



# Board Governance Presentation

STRS Ohio

June 14, 2023





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# Introduction



## Stasia Kelly

**Partner**

**Senior Advisor to the Chair**

**Executive Director – Client Relations**

Washington, DC

- Extensive experience as both outside counsel and general counsel, working closely with boards of directors, general counsel, and in-house legal teams and helping clients design and implement effective governance and compliance programs. Advises boards and executives on crisis management.
- Joined DLA Piper in 2010 and served as the firm's US Managing Partner from 2012 to 2020.
- 15-year career as general counsel in four leading public companies: AIG, MCI/WorldCom, Sears, Roebuck, and Fannie Mae. Focused on helping companies through challenging crises and building effective legal and compliance organizations.
- Previously advised across several areas of the law, including the regulation of financial institutions and securities firms and white-collar defense.

# Introduction



## John Lyons

**Partner**

Chicago

- Routinely advises boards on fiduciary duties and assists boards with navigating financial and other challenging governance circumstances.
- Represents clients in connection with private equity and distressed transactions.
- Appointed in 2019 to the Illinois State Universities Retirement System (SURS) Board of Trustees, where he chairs the Governance Committee and serves on the Executive Committee, Legal and Legislative Committee, and Diversity Committee.
- Led SURS' Governance Committee revisions to Board Code of Conduct and implementation of other governance initiatives.

# Introduction



## Noah Schottenstein

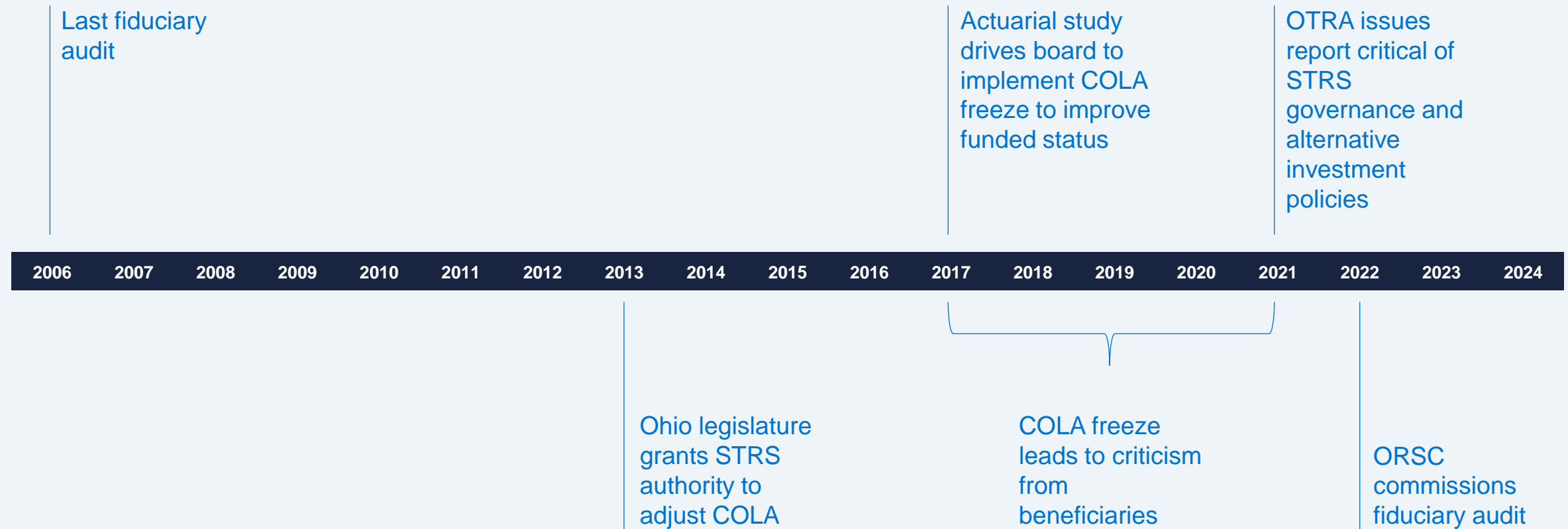
**Senior Attorney**  
**Co-Leader, Private Funds Disputes**

Dallas | Houston

- Advises investment fiduciaries on governance issues to ensure investments are managed consistent with applicable fiduciary duties.
- Advises investment managers on transactional documentation, manager disputes, internal investigations, crisis response, and litigation matters.
- Experienced with public entity clients and sensitive issues, including sovereign immunity and public records acts.
- Former Trial Attorney with the US Department of Justice and a former Assistant United States Attorney for the Western District of Texas.

