

Policy for Reviewing Allegations of Board Member Harassment

This policy ("Policy") sets forth the procedures to be followed when an allegation is made that a member of the Board has violated the CalPERS Harassment, Discrimination, and Retaliation Prevention Policy ("Harassment Prevention Policy"). It also sets forth potential sanctions.

I. Purpose

CalPERS' Harassment Prevention Policy establishes and memorializes that there is zero tolerance at CalPERS for harassment and discrimination of any kind based on any protected characteristic. This Policy relies upon and incorporates the Harassment Prevention Policy as a foundational document, and sets forth the procedures and sanctions that will apply when a member of the Board has been accused of violating the Harassment Prevention Policy.

II. Application and Scope

This policy applies to the 13 members of the Board of Administration (and any Board member's designee) respecting an allegation that the Board member has engaged in conduct constituting harassment, sexual harassment, or retaliation (as those terms are defined in the Harassment Prevention Policy) in connection with service on the Board. Allegations that a Board member has violated other policies are outside the scope of this Policy and those allegations continue to be governed by applicable provisions of the Board's Governance Policy.

III. Procedures for Investigation of Allegations and Imposition of Sanctions

In carrying out its duties under this policy, the Office of the General Counsel shall be advised by a two-person panel, called the Review Panel, consisting of the Board President and Vice President. In the event that either the President or Vice President is alleged to have violated the Harassment Prevention Policy or cannot otherwise serve on the Review Panel, that member shall be recused and the remaining Review Panel member shall select a replacement. If both the President and Vice President are the subject of the allegations or otherwise cannot serve, the matter shall be referred to the Board Governance Committee to appoint the two Review Panel members.

a. Preliminary Investigation

Board members who become aware of allegations that a fellow Board member has violated the Harassment Prevention Policy shall notify the Office of the General Counsel. Upon receipt of a complaint or allegation that a Board member has violated the Harassment Prevention Policy, the Office of the General

Counsel shall review the allegations, notify the Review Panel and the accused Board member that a complaint or allegation has been received, and conduct a preliminary confidential investigation.

The Office of the General Counsel shall, with the concurrence of the Review Panel, initiate a formal investigation if, on the basis of its preliminary investigation, it finds (a) the allegations are plausible and not frivolous, and (b) the alleged conduct, if substantiated, would constitute a violation of the Harassment Prevention Policy. If the preliminary investigation determines that these criteria are not satisfied or it is otherwise determined that it is not possible, based on the reasonable investigative methods available to the Office of the General Counsel, to reach a conclusion, no further action shall be taken. The underlying records and results of the preliminary investigation shall be treated as privileged and confidential to the extent permitted by law. Where appropriate, the Office of the General Counsel shall provide a copy of the Harassment Prevention Policy to the complainant.

b. Formal Investigation

Upon determining that a formal investigation is warranted, the Office of the General Counsel shall, with the concurrence of the Review Panel, appoint an investigator who may or may not be a CalPERS employee ("Investigator").

The appointed Investigator shall, at the direction of the Office of the General Counsel and consulting as appropriate with the Review Panel, (1) gather information relevant to the allegations; (2) afford the accused Board member an opportunity to respond to the allegations; and (3) make a written report of its review, findings, and recommendation ("Investigator's Report") within 90 days from the date of appointment, unless the Office of the General Counsel determines that a longer period is warranted. The underlying records and Investigator's Report shall be treated as privileged and confidential to the extent permitted by law.

c. Opportunity to Respond to the Investigator's Findings

Prior to finding a violation of the Harassment Prevention Policy, the Investigator shall notify the accused Board member in writing of her or his intention to do so and the reasons therefor, and shall invite the Board member to respond. Said notification will be delivered to the residence of the accused Board member by registered mail, or by any other mutually agreed upon delivery method. The

Board member may respond, either in writing or in a personal conference, or both. Such response shall be within 14 days of receipt of the notice. If there is a personal conference, the Board member and Investigator shall each be entitled to bring a representative of their choice, including an attorney, to the conference.

Any written response by the accused Board member shall become part of the formal record and shall be appended to the Investigator's Report.

d. Determination of Appropriate Sanctions

The Investigator shall submit the Investigator's Report, upon completion, to the Office of the General Counsel and the Review Panel.

If the Investigator has determined by a preponderance of the evidence that the Board member violated the Harassment Prevention Policy, the Office of the General Counsel shall, after consulting with the Review Panel, recommend an appropriate sanction and shall forward a summary or redacted copy of the Investigator's Report and recommended sanction to each member of the Board. If the Investigator has concluded that the preponderance of the evidence standard is not met, no further action will be taken.

e. Board Action

Upon receiving from the Office of the General Counsel the Investigator's Report and the recommended sanction, and unless the matter is resolved informally, the Board shall, at either a regularly or specially set meeting, vote on the proposed sanction. The accused Board member shall not participate in the vote.

f. Confidentiality

Consistent with the Harassment Prevention Policy, the Office of the General Counsel and Review Panel will maintain confidentiality concerning complaints, allegations, and investigations to the extent possible. Information will be handled as sensitively as possible and will not be disclosed to others except on a need-to-know basis. All individuals affected by the investigation shall be accorded confidential treatment to the maximum extent permitted by law.

g. Required Communications

If the investigation leads the Office of the General Counsel to conclude that a crime has probably been committed, the results of the investigation shall be reported to the District Attorney or other appropriate law enforcement agency.

IV. Types of Sanctions

The types of sanctions that may be imposed on a Board member are as follows: formal censure, removal or suspension from a committee assignment, revocation of Board member privileges, or recusal from certain Board proceedings or decisions.

More than one type of sanction may be imposed for a violation of the Harassment Prevention Policy, e.g., formal censure and removal from a committee assignment. The severity and type of sanction selected for a particular offense must be appropriately related to the nature and circumstances of the violation.

1. Formal Censure

The Board may issue a formal expression of institutional reprimand that contains a brief description of the censured conduct. Formal censure is distinct from an informal written or spoken warning.

2. Removal or Suspension from Committee Activity

The Board may remove or suspend a Board member from membership on a committee or subcommittee, or from the position of President or Vice President of the Board or chair or vice chair of a committee or subcommittee.

3. Revocation of Board Member Privileges

The Board may revoke a Board member's privileges. The degree and duration of the revocation shall be specified.

4. Recusal from Certain Board Proceedings or Decisions

The Board may recuse a Board member from participating in specified Board proceedings, including from voting on specified matters, where the subject matter of the vote relates to the allegations of misconduct or where the Board member's participation would otherwise be inappropriate in light of the violation.