



El Paso Firemen & Policemen's Pension Fund



CODE OF ETHICS

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The Board of Trustees ("the Board of Trustees" or "the Board") of the El Paso Firemen and Policemen's Pension Fund is obligated to administer its pension fund as a trust fund solely in the interest of the participants and beneficiaries. In performance of this obligation, the Board of Trustees is required to administer the Fund in accordance with Article 6243b V.A.T.S., and other applicable state and federal laws and regulations.

In furtherance of these obligations, the Board of Trustees hereby adopts the following Code of Ethics which shall be applicable to all trustees and fiduciaries of the El Paso Firemen and Policemen's Pension Fund ("the Fund"), its consultants, advisors, and any employees hired by the Board.

I. Fiduciary Duties

Under Texas State statutes and applicable federal law and regulations, the Fund is a trust fund to be administered solely in the interest of the participants and beneficiaries thereof, for the exclusive purpose of providing benefits to participants and beneficiaries, and to defray reasonable expenses of the Fund.

In the performance of these duties, all trustees, officers, employees, and other fiduciaries of the Fund are subject to the "Prudent Person Rule" which requires that they exercise their duties "with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims". Further, all fiduciaries of the Fund shall maintain high ethical and moral character both professionally and personally, such that the conduct of all fiduciaries shall not reflect negatively upon the Board of Trustees or the Fund.

II. Prohibited Transaction

- A. No fiduciary of the Fund shall receive compensation from any person in connection with any action involving assets of the Fund.

- B. No fiduciary of the Fund shall participate in a decision or action involving any asset or benefit for his or her own interest, except insofar as the benefit is incidental to the fiduciary's membership in a large class such as that of Fund participants.
- C. No fiduciary of the Fund shall engage in the purchase, sale, exchange, or leasing of property with the Fund if that fiduciary holds an interest in the property.
- D. No fiduciary of the Fund shall engage in the purchase, sale, or exchange of any direct investment with the Fund if that fiduciary holds an interest in the investment.
- E. No fiduciary of the fund shall participate in the lending of money or furnishing of other credit by the Fund if the fiduciary has a direct or indirect interest in the loan or credit unless such loan or credit is generally available to members of the Fund, generates a reasonable return, provides adequate security, and is made in accordance with specific provisions of the plan.
- F. Any goods, services, or facilities furnished by the Fund to any person shall be used for the exclusive benefit of the Fund unless reasonable consideration is received by the Fund for the use of the goods, services, or facilities.
- G. No fiduciary of the Fund shall cause the Fund to engage in any of the prohibited transactions listed above with any immediate relative or business associate of the fiduciary, any other trustee, employee, custodian or counsel to the Fund, any other fiduciary of the Fund, any person providing services to the Fund, any employee organization whose members are covered by the Fund, or the City of El Paso and its officers, officials and employees.

III. Exercise of Fiduciary Duties

- A. In making or participating in decisions, the fiduciaries of the Fund shall give appropriate consideration to those facts and circumstances that the fiduciary knows or should know, are relevant to the particular decision, and shall refrain from using facts or circumstances which are not relevant to the decision.
- B. In making decisions, the fiduciaries shall make a determination that the particular investment or course of action is reasonably designed, as part of the portfolio, to further the purposes of the Fund, taking into consideration the risk of loss and the opportunity for gain or other return.
- C. Fiduciaries of the Fund shall keep adequate records of all investment and benefit decisions to provide documentation of those decisions for future reference.
- D. If a fiduciary is present at any time a decision is being made concerning any investment, benefit or other action in which the fiduciary has an interest, the fiduciary shall disclose the interest and refrain from participating in the decision or discussion concerning the action, including abstention from voting regarding such action.
- E. Conflict of interest affidavits shall be completed annually and a record of voting abstentions shall be maintained outlining the basis for such abstentions.
- F. No fiduciary of the Fund shall participate in the breach of fiduciary duty of another fiduciary of the Fund, participate in concealing such breach or knowingly or negligently permit such breach to occur.
- G. In the conduct of all decision-making regarding the Fund, it is understood that at times individuals will consult with trustees in order to impact decisions of the Board. However, "ex-parte" communications by trustees with individuals seeking to

influence the decisions of the Board shall be strongly discouraged. All trustees shall make a written report of all such "ex-parte" communications which includes the date, name and firm of the person(s) involved.

