



Board Administration Policy

Securities Litigation Policy

I. Purpose

- A. To establish procedures and guidelines to enable SJCEA to monitor and, where appropriate, participate in U.S. and foreign securities class action lawsuits or similar litigation that may impact SJCEA's investment portfolio. For purposes of this policy, a securities class action includes an action alleging claims under state or federal securities and antitrust laws, as well as similar claims arising under the laws of foreign jurisdictions.

II. Objective

- A. To fulfill the duty of SJCEA as a public pension fund to act diligently in seeking recovery of damages resulting from fraud, misrepresentation, or other unlawful conduct impacting SJCEA's investment portfolio.
- B. To provide a process for monitoring litigation and for determining the appropriate level of participation for SJCEA, including guidelines to enable SJCEA to:
 - 1. Identify and evaluate litigation opportunities that may affect SJCEA's investments;
 - 2. Pursue passive or active participation in U.S. or foreign class actions or similar proceedings when it is in the best interest of SJCEA; and
 - 3. Maximize recovery and deter future misconduct through prudent oversight and coordinated action consistent with SJCEA's fiduciary responsibilities.

III. Delegation of Authority

- A. Authority to pursue and resolve claims is delegated to the Chief Executive Officer (CEO) and the Chief Legal Counsel. The CEO and Chief Legal Counsel shall establish a pool of Litigation Security Firms. In the event SJCEA decides to pursue an active role, authority to retain litigation counsel from this pool is delegated to the Chief Legal Counsel in consultation with the CEO. A written retainer agreement that memorializes the retention terms must be signed by retained outside counsel prior to their selection by SJCEA.
- B. For purposes of this policy, the term "Staff" refers collectively to the CEO, the Chief Legal Counsel, and any outside counsel or consultants retained by them to carry out responsibilities under this policy.

IV. Monitoring of Securities Litigation

- A. SJCERA may retain outside counsel to assist in monitoring securities class action cases, including to identify such matters that potentially impact or involve SJCERA's investments and to evaluate potential losses, merits, and likelihood of recovery. SJCERA may also retain outside counsel to evaluate other types of claims resulting in investment losses, including claims under the Commodity Exchange Act, and to assess SJCERA's potential financial interest in pursuing such claims. Any retained outside counsel shall provide periodic reporting to the Chief Legal Counsel.

V. Active Participation: U.S. Litigation

- A. Staff will strive to ensure that SJCERA obtains its fair share of any recovery where a valid claim exists. Where the potential loss in a particular case justifies involvement, Staff will monitor and/or participate as appropriate. In cases where potential recovery is difficult to quantify but the matter appears meritorious and of potential significance, Staff shall determine whether SJCERA will participate.
- B. In deciding whether to pursue active participation in a U.S. securities class action (generally, a lead or additional plaintiff role), Staff will consider the following factors:
 - 1. The size of SJCERA's losses;
 - 2. The merits of the case;
 - 3. The sources of recovery available to satisfy a judgement if plaintiffs prevail (i.e., is the defendant company financially solvent);
 - 4. SJCERA's internal policies;
 - 5. The availability of Staff to oversee active participation and the time and resources necessary; and
 - 6. Whether SJCERA's active participation would be effective in deterring similar corporate misconduct in the future.
- C. When a determination is made not to pursue active participation, SJCERA shall remain passive and will participate in the litigation as a member of the class. Staff will continue to track all applicable legal developments and actions for any notices of settlement. When notices of settlement in U.S. securities class actions are issued, such settlements will be evaluated and, absent any reasonable objections to unusual terms, Staff will ensure a designated outside counsel or consultant files proof(s) of claim on behalf of SJCERA to protect SJCERA's interests to recover its pro rata share of recoveries.
- D. In instances where a determination is made to pursue active participation, the Chief Legal Counsel shall retain outside counsel to represent SJCERA, as discussed below.

VI. Active Participation: Foreign Litigation

- A. Active participation in foreign securities actions will be examined on a case-by-case and jurisdiction-by-jurisdiction basis to determine whether the potential benefits of active participation outweigh the potential costs.
- B. The United States Supreme Court in *Morrison v. National Australia Bank* held that investors cannot bring or participate in a U.S. securities class action if their claims are based on securities purchased outside the U.S. As such, investors no longer have the protection of U.S. securities laws for securities purchased on a foreign exchange. In many foreign jurisdictions, however, investors are required to join as a named plaintiff or otherwise join as an active litigant at the commencement of the case as a condition to sharing in any damages awarded or recovered. Such direct participation may be costly and, depending on the jurisdiction, may subject SJCERA to the risk of liability for defendant's fees and costs if the claim is unsuccessful. Therefore, SJCERA Staff will engage in a thorough cost benefit analysis prior to engaging in Foreign Litigation.
- C. In deciding whether to pursue active participation in a foreign securities litigation case, Staff will consider the following factors in addition to those set forth in Section V:
 - 1. Whether the right to recover damages will be lost if not pursued;
 - 2. The possibility of a meaningful recovery and a history of recoveries in that particular jurisdiction;
 - 3. Funding questions, including how the action is being funded, who are the funders/funding groups, and what are the fees;
 - 4. The merits of the case in light of the jurisdiction; and
 - 5. Relevant information concerning non-U.S. counsel;
- D. Where evaluation of the above factors results in assessment of significant burdens or risks outweighing potential recovery, the lack of potential for substantial recovery and/or the lack of meritorious claims, SJCERA's CEO and Chief Legal Counsel are authorized to refrain from initiating action by SJCERA to pursue potential claims.
- E. In instances where a determination is made to pursue active participation, the Chief Legal Counsel shall retain outside counsel to represent SJCERA, as discussed below.

VII. Claims Filing

- A. Staff shall develop and implement procedures to ensure timely claims are submitted on behalf of SJCERA in all appropriate U.S. class action settlements. Staff will also establish procedures for filing objections to attorneys' fee requests where appropriate.

VIII. Reporting

- A. Staff shall report annually to the Board regarding cases being monitored and cases in which SJCERA has taken an active role. Staff shall promptly inform the Board of major or unusual developments on cases in which SJCERA is actively participating and of any new settlements or awards in which SJCERA's has identified losses and a claim to its pro rata share.

IX. Resource Efficiency

- A. Implementation of this policy should not impose an undue burden on Staff. Existing resources should be leveraged to keep the Board informed of filings, settlements, and significant developments in securities class actions and other litigation affecting SJCERA's investment portfolio.

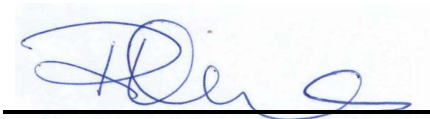
X. Policy Review

- A. Staff shall review this Policy at least once every three years to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this Policy must be approved by the Board in accordance with the bylaws.

XI. History

12/12/205 Policy adopted by the Board

Certification of Board Adoption:



Clerk of the Board

12/12/2025

Date