

GENERAL EMPLOYEES RETIREMENT SYSTEM
OF THE CITY OF DETROIT (“GRSD”)

CODE OF CONDUCT POLICY

Adopted: March 31, 2010

Amended: May 8, 2013

I. STATEMENT OF PURPOSE

The Trustees of the GRSD, both individually and collectively, must maintain the highest morals and standard of fiduciary care and loyalty to avoid erosion of the trust of GRSD members and the public at large. Board Members and GRSD staff shall conduct themselves in a manner that justifies the confidence placed in them by GRSD members and retirees, at all times maintaining their integrity and discharging their responsibilities ethically in the course of their association with GRSD.

This Code of Conduct, in conjunction with the Board’s *Ethics Policy*, provides guidelines for GRSD Trustees in conducting themselves with the utmost integrity and accountability required of a GRSD Board member.

II. DEFINITIONS

“Board” or “Board of Trustees” shall mean the Board of Trustees of the General Employees Retirement System of the City of Detroit.

“Board member” shall mean any member of the GRSD Board of Trustees.

“GRSD” shall mean the General Employees Retirement System of the City of Detroit.

“GRSD Staff” or “Staff” shall mean the Executive Secretary, the Recording Secretary, and all other employees of the GRSD.

“Service provider” shall mean any consultant, manager, advisor, custodian or other individual or entity providing services to the Board and/or GRSD.

III. GENERAL

Each member of the GRSD Board shall execute their duties and responsibilities in accordance with Public Act 314 of 1965, as amended, (“Act 314”) and shall discharge his or her duties solely in the interest of the participant and the beneficiaries, acting with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims.

Each and every member of the GRSD Board shall diligently attend to the business of the GRSD and shall not leave to other Board members control over the administration of the affairs of the Board and retirement system.

Each and every member of the GRSD Board shall fully comply with the Board’s Governance Policies, including, but not limited to the *Education Policy*, *Due Diligence Policy*, *Travel and Expense Policy*, *Ethics Policy*, and this *Code of Conduct Policy*.

IV. AVOIDING CONFLICTS

In accordance with the Board’s *Ethics Policy*, each member of the GRSD Board shall strive to avoid activities which may impair the ability to exercise independent judgment in the discharge of official duties.

In order to maintain the highest standards of conduct and ethics above the minimum requirements of applicable law and policy, and to avoid even the appearance of a conflict of interest, each member of the GRSD Board should conduct official and private affairs so as to avoid giving rise to a reasonable conclusion that he or she can be improperly influenced in the performance of his or her public duty. In addition, each member of the GRSD Board should conduct official and private affairs so as to avoid giving rise to the reasonable conclusion that he or she is using his or her position on the Board to further his or her own financial interests.

V. CONTACT WITH SERVICE PROVIDERS

No member of the GRSD Board or staff shall accept any gifts, favors, or services from any current or prospective service provider that the Board member or staff knows has responded to a Request for Proposal (“RFP”) from GRSD, or is otherwise a candidate in a non-RFP selection process by the GRSD. Furthermore, each and every member of the Board shall refrain from any discussions with any current or prospective service provider, who is a finalist in the selection process, regarding the RFP outside of an open public meeting, other than as a part of a regularly scheduled interview during the selection process.

VI. CONDUCT AT BOARD MEETINGS

Each and every member of the GRSD Board shall provide fair and equal treatment to all persons and matters coming before the Board or any Board committee. Board members shall listen courteously to all discussions at meetings and avoid interrupting other speakers, including other Board members, staff or committee members, except as may be permitted by established GRSD Rules of Order. Board members will only speak on an item when recognized by the Board Chair. Board members shall refrain from: (a) abusive, disruptive or intimidating conduct; (b) personal charges or verbal attacks upon the character, motives, ethics, or morals of others; or (c) making any derogatory remarks, including name calling, about other members. It shall be the responsibility of the Board Chair to keep the discussion focused on the motion or matter on the floor and to maintain the proper decorum of all Board members, GRSD staff and service providers that appear before the Board.

If at any time during a meeting, a Board member or any individual appearing before the GRSD Board acts in an inappropriate manner, it is the Board Chair's responsibility to call the person to order. However, if the Board Chair fails to call the individual to order (or it is the Board Chair that is out of order), any other member may call a "point of order". If conduct is so inappropriate that it is "out of order" it should be clear when it occurs or immediately thereafter. Therefore a "point of order" must be called at the time the violation occurs, not later. Because inappropriate conduct should NOT be allowed to continue, a call for "point of order" shall be allowed to disrupt a speaker.

Upon a call for "point of order" for a claimed violation of this Code of Conduct, the Chair shall immediately adjourn the meeting for a five (5) minute recess. No vote of the Board shall be required for this five (5) minute recess. In this instance, a call for "point of order": (1) does not need a second; (2) may interrupt a speaker; (3) is not debatable; (4) is not amendable; and (5) shall NOT require a rule of the Chair. This provision is adopted with the intention of protecting the rights of each and every Board member (or presenter before the Board) to participate fully in the business of the Board without being subject to inappropriate conduct on behalf of another. Board members however shall not abuse the "point of order" call to disrupt the flow of Board business.

