of the external environment in which the APFC operates;
 - (e) An assessment of the organization's internal resources and capabilities; and
 - (f) The strategies for achieving the APFC's goals and objectives.
3. The Strategic Plan will include a list of the specific projects and initiatives to be started and/or implemented over the next fiscal year, including for each project or initiative:
 - (a) Its potential benefit or impact;
 - (b) Responsibility for implementation;
 - (c) Timeline for completion; and
 - (d) Budgetary implications.
4. The Board, with the assistance of the Executive Director, will undertake a comprehensive review of the Strategic Plan at least every five years.

**Alaska Permanent Fund Corporation
Strategic Planning and Budgetary Policy**

The Planning and Budgeting Process

5. The Executive Director will review and update the Strategic Plan annually and present a report to the Governance Committee that includes:
 - (a) A review of the implementation of the Strategic Plan for the current fiscal year; and
 - (b) The updated Strategic Plan, including the current projects and initiatives in progress to be carried forward and new initiatives to be undertaken in the next fiscal year.
6. The Executive Director will present to the Board semi-annually a variance report on the current year's Budget that provides:
 - (a) A comparison of actual expenditures versus the budget; and
 - (b) An explanation for significant differences in actual and budgeted amounts for any budget item.
7. The Executive Director will prepare and present to the Board annually a proposed Budget for the next fiscal year which provides:
 - (a) A breakdown of the Budget by line item, and within each line item by major expense category;
 - (b) A comparison of each budget item to the current year's budget and actual expenditure (projected to year-end);
 - (c) An explanation of significant changes from the previous year for any budget item; and
 - (d) The identification of budgetary amounts tied to any project or initiatives in the Strategic Plan for the next fiscal year.
8. Any significant revisions to the Strategic Plan or Budget must be reviewed and approved by the Board.
9. The Executive Director shall inform the Board Chair in a timely manner, if for any reason, a particular project or initiative cannot be implemented or completed as planned.

REVIEW AND AMENDMENT OF THE POLICY

10. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
11. The Board of Trustees adopted this Policy on ~~September~~February 23rd, 2017~~20~~.

ALASKA PERMANENT FUND CORPORATION

Monitoring and Reporting Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Monitoring and Reporting Policy* in order to set out its minimum requirements with respect to the reports it expects to receive on a regular basis.

POLICY GUIDELINES

2. The Board will receive the reports specified in the Appendix to this Policy. The reports will be provided on a regular basis at the frequency indicated in the Appendix.
3. The Board may receive additional reports on an ad hoc basis as necessary.
4. Any request by Trustees for additional reports to be provided on a regular basis will require approval by the Board and an amendment to the Appendix of this Policy.

REVIEW AND AMENDMENT OF THE POLICY

5. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
6. The Board of Trustees adopted this Policy on ~~September~~February 23rd, 2017~~20~~.

**Alaska Permanent Fund Corporation
Monitoring and Reporting Policy**

Monitoring and Reporting Policy

APPENDIX

Governance Reports

Name of Report	Frequency	Prepared By	Description of Report
1. Review of Governance Policies and Charters	Every 3 years	Staff	Report on the findings and recommendations of the Board's review of its governance policies and charters. There could be separate reports, for policies one year and charters another year.
2. Governance Report	Every 3 years	Third Party or staff	Report on compliance with governance policies and charters. This report should be part of the Board's review of its policies and charters, and produced with the same frequency, i.e. every 3 years, with separate reports for policies and charters.
3. Executive Director Performance Evaluation Report	Annual	Vice Chair, or Third Party	Report on the results of the Executive Officer's performance evaluation.
4. Board Education Report	Annual	Staff	Report on the activities of the Board and its members with respect to education.

Investment Reports

Name of Report	Frequency	Prepared By	Description of Report
5. Investment Performance Report	Monthly and Quarterly	Staff and/or Investment Consultant	Report on the asset allocation and investment performance of the Fund, including the performance of asset classes
6. Risk Management Report	Quarterly	Staff and/or Investment Consultant	Report on the investment risk of the Fund, its asset classes and investment portfolios.
7. Asset Allocation Study	Every 3 to 5 years	Staff and/or Investment Consultant	Report on the findings and recommendations of a review of the long-term or target asset allocation policy of the Fund.
8. Review of the Fund's Investment Policies	Every 1 to 3 years	Staff and/or Investment Consultant	Report on the findings and recommendations of a review of the investment policy statement and related policies and procedures of the Fund.
9. Review of the Fund's Investment Managers	Quarterly	Staff and/or Investment Consultant	Report on the performance and strategies of the investment managers of the Fund.

**Alaska Permanent Fund Corporation
Monitoring and Reporting Policy**

Financial, Audit and Operational Reports

Name of Report	Frequency	Prepared By	Description of Report
10. Annual Financial Report, including: <ul style="list-style-type: none"> ▪ Audited Financial Statements ▪ Management's Discussion and Analysis ▪ Auditor's Opinion 	Annual	Staff and External Auditor	Report on the financial position and activities of the Fund.
11. Cybersecurity/IT Audit	Every 3 years	Staff and/or Third Party	Report on the safety and security controls of the Fund.

Planning and Budgeting Reports

Name of Report	Frequency	Prepared By	Description of Report
12. Budget Variance Report	Semi-Annual	Staff	Report on the implementation of the current year's budget, showing the variance between actual and budgeted expenditures.
13. Operating Budget	Annual	Staff	Report on the proposed budget for the next fiscal year.

ALASKA PERMANENT FUND CORPORATION

Trustee Education Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Trustee Education Policy* with the following objectives:
 - (a) To ensure that the members of the Board have access to the knowledge and information necessary for them to fulfill their fiduciary duties as trustees of the Alaska Permanent Fund; and
 - (b) To assist them in becoming well informed in all matters pertaining generally to the management of a large institutional fund, both public and private, and more specifically to the management and investments of the [FundAPFC](#).

POLICY GUIDELINES

2. The education program for Trustees will be based on the following principles:
 - (a) The program should include both in-house education, so that Trustees can share in a common base of knowledge and information relevant to their tasks, as well as external conferences and seminars, so that Trustees can benefit from exposure to alternative perspectives and interaction with trustees of other organizations;
 - (b) There should be diverse sources for education, beyond APFC staff and current service providers, including other external consultants, advisors and experts, so that Trustees may benefit from a wide range of views and opinions; and
 - (c) Trustees are expected to participate in any in-house education sessions that may be organized for their benefit, including an orientation session for new Trustees. They are also encouraged to attend external conferences and seminars.
3. The education program will consist of the following:
 - (a) A formal orientation for new Trustees;
 - (b) A Trustee Reference Manual containing key information about the APFC;
 - (c) In-house education, including:
 - i) At the request of the Board, an annual education session
 - ii) Seminars and briefings from time to time;
 - iii) Selected reading material provided by staff; and
 - (d) External conferences and seminars.

**Alaska Permanent Fund Corporation
Trustee Education Policy**

Orientation Program

4. The Executive Director will develop an orientation program designed to introduce new trustees to all relevant operations of the APFC, and to the duties and responsibilities of the Trustee. The aim of the orientation program will be to ensure that a new Trustee is in a position to contribute fully to the deliberations of the Board, and effectively carry out their duties and responsibilities as soon as possible after joining the Board.
5. The orientation program should include the following:
 - (a) A briefing by the Executive Director on the history, mission, organization and operations of the APFC;
 - (b) A briefing by the Chief Investment Officer on the investment philosophy, asset allocation, investment managers, and the major investment portfolios of the Fund;
 - (c) A briefing on the laws and regulations governing the APFC, the fiduciary duties and responsibilities of the Trustees, the Board Charter, Committee structure, Bylaws and other Board standards including disclosure requirements;
 - (d) A briefing on administrative policies and procedures relating to Board members;
 - (e) An introduction to the APFC's website and the educational resources available there for Trustees; and
 - (f) A briefing by the Chair of the Board and the Executive Director on the major issues currently before the Board.
6. The new Trustee will also, as part of the orientation program, be provided with the following:
 - (a) The Trustee Reference Manual;
 - (b) Selected articles and papers on the APFC and institutional fund management;
 - (c) A list of upcoming conferences and seminars; and
 - (d) The most recent Annual Report, including the audited financial statements.

