



D A L L A S
POLICE & FIRE
PENSION SYSTEM



BOARD OF TRUSTEES GOVERNANCE AND CONDUCT POLICY

Adopted _____, 2017

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A. Purpose

The Board of Trustees (“Board”) of the Dallas Police and Fire Pension System (“DPFP” or the “System”) is required to administer DPFP in accordance with Article 6243a-1 (the “Plan”), Chapter 802, Title 8 of the Texas Government Code and other applicable state and federal laws and regulations. In furtherance of these obligations, the Board adopts the following Governance and Conduct Policy (this “Policy”), which shall be applicable to all Trustees.

B. Trustee Communication

1. Trustee Communication with Members

- A. Trustees shall be aware of the risk of communicating inaccurate information to members and beneficiaries and the potential exposure to liability and possible harm that may result from such miscommunications. Trustees shall mitigate this risk by refraining from providing specific advice, counsel or education with respect to the rights or benefits a member or beneficiary may be entitled to pursuant to the Plan or any Board policies.
- B. In the event a member or beneficiary requests that a Trustee provide explicit advice with respect to System benefits or related policies, the Trustee should assist by referring the member or beneficiary to the Executive Director or his or her designee or by having the Executive Director or his or her designee contact the member or beneficiary. The Trustee shall be informed of the outcome.
- C. Trustees shall direct questions regarding any aspect of the System’s operations to the Executive Director or appropriate senior DPFP staff member.

2. Trustee Communication with Staff

- A. Trustees recognize that their link to DPFP operations and administration is through the Executive Director, the executive staff or a designee of the Executive Director. A Trustee should refrain from communicating directly with DPFP staff other than through the Executive Director, the Chief Investment Officer, the Chief Financial Officer, the General Counsel or another designee of the Executive Director, unless otherwise directed by the Executive Director. If the communication involves the Executive Director, the Trustee should communicate with the General Counsel of DPFP or outside fiduciary counsel, as applicable.
- B. In the spirit of open communication, individual Trustees shall share any information pertinent to the System with the Executive Director in a timely manner, and the Executive Director shall similarly share with the Board any information pertinent to the Board’s role and responsibilities in a timely manner.

- C. The Executive Director shall ensure that information that has been requested by the Board or by a Trustee is made available to all Trustees as appropriate.

3. Trustee Communication with External Parties

- A. The Executive Director or the Chairman or their designee shall serve as the spokesperson for the System, unless the Board designates another member of the Board to serve as spokesperson on a specified issue. The following guidelines shall apply with respect to the spokesperson:
 - i. If time permits, and to the extent permitted by the Texas Open Meetings Act, the spokesperson shall address sensitive, high profile issues with as many Trustees as possible, prior to engaging in external communications. At a minimum, the Chairman and Vice Chairman shall be contacted.
 - ii. To the extent possible, in situations where Board policy concerning an issue has not been established, the Board or an appropriate committee shall meet to discuss the issue prior to the spokesperson's engaging in external communications.
- B. When asked to be interviewed or otherwise approached by the media for substantive information concerning the affairs of the System, Trustees should generally refer the matter to the Executive Director or spokesperson and shall make no commitments to the media on behalf of the Board or the System.
- C. In their external communications, Trustees shall, as appropriate:
 - i. Speak on behalf of the Board only when explicitly authorized to do so by the Chairman or the Board;
 - ii. Indicate if they are speaking in a capacity other than that of a member of the Board;
 - iii. Respectfully indicate when (a) they are representing a personal position, opinion, or analysis, as opposed to one approved by the Board, (b) their position, opinion, or analysis does not represent the official position of the Board, and (c) their position, opinion or analysis is in opposition to the official position of the Board; and
 - iv. Make known to the Executive Director in a timely fashion if a personal position, opinion, or analysis was publicly communicated, such that it could receive media coverage. The Trustee shall advise as to whom the communication was made and what was discussed.
- D. Trustees may indicate publicly that they disagree with a policy or decision of the Board, but shall do so respectfully and shall abide by such policy or decision to the extent consistent with their fiduciary duties.

