

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)
CLASS ACTION SECURITIES LITIGATION POLICY**

ADOPTED: November 21, 2007
AMENDED: November 2, 2011
REVIEWED: May 6, 2015
REVIEWED: May 9, 2018
AMENDED: May 5, 2021

I. Purpose.

This policy establishes guidelines for monitoring and participating in class action securities litigation. The Board of Retirement of MCERA (the "Board") recognizes the importance of appropriate monitoring of and/or participation in class action securities litigation in fulfilling its constitutional and statutory fiduciary duty to administer the retirement system for the exclusive benefit of the members and their beneficiaries.

As an institutional investor, MCERA may, from time to time, suffer losses caused by alleged violations of federal and state securities laws relating to fraud, disclosure obligations and/or breaches of fiduciary or other duties. In cases where a class action lawsuit is filed to recover damages for violations of securities and other laws, MCERA may have the opportunity to participate in the litigation. This policy provides guidelines for monitoring litigation and for determining the appropriate participation by MCERA.

This Class Action Securities Litigation Policy is intended to be applied and interpreted in compliance with applicable law and in harmony with the mission statement, policies and guidelines of MCERA approved by the Board from time to time.

II. Guidelines.

A. Monitoring Class Action Filings.

MCERA shall monitor the filing and settlement of securities class actions to determine whether MCERA may be a class member in any such litigation. Monitoring may be done by staff, the custodian, by retaining one or more law firms and/or a securities litigation consultant. Staff shall make a determination of MCERA's level of interest in the litigation, based on its own monitoring, or based on a recommendation from a firm or service that is monitoring securities litigation on MCERA's behalf.

MCERA's staff, working with the custodian, outside counsel and/or securities litigation consultant, will monitor pending cases where MCERA is a member of the class, file appropriate paperwork as required, and evaluate proposed settlements. To the extent that staff finds a proposed settlement inadequate to the interests of MCERA, staff shall make a recommendation to the board to file legal objections.

B. Active Class Monitoring.

Where the potential amount MCERA could recover in a case is sufficiently large and the case has merit, staff shall determine whether MCERA should actively participate in the litigation. In doing so, MCERA shall weigh the materiality of the potential financial loss that gave rise to the litigation against the expected costs and benefits of the litigation options available. The litigation options generally are:

- Monitor litigation as a member of the class.
- Monitor litigation as a member of the class, but object to an unreasonable settlement.
- Participate as lead plaintiff of the class or co-lead plaintiff with one or more other investors.
- Pursue separate legal action apart from the class.

Three tests may be considered when determining a course of action. An affirmative response to all questions could result in a recommendation to MCERA's Board by staff to pursue either lead or co-lead plaintiff status or a separate legal action apart from the class. A negative response to any of the three individual questions will result in MCERA assuming a passive role in the class action suit:

Test:

1. Does the potential financial loss to MCERA that gave rise to the litigation exceed one million dollars?
2. Does MCERA have a superior legal basis for serving as lead plaintiff compared to other large institutional holders?
3. Does the expected benefit from assuming lead plaintiff status, or pursuing a separate legal action, materially outweigh the benefit of participating as a passive member of the class and adequately compensate MCERA for the risks and costs incurred?

MCERA will review all class action litigation to establish if MCERA is a member of the class. Where the potential financial loss is less than one million dollars, MCERA will become a member of the class, file appropriate paperwork to establish a claim, and monitor the litigation. For each case where the potential financial loss is one million dollars or greater, MCERA's staff will prepare a summary report of the research performed by the firm or service that is monitoring securities litigation consistent with the established tests. A recommendation to MCERA's Board to pursue lead plaintiff status, co-lead plaintiff status, or a separate legal action will include a detailed analysis of expected costs and benefits, an analysis of the size of MCERA's holding relative to other investors, and other supporting rationale.

If it is determined that additional analysis is necessary, MCERA may retain one or more law firms to review the matter. The firm shall report its findings to MCERA with a written recommendation as to whether or not MCERA should actively monitor the case, seek lead plaintiff status, seek co-lead plaintiff status, or pursue separate legal action. When the Board determines that MCERA should seek designation as lead plaintiff, co-lead plaintiff, or opt out of a class action, MCERA shall appoint special counsel to the matter.

If MCERA determines not to participate in the litigation, active monitoring of the litigation may include regular reports from counsel to staff regarding the status of a case, settlement discussions and/or the proceedings.

Where the potential recovery is not significant, then staff shall monitor the litigation to take the steps necessary to insure that MCERA will share in any recovery.

C. Participation in Settlement.

Staff shall develop and implement procedures for ensuring the timely submission of claims on behalf of MCERA in all appropriate securities class action settlements. Staff will develop and implement procedures for filing objections to attorneys' fees requests made by plaintiffs' counsel(s) in all appropriate securities class action settlements.

D. Reports to the Board.

Staff shall report to the Board as necessary, but at least semi-annually, to keep the Board fully informed of those cases that are being monitored or in which MCERA is actively participating. Staff shall endeavor to provide these reports as part of a semi-annual review delivered to the Board in February and August for the periods ending December 31 and June 30, respectively. Staff shall keep the Board apprised of any unusual or extraordinary events as they occur.

E. Retention of Outside Counsel

The Board may retain outside counsel as necessary to advise and/or represent MCERA in class action securities litigation matters.

III. Policy Review.

The Board shall review this Class Action Securities Litigation Policy at least every three years to assure its efficacy and relevance. The Board may amend this policy, from time to time, by majority vote of the Board.

IV. Certificate.

I, Jeff Wickman, the duly appointed Retirement Administrator of the Marin County Employees' Retirement Association, hereby certify the amendment of this Policy.

Dated: May 5, 2021



Retirement Administrator