Upon the Chair's call of the meeting back to order after the mandatory five (5) minute recess, it is expected that the offending party shall have had sufficient time to reflect upon their conduct and be willing to proceed in a manner consistent with this policy. In the event of continued violations of this section of the policy, or continued disruptive conduct which impairs the Board's ability to proceed with the meeting, the Board, by the adoption of an appropriate motion, may direct that the offender of this policy be removed from a particular meeting for a period of time or the remainder of that meeting. Such motion shall require a second, is not

debatable and shall require an affirmative vote of a majority of Board members in attendance. In the event the offending party does not promptly remove themselves after approval of such motion, the Board Chair or the Retirement Administrator are hereby be authorized to immediately contact building security to ask for removal of the offending party from the meeting. Upon a ruling of the Chair or an approved motion of the Board, the meeting shall be recessed or adjourned as appropriate until order can be restored.

Violation of this section of the policy is grounds for formal reprimand and public censure by the Board which shall be by the adoption of an appropriate motion and permanently noted in the Board minutes. Repeated violations of this section of the policy is grounds for formal action by the Board to send correspondence to the appropriate appointing or electorate representatives asking for the removal of the offending party from their Board position. Nothing herein shall be deemed to limit any person's right to exercise their appropriate individual legal remedies and protections under the law.

VII. COMMUNICATIONS

A. With All Parties

A Board member shall be respectful of the Board and its decisions, and of committees and their recommendations, in all external communications, even if he or she disagrees with such decisions or recommendations.

A Board member shall not correspond with a non-GRSD person or entity using GRSD letterhead or as a spokesperson on behalf of the Board unless the communication is authorized by the Board. The Board member when speaking on their own behalf shall not represent themselves as speaking on behalf of the Board.

B. With Service Providers and Other Non-GRSD Individuals

A Board member shall be respectful of the Board and its decisions, and of committees and their recommendations, in all external communications, even if he or she disagrees with such decisions or recommendations.

As a means to provide correct, timely and uniform information regarding GRSD administration, the provision of GRSD benefits, and related matters, inquiries on such matters from service providers, the media, and other non-GRSD entities and individuals should be directed to the Executive Secretary. If Board members receive inquiries from non-GRSD entities and individuals regarding GRSD and choose to respond to such

inquiries, such Board members shall clarify that they are not speaking on behalf of the Board, unless the communication is specifically authorized by the Board.

A Board member shall not correspond with a non-GRSD person or entity using GRSD letterhead or as a spokesperson on behalf of the Board unless the communication is authorized by the Board.

Copies of all written communications from a Board member to a current service provider or person or entity related to a current service provider, relating to GRSD business (other than purely personal or social correspondence) shall be provided to the Executive Secretary for possible subsequent distribution to all members of the Board.

A copy of any written business related communication (other than routine announcements, generally distributed newsletters, and similar material) received by a Board member from a current GRSD service provider, and not received by any other Board member, shall be forwarded to the Executive Secretary for possible subsequent distribution to all members of the Board.

C. With the Electorate

The Board may publicly express an opinion with regard to the merits of a proposed ballot measure or legislation that is reasonably expected to impact GRSD members or their beneficiaries with respect to their retirement or the operation of the retirement system. GRSD may provide information to its membership regarding the measure that is fair and impartial, avoids advocacy of any particular vote, and is provided to its membership as part of normal communications as to which GRSD is not expending additional funds. GRSD may not, however, expend retirement system funds or other GRSD resources (such as staff time) to mount a campaign, or otherwise advocate, on any measure before the electorate or on behalf of any particular candidate on a ballot. By way of example, the Board could provide notification to its membership of a proposed City of Detroit Ordinance or Charter amendment which would modify benefits or services provided to members or retirees. Such notification, however, shall only provide information regarding the proposed amendment and shall not provide adversarial or supportive commentary.

In addition, unless authorized by the Board, individual Board members shall not use their position as a member of the GRSD Board when expressing an opinion regarding any ballot measure or candidate for office, unless the individual specifically identifies his or her opinion as personal and not that of the Board or GRSD. GRSD shall consult with its general counsel prior to speaking officially, or expending GRSD resources, on any

items that will be brought before the electorate so as to avoid any potential misuse of trust funds.

D. With Plan Members

Board members shall be aware of the risk of communicating inaccurate information to plan members (both active members and retirees), and the possible harm to a plan member that may result from any such miscommunications.

Board members shall mitigate the risk of miscommunication with plan members by refraining from providing specific detail, advice or counsel with respect to the rights or benefits to which a plan member may be entitled under the GRSD plan. Board members are expected to and may provide general information to Plan members. Where explicit advice or counsel, with respect to retirement plan provisions, policies or benefits is needed, Board members will refer inquiries to the Executive Secretary or appropriate designee.

VIII. NON-COMPLIANCE SANCTIONS

Except as otherwise provided above, violation of this *Code of Conduct Policy* is grounds to remove the offender from the position of Chair or Vice-Chair of the GRSD Board, or from any other assignment on behalf of the Board, and may also subject the offender to censure by the Board. The Board may also pursue all of its legal remedies against any Board member who willfully violates the provisions of this policy.

IX. POLICY REVIEW

The Board shall review this *Code of Conduct Policy* at least every three years to assure its efficacy and relevance. The Board may amend this policy, from time to time, by majority vote of the Board.