

**Kentucky Retirement Systems Board of Trustees
Annual Board Meeting
April 17, 2025, 10:00 a.m. EST
Live Video Conference/Facebook Live
AGENDA**

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|---|-------------------------------------|
| 1. Call to Order | Lynn Hampton |
| 2. Legal Public Statement | Office of Legal Services |
| 3. Roll Call/Public Comment | Sherry Rankin |
| 4. Approval of Minutes – March 12, 2025* | Lynn Hampton |
| 5. Election of KRS Board of Trustee Officers*
Chair and Vice Chair | John Chilton |
| 6. Assignments to KPPA Board, Investment Committee
Chair, and Committees | Board Chair |
| 7. PPW Board of Directors Election* | Steve Willer |
| 8. Contract Renewals*
a. Dentons
b. John Chilton | Board Chair |
| 9. KPPA Update | Ryan Barrow |
| 10. KRS Update | John Chilton
Board Chair |
| 11. Closed Session** | Board Chair |
| 12. Adjourn* | Board Chair |

**Board Action Required*

***Board Action May Be Required*

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES MEETING
MARCH 12, 2025, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the Meeting of the Kentucky Retirement Systems Board of Trustees held on March 12, 2025, the following members were present: Lynn Hampton (Chair), Ramsey Bova, Mary Eaves, Prewitt Lane, Dr. Crystal Miller, Keith Percy, William Summers V, and Pamela Thompson. Staff members present were KRS CEO John Chilton, Michael Board, Vicki Hale, Michael Lamb, Connie Pettyjohn, Joe Gilbert, Brian Caldwell, Steve Willer, Anthony Chiu, Carrie Bass, Ashley Gabbard, Sandy Hardin, Shaun Case, and Sherry Rankin. Others present included David Lindberg, Craig Morton, Chris Tessman with Wilshire and Benjamin Lewis, Carrie Lovell, Larry Loew, Tracey Garrison with Humana.

1. Ms. Hampton called the meeting to order.
2. Mr. Board read the Legal Public Statement.
3. Ms. Rankin called roll.

Ms. Rankin noted no ***Public Comments*** were submitted.

4. Ms. Hampton introduced agenda item ***Approval of Minutes – December 4, 2024; December 17, 2024; January 3, 2025 (two sets); and February 11, 2025 (Video 00:07:02 to 00:08:13)***. A motion was made by Mr. Percy to approve the meeting minutes of December 4, 2024; December 17, 2024; January 3, 2025 (two sets); and February 11, 2025, as presented. Dr. Miller seconded the motion. The motion passed unanimously.
5. Ms. Hampton introduced agenda item ***Joint Retiree Health Plan Committee Report (Video 00:08:13 to 00:15:48)***. Ms. Connie Pettyjohn presented the Joint CERS and KRS Retiree

Health Plan Committee report, noting that the committee had convened on February 13, 2025. During her presentation, she reviewed the 2024 Member Satisfaction Results and the 2024 CMS Notices, emphasizing the stability of Humana's plan utilization, satisfaction, and recommendations. She highlighted key metrics, including a 92% member satisfaction rate and improving Net Promoter Scores.

Following her remarks, Ms. Pettyjohn introduced Tracey Garrison, who provided updates from Humana. Ms. Garrison acknowledged minor implementation issues this year, such as incorrect contract assignments for 7,000 KPPA Medicare Advantage members and delays with welcome letters and ID cards. However, she assured attendees that these challenges were promptly addressed without any disruption to coverage.

Ms. Pettyjohn also shared updates on the progress of the Medicare Advantage plan bid, with further developments expected in April and May. Additionally, Humana continues to offer value-added services, including discounts on travel insurance, pet telehealth, and other beneficial resources. Open enrollment results remained consistent, with increased participation in both virtual and in-person appointments, as well as strong engagement in webinars and community events.

6. Ms. Hampton introduced agenda item ***Quarterly Financial Reports*** (Video 00:15:48 to 00:31:26). Mr. Lamb began by noting the GASB 68 and 75 draft reports were presented to the KPPA Audit Committee on February 25, 2025. They have been sent to the KPPA Board for final consideration and approval at the March 20, 2025, meeting. In the meantime, the draft reports and accompanying Excel schedules are available on the KPPA website for employers and their external auditors to review.

Mr. Lamb then reviewed the Combining Statement of Fiduciary Net Position of the Pension and Insurance Funds for the six-month period ending December 31, 2024, and the Combining Statement of Changes in Fiduciary Net Position of the Pension and Insurance Funds for the six-month period ending December 31, 2024. He then reviewed the KRS Contribution Reports for the six-month period ending December 31, 2024. The KRS

Outstanding Invoices by Type and Employer and Penalty Invoices Reports were also presented to the Trustees. Following this, Mr. Lamb highlighted the Fiscal Year 2024-2025 KPPA Administrative Budget – Budget-to-Actual Summary Analysis for the six months ending December 31, 2024. Lastly, he briefly reviewed the JP Morgan Chase Credit Earnings and Fees and Hard Interest Earned for the fiscal year ending June 30, 2025. Following Mr. Lamb’s presentation, he answered questions posed to him by the Trustees.

7. Ms. Hampton introduced agenda item ***Quarterly Investment Performance Report and Recommendations*** (Video 00:31:26 to 01:06:18). Mr. Lane introduced Mr. Willer to give the Quarterly Investment Performance Report. Mr. Willer provided an update on investment performance for the quarter. The portfolios experienced weaker performance in December, giving up some gains from earlier in the fiscal year. Mr. Willer highlighted key points and noted despite volatility in equity markets and uncertainties surrounding policy shifts, the core fixed income allocation acted as a stabilizing factor, helping balance equity market fluctuations. All asset classes remained with IPS specified ranges, with minor adjustments to maintain modest overweights in global public equities. Efforts are underway to improve private equity performance, and further recommendations are anticipated before the end of the fiscal year. Risk-adjusted returns continue to place portfolios in the top quartile or decile over longer periods, demonstrating effective management.