IV. Gifts and Benefits

Definition of Gifts - Gift shall mean anything of tangible value given without adequate consideration and shall include, but not be limited to, any payment of cash, or receipt of goods or services. For purposes of this definition meals, refreshments and entertainment shall be considered as intangibles but shall clearly be subject to the restrictions contained in Section VI of this provision.

Trustees, officers, and employees shall be discouraged from accepting any gifts from any source, particularly those sources which are current or prospective contractors or service providers to the Fund. Towards this end, all fiduciaries of the Fund shall report on a form provided by the board, the receipt of any gift with a fair market value of greater than \$25.00.

Definition of Benefit - Benefit shall mean anything reasonably regarded as economic gain or advantage, including benefit to any other person in whose welfare the beneficiary is interested.

Trustees, officers, and employees shall not solicit, accept or agree to accept any benefit from any source.

1. Reporting of gifts. Each trustee, officer, and employee of the pension fund shall file a report of all gifts received which have a market value of over \$25.00 on the form provided by the Board. The form shall note the source of the gift, the dates received, and the estimated market value of the gift. Gift reports shall be filed at least quarterly, and if a trustee, officer, or employee has no such gift to report for the quarter, a statement to that effect

must be filed on the applicable report. All reports shall be retained by the Board and shall be made available to the public upon reasonable request.

2. Disclosure and disqualification. All trustees, officers, and employees of the pension fund shall be prohibited from participation in any action or decision affecting the financial interest of any source of a gift if the trustee, officer, or employee has in the preceding twelve months received a tangible gift or gifts with an aggregate total market value of more than \$100.00.

If such action or decision is discussed or acted upon during a meeting of the Board or any of its committees, the trustee, officer, or employee shall make a public disclosure of the conflict, which shall be noted in the minutes of the meeting and shall refrain from any further participation.

3. Return of gift. Any gift, the receipt of which is prohibited by this policy, shall be returned to its source whenever possible. If the source is unidentified, or cannot be located, the gift shall be donated to charity.
4. Receipt of gifts through intermediaries. No trustee, officer, or employee shall receive any gift through an intermediary, if the person knows, or has reason to know, that the gift has originated from another source.
5. Anonymous gifts. In no event shall any trustee, officer, or employee accept a gift, if the source of the gift is not identified.

V. Travel and Related Expenses

- A. It shall be the policy of the Board that whenever possible, expenses for travel, lodging, meals, and incidentals for trustees, officers, and employees traveling on official business on behalf of the Fund shall be paid by the Fund. This policy shall apply to all travel related to any business meeting, educational seminar, conference,

or convention attended by any trustee, officer, or employee of the Board. Payment of travel and related expenses by any other source shall not be accepted except under the provisions of this policy.

- B. Expenses - Definition. This policy shall apply to any expense related to travel, lodging, meals, or incidental expenditures made by another source in connection with any official business trip taken by any trustee, officer, or employee of the Board.
- C. Expenses related to new business. In no event shall any trustee, officer, or employee of the Board accept any expenses related to travel, the purpose of which is to determine the selection of new contractors or to determine the assignment of continuing or additional business to existing contractors.
- D. Acceptance of travel and related expenses. If, in the opinion of the Board, the interests of the pension fund are served by accepting travel and related expenses from another source to attend any conference, convention, seminar, or other business meeting, the Board may authorize the acceptance of the expenses by any trustee, officer, or employee.

VI. Miscellaneous - Intangibles

- A. Acceptance by a Fund Representative of any "favor" or complimentary work or analysis, offered or performed by a current or prospective contractor or service vendor of the pension fund, intended to benefit personally the involved Fund Representative is prohibited.
- B. Solicitation or encouragement by a trustee, officer or employee of the Fund of expensive meals, refreshment or entertainment from a current or prospective contractor or service provider of the pension fund is prohibited. On-going acceptance of such meals, refreshment or entertainment shall be strongly

discouraged.

- C. Invitations from any current or prospective contractor or service provider to dinners or other events must be communicated to Fund staff. Acceptance of such invitations shall be reported on a form and shall include the names and firms of the person(s) involved and the date on which the event occurred.

VII. General Provisions

Adherence to any and all applicable laws. Nothing in this policy shall excuse any trustee, officer, or employee from any other restrictions of state or federal law concerning conflicts of interest and fiduciary duties.