Trustee Reference Manual

7. The Trustee Reference Manual will include the following:
 - (a) The laws and regulations governing the Alaska Permanent Fund;
 - (b) The Bylaws of the APFC;
 - (c) The Charters and Governance Policies established by the Board;
 - (d) A list of Board committees and committee members;
 - (e) Names and contact information for Trustees, members of the Investment Advisory Group and the Executive Director;

**Alaska Permanent Fund Corporation
Trustee Education Policy**

- (f) Organization chart of the APFC;
- (g) List of the APFC's major service providers; and
- (h) The Investment Policy for the Fund.

In-house Education

- 8. The Board will periodically conduct assessments of its educational requirements to ensure it will be provided with the knowledge and information necessary to discharge its functions.
- 9. Trustees are encouraged to attend, if scheduled, an annual educational session which may be organized either by the Executive Director or in conjunction with other Alaska public funds such as the Alaska Retirement Management Board.
- 10. The Executive Director will, from time to time, organize short seminars or presentations on various topics by APFC staff and service providers, as well as other external consultants, advisors and experts. The Executive Director will consult with Trustees to identify topics of special interest or relevance to the Board, taking into account the results of the educational needs assessment. These sessions may be organized either as part of regular Board meetings or as stand-alone events.
- 11. The Executive Director will also provide Trustees with relevant and appropriate reading material (e.g., journal articles, research studies, news clippings, etc.).

External Conferences and Seminars

- 12. The Executive Director will maintain a list of conferences and seminars that Trustees may wish to attend, with expenses to be paid for by the APFC upon approval of the Chair. The Executive Director will update the list from time to time taking into account new information and feedback from previous conference attendees.
- 13. The Executive Director will notify the Board of upcoming conferences on a regular basis at Board meetings.
- 14. Trustees are free to attend any other conferences, seminars, or workshops, other than those recommended by the Executive Director. The potential reimbursement of expenses incurred by Trustees will be subject to prior approval by the Chair.

Trustee Education Report

- 15. The Executive Director will present to the Board annually a report on the various educational activities undertaken by the Board and individual Trustees during the year.

**Alaska Permanent Fund Corporation
Trustee Education Policy**

REVIEW AND AMENDMENT OF THE POLICY

16. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
17. The Board of Trustees adopted this Policy on ~~September~~February 23rd, 2017~~20~~20.

ALASKA PERMANENT FUND CORPORATION

Board Communications Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees has established this *Board Communications Policy* in order to facilitate effective communication by the Trustees with each other, and with APFC staff and service providers, the media and other external parties.

POLICY GUIDELINES

Communication among Trustees

2. Trustees are free to communicate with each other on matters concerning the APFC, subject to the requirements of Alaska's Open Meetings Act.

Communication with Staff

3. While Trustees have the right to communicate with any member of the APFC staff, they should direct questions and requests for information regarding the APFC's management and operations to the Executive Director or senior management staff.
4. Any question or request for information which can reasonably be expected to take up a significant amount of time, effort or resources on the part of APFC staff or service providers should be made through a formal request at a Board or committee meeting or with the consent of the Chair of the Board.
5. Trustees may directly contact the Executive Director or members of the senior management staff or APFC legal counsel, with any other question or request for which an answer or response is readily available or can be quickly and easily obtained.

Communication with Service Providers

6. Trustees should communicate with the APFC's investment managers and other service providers on matters concerning the APFC generally at Board or committee meetings, or through staff. If Trustees have any questions or wish to request any information from service providers, they should contact the Executive Director or a member of the senior management staff.
7. If Trustees do communicate directly with a service provider, they should be careful not to disclose any privileged information, make any commitments on behalf of the Board, or provide any special treatment or favoritism to the service provider. Trustees should disclose the nature of any communication with the service provider that is important or material to the APFC to the Board at their earliest convenience.

**Alaska Permanent Fund Corporation
Board Communications Policy**

8. Trustees should refer any investment opportunities or proposals they receive from a service provider which may be of relevance to the APFC directly to the Executive Director.
9. The provisions of Section 6 through 8 above will not apply to Trustees' communication with the Investment Consultant, the Investment Advisory Group, the Auditor and APFC legal counsel.

Communication with the Media and Other External Parties

10. The Chair and the Executive Director will both serve as the official spokespersons for the APFC.
11. In their role as spokespersons, they should communicate in a manner consistent with the established policies and decisions of the Board and should not make comments which represent their personal views.
12. The Executive Director will be responsible for all "press releases" or written communications with the media. Such communications should clearly and accurately represent the actions and decisions of the Board.
13. All Trustees, including the Chair, are free to communicate with the media on matters concerning the Board or the APFC in their capacity as individual Trustees. If approached by the media for interviews or information on the APFC, they may refer the matter to one of the official spokespersons. If Trustees do communicate with the media, they should observe the following guidelines:
 - (a) Trustees, other than the Chair, should not speak on behalf of the Board unless specifically authorized to do so by the Board;
 - (b) If authorized to speak on behalf of the Board, Trustees should follow the provisions of Section 11 above; and
 - (c) If Trustees, including the Chair, are speaking as individual Trustees, they should indicate that they are doing so, and not speaking on behalf of the Board.
14. Any written material on the APFC prepared by Trustees for publication or general distribution should be submitted to the Executive Director for review prior to its publication or distribution. The review will be only for the purpose of verifying the accuracy of the material to ensure that the APFC is not being inadvertently misrepresented.

REVIEW AND AMENDMENT OF THE POLICY

15. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.

**Alaska Permanent Fund Corporation
Board Communications Policy**

- | 16. The Board of Trustees adopted this Policy on ~~September~~February 23rd, 2017~~20~~.

ALASKA PERMANENT FUND CORPORATION

Executive Director Performance Evaluation Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Executive Director Performance Evaluation Policy* with the following objectives:
 - (a) To ensure that the Executive Director receives appropriate and useful feedback on their performance from the Board on an annual basis; and
 - (b) To help develop clear and meaningful performance objectives for the Executive Director.

POLICY GUIDELINES

Roles and Responsibilities

2. The Board will be responsible for evaluating the performance of the Executive Director on an annual basis.
3. The Governance Committee will be responsible for initiating and coordinating the performance evaluation process.
4. The Board ~~shall may~~ retain the services of an independent third party to facilitate and administer the performance evaluation in order to ensure the integrity and confidentiality of the process.

Evaluation Survey and Criteria

5. The Board will establish a survey to provide Trustees with a tool for evaluating the performance of the Executive Director based on a number of criteria, including the following:
 - (a) Achievement of the goals and objectives of the APFC;
 - (b) Completion of the specific projects and initiatives set out in the strategic plan for that fiscal year;
 - (c) Implementation of Board policies and reporting requirements;
 - (d) General leadership and management skills; and
 - (e) Compliance with the Executive Director's charter.
6. The Governance Committee, with the assistance of the Executive Director, will develop and recommend to the Board the design of the survey.