Ms. Carrie Bass presented the first iteration of the enhanced Investment Guideline Compliance Review, highlighting significant improvements in the report’s format and transparency. She confirmed that all guidelines for the quarter ending December 31, 2024, were found to be in compliance. Ms. Bass emphasized the ongoing efforts to enhance reporting, including providing detailed information on any out-of-compliance findings, causes, resolution dates, and corrective actions for asset classes exceeding or falling below allowable ranges.

During the discussion, Ms. Bass clarified her role as Compliance Officer and the plans to administratively attach her position under Mr. Lamb to ensure separation from the investment staff, pending a statutory change. She also explained that compliance status is

measured independently through reports from BNY Mellon and reviewed for accuracy, with plans for future improvements to reporting detail.

Mr. Willer, with input from Mr. Gilbert, proceeded to review the recommendations that were approved by the Investment Committee. They approved the recommendations to optimize the public equity portfolio by retiring the existing U.S. large cap factor-based portfolio. The decision was made due to the lack of consistent rewards from the factors in the portfolio and no anticipated change in market dynamics. After a thorough search process, it was recommended to allocate up to 6.25% of the total global public equity allocation to the J.P. Morgan US Large Cap Core Equity Strategy and up to 6.25% to the T. Rowe Price U.S. Structured Research Equity Strategy, pending successful negotiations.

Mr. Lane made a motion to ratify the Investment Committee's approval of an investment of up to 6.25% of the global public equity investment allocation into the J.P. Morgan U.S. Large Cap Core Equity Strategy as presented. Dr. Miller seconded the motion. The motion passed unanimously.

Next, Mr. Willer further explained that the Investment Policy Statement currently designates the MSCI All Country World Index Net USD (MSCI ACWI \$ Net) as the performance benchmark for the Public Equity Asset Class. However, following an evaluation, staff and Wilshire have determined that this index no longer accurately reflects the current investment exposure and strategy of the asset class. Furthermore, it introduces an unintended bias within the Global Equity allocation.

To address this, staff and Wilshire recommend adopting the MSCI All Country World Investable Market Index (MSCI ACWI IMI). This benchmark provides a more accurate representation of the portfolio's actual exposure and strategy while better aligning with the Board's objectives.

Mr. Lane made a motion to ratify the Investment Committee's approval of an investment of up to 6.25% of the global public equity investment allocation into the T. Rowe Price U.S. Structured Research Equity Strategy as presented. Dr. Miller seconded the motion. The motion passed unanimously.

Mr. Lane made a motion to ratify the Investment's Committee's approval to change the Public Equity Asset Class benchmark from the MSCI All Country World Index USD to the MSCI All Country World Investable Market Index as presented. Dr. Miller seconded the motion. The motion passed unanimously.

8. Ms. Hampton introduced agenda item ***KRS CEO Update*** (Video 01:06:18 to 01:10:41). Mr. John Chilton provided a KRS CEO update, summarizing his activities over the past three months since the December meeting. He participated in discussions on unpaid invoices, which are progressing, and attended Investment Committee meetings and all Public Pension Oversight Board (PPOB) meetings. He highlighted ongoing efforts to revise the structure of the educational requirements, aiming to shift to a calendar-year reporting basis, with formalization anticipated at the next Board meeting. Overall, the update emphasized steady progress and upcoming initiatives.
9. Ms. Hampton introduced agenda item ***KPPA Update*** (Video 01:10:41 to 01:14:18). Mr. Michael Board, speaking on behalf of Mr. Ryan Barrow, presented the KPPA update. He began by commending various teams across the organization for their outstanding contributions. Mr. Board acknowledged the HR and other departments for surpassing goals and fostering statewide team building through philanthropic initiatives. He also highlighted the efforts of the Investments and Accounting teams, emphasizing Carrie Bass's pivotal role in advancing key projects and policy developments. Special recognition was given to Mr. Lamb and his team for their diligent work on the ACFRs and SAFR reports, which showcased their commitment to excellence. Additionally, Mr. Board highlighted the efforts of Ms. Rankin and the IT team, applauding their adaptability in ensuring seamless remote operations. Their initiatives enabled the Board to continue its critical work without interruption, demonstrating the organization's resilience and

teamwork. Ms. Hampton also took a moment to recognize Mr. Board and his Legal Department for their valuable contributions.

10/11. There being no new business, Ms. Hampton introduced agenda item ***Closed Session*** (*Video 01:14:26 to 01:15:21*) and requested a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(c). A motion was made by Mr. Peercy and seconded by Dr. Miller. The motion passed unanimously.

Ms. Hampton read the following statement, and the meeting moved into closed session: A motion having been made in open session to move into a closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. All public attendees exited the meeting.

Closed Session (*Video - Part 2 - 00:00:41 to 00:00:54*)

Ms. Hampton called the meeting back to open session and stated that there was no action taken by the KRS Board of Trustees as a result of the Closed Session.

10. There being no further business, Ms. Hampton ***adjourned*** the meeting.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held March 12, 2025, except documents provided during a closed session conducted pursuant to the Open Meetings Act and exempt under the Open Records Act.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on March 12, 2025, were approved on April 17, 2025.

