

# Code of Ethics For IAC And REAC

## 1. Declaration of Policy; Code of Ethics Adopted

In order to ensure that the Comptroller in discharging his responsibilities as sole trustee of the Common Retirement Fund will have the benefit of the advice of community, legislative, business and labor leaders and of experts in various areas of finance, it is essential that the Investment Advisory Committee (IAC) and the Real Estate Advisory Committee (REAC) to the Common Retirement Fund attract the most qualified citizens from the public and private sectors to serve as members. The knowledge and expertise of members of IAC and REAC must be applied solely for the benefit of the participants and beneficiaries of the New York State and Local Employees Retirement Systems ("NYSLRS"), and not to advance the personal interests of such Committee members. It is vital, therefore, that the participants and beneficiaries of the NYSLRS, as well as the public, are assured that IAC and REAC members will not engage in conduct that appears to be influenced by a desire for personal gain rather than a desire to protect the interests of the Common Retirement Fund and the NYSLRS. It is also important to recognize, however, that IAC and REAC members volunteer their time and contribute their expertise without compensation in a spirit of public service. Accordingly, persons serving on IAC and REAC should be free to pursue their personal financial interests without restriction unless those interests would foreseeably result in a conflict of interest with the interests of the Common Retirement Fund and the NYSLRS.

The Comptroller has, therefore, adopted the following Code of Ethics setting forth standards of conduct for members of IAC and REAC. Copies of the Code of Ethics for IAC and REAC shall be provided to each person serving on or appointed to said committees (each, a "Committee Member"), and such persons shall acknowledge receipt of a copy of this Code of Ethics and shall be bound by the provisions hereof.

## 2. Restrictions on Transactions Between Committee Members and the Common Retirement Fund or NYSLRS

- a. As used in this Code, "interested party" shall mean:
  - i. a Committee member;
  - ii. the spouse of a Committee member;
  - iii. any partnership in which the Committee member or spouse is a general partner or owns 10% of either the capital or profit interests of such partnership; and
  - iv. any corporation in which the Committee member, or their spouse, individually or collectively, own or control 10% or more of the outstanding stock.

- b. No interested party shall engage in a transaction if such transaction constitutes:
  - i. the sale, exchange or lease of any property between the Common Retirement Fund or the NYSLRS and an interested party;
  - ii. the loan of money or other extension of credit between the Common Retirement Fund or the NYSLRS and an interested party;
  - iii. the furnishing of goods, services, or facilities between the Common Retirement Fund or the NYSLRS and an interested party; or
  - iv. the transfer of any assets of the Common Retirement Fund or the NYSLRS to, or the use of any assets of the Common Retirement Fund or the NYSLRS by or for the benefit of, an interested party.
- c. A Committee member shall not, in their individual capacity or in any other capacity, act as a broker or agent for or otherwise represent any party in any transaction with the Common Retirement Fund or the NYSLRS. However, nothing shall preclude a Committee member from providing advice in the course of their duties as a Committee member so long as such advice is rendered exclusively in that capacity.
- d. No interested party shall receive any consideration from any party in connection with a transaction with the Common Retirement Fund or NYSLRS.
- e. No Committee member shall use or attempt to use their Committee position to secure unwarranted privileges or exemptions for himself or herself or others.
- f. A Committee member shall not by their conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy their favor in the performance of their duties as a Committee member, or that they are affected by the kinship, rank, position or influence of any party or person.

3. **Committee Member Not to Perform Certain Services or Evaluate or Vote on Certain Matters**

If a Committee member is an officer, director, or employee of any entity which recommends, or seeks to engage in, a transaction not otherwise prohibited by this Code of Ethics and the Committee on which the Committee member serves is required to evaluate or vote on such transaction, the Committee member shall notify the Committee of their relationship to the entity and shall not participate in such an evaluation or vote. Further, such Committee member shall not knowingly perform services in connection with that transaction. A Committee member also shall not participate in any evaluation of, or vote on, any transaction if an interested party or an entity of which they are an officer, director or employee has an interest adverse to the Common Retirement Fund or the NYSLRS in connection with such transaction. The provisions of this paragraph, however,

shall not preclude a Committee member from evaluating or voting on an investment in which the only relationship between the Common Retirement Fund and the entity is that of co-investors in limited partnerships or other investment structures where management responsibility is not vested in the entity.

4. **Post-Service Restrictions**

An individual who has served as a Committee member shall not, for a period of two years after termination of such service, appear before the Committee on which they formerly served or any staff of the Office of the State Comptroller in connection with any transaction which was under active consideration by the Committee on which they served during the member's service. Such individual also shall not, after termination of such service, appear before the Committee on which they formerly served or any staff of the Office of the State Comptroller in connection with any matter under circumstances in which it could be reasonably inferred that such person is attempting to use their former position to secure unwarranted privileges or exemptions for himself or herself or others.

5. **Confidential Information**

No Committee member shall disclose confidential information which they have gained by reason of their service on such Committee or use such information to further their personal interests. Committee members should refer any media inquiries relating to the Committees to the Press Office of the Office of the State Comptroller.

6. **Enforcement**

IAC and REAC Committee members agree that failure to comply with this Code of Ethics or any other policy applicable to them (including, but not limited to, the financial disclosure requirements and the Insider Trading Policy) allows the Comptroller to take action against the Committee member that the Comptroller deems appropriate, up to and including the removal of the member from the Committee at the Comptroller's discretion.

7. **Interpretations: Meaning and Application of Code**

At the request of any Committee member or any officer or employee of the Office of the State Comptroller, Counsel to the Comptroller or the General Counsel to the Common Retirement Fund shall render interpretations regarding the meaning and application of the provisions of this Code of Ethics for IAC and REAC. Such interpretations shall be binding upon the Committee members.