

POLICY NUMBER: 2.00.900**EFFECTIVE DATE:** 6/20/24**TITLE:** Advisory Boards**SUPERSEDES:** 12/16/21**BOARD ADOPTION:** 4/18/24**REVIEWED:**

PURPOSE

This document is the Washington State Investment Board's (WSIB) policy concerning advisory boards (also referred to as advisory committees or limited partner advisory committees (LPAC)) for WSIB investments and guidelines for staff participation.

POLICY

Many private market investments have advisory boards comprised of investor representatives. The role of the advisory board depends on the specific legal agreement and the nature of the investment. Most advisory board participation is by invitation of the general partner or organizing entity of an investment. When the WSIB has significant investments in, or is a major part of, a partnership or overall partner relationship, staff is encouraged to pursue the invitation to serve on the respective advisory board. It is recognized that serving on an advisory board provides the WSIB with invaluable insight about the general partner or the organizing entity and its investments and investment strategy. Serving on the advisory board also provides the WSIB increased visibility and stature in the investment community, which frequently results in added information and/or investment opportunities that can further enhance investment returns.

Appointment to Advisory Board Seats

The appointment of staff to advisory board seats is the responsibility of the Chief Executive Officer (CEO) or their designee. The assignment of the seat will take into consideration each general partner's or organizing entity's request, the WSIB staff member who performed the due diligence or is assigned to monitor the investment, and staff workload. In the majority of cases, the seat(s) will be assigned to the staff member(s) directly involved in the investment. In some cases, the general partner or organizing entity requires that a seat be filled by a particular level of staff.

Standard of Care

All staff service on advisory boards is with the understanding and knowledge that under Revised Code of Washington (RCW) 43.33A.030, the trusteeship of those funds under the authority of the Board is vested in the voting members of the Board. Additionally, the Legislature has established a standard of care for investment of these funds in RCW 43.33A.140. Finally, the Board and its staff must comply with other state laws, including, but not limited to, the Ethics in Public Service, Chapter 42.52 RCW.

Limited Partner Legal Status

When it invests as only a limited partner, the WSIB has limited liability for the actions of the limited partnership. As an advisory board member, staff must not take any action except those permitted by the limited partnership agreement. Additionally, WSIB staff serving as an advisory board member must not take any action which increases the WSIB's involvement in

decision-making for the particular limited partnership without prior discussion with legal counsel and approval of the Board.

POLICY REVIEW

The Board shall review this policy at least once every (3) three years to ensure that it remains relevant and appropriate.

Policy Adopted 9/2/99
Revised 10/16/03
Reviewed 7/20/06
Reviewed 4/16/09
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