**Alaska Permanent Fund Corporation
Executive Director Performance Evaluation Policy**

The Evaluation Process

7. The Vice Chair, acting as Chair of the Governance Committee, will meet with the Executive Director to review the evaluation survey and criteria and agree on any changes.
8. Towards the end of the calendar year and before the fourth quarter meeting of the Board, the Vice Chair will distribute a package of materials to each Trustee which may include the following:
 - (a) A report prepared by the Executive Director on their achievements for the previous year, including the Executive Director's own assessment of the extent to which the evaluation criteria were met;
 - (b) The strategic plan and budget for the fiscal year or a summary thereof; and
 - (c) The evaluation survey, containing the evaluation criteria, to be filled out by the Trustee.
9. Trustees should complete the survey and return it to the facilitator within a specified period of time. The facilitator will tabulate the results of the survey, present a report summarizing the results to the Governance Committee, together with the completed evaluation surveys. The Committee will review the report and submit it to the Board.
10. The Board, consistent with Alaska's Open Meetings Act, will meet in executive session to review and discuss the results of the Executive Director's performance evaluation. The Governance Committee will prepare a draft Evaluation Report, with the Executive Director's assessment and the summary of the evaluation results attached as appendices.
11. The Board, consistent with Alaska's Open Meetings Act, will meet with the Executive Director in executive session to discuss the results of the performance evaluation and any opportunities for improvement.
12. The Board will then approve the final Evaluation Report, following which the Chair, Vice Chair and the Executive Director will each sign the Evaluation Report.
13. The Vice Chair will cause the signed Evaluation Report to be placed in the Executive Director's personnel file.

REVIEW AND AMENDMENT OF THE POLICY

14. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
15. The Board of Trustees adopted this Policy on ~~September~~February 23rd, 2017~~20~~20.

ALASKA PERMANENT FUND CORPORATION

Board Standards

OBJECTIVES OF THE STANDARDS

1. The Permanent Fund was established by Article IX, Section 15 of the Alaska Constitution. The statutory purpose of the APFC is to manage and invest the assets of the Permanent Fund. The Trustees' conduct is subject to Alaska Constitution and Statutes, regulations under the Alaska Administrative Code, and various other rules and policies. The Board of Trustees has established the *Board Standards* to identify applicable rules and policies and provide further guidance to Trustees in conducting their affairs and activities as Board members.

POLICY GUIDELINES

2. Trustees will conduct themselves with honesty, integrity, decorum, and professionalism in all aspects of their duties, and in their interaction with fellow trustees, APFC staff, service providers, and other external parties.

With Respect to Compliance with Laws, Regulations and Policies

3. Trustees will abide by all applicable laws and regulations, including, in particular, the following:
 - (a) Alaska Statutes at Title 37, Chapter 13;
 - (b) Alaska Administrative Code at Title 15, Chapter 137;
 - (c) APFC Bylaws;
 - (d) The Alaska Open Meetings Act and regulations thereunder;
 - (e) The Alaska Executive Branch Ethics Act and regulations thereunder, administered by the Department of Law; and
 - (f) The Alaska Conflict of Interest Act and regulations thereunder, administered by the Alaska Public Offices Commission (APOC).
4. Trustees will abide by all policies of the APFC.

With Respect to Confidentiality and Use of Information

5. Trustees will respect the confidentiality of all information pertaining to the APFC to which they become privy to by virtue of their position. They will not disclose any confidential information to any external party unless required to do so by law.
6. Any information on the APFC that Trustees request in their capacity as Trustees will only be to fulfill their responsibilities as Trustees of the APFC and not for use in their own personal or business affairs.

**Alaska Permanent Fund Corporation
Board Standards**

With Respect to Enforcement of the Board Standards

7. The Chair of the Board will enforce and attempt to rectify any breach of the Board Standards.
8. If a Trustee has reason to believe that a material violation of the Board Standards has taken place, they will notify the Chair (or the Vice Chair if the allegation is against the Chair) and the Executive Director.

REVIEW AND AMENDMENT OF THE POLICY

9. This Policy will be reviewed periodically and amended by the Board as necessary or appropriate.
10. The Board of Trustees adopted this Policy on ~~September~~February 23rd, 2017~~20~~.

ALASKA PERMANENT FUND
CORPORATION

BOARD OF TRUSTEES CHARTERS
AND GOVERNANCE POLICIES

SEPTEMBER 23RD, 2020

BOARD CHARTERS AND GOVERNANCE POLICIES

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ALASKA PERMANENT FUND CORPORATION

Charter of the Board of Trustees

INTRODUCTION

1. The State of Alaska has established the Alaska Permanent Fund Corporation (APFC) to manage and invest the assets of the Alaska Permanent Fund and other funds designated by law (Fund). [AS 37.13.040]
2. The Board of Trustees of the APFC (Board) consists of six members appointed by the Governor. Two of the members are required by law to be heads of principal departments of state government, one of whom shall be the commissioner of revenue. Four members shall be appointed by the Governor from the public with recognized competence and wide experience in finance, investments, or other business management-related fields. [AS 37.13.050]

DUTIES AND RESPONSIBILITIES

Governance

3. The Board will establish a committee structure that it considers necessary and appropriate.
4. The Board will establish charters setting out the duties and responsibilities of:
 - (a) The Board of Trustees;
 - (b) The Chair and Vice Chair of the Board;
 - (c) The Committees of the Board;
 - (d) The Investment Advisory Group; and
 - (e) The Executive Director.
5. The Board will establish governance policies as necessary, including bylaws and other Board standards, to ensure effective operation of the affairs of the Board.
6. The Board will establish a process for the evaluation of the performance of the Executive Director and will conduct such performance evaluation annually.

Investments

7. In managing and investing the assets of the Fund, the Board is required to exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the designation and management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering preservation of the purchasing power of the Fund over time while

**Alaska Permanent Fund Corporation
Charter of the Board of Trustees**

maximizing the expected total return from both income and the appreciation of capital. [AS 37.13.120]

8. The Board will establish an investment policy which shall include the Board's overall investment philosophy, as well as other related policies as necessary for the effective management and investment of the assets of the Fund.
9. The Board will establish a framework and process for the management of the investment risk of the Fund, which shall be set out in the investment policy.
10. At least every five years the Board will review the investment policy and approve the long-term or strategic asset allocation of the Fund in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time.

Finance, Accounting and Audit

11. The Board will ensure that appropriate financial and operational controls and procedures are in place to safeguard the assets of the Fund.
12. The Board will ensure that audits of these controls and procedures are conducted from time to time by an independent external auditor in order to ensure that the assets are properly accounted for, and that the investments of the Fund are in accordance with applicable laws and regulations.
13. The Board will ensure that annual financial statements of the Fund are prepared and that these statements are audited by an independent external auditor. It will approve the annual financial statements, and include them as part of an annual report for distribution to the Governor, the Legislature and the public. [AS 37.13.170]

Operations and Human Resources

14. The Board will appoint an Executive Director and review the performance of the Executive Director annually.
15. The Board will establish a five-year strategic plan for the APFC and review the strategic plan annually.
16. The Board will approve an annual operating budget for the APFC.
17. The Board will establish human resources policies and procedures necessary for the effective management of the APFC, including a compensation and benefit policy and a succession plan for the senior management of the organization.

Communications

18. The Board will establish a communications policy which sets out guidelines with respect to how the Board and individual trustees should communicate with:
- (a) The staff of the APFC;
 - (b) Service providers;
 - (c) The media, including social media such as Facebook, LinkedIn, and Twitter and
 - (d) Other external parties.

Appointments

19. The Board will approve the appointment of the following key service providers and advisors:
- (a) The External Auditor;
 - (b) The Custodian;
 - (c) The Investment Consultant;
 - (d) The members of the Investment Advisory Group; and
 - (e) At the Board's election, any other service providers.

Monitoring and Reporting

20. The Board will establish a policy which sets out its requirements regarding the reports the Board will receive on a regular basis in order to meet its responsibility for the oversight of the management of the APFC.
21. The Board will review on a regular basis, without limitation, the following:
- (a) The investment performance of the Fund and each asset class, including the costs of managing the Fund;
 - (b) The asset allocation and investment risk of the Fund; and
 - (c) The compliance program of the Fund and the APFC in relation to applicable laws and regulations, as well as all policies, procedures and bylaws established by the Board.
22. The Board will review the compliance of the Board, its committees, the Chair and Vice Chair of the Board, and the Executive Director with the duties and responsibilities set out in their respective charters.
23. The Board will review all policies established by the Board as frequently as required under the terms of the individual policy.