Chair of the Board of Trustees

I have reviewed the Minutes of the March 12, 2025, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services

DENTONS BINGHAM GREENEBAUM, LLP

PERSONAL SERVICE CONTRACT

THIS CONTRACT, made and entered into this 1st day of July 2025, by and between DENTON BINGHAM GREENEBAUM, LLP, 3500 PNC Tower, 101 South Fifth Street, Louisville, Kentucky 40202, hereinafter referred to as the “Contractor” and the Kentucky Retirement Systems Board of Trustees hereinafter referred to as “KRS”, 1260 Louisville Road, Frankfort, Kentucky 40601, for general counsel legal services as set forth in legal services is more particularly described as follows:

1. **Scope of Services:** Contractor agrees to provide periodic advice to KRS, and, generally, along with and in collaboration with, Kentucky Public Pensions Authority’s (“KPPA”) legal team, to serve as outside general counsel for KRS. Contractor will advise KRS on a variety of matters, as requested, including litigation matters being handled by KPPA’s legal team and/or other outside counsel.
2. **Relationship of Parties:** Contractor warrants that all work performed by Contractor under this personal service contract shall be performed as an independent contractor.
3. **Terms of Business:** Attached is a copy of Contractor’s Terms, which reflects the hourly-fee basis on which we bill for legal services.
4. **Our Team and Charges:** Although Janet Jakubowicz and Ben Lewis will be principally responsible for this Engagement, it is anticipated that other lawyers and professionals will be involved. Although Contractor’s lawyers normally bill at varying hourly rates based on experience and specialization, Contractor agrees to represent KRS at a flat hourly rate of \$350.00 for all professionals in our firm. Our representation may also involve out-of-pocket costs (e.g., filing fees, maintenance, and processing of electronic files, etc.), which are described in the Terms.
5. **Retainer:** At this time, Contractor is not requesting a retainer, with the understanding that KRS agrees to pay Contractor invoices promptly as they come due.
6. **Fees:** For the services rendered by the Contractor, KRS shall pay the rates set forth in the “fee schedule” attached to this personal service contract and incorporated by reference herein. The KRS Board understands and agrees that all time spent on client’s matters will be billed by Contractor including, but not limited to, office meetings, court appearances, travel, telephone calls, e-mails, research, pleadings, letters, file maintenance, reviewing documents and file, and preparing exhibits. Contractor shall invoice KRS at the end of each calendar month for all services rendered during the month. The invoice shall itemize the number of hours worked, in 1/10ths of an hour increments, and a brief description of each task performed. Contractor will be reimbursed for all necessary and reasonable out-of-pocket expenses, including travel expenses.
7. **Duration and Termination:** The duration of this personal service contract shall run from time period beginning July 1, 2025, through June 30, 2026. At expiration, this personal service

contract may, at the option of the parties, be renewed by negotiation for further periods. Termination or cancelation of this personal service contract may occur by Contractor or KRS upon thirty (30) days advance written notice provided by certified or registered mail.

8. Conflicts of Interests: Our Terms include provisions regarding conflicts. At this point, we are not aware of any conflicts that would preclude our representation of KRS. However, Contractor declares that other Contractor lawyers have historically represented other state agencies, including the Kentucky Community and Technical College system (“KCTCS”), and the University of Louisville (“UofL”). While we do not anticipate those attorney-client relationships will preclude or inhibit Contractor’s representation of KRS, if a situation does arise of that sort, Contractor will immediately inform KRS, so that appropriate steps may be taken to avoid any conflict-of-interest situation. Please note that Contractor likely would not represent KRS, KCTCS or UofL if any of those state agencies were ever adverse to one another in litigation.

Contractor’s representation of clients is governed by the rules of professional conduct of various jurisdictions in which Contractor practices. Generally, a Contractor lawyer may not represent a person if the representation of that person will be directly adverse to an existing or prospective Contractor client, unless the Contractor lawyer reasonably believes Contractor’s representation will not adversely affect the relationship with the Contractor client, and both the Contractor client and KRS consent to the conflicting representation after consultation.

Contractor will, of course, act in accordance with its ethical responsibilities and hold inviolate any confidential information that we may acquire in the course of Contractor’s representation of KRS.

Confidential Information: Contractor may have certain access to confidential information maintained by the KRS Board to the extent necessary to carry out its responsibilities and shall presume that all information received pursuant to this contract is confidential. Confidential information shall remain the property of the KRS Board at all times. No confidential information collected, maintained, or used in the course of the contract shall be disseminated except as authorized by law and with the written consent of KRS Board.

9. Information Requests and Disclosures: In the event that a subpoena or other legal process is served upon Contractor for records containing confidential information, the Contractor shall promptly notify KRS and cooperate with KRS in any lawful effort to protect the confidential information, at KRS’ expense. Contractor shall promptly report an unauthorized disclosure of confidential information to KRS.

10. Assignment and Amendments: This contract may not be assigned by Contractor without the written consent of KRS. Modifications, amendments, or additions to this contract shall only be effective when made in writing and signed by both parties.

11. Entire Agreement: This personal service contract contains the entire agreement between the parties. There are no other understandings, representations, or inducements being relied upon by either party except those expressly set forth in this personal service contract or other writing which shall be signed by the parties and attached hereto. The parties further acknowledge that they have read and understand this personal service contract and have received a copy of the same.

12. **Severability:** The provisions of this contract shall be severable, and the unenforceability of one or more provisions shall not affect the enforceability of any of the other provisions. Additionally, if any provision of the contract, for any reason, is declared to be unenforceable, the parties shall substitute an enforceable provision that, to the maximum extent possible, preserves the original intention and economic positions of the parties.