# Issues Facing the Board

## Timeline of Key Events





# Issues Facing the Board

## Fiduciary Audit Highlights



Board organization/structure



Transparency/communications



Delegations



Compliance



Oversight



Risk management



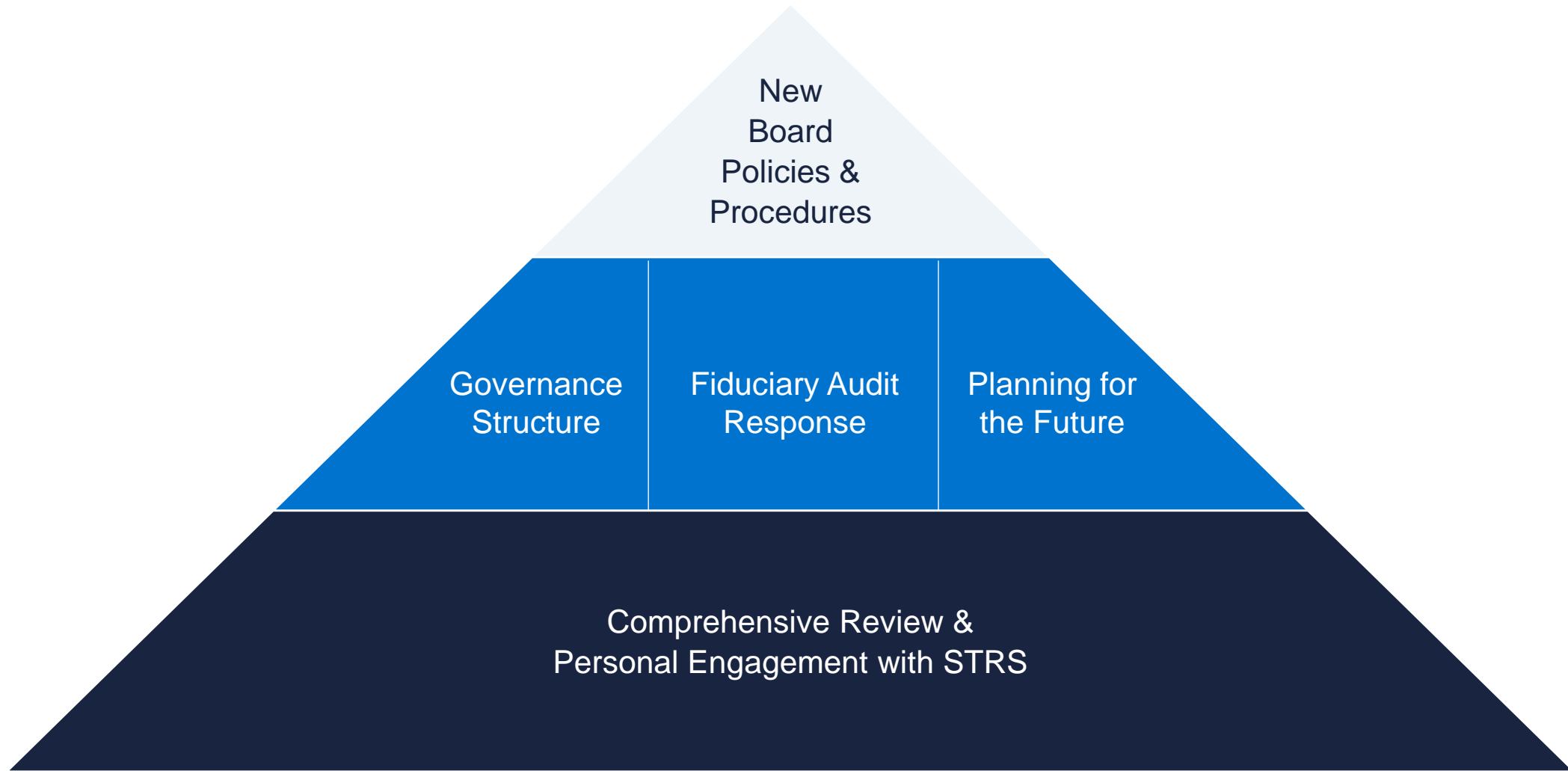
Education



Investment management/  
prudent investor rule

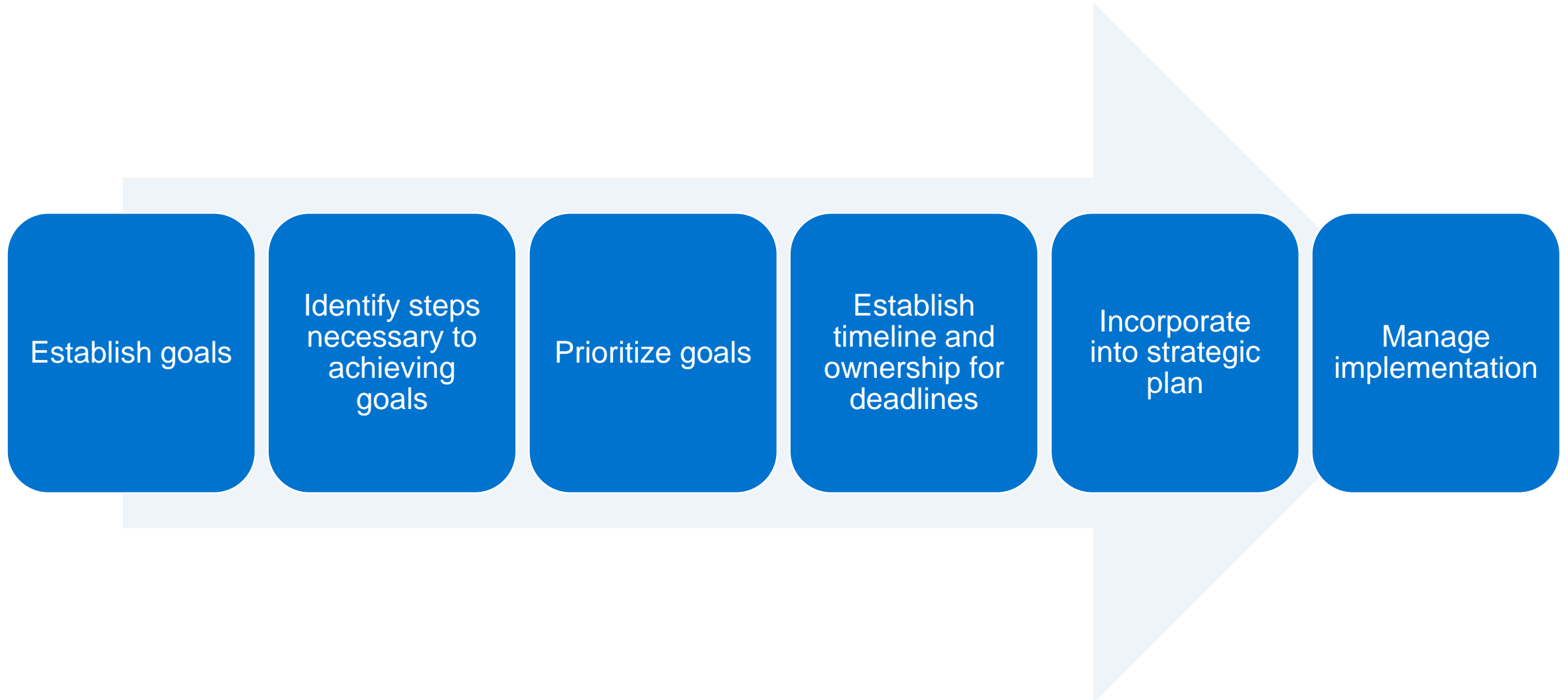


# How DLA Piper Can Help





# Our Process



# Cost Proposal

*We propose that the project be structured in two parts.*

**Part 1** would consist of assisting STRS Ohio with updating its governance structure, policies, and procedures, as identified by the following requested services:

- Advise the Board on its overall governance structure, including documentation of roles and responsibilities of the Board, Staff, and Committees, as well as development of policies and procedures.
- Engage in a comprehensive review of Board Policies with the Ad Hoc Governance Committee, taking into consideration the recommendations made in the 2022 FAS Fiduciary Performance audit, particularly those recommendations regarding board governance and enterprise risk management.
- Recommend and assist in the development of additional governance policies as needed to assist the Board and Staff in fulfilling their fiduciary duties.
- Assist in the development of a formal annual Board self-assessment process, including recommendation of a continuing education plan for the Board and its members.
- Work cooperatively and constructively with the Board, Staff, and other consulting firms retained by STRS Ohio, as necessary for the completion of the services listed above.
- We propose rendering the Part 1 services on a single, fixed-fee basis of US\$150,000. This fee would include travel costs for one DLA Piper team member to spend up to five business days in Ohio for in-person meetings with staff.



# Cost Proposal

(continued)