REVIEW AND AMENDMENT OF THE CHARTER

**Alaska Permanent Fund Corporation
Charter of the Board of Trustees**

24. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
25. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Charter of the Audit Committee of the Board

INTRODUCTION

1. The Board has established an Audit Committee (“the Committee”) to assist the Board in the financial oversight of the APFC.
2. The Board has established this Charter which sets out the duties and responsibilities of the Committee.

ROLE

3. The role of the Audit Committee will be to:
 - (a) Monitor the integrity of the financial reporting process and the system of internal controls and procedures regarding finance, accounting, and legal compliance;
 - (b) Review the performance and independence of the APFC's external auditors; and
 - (c) Provide an avenue of communication among the external auditors, management, the Chief Financial Officer, and the Board.

AUTHORITIES

4. The Committee will have the authority to conduct any investigation appropriate to fulfill its responsibilities.
5. The Committee will have direct access to the external auditors, as well as all APFC management and staff, legal counsel, as well as all advisors, consultants and investment managers of the Fund.
6. The Committee may retain, at the expense of the APFC and consistent with applicable procurement requirements, consultants or experts it considers necessary in the performance of its duties.

OPERATING PROCEDURES

7. The Committee will consist of at least three Trustees, each of whom must have a basic understanding of finance and accounting and be able to read and understand financial statements.

**Alaska Permanent Fund Corporation
Charter of the Audit Committee of the Board**

8. The Committee will meet at least two times annually, or more frequently as circumstances dictate. The Committee Chair will approve an agenda in advance of each meeting.
9. The Committee will invite members of management, auditors, or other professionals as deemed necessary, to attend meetings and provide pertinent information. The Committee may meet in executive sessions as necessary within the requirements of the Alaska Open Meetings Act [AS 44.62.310].
10. The Committee will maintain minutes or digital recordings of Committee meetings and periodically report to the board of Trustees on significant results of the Committee's activities.
11. The Committee will annually perform a self-assessment of the Committee's performance.

DUTIES AND RESPONSIBILITIES

Financial Reporting and Internal Controls

12. The Committee will carry out the following responsibilities with respect to financial reporting and internal controls:
 - (a) Review the annual audited financial statements prior to filing or distribution of the final report. This review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and judgments;
 - (b) In consultation with management, the external auditors, and the Chief Financial Officer, consider the integrity of the financial reporting processes and controls; discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and review significant findings prepared by the external auditors and the Chief Financial Officer together with management's responses;
 - (c) Discuss any significant changes to applicable accounting principles and any items required to be communicated by the independent auditors;
 - (d) At least annually, review with the APFC's counsel any legal matters that could have a material impact on the Fund's financial statements, the APFC's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies; and

External Audit

13. The Committee will have the following responsibilities with respect to the APFC's external auditors:

**Alaska Permanent Fund Corporation
Charter of the Audit Committee of the Board**

- (a) Review the external auditors' audit plan - discuss scope, staffing, locations, reliance upon management, and general audit approach;
- (b) Consider the external auditors' judgments about the quality and appropriateness of the APFC's accounting principles as applied in its financial reporting;
- (c) Discuss with management and the external auditors the quality of the accounting principles and underlying estimates used in the preparation of the Fund's financial statements;
- (d) Discuss with the external auditors the clarity of the financial disclosure practices used or proposed by the APFC;
- (e) Review the performance and independence of the auditors and periodically recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant; and
- (f) On an annual basis, review and discuss with the external auditors all significant relationships the auditors have with the APFC that could impair the auditors' independence.

REVIEW AND AMENDMENT OF THE CHARTER

- 14. The Governance Committee, in consultation with the Audit Committee, and staff will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
- 15. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Charter of the Governance Committee of the Board

INTRODUCTION

1. The Board has established a Governance Committee (“the Committee”) to assist the Board in the governance of the APFC.
2. The Vice Chair of the Board will serve as the Chair of the Governance Committee. The Vice Chair may act on behalf of the Governance Committee in performing the duties set forth in this Charter with the approval of the full Board.

DUTIES AND RESPONSIBILITIES

Governance

3. The Governance Committee will review the charters of the Board, its committees, the Chair, the Vice Chair, the Investment Advisory Group, and the Executive Director, as well as the governance policies of the Board as frequently as required under the terms of the individual charter or policy. The Committee will recommend any proposed changes in the charters and policies to the Board for approval as necessary.
4. The Committee will review compliance by the Board, its committees, the Chair, the Vice Chair and the Executive Director with the duties and responsibilities set forth in their respective charters.
5. The Committee will ensure that the Board undertakes an evaluation of the performance of the Executive Director annually. It will supervise and coordinate the process by which the evaluation is conducted, including developing and recommending to the Board an evaluation survey, meeting with the Executive Director to discuss the evaluation results, and preparing an evaluation report.
6. Every three years, the Committee will review and update the senior management personnel (including Executive Director, Chief Investment Officer, Chief Risk Officer and Chief Financial Officer) succession plan.

Strategic Planning and Budgeting

7. The Committee will assist the Board in establishing a Strategic Plan. It will undertake a comprehensive review of the Plan every three to five years, and supervise the preparation of a new Strategic Plan.

Monitoring and Reporting

**Alaska Permanent Fund Corporation
Charter of the Governance Committee of the Board**

8. The Committee will review and approve any changes to the list of reports that the Board will receive on a regular basis as set out in the *Monitoring and Reporting Policy*.

REVIEW AND AMENDMENT OF THE CHARTER

9. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
10. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Charter of the Chair of the Board

INTRODUCTION

1. Alaska Statute 37.13.050 requires the Board of Trustees to elect a Chair annually from among its members.

DUTIES AND RESPONSIBILITIES

2. The Chair will perform the duties and responsibilities and exercise the powers as specified below:
 - (a) Appoint the members of the committees of the Board and the committee chairs (other than the chair of the Governance Committee);
 - (b) Coordinate Board meetings, agendas, schedules and presentations, in consultation with the Executive Director;
 - (c) Preside at the meetings of the Board and ensure that such meetings are conducted in an efficient manner and in accordance with Alaska's Open Meetings Act and agreed-upon rules of order;
 - (d) Facilitate effective and open communications between the Board and the Executive Director;
 - (e) Act as one of the official spokespersons for the APFC, together with the Executive Director;
 - (f) Review and approve travel and other expenses of the members of the Board of Trustees;
 - (g) Review and approve travel outside of the United States and other expenses of the Executive Director; and
 - (h) Carry out any other duties and responsibilities as assigned by the Board.

REVIEW AND AMENDMENT OF THE CHARTER

3. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
4. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Charter of the Vice Chair of the Board

INTRODUCTION

1. The Bylaws of the APFC establish the Vice Chair as an officer of the Board. The Vice Chair is elected annually.

DUTIES AND RESPONSIBILITIES

2. The Vice-Chair will perform the duties and responsibilities and exercise the powers as specified below:
 - (a) Assume the duties of the Chair when the Chair is absent, or when the Chair designates the Vice-Chair to act in that capacity;
 - (b) Temporarily act as the Chair in the event of death, resignation, removal from office, or permanent disability of the Chair, until the election of a new Chair;
 - (c) Serve as the Chair of the Governance Committee; and
 - (d) Carry out any other duties and responsibilities as assigned by the Board.

REVIEW AND AMENDMENT OF THE CHARTER

3. The Board of Trustees will review this Charter at least once every three (3) years and make any amendments as necessary to ensure that the Charter remains relevant and appropriate.
4. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Charter of the Investment Advisory Group

INTRODUCTION

1. The Board of Trustees has established an Investment Advisory Group consisting of at least one but not more than three individuals who have considerable knowledge and experience in the management and investment of large endowment or trust funds to serve as independent advisors to the Board of Trustees.
2. This Charter sets out the duties and responsibilities of the Investment Advisory Group, which includes evaluating Fund performance, asset allocation, the merits of specific investment proposals, and other investment topics identified by the Board.
3. The Board will have full authority over the selection and appointment of the members of the Investment Advisory Group who will serve at the pleasure of the Board.