13. **Controlling Law:** All questions as to the execution, validity, interpretation, construction, and performance of this contract shall be construed in accordance with the laws of the Commonwealth of Kentucky. Contractor consents to the jurisdiction of the Franklin Circuit Court located in Franklin County, Kentucky.

AUTHORIZED AGENT,
KRS BOARD

DATE

AUTHORIZED AGENT,
DENTONS BINGHAM GREENEBAUM, LLP

DATE

DENTONS

Terms of Business

Dentons Bingham Greenebaum LLP

January 2024

Welcome to Dentons.

Thank you for choosing Dentons to represent you. These Terms of Business and the Engagement Letter form our Engagement Agreement.

Dentons and You

1. The Letter sets out the scope of our representation and identifies you as our sole client. We do not represent any other persons or entities, including your parent, subsidiaries, and affiliates, unless named in the Letter. Our advice and work is provided solely for your benefit and relates only to the matters set out in the Letter. The Terms apply as soon as we start acting on your instructions, regardless of whether or not you have signed the Letter.
2. The partners of Dentons Bingham Greenebaum LLP also are partners of Dentons United States LLP, which is the US Region member of Dentons Group (a Swiss Verein), whose members and their respective subsidiaries, affiliates and related entities provide legal services in different locations, each of which is its own Legal Practice. For a list of each Legal Practice by location, see [dentons.com/legalnotices](https://www.dentons.com/legalnotices).
3. This Engagement Agreement is between you and Dentons Bingham Greenebaum LLP only and not any other Dentons Legal Practice within or outside the US Region, or any entity or individual. We will conduct ourselves in accordance with the professional responsibility rules applicable in the jurisdictions in which we render services.
4. Other Dentons Legal Practices outside the US Region represent many clients in different geographies, including entities and individuals that may enter into transactions or have disputes with you. Unless such

other Dentons Legal Practice is specifically engaged by you or on your behalf outside the US Region, you agree that those representations by other Dentons Legal Practices do not conflict with our representation of you, and that you will not assert that other Dentons Legal Practices outside the US Region are precluded from representing those entities and individuals.

5. While Dentons Bingham Greenebaum LLP remains solely responsible to you for this engagement, we may involve other lawyers and professionals from other Dentons Legal Practices, within or outside the US Region, to provide services. Unless we state otherwise, we will do so by subcontract. You agree that we may pay or apportion part of our fees and costs for the work in a manner that may be considered a referral fee in some jurisdictions.

Our Working Relationship

6. Effective representation requires open and honest communication. We need you to provide us with clear and timely instructions, relevant information and documents, and make yourself available for consultation.
7. You should carefully check for any insurance policies that might relate to the work we do for you and notify your insurers promptly to protect your rights. Unless you disclose these policies and we agree to advise on them in the Letter, we are not responsible for advising you on the existence or applicability of any insurance coverage.

8. We may communicate with you using any reasonable method, including electronic communications, like email, which may not be absolutely secure and present risk of interception or copying.
9. Generally, communications between a lawyer and client regarding legal advice are privileged and confidential. You may jeopardize these protections by disclosing communications to others. You agree we are under no duty to disclose to you any information that is confidential to another client or any other person.

Advance Clearance of Conflicts of Interest

10. Each Dentons Legal Practice represents a wide variety of entities and individuals, some of whom may be, for instance, your borrowers, investors, shareholders, creditors, or other parties with conflicting interests in a litigation, arbitration, bankruptcy, insolvency or other matter. As a condition of our representation of you, you agree that, without further notice, we may represent other clients in matters, even if they are directly adverse to you, as long as: (1) those matters are not substantially related to our representation of you; or (2) we screen our lawyers and professionals who have such information from any involvement in the adverse representation. Of course, we will not use any confidential information received from you in any way inconsistent with our professional responsibilities.

Fees and Costs

11. Our fees are set out in the Letter. Hourly rates may be adjusted from time to time.
12. We may charge and you agree to pay for costs including travel, delivery services, imaging, printing, court fees, auditing and assurance services, and other expenses. For items we purchase in bulk or through fixed fee arrangements, such as computerized legal research, technology, and support services, we will charge you a rate reasonably apportioned to you. You agree to pay for third-party costs, such as experts, consultants, local counsel, retained by us on your behalf. In some circumstances, we may advance costs on your behalf and you agree to reimburse us promptly.
13. Unless expressly stated otherwise, estimates we provide are solely for planning purposes, subject to change, and reflect an assessment of fees or costs if a matter proceeds in accordance with our assumptions. This is neither a floor nor a ceiling on your obligation to pay, as actual fees and costs may deviate significantly from the estimate, either favorably or adversely. We will be happy to periodically update an estimate if requested. However, in the absence of such a request, we undertake no obligation to update or revise any estimate as a matter progresses or as actual fees and costs are realized.
14. All fees and costs of any Dentons Legal Practice, experts or third parties that we state or estimate exclude any sales, use, excise, transfer, value-added or similar taxes; any such taxes will be included in our invoices to you and are payable by you. If you or another payer of those fees, costs and taxes is required, on account of any taxes, to make any deduction when paying our invoices, you must increase the overall payment so that we receive a net sum equal to our full invoiced amount.
15. Our policy is to bill monthly, except that we reserve the right to issue an interim bill and to change the frequency of billing and the time for payment. If you disagree with any invoice, please contact us immediately, otherwise we will understand that the invoice is agreeable to you. Our invoices are payable when delivered on the terms set forth therein, and you remain responsible for paying them even if you have an arrangement with a third party payor for payment. If full payment is not received when due, we reserve the right to suspend services, terminate and/or seek withdrawal, charge reasonable interest, and hold you responsible for any collection costs, including reasonable attorneys' fees.