**Part 2** would consist of providing ongoing governance advice, as identified by the following requested services:

- Attend and participate in STRS Ohio Board meetings (including the annual Board Planning and Education Session and STRS Ohio Ad Hoc Governance Committee meetings) as requested by STRS Ohio.
- Serve as a resource for ongoing guidance and education to the Board regarding general governance matters and complete special projects, as requested.
- We propose rendering the services in Part 2 on a fixed-monthly fee basis of US\$17,500 per month. This proposal (i) anticipates attendance at nine meetings per year, for up to eight hours per meeting (including the full Board and/or subcommittees); (ii) includes travel costs for one DLA Piper team member to attend such meetings in person; and (iii) provides that any ongoing governance advice or special projects shall be limited to five hours per month.

Services requested by STRS Ohio outside of the scope of the fixed-fee proposal shall be at hourly rates set forth on the following page or subject to a separately negotiated fee agreement.





# Cost Proposal

(continued)

## Hourly Rates

We are committed to delivering exceptional services and proven, consistent value. Sometimes the most straightforward way to bill complex projects or engagements with several unknowns or an undefined scope is by using hourly billing rates. When appropriate, we offer several approaches to help clients meet their legal spend goals, including blended and discounted rates.

As an investment in our relationship, we offer STRS Ohio a 20% discount on our standard hourly rates as outlined below.

Name	Title	Standard Hourly Rate (USD)	Discounted Hourly Rate (USD)
Stasia Kelly	Partner	\$1725.00	\$1380.00
John Lyons	Partner	\$1525.00	\$1220.00
Michael Hynes	Partner	\$1675.00	\$1340.00
Rachel Albanese	Partner	\$1380.00	\$1105.00
Noah Schottenstein	Senior Attorney	\$1020.00	\$815.00





Thank you.