

# **CODE OF ETHICS**

**FOR ADVISORY COUNCIL AND ADVISORY COMMITTEES TO  
THE COMMON RETIREMENT FUND AND THE  
NEW YORK STATE AND LOCAL RETIREMENT SYSTEMS  
APPOINTED BY THE COMPTROLLER**

§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 and as the administrative head of the New York State and Local Employees Retirement System and the New York State and Local Police and Fire Retirement System (Retirement Systems), 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 Advisory Council and the Advisory Committees to the Common Retirement Fund and the Retirement Systems attract the most qualified citizens from the public and private sectors to serve as members. The knowledge and expertise of members of the Advisory Council and the Advisory Committees must be applied solely for the benefit of the participants and beneficiaries of the Retirement Systems, and not to advance the personal interests of Council or Committee members. It is vital, therefore, that the participants and beneficiaries of the Retirement Systems, as well as the public, are assured that Council and Committee 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 Retirement Systems. It is also important to recognize, however, that Council and Committee members volunteer their time and contribute their expertise without compensation in a spirit of public service. Accordingly, persons serving on the Advisory Council and Advisory Committees to the Common Retirement Fund and the Retirement Systems 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 Retirement Systems.

The Comptroller has, therefore, adopted the following Code of Ethics setting forth standards of conduct for members of the Advisory Council for the Retirement Systems, the Investment Advisory Committee, the Real Estate Advisory Committee, the Audit Committee, the Actuarial Advisory Committee, and any other advisory committee appointed by the Comptroller in his capacity as trustee of the Common Retirement Fund and administrative head of the Retirement Systems. Copies of the Code of Ethics shall be provided to each person serving on or appointed to the Advisory Council for the Retirement Systems or to any of said committees, and such persons shall acknowledge receipt of a copy of the Code of Ethics and shall be bound by the provisions thereof.

§2 **Restrictions on Transactions Between Council or Committee Members and the Common Retirement Fund or Retirement Systems**

- (a) As used in this Code, “interested party” shall mean:
  - (1) a Council or Committee member;
  - (2) the spouse of a Council or Committee member;
  - (3) any partnership in which the Council or Committee member or spouse is a general partner or owns 10% of either the capital or profit interests of such partnership; and
  - (4) any corporation in which the Council or Committee member, or his or her 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:
- (1) the sale, exchange or lease of any property between the Common Retirement Fund or the Retirement Systems and an interested party;
  - (2) the loan of money or other extension of credit between the Common Retirement Fund or the Retirement Systems and an interested party;
  - (3) the furnishing of goods, services, or facilities between the Common Retirement Fund or the Retirement Systems and an interested party; or
  - (4) the transfer of any assets of the Common Retirement Fund or the Retirement Systems to, or the use of any assets of the Common Retirement Fund or the Retirement Systems by or for the benefit of, an interested party.
- (c) A Council or Committee member shall not, in his or her 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 Retirement Systems; provided, however that no member of the Advisory Council for the Retirement Systems shall be prohibited from representing the interests of any voluntary non-profit corporation or association of which he or she is a member, director, officer, or employee or the members of such corporation or association. Nor shall anything in this paragraph preclude a Council or Committee member from providing advice in the course of his or her duties as a Council or 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 Retirement Systems.
- (e) No Council or Committee member shall use or attempt to use his or her Council or Committee position to secure unwarranted privileges or exemptions for himself or herself or others.
- (f) A Council or Committee member shall not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her duties as a Council or Committee member, or that he or she is affected by the kinship, rank, position or influence of any party or person.

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

If a Council or 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 Council or Committee on which the Council or Committee member serves is required to evaluate or vote on such transaction, the Council or Committee member shall notify the Council or Committee of his or her relationship to the entity and shall not participate in such an evaluation or vote. Further, such Council or Committee member shall not knowingly perform services in connection with that transaction. A Council or Committee member also shall not participate in

any evaluation of, or vote on, any transaction if an interested party or an entity of which he or she is an officer, director or employee has an interest adverse to the Common Retirement Fund or the Retirement Systems in connection with such transaction. The provisions of this paragraph, however, shall not preclude a Council or 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 Council or Committee member shall not, for a period of two years after termination of such service, appear before the Council or Committee on which he or she formerly served or any staff of the Office of the State Comptroller in connection with any transaction which was under active consideration by the Council or Committee on which he or she served during the member's service. Such individual also shall not, after termination of such service, appear before the Council or Committee on which he or she 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 his or her former position to secure unwarranted privileges or exemptions for himself or herself or others.

**§5 Confidential Information**

No Council or Committee member shall disclose confidential information which he or she has gained by reason of his or service on such Council or Committee or use such information to further his or her personal interests.

**§6 Enforcement**

Council and Committee members agree that failure to comply with the 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 Council or Committee member that s/he deems appropriate, up to and including the removal of the member from the Council or Committee at the Comptroller's discretion.

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

At the request of any Council or Committee member or any officer or employee of the Office of the State Comptroller, the Special Counsel for Ethics shall render interpretations regarding the meaning and application of the provisions of this Code of Ethics. Such interpretations shall be binding upon the Council and Committee members.