16. In adversarial proceedings, you agree that as of 90 days before any scheduled trial or arbitration date (or a later time that we may make such request), all fees and costs incurred up to that point will be paid and you will either provide us with a deposit (or augment any existing deposit) or make another satisfactory arrangement to ensure payment of all fees and costs estimated to be incurred from that point through the end of trial or arbitration.

Privacy, Data Protection and Other Regulation

17. We are often asked for information about our experience. You consent to our public disclosure that you are a client and a general description of our work for you.
18. Anti-money laundering, anti-bribery, anti-terrorist and similar laws require compliance with client identification, verification, and other rules. We may not be able to represent you until we have all the information we need for these purposes.
19. Dentons is committed to ensuring the privacy and confidentiality of personal data disclosed to us in the course of our work for you. We will handle personal data you send to us about you, your employees, agents, contractors or other individuals in accordance with data protection and privacy standards equivalent to or higher than those required by law. We may transfer such data between locations in order to provide legal services to you.
20. Where we process personal data as provided above we do so as a data controller and we ultimately take responsibility for carrying out the data in compliance with applicable data protection and privacy laws. An overview of the categories of personal data we collect and how we use it is provided in the Privacy Policy that you may find at www.dentons.com. You confirm to us that, to the extent reasonable, you will communicate this Privacy Policy to any individuals whose personal data you provide to us. Any personal data supplied by us to you about our employees and/or any other individuals may only be used for the expressed purposes for which that information is provided to you.

21. We do not tolerate bribery or corruption.

Your File and Our Records Retention

22. Absent professional obligations or written direction from you to the contrary, we may dispose of all records relating to the representation seven years after we last performed work on the matter, without further notice to you. We need not keep documents containing our lawyer work product, mental impressions, notes, drafts,

and emails and those documents will not be considered to be part of your client file.

Termination

23. You may terminate the engagement at any time for any reason. We may terminate the engagement at any time, consistent with our ethical obligations. We expressly reserve the right to stop acting for you, and you expressly consent to our right to terminate, if you fail to pay for amounts invoiced or requested. You remain responsible for paying fees and costs related to work performed before the end of the engagement, and we will not be liable for any resulting loss.

Completion of Engagement

24. Our representation of you will end when we have completed the services described in the Letter, send our final invoice, or, unless otherwise agreed, after six months of furnishing no billable services to you, whichever occurs sooner, without the need for further written confirmation. Any new relationship will require a new Engagement Letter, notwithstanding any communications or administrative action after that period.

Translations

25. If we use or prepare a translation, you should be aware that words and legal concepts used in one language may not have equivalents in another. You should not assume that any translation exactly replicates the original text.

Entire Agreement

26. The Engagement Agreement cannot be modified by any policies, procedures, guidelines, correspondence, or other document from you unless agreed to in writing by a partner of Dentons Bingham Greenebaum LLP. If there is a conflict between the Terms and the Letter, the provisions of the Letter control. If any part of the Engagement Agreement is held to be illegal, invalid or unenforceable, it shall not form part of the agreement and the balance shall remain enforceable and shall not be affected.

**PERSONAL SERVICE CONTRACT FOR
CHIEF EXECUTIVE OFFICER
BETWEEN
KENTUCKY RETIREMENT SYSTEMS
AND
JOHN E. CHILTON**

This Personal Service Contract ("PSC") is entered into by and between the Kentucky Retirement Systems ("Systems" or "KRS") and John E. Chilton ("the Employee") to establish a contract for the Chief Executive Officer ("CEO") of the Kentucky Retirement Systems.

No solicitation was issued for these services. Employee's appointment to this position was determined under the statutory authority of KRS. Per Kentucky Revised Statutes Section 61.645(9)(a), "The board of trustees shall appoint or contract for the services of a chief executive officer...and fix the compensation & other terms of employment...without limitation of the provisions of KRS Chapters 18A, 45A and KRS 64.640."

This PSC is effective 07/01/2025 and expires 06/30/2027. The Board of Trustees reserves the right to renew this agreement per KRS granted to them in KRS 61.645 and by House Bill 9, which passed in the 2021 Regular Legislative Session.

KRS and Employee agree to the following:

I. Scope of Agreement

Services required

Employment Duties, Contract Term and Application of Personnel Policies.

1. Duties.

The Board of Trustees ("Board") of the Kentucky Retirement Systems agrees to employ John E. Chilton ("Employee") as Chief Executive Officer. Employee will report to the Board of KRS and shall perform his duties and discharge his responsibilities competently, carefully and faithfully as required herein and in the KRS Policies, as applicable. Per Kentucky Revised Statutes Section 61.645(9)(a) the CEO "shall serve as the legislative and executive adviser to the board...The chief executive officer...shall work with the executive director of the Kentucky Public Pensions Authority ("KPPA") to carry out the provisions of KRS 16.505 to 16.652 and 61.510 to 61.705." Employee's general duties are described in the KRS Chief Executive Officer Job Description (attached hereto as "Exhibit A"), as amended from time to time by KRS, and shall also include such other duties as are assigned to the Employee by the KRS Board of Trustees, and as may be listed in the KRS By-laws. Employee will devote his time and best efforts to the affairs of KRS and shall complete all assigned tasks to the satisfaction of the Board and within any prescribed timeframe.

2. Contract Term.

The term of Employee's employment with KRS shall be for the period from July 1, 2025 through June 30, 2027 (the "Contract Term"), unless earlier terminated pursuant to this Agreement. Nothing in this Agreement shall be construed to create any commitment, guarantee, agreement or understanding of any kind that KRS shall continue to employ Employee after the end of the Contract Term.

