



PURPOSE

The purpose of this policy is to establish procedures to ensure the **Investment Committees** for the **Kentucky Judicial Retirement Fund (JRP)** and the **Kentucky Legislators Retirement Fund (LRP)**, hereinafter referred to as the “Committees,” vote proxies for public equity securities held according to their fiduciary duty as required by Chapter 21 of the Kentucky Revised Statutes.

POLICY

The Judicial Form Retirement Systems (JFRS) has the responsibility to participate in the voting of all equity shareholder proxies. Proxy voting rights are valuable and should be managed in a manner consistent with the fiduciary duties and responsibilities assigned to management of plan assets. Prudent review and research is necessary to make voting decisions in the best interest of the Fund and timely filing of proxy votes is essential. Kentucky Revised Statutes require the JFRS Board of Trustees vote proxies solely in the best interests of plan participants and beneficiaries.

APPLICATION

The Committees, in accordance with Kentucky Revised Statute, have authorized Baird Trust Company (Baird), as the board’s sole investment provider, to execute all proxy votes on behalf of the Plans and adopts the written proxy voting guidelines of Baird. Baird acknowledges their fiduciary duty and the responsibility to vote proxies in the sole interest of plan participants and beneficiaries.

To meet the requirements of this Policy, the following procedures will be followed:

1. Baird will review and cast all proxy votes in a timely manner on behalf of JRP and LRP;
2. Baird agrees to vote all proxies in the sole interest of plan member and beneficiaries, which shall not include any purpose or proposal to support or further a nonpecuniary interest.

Non-pecuniary interest is defined by Kentucky Revised Statute to include, but not be limited to, environmental, social, political, or ideological interest, which do not have a direct and material connection to the financial risk or financial return of an investment.

3. Baird may utilize the services and research of third-party proxy voting advisors, but is responsible for insuring all votes cast on behalf of the Funds are consistent with their fiduciary duty and with purpose of supporting or improving the plans financial interest. If a proxy voting service is casting votes on behalf of JRP or LRP funds, all votes must be in accordance with written proxy voting guidelines approved by Baird.
4. While proxy voting guidelines adopted by Baird should cover the majority of issues, there may be certain issues, unusual events, or material shareholder where established guidelines do not apply or the results of the voting could have material financial impact on the funds. In such event, Baird Trust will contact the Executive Director (ED) of JFRS regarding the issue and their recommendation on the proxy proposal in question. Upon review, if the ED believes the

recommendation from Baird is not consistent with this policy, the Chairman of the Board will be contacted to discuss and make a final determination.


5. Baird will provide a report to the Committees, at least quarterly, of all votes during the period. The report should contain summary of all votes casts as well as any material or meeting where deviations from established guidelines.

POLICY REVIEW

Staff shall review this Policy periodically to ensure that it remains relevant, appropriate, and in compliance. Any revisions or amendments to this policy must be approved by the Board of Trustees of the Judicial Form Retirement System.

The Board hereby **executes** this *Proxy Voting Policy*, on this, the 14th day of July, 2023.

**Investment Committee
Kentucky Judicial Retirement Plan**

By: 
Ben Allison, Chairman

**Investment Committee
Kentucky Legislators Retirement Plan**

By: 
W. Brad Montell, Chairman