DUTIES AND RESPONSIBILITIES

4. The Investment Advisory Group (or "IAG") members are expected to attend in-person at least three of the quarterly Board meetings and present at least one topic annually for the Board's consideration on best practices in the management of large institutional funds, with input from the Board on the specific topic for presentation.
5. The IAG will provide comments to the Board on the following issues:
 - (a) The long-term or strategic asset allocation of the Fund;
 - (b) The risk management framework of the Fund;
 - (c) Any changes to the investment policy;
 - (d) Any proposed investment in new asset classes;
 - (e) Any proposed investment in new or innovative investment products or strategies, particularly those involving alternative or non-traditional asset classes;
 - (f) Any significant changes to the investment management structure of the Fund, including the following:

**Alaska Permanent Fund Corporation
Charter of the Investment Advisory Group**

- i) The relative proportion of assets in an asset class managed by external investment managers versus internal staff;
 - ii) The relative proportion of assets in an asset class managed using active versus passive investment strategies;
 - iii) The total number of active investment managers or portfolios in an asset class; and
 - (g) Any other issue at the discretion of the Investment Advisory Group or as requested by the Board.
6. The IAG shall make contact with the Chief Investment Officer prior to each quarterly Board meeting to discuss topics on the agenda for the upcoming meeting, including:
- (a) Fund performance for the quarter;
 - (b) Changes being considered or implemented to the asset allocation or investment policy; and
 - (c) Any special topics that are to be discussed at the upcoming Board meeting.
7. Each member of the Investment Advisory Group will annually visit the Juneau office of the APFC and attend in-person an investment committee meeting of the APFC Staff.

REVIEW AND AMENDMENT OF THE CHARTER

- 8. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
- 9. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Charter of the Executive Director

INTRODUCTION

1. Alaska Statute 37.13.100 states that the Board of Trustees of the APFC may employ and determine the salary of an Executive Director.
2. The Bylaws of the APFC state that the Executive Director will be the chief executive officer of the Corporation and serve at the pleasure of the Board. The Bylaws, set out, in general terms, the duties of the Executive Director.
3. The Board has, for greater clarity, established this Charter which sets out, in more specific terms, the duties and responsibilities of the Executive Director.
4. The Executive Director may delegate certain of these duties to staff. The Executive Director will, however, remain responsible for ensuring that these duties are carried out.

DUTIES AND RESPONSIBILITIES

Leadership

5. The Executive Director will provide executive leadership to the APFC in setting and achieving its mission, goals and objectives and will manage the APFC in accordance with guidelines and parameters established by the Board. In doing so, the Executive Director may solicit advice and counsel from the Board as necessary.

Policy Development

6. The Executive Director will provide support to the Board in establishing the policies of the Board. This will involve working with the Board and the Governance Committee to identify issues requiring Board policy, conducting the necessary analysis of such issues and providing clear and well-supported policy recommendations for Board approval.

Investments

7. The Executive Director will develop and recommend to the Board:
 - (a) An investment policy, including the Board's overall investment philosophy, and mechanism for monitoring and managing investment risk;
 - (b) The long-term or strategic asset allocation of the Fund in terms of the proportion of total assets to be invested within a minimum-maximum range at any point in time; and

8. The Executive Director will implement all investment policies and strategies as approved by the Board.

Finance, Accounting and Audit

9. The Executive Director will direct that appropriate financial and operational controls and procedures are put in place to safeguard the assets of the Fund.
10. The Executive Director will direct and supervise a review of the Corporation's internal controls and procedures to ensure that the operations of the Corporation are performed in a secure and appropriate manner.
11. The Executive Director will direct and supervise the preparation of annual financial statements of the APFC and cooperate in the audit of these statements by an independent external auditor prior to their submission to the Audit Committee for its review.
12. The Executive Director will prepare and coordinate management's response to any issues of significant concern on the part of the external auditor, and will meet and discuss with the Audit Committee the findings of the audit.

Operations and Human Resources

13. The Executive Director will develop and recommend to the Board the overall organizational structure of the APFC.
14. The Executive Director will be responsible for managing the day-to-day operations of the APFC.
15. The Executive Director will have the authority to make all necessary operational expenditures, consistent with budgets, policies, and internal controls established by the Board.
16. The Executive Director will have the authority to execute all formal documents and contracts on behalf of the APFC.
17. The Executive Director will develop and recommend to the Board:
 - (a) A strategic plan; and
 - (b) An annual operating budget for the APFC.
18. The Executive Director will select and employ the staff necessary to manage the APFC and develop appropriate staff training and development programs.
19. The Executive Director will develop and recommend to the Board human resources policies and procedures necessary for the effective management of the APFC,

including a compensation and benefit policy and a succession plan for the senior management of the organization.

20. The Executive Director will determine the appropriate level of compensation for staff within the benefits and compensation policy approved by the Board.

Communications

21. The Executive Director will develop and recommend to the Board a communications policy which sets out guidelines with respect to how the Board and individual trustees will communicate with:
 - (a) The staff of the APFC;
 - (b) Service providers;
 - (c) The media, including social media such as Facebook, LinkedIn, and Twitter; and
 - (d) Other external parties.
22. The Executive Director will serve as one of the official spokespersons for the APFC, together with the Chair of the Board.

Appointments

23. The Executive Director will direct and supervise the conduct of all necessary due diligence that is appropriate in the search and selection of all service providers of the Fund.
24. The Executive Director will develop and recommend to the Board the appointment of the following key service providers and advisors:
 - (a) The External Auditor;
 - (b) The Custodian;
 - (c) The members of the Investment Advisory Group;
 - (d) The Investment Consultant; and
 - (e) Other service providers as the Board may direct.
25. The Executive Director will be responsible for the selection and appointment of all other service providers not appointed by the Board.
26. The Executive Director will negotiate and execute the terms and provisions of all agreements and contracts with the service providers of the Fund, including those appointed by the Board.

Monitoring and Reporting

27. The Executive Director will develop and recommend to the Board a monitoring and reporting policy which sets out the Board's requirements regarding the reports it will receive on a regular basis in order to meet its responsibility for the oversight of the management of the APFC.

**Alaska Permanent Fund Corporation
Charter of the Executive Director**

28. The Executive Director will provide the Board with all relevant and appropriate information in a timely manner so as to enable the Board to meet its responsibilities.
29. The Executive Director will monitor on an ongoing basis, without limitation, the following:
 - (a) The investment performance of the Fund, asset classes, and investment managers and portfolios, including the costs of managing the Fund;
 - (b) The asset allocation and investment risk of the Fund; and
 - (c) The compliance of the Fund and the APFC with all applicable laws and regulations, as well as all policies, procedures and bylaws established by the Board, including those set forth in the Board standards.
30. The Executive Director will periodically review the performance, level of service and fees of the service providers appointed by the Executive Director.
31. The Executive Director will direct and supervise the preparation of an annual report of the APFC for distribution as required by Alaska Statute 37.13.170.

REVIEW AND AMENDMENT OF THE CHARTER

32. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.
33. The Board of Trustees adopted this Charter on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Board Policy Development Process

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Board Policy Development Process* in order to meet the following objectives:
 - (a) To set out the process by which the Board will develop and establish the policies of the Board; and
 - (b) To ensure that the process is sound and reasonable and provides the Board with effective policies that achieves the goals and objectives of the APFC.