3. Policies.

The Employee is subject to the Commonwealth of Kentucky Employee Handbook, any Personnel Policies, Conflict of Interest Policies, Confidentiality Policies or any other personnel related policies or statutes which apply to KRS employees except to the extent his unclassified position is exempted therefrom in any statute, or exempted as set forth in this Agreement.

4. Compensation.

A. Salary.

KRS shall pay Employee, as compensation for the performance of his obligations under this Agreement, an annual salary of \$85,860. If the Commonwealth of Kentucky grants all employees an increase in pay during the term of this contract, Employee shall receive those pay increases without the need to amend this contract. Employee understands that no variable or performance linked compensation is envisioned during the term of this agreement. The salary shall be paid in such periodic installments as KPPA pays its employees.

B. Benefits.

If Employee works in a full-time capacity as defined in the Commonwealth of Kentucky Employee Handbook ("Employee Handbook") (more than 100 hours per month), KRS shall provide Employee with all benefits received by other full-time employees of the Commonwealth of Kentucky. If Employee works in a part-time capacity (less than 100 hours per month) as defined in the Employee Handbook, KRS shall provide Employee with all benefits received by other part-time employees of the Commonwealth of Kentucky.

It is understood and agreed by Employee that the annual salary and benefits set forth above shall not be changed during the Contract Term.

5. Early Termination of Employment.

A. Termination for Cause.

KRS may immediately terminate Employee's employment with KRS at any time prior to the end of the Contract Term for "Cause" as defined below. The decision to terminate the Employee for Cause shall require a majority vote of the full KRS Board. The existence of Cause shall be determined in the sole and absolute discretion of the KRS Board.

(i) Definition and Determination of "Cause."

(a) As used herein, "Cause" shall include but not be limited to the following:

(I) Failure or neglect by Employee to satisfactorily perform the duties of the Employee's position.

(II) Failure of the Employee to obey lawful orders or to comply with lawful directives to him.

(III) Misconduct in connection with the performance of any of his duties, including but not limited to misappropriations of funds or property of KRS, misrepresentations to KRS or any regulatory authority, the violation of any laws, regulations or policies to which KRS is subject or the Employee's position is subject, violation of a provision of the Kentucky Executive Branch Code of Ethics or any policies of the Kentucky Retirement System.

(IV) Commission by Employee of an act involving moral turpitude, dishonesty, theft, unethical business conduct, or conduct that impairs or injures the reputation of, or harms, KRS.

(V) The performance of any act as CEO outside the authority of the CEO.

(VI) Failure to cooperate fully in any investigation by KRS or by any regulatory or law enforcement authority that may properly investigate the KRS.

(VII) Disclosure of any confidential or proprietary information.

(VIII) Use or abuse of alcohol or drugs which interferes with the Employee's performance of his duties.

(ii) KRS shall provide Employee with written notice of termination for Cause citing the specific reasons for the termination. The Employee is non-classified and therefore Employee does not have the right to appeal any termination in any manner to a neutral decision maker. Consequently, Employee shall have no rights to the Grievance and Appeal Procedures set forth in the Commonwealth of Kentucky Employee Handbook and shall have no right of appeal to the Kentucky Personnel Board. The Employee's only rights of recourse are set forth in this Agreement.

B. Termination without Cause.

The Board may terminate Employee's employment with KRS prior to the end of the Contract Term at any time without Cause by providing written notice of the same. If Employee's employment with KRS is terminated prior to the end of the Contract Term for reasons other than Cause, the Employee shall be entitled to six (6) months of the contractual compensation or the amount of the contractual compensation remaining through the end of the Contract Term, whichever is less. This amount shall be payable to Employee in one lump sum within thirty (30) calendar days of termination; provided, however, KRS shall not be required to make any such payment until, upon the request of and in form acceptable to KRS, Employee executes and delivers a full and complete release of KRS, KRS' Board, and KRS' employees, individually and in their official capacities, for any and all claims and potential claims of any nature, employment related or otherwise, whether arising by statute, contract or common law, that Employee could assert against KRS, such release to be in a form satisfactory to KRS and its counsel.

In the event of termination without Cause, the only obligation for compensation to Employee shall be as stated in this subparagraph, and Employee shall not be entitled to compensation for the remaining term of employment under this Agreement.

C. Voluntary Termination.

Employee shall have the right to terminate his employment with KRS voluntarily, at any time, by giving at least sixty (60) days' written notice to the Chair of the KRS Board. Under the terms of a voluntary termination, Employee is entitled to his contractual compensation, as set forth herein, through the date of resignation.

6. Miscellaneous.

A. Notices.

Any notice or other communication required, or which may be given to any party hereunder shall be in writing and shall be delivered personally, or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally, or if mailed, five days after the date of mailing to the respective party as follows:

To KRS: Kentucky Retirement Systems
Attention: KRS Board Chair
1260 Louisville Road
Frankfort, KY 40601

To Employee: John E. Chilton


B. Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon KRS and its successors and assigns, and Employee and his heirs and personal representatives, but

Employee's rights hereunder are personal to him and shall not be subject to voluntary or involuntary alienation, assignment or transfer. For the purposes of this Agreement, the term "successors and assigns" shall mean any person, firm, corporation, or other entity which at any time, whether by change in law, merger, purchase or otherwise, shall manage or acquire all, or substantially all, of the assets or business of KRS.

C. Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky.

D. Entire Agreement.

This Agreement is the entire and exclusive agreement between Employee and KRS with regard to the subject matter hereof and supersedes all previous oral and written agreements or understandings, and all contemporaneous oral and written negotiations, commitments, understandings and communications between the parties, relating to the subject matter of this Agreement. Either KRS or Employee may terminate the employment relationship at any time for any reason pursuant to the terms of this Agreement. Nothing in this Agreement is intended, nor should be construed, to limit or modify this mutual right. This Agreement was negotiated between the Employee and representatives of the KRS Board.

E. Waivers and Amendments.

This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the Chair of the KRS Board of Trustees and Employee or, in the case of a waiver, by the party waiving compliance. No delay on the part of the KRS Board or Employee in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of KRS Board or Employee of any right, power or privilege hereunder, or any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that KRS Board or Employee may otherwise have at law or in equity, except as expressly excluded herein.

F. Severability.

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof.

G. Counterparts.

This Agreement may be executed in two (2) or more Counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

H. Headings.

The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning, construction or interpretation of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement. The language in all parts of this Agreement is to be construed according to its fair meaning, and not strictly for or against any party hereto.

I. Jurisdiction.

KRS and Employee hereby irrevocably consent and submit to the jurisdiction of (A) the Circuit Court of Franklin County, Commonwealth of Kentucky or (B) the United States District Court sitting in and for the district which includes the City of Frankfort, Commonwealth of Kentucky in any dispute, action, claim or proceeding arising out of or relating to this Agreement, and irrevocably agree that any and all claims arising out of or relating to this Agreement shall be heard and determined in these Courts, without regard to the principle of conflicts of law.

J. Conflict-of-Interest Laws and Principles.

The Employee certifies that he is legally entitled to enter into this Agreement with KRS, and by holding and performing this Agreement, he will not be violating any Conflict of Interest Statute or Policy, or KRS 11A.040 of the Executive Branch Code of Ethics.

K. Survival.

This Agreement shall survive the termination of Employee's Employment with KRS.

II. Contract Components and Order of Precedence

KRS' appointment of the Employee as its Chief Executive Officer shall create a valid contract between the Parties consisting of the following:

1. Any written Agreement between the Parties.
2. Any Addenda to the Agreement.

In the event of any conflict between or among the provisions contained in the Agreement, the order of precedence shall be as enumerated above.

III. Pricing

1. Salary.

Kentucky Retirement Systems shall pay Employee, as compensation for the performance of his obligations under this Agreement, a base annual salary of \$85,860 and benefits as determined and set forth herein. If the Commonwealth of Kentucky grants all

employees an increase in pay during the term of this contract, Employee shall receive those pay increases without the need to amend this contract. Employee understands that no variable or performance linked compensation may be paid during the term of this agreement. Any and all changes to this Agreement must be processed in the same manner as the original Agreement. The salary shall be paid in such periodic installments as KPPA pays its employees.

IV. Invoicing

1. Payment.

Payment is processed through the Commonwealth of Kentucky's KHRIS system. In order to assist KRS in determining its future need for a full-time or part-time CEO, Employee shall accurately track and record any and all time (hours and quarter of hour fractions thereof) spent performing any duty, however minor the time may seem (e.g. 5 minutes responding to an e-mail x 3 e-mails = 0.25 hours to be reported), relating to this Agreement. Any time worked up to 15 minutes shall be reported as 0.25 hours. Any time worked between 16 minutes and 30 minutes shall be reported as .50 hours. Any time worked between 31 minutes and 45 minutes, shall be reported as .75 hours. Any time worked between 46 minutes and 1 hour shall be reported as 1.0 hours.

2. Travel Expenses.

Kentucky Retirement Systems shall reimburse the Employee for travel expenses in accordance with the state regulations established by the Finance and Administration Cabinet and in compliance with Kentucky Revised Statutes and Kentucky Administrative Regulations upon receipt of approved documentation. Employee shall receive pre-authorization from KRS' Board Chair before travelling or attending any educational sessions (including virtual trainings) on behalf of KRS.

3. Other Expenses.

The Employee shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this Agreement or authorized in advance and in writing by the Chair of the KRS Board.

If reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Employee of valid, itemized statements submitted periodically for payment at the time any expenses are due. The Employee shall maintain supporting documents that substantiate every claim for expenses and shall furnish the same if requested by KRS.

IN WITNESS WHEREOF, KRS has caused this Agreement to be subscribed on its behalf by its duly authorized agent, and Employee has caused this Agreement to be subscribed on his behalf, as of the 17th day, April, 2025. By affixing signatures below, the parties verify that they are authorized to enter into this Agreement and that they accept and consent to be bound by the terms and conditions stated herein. In addition, the parties agree that (i) electronic approvals may serve as electronic signatures; and (ii) this Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall

constitute a single contract.

KRS:

KENTUCKY RETIREMENT SYSTEMS

By: _____

Name:

Title: KRS Board Chair

Date: _____

Employee:

JOHN E. CHILTON

By: _____

Name: John E. Chilton

Title: KRS Chief Executive Officer

Date: _____

APPROVED AS TO FORM AND LEGALITY:
KPPA's Office of Legal Services on behalf of KRS

By: _____

Name: Michael Board

Title: Executive Director, Office of Legal Services

EXHIBIT A



CHIEF EXECUTIVE OFFICER Kentucky Retirement Systems

GENERAL DESCRIPTION OF POSITION:

This position is for the Chief Executive Officer (CEO) for the Kentucky Retirement Systems (KRS). KRS administers benefits for the Kentucky Employees Retirement System and the State Police Retirement System. KRS is governed by a nine (9) member Board (3 elected members, and 6 members appointed by the Governor). Per Kentucky Revised Statutes Section 61.645(9)(a), the CEO shall serve as the legislative, and executive adviser to the Board, and shall work with the Executive Director of the Kentucky Public Pensions Authority (KPPA) to carry out the statutory provisions applicable to KRS. The role of the CEO is to plan, manage, and oversee the activities and operations of KRS within the framework established by statute and in compliance with the policies, rules and regulations adopted by the Board.