POLICY GUIDELINES

Roles and Responsibilities

2. The role of the Executive Director in the policy development process will be to:
 - (a) Assist the Board in identifying appropriate areas or subject matters in which a board policy may be required;
 - (b) Provide the Board with sound and comprehensive analysis of the underlying issues;
 - (c) Undertake any research and analysis required in the development of the proposed policy, with the assistance of external advisors and consultants if necessary; and
 - (d) Prepare a draft of the proposed policy for the Board's consideration.
3. The role of the Board is to review the proposed policy, including the research and analysis undertaken, and approve it if the Board determines that the policy will achieve the goals and objectives of the APFC.

Development and Approval

4. Any member of the Board, a Board committee, or the Executive Director may propose to the Board that it consider the development of a new Board policy.
5. In determining whether a particular matter warrants a Board policy, the Board should consider whether it meets the following criteria:
 - (a) The matter may have a significant impact on the APFC's ability to achieve its goals and objectives;

**Alaska Permanent Fund Corporation
Board Policy Development Process**

- (b) It is an ongoing concern which is expected to come up again or remain indefinitely; and
 - (c) It is not an operational matter that would otherwise fall within the responsibility of the Executive Director.
6. If the Board determines that the matter warrants a Board policy, it will pass a motion directing the Executive Director to prepare and submit a draft policy to the Board for its consideration.
 7. A Board policy should contain, at a minimum, the following sections:
 - (a) Objectives of the policy – what the policy is intended to achieve;
 - (b) Policy guidelines – the actual terms and provisions of the policy; and
 - (c) Review and amendment of the policy – how often the policy will be reviewed, and the date(s) on which the policy was adopted and/or amended.
 8. The Board will approve the final language of a policy by a roll call vote.

Maintenance and Review

9. All Board policies will be maintained in up-to-date form in a single volume or a series of volumes within the APFC's offices, and will be accessible to trustees, staff and the public. Trustees will be provided with a copy of the Board policies which will be updated as necessary.
10. The Board will formally review a Board policy within the time period specified in the policy, but no less frequently than once every three years. Any Trustee, Board committee, or the Executive Director may propose to the Governance Committee that a particular policy be reviewed earlier than required.

REVIEW AND AMENDMENT OF THE POLICY

11. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
12. The Board of Trustees adopted this Policy on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Strategic Planning and Budgeting Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Strategic Planning and Budgeting Policy* in order to meet the following objectives:
 - (a) To ensure that the APFC plans, in a deliberate and systematic way, for the future needs of the organization; and
 - (b) To achieve a consensus among the Board and staff on how those needs and priorities are going to be met.

POLICY GUIDELINES

The Strategic Plan

2. The APFC will establish a Strategic Plan, extending over a period of five years into the future, to be reviewed and updated annually, which will address, without limitation, the following:
 - (a) The mission of the APFC;
 - (b) The philosophy and core values of the organization;
 - (c) The goals and objectives of the APFC over the three to five-year period;
 - (d) An evaluation of the external environment in which the APFC operates;
 - (e) An assessment of the organization's internal resources and capabilities; and
 - (f) The strategies for achieving the APFC's goals and objectives.
3. The Strategic Plan will include a list of the specific projects and initiatives to be started and/or implemented over the next fiscal year, including for each project or initiative:
 - (a) Its potential benefit or impact;
 - (b) Responsibility for implementation;
 - (c) Timeline for completion; and
 - (d) Budgetary implications.
4. The Board, with the assistance of the Executive Director, will undertake a comprehensive review of the Strategic Plan at least every five years.

The Planning and Budgeting Process

5. The Executive Director will review and update the Strategic Plan annually and present a report to the Governance Committee that includes:
 - (a) A review of the implementation of the Strategic Plan for the current fiscal year; and
 - (b) The updated Strategic Plan, including the current projects and initiatives in progress to be carried forward and new initiatives to be undertaken in the next fiscal year.
6. The Executive Director will present to the Board semi-annually a variance report on the current year's Budget that provides:
 - (a) A comparison of actual expenditures versus the budget; and
 - (b) An explanation for significant differences in actual and budgeted amounts for any budget item.
7. The Executive Director will prepare and present to the Board annually a proposed Budget for the next fiscal year which provides:
 - (a) A breakdown of the Budget by line item, and within each line item by major expense category;
 - (b) A comparison of each budget item to the current year's budget and actual expenditure (projected to year-end);
 - (c) An explanation of significant changes from the previous year for any budget item; and
 - (d) The identification of budgetary amounts tied to any project or initiatives in the Strategic Plan for the next fiscal year.
8. Any significant revisions to the Strategic Plan or Budget must be reviewed and approved by the Board.
9. The Executive Director shall inform the Board Chair in a timely manner, if for any reason, a particular project or initiative cannot be implemented or completed as planned.

REVIEW AND AMENDMENT OF THE POLICY

10. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
11. The Board of Trustees adopted this Policy on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Monitoring and Reporting Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Monitoring and Reporting Policy* in order to set out its minimum requirements with respect to the reports it expects to receive on a regular basis.

POLICY GUIDELINES

2. The Board will receive the reports specified in the Appendix to this Policy. The reports will be provided on a regular basis at the frequency indicated in the Appendix.
3. The Board may receive additional reports on an ad hoc basis as necessary.
4. Any request by Trustees for additional reports to be provided on a regular basis will require approval by the Board and an amendment to the Appendix of this Policy.

REVIEW AND AMENDMENT OF THE POLICY

5. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
6. The Board of Trustees adopted this Policy on September 23rd, 2020.

Monitoring and Reporting Policy

APPENDIX

Governance Reports

Name of Report	Frequency	Prepared By	Description of Report
1. Review of Governance Policies and Charters	Every 3 years	Staff	Report on the findings and recommendations of the Board's review of its governance policies and charters. There could be separate reports, for policies one year and charters another year.
2. Governance Report	Every 3 years	Third Party or staff	Report on compliance with governance policies and charters. This report should be part of the Board's review of its policies and charters, and produced with the same frequency, i.e. every 3 years, with separate reports for policies and charters.
3. Executive Director Performance Evaluation Report	Annual	Vice Chair, or Third Party	Report on the results of the Executive Officer's performance evaluation.
4. Board Education Report	Annual	Staff	Report on the activities of the Board and its members with respect to education.

Investment Reports

Name of Report	Frequency	Prepared By	Description of Report
5. Investment Performance Report	Monthly and Quarterly	Staff and/or Investment Consultant	Report on the asset allocation and investment performance of the Fund, including the performance of asset classes
6. Risk Management Report	Quarterly	Staff and/or Investment Consultant	Report on the investment risk of the Fund, its asset classes and investment portfolios.
7. Asset Allocation Study	Every 3 to 5 years	Staff and/or Investment Consultant	Report on the findings and recommendations of a review of the long-term or target asset allocation policy of the Fund.
8. Review of the Fund's Investment Policies	Every 1 to 3 years	Staff and/or Investment Consultant	Report on the findings and recommendations of a review of the investment policy statement and related policies and procedures of the Fund.
9. Review of the Fund's Investment Managers	Quarterly	Staff and/or Investment Consultant	Report on the performance and strategies of the investment managers of the Fund.

**Alaska Permanent Fund Corporation
Monitoring and Reporting Policy**

Financial, Audit and Operational Reports

Name of Report	Frequency	Prepared By	Description of Report
10. Annual Financial Report, including: <ul style="list-style-type: none"> ▪ Audited Financial Statements ▪ Management's Discussion and Analysis ▪ Auditor's Opinion 	Annual	Staff and External Auditor	Report on the financial position and activities of the Fund.
11. Cybersecurity/IT Audit	Every 3 years	Staff and/or Third Party	Report on the safety and security controls of the Fund.

Planning and Budgeting Reports

Name of Report	Frequency	Prepared By	Description of Report
12. Budget Variance Report	Semi-Annual	Staff	Report on the implementation of the current year's budget, showing the variance between actual and budgeted expenditures.
13. Operating Budget	Annual	Staff	Report on the proposed budget for the next fiscal year.

ALASKA PERMANENT FUND CORPORATION

Trustee Education Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Trustee Education Policy* with the following objectives:
 - (a) To ensure that the members of the Board have access to the knowledge and information necessary for them to fulfill their fiduciary duties as trustees of the Alaska Permanent Fund; and
 - (b) To assist them in becoming well informed in all matters pertaining generally to the management of a large institutional fund, both public and private, and more specifically to the management and investments of the Fund.

POLICY GUIDELINES

2. The education program for Trustees will be based on the following principles:
 - (a) The program should include both in-house education, so that Trustees can share in a common base of knowledge and information relevant to their tasks, as well as external conferences and seminars, so that Trustees can benefit from exposure to alternative perspectives and interaction with trustees of other organizations;
 - (b) There should be diverse sources for education, beyond APFC staff and current service providers, including other external consultants, advisors and experts, so that Trustees may benefit from a wide range of views and opinions; and
 - (c) Trustees are expected to participate in any in-house education sessions that may be organized for their benefit, including an orientation session for new Trustees. They are also encouraged to attend external conferences and seminars.
3. The education program will consist of the following:
 - (a) A formal orientation for new Trustees;
 - (b) A Trustee Reference Manual containing key information about the APFC;
 - (c) In-house education, including:
 - i) At the request of the Board, an annual education session
 - ii) Seminars and briefings from time to time;
 - iii) Selected reading material provided by staff; and
 - (d) External conferences and seminars.

Orientation Program

4. The Executive Director will develop an orientation program designed to introduce new trustees to all relevant operations of the APFC, and to the duties and responsibilities of the Trustee. The aim of the orientation program will be to ensure that a new Trustee is in a position to contribute fully to the deliberations of the Board, and effectively carry out their duties and responsibilities as soon as possible after joining the Board.
5. The orientation program should include the following:
 - (a) A briefing by the Executive Director on the history, mission, organization and operations of the APFC;
 - (b) A briefing by the Chief Investment Officer on the investment philosophy, asset allocation, investment managers, and the major investment portfolios of the Fund;
 - (c) A briefing on the laws and regulations governing the APFC, the fiduciary duties and responsibilities of the Trustees, the Board Charter, Committee structure, Bylaws and other Board standards including disclosure requirements;
 - (d) A briefing on administrative policies and procedures relating to Board members;
 - (e) An introduction to the APFC's website and the educational resources available there for Trustees; and
 - (f) A briefing by the Chair of the Board and the Executive Director on the major issues currently before the Board.
6. The new Trustee will also, as part of the orientation program, be provided with the following:
 - (a) The Trustee Reference Manual;
 - (b) Selected articles and papers on the APFC and institutional fund management;
 - (c) A list of upcoming conferences and seminars; and
 - (d) The most recent Annual Report, including the audited financial statements.

Trustee Reference Manual

7. The Trustee Reference Manual will include the following:
 - (a) The laws and regulations governing the Alaska Permanent Fund;
 - (b) The Bylaws of the APFC;
 - (c) The Charters and Governance Policies established by the Board;
 - (d) A list of Board committees and committee members;
 - (e) Names and contact information for Trustees, members of the Investment Advisory Group and the Executive Director;

- (f) Organization chart of the APFC;
- (g) List of the APFC's major service providers; and
- (h) The Investment Policy for the Fund.

In-house Education

- 8. The Board will periodically conduct assessments of its educational requirements to ensure it will be provided with the knowledge and information necessary to discharge its functions.
- 9. Trustees are encouraged to attend, if scheduled, an annual educational session which may be organized either by the Executive Director or in conjunction with other Alaska public funds such as the Alaska Retirement Management Board.
- 10. The Executive Director will, from time to time, organize short seminars or presentations on various topics by APFC staff and service providers, as well as other external consultants, advisors and experts. The Executive Director will consult with Trustees to identify topics of special interest or relevance to the Board, taking into account the results of the educational needs assessment. These sessions may be organized either as part of regular Board meetings or as stand-alone events.
- 11. The Executive Director will also provide Trustees with relevant and appropriate reading material (e.g., journal articles, research studies, news clippings, etc.).

External Conferences and Seminars

- 12. The Executive Director will maintain a list of conferences and seminars that Trustees may wish to attend, with expenses to be paid for by the APFC upon approval of the Chair. The Executive Director will update the list from time to time taking into account new information and feedback from previous conference attendees.
- 13. The Executive Director will notify the Board of upcoming conferences on a regular basis at Board meetings.
- 14. Trustees are free to attend any other conferences, seminars, or workshops, other than those recommended by the Executive Director. The potential reimbursement of expenses incurred by Trustees will be subject to prior approval by the Chair.

Trustee Education Report

- 15. The Executive Director will present to the Board annually a report on the various educational activities undertaken by the Board and individual Trustees during the year.

REVIEW AND AMENDMENT OF THE POLICY

16. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
17. The Board of Trustees adopted this Policy on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Board Communications Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees has established this *Board Communications Policy* in order to facilitate effective communication by the Trustees with each other, and with APFC staff and service providers, the media and other external parties.

POLICY GUIDELINES

Communication among Trustees

2. Trustees are free to communicate with each other on matters concerning the APFC, subject to the requirements of Alaska's Open Meetings Act.

Communication with Staff

3. While Trustees have the right to communicate with any member of the APFC staff, they should direct questions and requests for information regarding the APFC's management and operations to the Executive Director or senior management staff.
4. Any question or request for information which can reasonably be expected to take up a significant amount of time, effort or resources on the part of APFC staff or service providers should be made through a formal request at a Board or committee meeting or with the consent of the Chair of the Board.
5. Trustees may directly contact the Executive Director or members of the senior management staff or APFC legal counsel, with any other question or request for which an answer or response is readily available or can be quickly and easily obtained.

Communication with Service Providers

6. Trustees should communicate with the APFC's investment managers and other service providers on matters concerning the APFC generally at Board or committee meetings, or through staff. If Trustees have any questions or wish to request any information from service providers, they should contact the Executive Director or a member of the senior management staff.
7. If Trustees do communicate directly with a service provider, they should be careful not to disclose any privileged information, make any commitments on behalf of the Board, or provide any special treatment or favoritism to the service provider. Trustees should disclose the nature of any communication with the service provider that is important or material to the APFC to the Board at their earliest convenience.

8. Trustees should refer any investment opportunities or proposals they receive from a service provider which may be of relevance to the APFC directly to the Executive Director.
9. The provisions of Section 6 through 8 above will not apply to Trustees' communication with the Investment Consultant, the Investment Advisory Group, the Auditor and APFC legal counsel.

Communication with the Media and Other External Parties

10. The Chair and the Executive Director will both serve as the official spokespersons for the APFC.
11. In their role as spokespersons, they should communicate in a manner consistent with the established policies and decisions of the Board and should not make comments which represent their personal views.
12. The Executive Director will be responsible for all "press releases" or written communications with the media. Such communications should clearly and accurately represent the actions and decisions of the Board.
13. All Trustees, including the Chair, are free to communicate with the media on matters concerning the Board or the APFC in their capacity as individual Trustees. If approached by the media for interviews or information on the APFC, they may refer the matter to one of the official spokespersons. If Trustees do communicate with the media, they should observe the following guidelines:
 - (a) Trustees, other than the Chair, should not speak on behalf of the Board unless specifically authorized to do so by the Board;
 - (b) If authorized to speak on behalf of the Board, Trustees should follow the provisions of Section 11 above; and
 - (c) If Trustees, including the Chair, are speaking as individual Trustees, they should indicate that they are doing so, and not speaking on behalf of the Board.
14. Any written material on the APFC prepared by Trustees for publication or general distribution should be submitted to the Executive Director for review prior to its publication or distribution. The review will be only for the purpose of verifying the accuracy of the material to ensure that the APFC is not being inadvertently misrepresented.

REVIEW AND AMENDMENT OF THE POLICY

15. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.