ESSENTIAL DUTIES:

Board of Trustees

- Provide leadership to KRS by carefully working with the Board to identify the long-term strategic direction of the organization while working within existing and future statutory and regulatory constraints.
- Develop and implement effective responses to issues facing KRS and its membership.
- Act as the Board's primary adviser and assist the Trustees in meeting their fiduciary responsibilities.
- Work collaboratively with the Board Chair and Committee Chairs in developing meeting agendas and in the preparation of meeting materials.
- Attends all Board and Committee meetings and makes presentations as required.
- Provide information and education to the Board on pertinent topics.
- Provide support to the Board and its Committees in establishing and revising all policies of the Board and Committees. Such support will include identifying and analyzing issues requiring Board policy, ensuring policies support the mission and

goals of KRS and providing policy recommendations for consideration by the Board or its Committees. The CEO will be responsible for ensuring that all policies are implemented and adhered to.

- Provide the Board with relevant, appropriate, and timely information to enable it to properly carry out its oversight responsibilities.
- Apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to KRS, and provide recommended courses of action as appropriate.
- Monitor the terms of appointments of Trustees, including (1) expiration dates of current terms and (2) statutory term limits.
- Monitor required financial and ethical reporting requirements.
- Provide orientation to new Trustees as they come on the Board, and ensure the all Board members receive appropriate educational opportunities or training in adherence with the education policy.
- Assure Board orders and requests are implemented.
- Serve as a spokesperson for KRS and respond to inquiries from the press regarding issues pertinent to KRS.
- Act as liaison between the Board, KPPA, member organizations, employers, the Legislature and the public.
- Coordinate with legal counsel, including KPPA legal staff, KRS General Counsel (or Conflicts General Counsel) and/or outside counsel as applicable, on all legal proceedings involving KRS.
- Track and ensure compliance with Board education requirements.
- Perform other duties and responsibilities as assigned by the Board.

Fiscal Responsibility

- Assist the Board in reviewing and adopting actuarial assumptions and funding methods for KRS.
- Work with KPPA's actuaries on projections, assumptions, and reports to the Board.
- Monitor the funded status of the pension plan and insurance trust plan.
- Assist the Board in coordinating the annual financial audit.

Legislation

- Maintain a positive relationship with the Legislative and Executive branches of state government.
- Review and, with the assistance of legal counsel, analyze proposed legislation and legislative developments affecting KRS.
- Make recommendations to the Board on administrative regulations and proposed legislation, including assisting KPPA in the introduction of regulations and legislation as necessary and appropriate.

- Interact with legislators as liaison for KRS, and testify on proposed legislation affecting KRS.
- Ensure that an actuarial analysis has been completed and submitted to LRC for any legislation affecting KRS.
- Attend meetings of, and when required, address legislative committees (i.e., the Public Pension Oversight Board).
- Advocate for or oppose bills impacting KRS.



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: KPPA/CERS/KRS Board
From: Ryan Barrow
Date: April 2025
Subject: KPPA Update

I. KPPA LEGISLATION UPDATE:

- KPPA requested two bills this session:
 - House Bill 30 (Public Employee Benefits/Pension Spiking) has been signed by the Governor.
 - House Bill 71 (KPPA Reorganization) was not passed. This bill was requested in the 2024 Regular Session and went further in the process this session. It was approved by the Personnel Cabinet, passed the House (93-0), received two readings in the Senate, and was unanimously voted out of the Senate State & Local Government Committee (11-0). However, it failed to get placed on a crowded agenda for the last two days of the session for the final reading and subsequent senate floor vote.
- After monitoring hundreds of bills throughout the session, bills having a direct impact on KPPA are:
 - House Bill 30 (Public Employee Benefits/Pension Spiking)
 - Senate Bill 10 (CERS Retiree Insurance)
 - Senate Bill 176 (Statutory Committee Membership)
 - Senate Bill 183 (Fiduciary Duties)

II. STRATEGIC PLAN & IMPLEMENTATION UPDATE:

The implementation of the Strategic Plan continues with four active teams:

- Quality Assurance is in the implementation stage of its recommendations regarding the account audit process.
- Survey has made recommendations and is under review.
- Member Presentations is nearing the recommendation phase.
- Call Center AI is researching options and best practices.

Other Initiatives:

- An RFP has been issued for a technology assessment to be conducted in FY 2026. This assessment will be used to prioritize technology modernization.
- The new KPPA Leadership Academy was launched at the end of February. Fourteen participants from various divisions will attend monthly leadership training sessions, meet regularly with assigned mentors, and continue the leadership program through December 2025.

We are planning on a comprehensive update for the Board(s) at the next regularly scheduled meeting.

III. BOARD RETREAT:

As part of our ongoing efforts to create a meaningful and productive board retreat experience, research and budgeting are currently underway for location, dates, format, and programming.

IV. LRC CAPITAL BUDGET PROCESS:

As part of the LRC biennium budget process, KPPA is required to submit a capital planning process. KPPA will be submitting a \$75M Capital Project “tentative plan” to modernize and/or replace our Pension Administration System (PAS) known as START.

V. KPPA KUDOS:

Kudos to Sherry Rankin and Sandy Hardin for their outstanding work on coordinating the new Trustee Orientation for our newly elected CERS Trustees. The preparation and coordination with Ed, attention to detail, made the session informative and engaging. I also want to note the effort across the organization in compiling the material and delivering a successful training session. The prepared materials are available in the Shared Document folder in Board Books.

Many thanks to everyone involved in maintaining and improving KPPA operations!