16. The Board of Trustees adopted this Policy on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Executive Director Performance Evaluation Policy

OBJECTIVES OF THE POLICY

1. The Board of Trustees of the APFC has established this *Executive Director Performance Evaluation Policy* with the following objectives:
 - (a) To ensure that the Executive Director receives appropriate and useful feedback on their performance from the Board on an annual basis; and
 - (b) To help develop clear and meaningful performance objectives for the Executive Director.

POLICY GUIDELINES

Roles and Responsibilities

2. The Board will be responsible for evaluating the performance of the Executive Director on an annual basis.
3. The Governance Committee will be responsible for initiating and coordinating the performance evaluation process.
4. The Board shall retain the services of an independent third party to facilitate and administer the performance evaluation in order to ensure the integrity and confidentiality of the process.

Evaluation Survey and Criteria

5. The Board will establish a survey to provide Trustees with a tool for evaluating the performance of the Executive Director based on a number of criteria, including the following:
 - (a) Achievement of the goals and objectives of the APFC;
 - (b) Completion of the specific projects and initiatives set out in the strategic plan for that fiscal year;
 - (c) Implementation of Board policies and reporting requirements;
 - (d) General leadership and management skills; and
 - (e) Compliance with the Executive Director's charter.
6. The Governance Committee, with the assistance of the Executive Director, will develop and recommend to the Board the design of the survey.

**Alaska Permanent Fund Corporation
Executive Director Performance Evaluation Policy**

The Evaluation Process

7. The Vice Chair, acting as Chair of the Governance Committee, will meet with the Executive Director to review the evaluation survey and criteria and agree on any changes.
8. Towards the end of the calendar year and before the fourth quarter meeting of the Board, the Vice Chair will distribute a package of materials to each Trustee which may include the following:
 - (a) A report prepared by the Executive Director on their achievements for the previous year, including the Executive Director's own assessment of the extent to which the evaluation criteria were met;
 - (b) The strategic plan and budget for the fiscal year or a summary thereof; and
 - (c) The evaluation survey, containing the evaluation criteria, to be filled out by the Trustee.
9. Trustees should complete the survey and return it to the facilitator within a specified period of time. The facilitator will tabulate the results of the survey, present a report summarizing the results to the Governance Committee, together with the completed evaluation surveys. The Committee will review the report and submit it to the Board.
10. The Board, consistent with Alaska's Open Meetings Act, will meet in executive session to review and discuss the results of the Executive Director's performance evaluation. The Governance Committee will prepare a draft Evaluation Report, with the Executive Director's assessment and the summary of the evaluation results attached as appendices.
11. The Board, consistent with Alaska's Open Meetings Act, will meet with the Executive Director in executive session to discuss the results of the performance evaluation and any opportunities for improvement.
12. The Board will then approve the final Evaluation Report, following which the Chair, Vice Chair and the Executive Director will each sign the Evaluation Report.
13. The Vice Chair will cause the signed Evaluation Report to be placed in the Executive Director's personnel file.

REVIEW AND AMENDMENT OF THE POLICY

14. The Governance Committee will review this Policy at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Policy remains relevant and appropriate.
15. The Board of Trustees adopted this Policy on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION

Board Standards

OBJECTIVES OF THE STANDARDS

1. The Permanent Fund was established by Article IX, Section 15 of the Alaska Constitution. The statutory purpose of the APFC is to manage and invest the assets of the Permanent Fund. The Trustees' conduct is subject to Alaska Constitution and Statutes, regulations under the Alaska Administrative Code, and various other rules and policies. The Board of Trustees has established the *Board Standards* to identify applicable rules and policies and provide further guidance to Trustees in conducting their affairs and activities as Board members.

POLICY GUIDELINES

2. Trustees will conduct themselves with honesty, integrity, decorum, and professionalism in all aspects of their duties, and in their interaction with fellow trustees, APFC staff, service providers, and other external parties.

With Respect to Compliance with Laws, Regulations and Policies

3. Trustees will abide by all applicable laws and regulations, including, in particular, the following:
 - (a) Alaska Statutes at Title 37, Chapter 13;
 - (b) Alaska Administrative Code at Title 15, Chapter 137;
 - (c) APFC Bylaws;
 - (d) The Alaska Open Meetings Act and regulations thereunder;
 - (e) The Alaska Executive Branch Ethics Act and regulations thereunder, administered by the Department of Law; and
 - (f) The Alaska Conflict of Interest Act and regulations thereunder, administered by the Alaska Public Offices Commission (APOC).
4. Trustees will abide by all policies of the APFC.

With Respect to Confidentiality and Use of Information

5. Trustees will respect the confidentiality of all information pertaining to the APFC to which they become privy to by virtue of their position. They will not disclose any confidential information to any external party unless required to do so by law.
6. Any information on the APFC that Trustees request in their capacity as Trustees will only be to fulfill their responsibilities as Trustees of the APFC and not for use in their own personal or business affairs.

With Respect to Enforcement of the Board Standards

7. The Chair of the Board will enforce and attempt to rectify any breach of the Board Standards.
8. If a Trustee has reason to believe that a material violation of the Board Standards has taken place, they will notify the Chair (or the Vice Chair if the allegation is against the Chair) and the Executive Director.

REVIEW AND AMENDMENT OF THE POLICY

9. This Policy will be reviewed periodically and amended by the Board as necessary or appropriate.
10. The Board of Trustees adopted this Policy on September 23rd, 2020.

ALASKA PERMANENT FUND CORPORATION
RESOLUTION OF THE BOARD OF TRUSTEES
RELATING TO THE EXERCISE OF EXECUTIVE AUTHORITY
IN THE ABSENCE OF THE EXECUTIVE DIRECTOR

RESOLUTION 09-10

(This resolution supersedes Resolution 07-01)

It is necessary for the Alaska Permanent Fund Corporation's ("APFC") daily operations to be led by a chief executive officer who can direct and be accountable for the overall mission, investment programs, administrative policies, and daily activities of the organization. Pursuant to the Bylaws of the APFC, the Executive Director is designated as that chief executive officer.

The Executive Director may be incapacitated or temporarily absent from office under circumstances which render the Executive Director unavailable to perform assigned duties. It is necessary to implement a line of executive authority to ensure that the accountability for the APFC's mission and daily operations is not interrupted during the incapacity or temporary absence of the Executive Director from office.

BE IT RESOLVED:

THAT the Executive Director or the Chief Financial Officer of the APFC shall notify the Chair of the Board of Trustees immediately at any time the Executive Director, due to incapacity or a temporary absence from office, is unable to perform his or her duties; and

FURTHER THAT "incapacity" means the occurrence of a mental or physical disability rendering the Executive Director incapable of performing duties assigned to the office of the Executive Director of the APFC; and

FURTHER THAT during an incapacity of the Executive Director, the Chief Financial Officer is hereby designated Acting Executive Director; and

FURTHER THAT the Executive Director may delegate his or her executive authority to the Chief Financial Officer to serve as Acting Executive Director during periods of official travel or authorized leave away from the APFC's headquarters not exceeding 30 days, if in the judgment of the Executive Director, the delegation would be in the best interests of the APFC; and

FURTHER THAT, during any period that the Chief Financial Officer is not available to assume the role of Acting Executive Director pursuant to the provisions of this Resolution, the Chief Investment Officer shall serve as Acting Executive Director; and

FURTHER THAT the Acting Executive Director shall operate only within existing Board of Trustees or Executive Director policies and procedures, except as otherwise specifically authorized by the Board of Trustees; and

FINALLY THAT Resolution 07-01, relating to delegation of executive authority, is hereby superseded.

PASSED AND APPROVED by the Board of Trustees of the Alaska Permanent Fund Corporation this 24th day of September, 2009.

/s/

Steve Frank, Chair

Alaska Permanent Fund Corporation

ATTEST:

/s/

Michael J. Burns, Corporate Secretary