- E. Communications by Trustees, when acting in their capacity as Trustees, should be consistent with their fiduciary duty to represent the interests of all DPF members and beneficiaries.
- F. Written press releases concerning the business of DPF shall be the responsibility of the Executive Director and shall clearly and accurately reflect the provisions of the System and the policies of the Board. The Executive Director shall, when feasible, submit to the Chairman and the Vice Chairman for approval all press releases of a sensitive or high-profile nature or pertaining to Board policy. Such press releases shall be shared with the Board concurrently with their release.
- G. Trustees should not prepare materials for publication or general distribution which are related to the affairs of the System without the consent of the Chairman. To ensure the accuracy of materials prepared by Trustees for publication or general distribution which are related to the affairs of the System, and to ensure that the System is not inadvertently placed at risk, Trustees agree to provide such material in a timely manner to the Executive Director, or his or her designee, for review prior to distribution or publication, but such distribution or publication shall only occur if the Chairman has given his or her consent.

C. Requests by Individual Trustees for Information

1. Trustees are entitled to information necessary to make informed decisions relating to their role and responsibilities. However, it is recognized that Trustee requests for information that is not pertinent to their role or any decisions to be made by Trustees can place an unnecessary burden on the System. It is also recognized that access to certain confidential information by Trustees may violate the requirements for keeping such information confidential, be in conflict with the purpose for keeping such information confidential, or unnecessarily jeopardize the System's ability to keep such information confidential.
2. All requests by individual Trustees for information should be directed to the Executive Director or presented at a Board meeting or appropriate committee meeting. Requests for non-confidential information that do not require a significant expenditure of DPF staff time or System resources or the use of external resources should be fulfilled by the Executive Director. (Requests for confidential information are addressed in Section C.5 below).
3. Requests for non-confidential information that require a significant expenditure of DPF staff time or System resources or the use of external resources should be presented to the Board or appropriate committee for approval.
4. In determining whether to approve a potentially burdensome request for non-confidential information, the Board or committee shall balance the Trustee's need to access the particular information for purposes of performing of his or her role as a Trustee with the burden that such request will place on the System. In making its determination, the Board may consider, as it deems appropriate under the circumstances and without limitation, the following factors:

- A. An assessment of the Trustee's stated purposes and objectives for requesting the information, including, but not limited to, whether (i) the request is tailored to the stated purposes or objectives of the request; (ii) the stated purposes or objectives of the request are specific or general and (iii) the requested information is pertinent to the Trustee's role or any decision to be made by the Trustee;
 - B. Staff time that would be required, and costs and expenses that would be incurred by the System, in responding to the Trustee's request, including, but not limited to, an assessment of whether the information requested already exists as requested and/or whether the request involves acquisition, creation or synthesis of information, analysis, computation or programming that would not otherwise be performed but for the request; other non-public information the release or provision of which the Board determines is not in the best interest of the System's members and beneficiaries; and
 - C. An assessment of any possibility that the request for information relates in whole or in part, or directly or indirectly, either (i) to the requesting Trustee's self-interest as distinct from that of members and beneficiaries and/or; (ii) to the requesting Trustee's duties or loyalties to any person, entity or political or corporate official or body other than DPF.
5. Requests for Confidential Information
- A. Confidential information of the System includes:
 - i. non-public information relating to investments, members or beneficiaries, litigation, or other matters in which DPF has a responsibility (which may be determined by the Board with appropriate advice) to protect the information from disclosure under statute, contract, regulation, DPF policy, governmental order or other obligation; or
 - ii. other non-public information the release or provision of which the Board determines is not in the best interest of members and beneficiaries.
 - B. All requests by individual Trustees for disclosure of or access to confidential information that has not been presented to the Board as a whole shall be considered by the Board, which is solely responsible for making a determination as to the request.
 - C. In considering whether to release or make available confidential information in any form or by any means to any Trustee who requests such information, the Board shall balance said Trustee's need to access the particular information for purposes of performing of his or her role as a Trustee with the need to protect such confidential information. In making its determination, the Board may consider, as it deems appropriate under the circumstances and without limitation, the factors set forth in Section C.4. above and the following factors:

- i. Whether DPFPP regularly or traditionally provides the requested confidential information to Trustees;
 - ii. An assessment of the Trustee's stated purposes and objectives for requesting the information, including, but not limited to, whether alternative measures or DPFPP resources would adequately satisfy the Trustee's stated purposes and objectives without the release of confidential information;
 - iii. The potential liability or damage to DPFPP and to Trustees that may result, directly or indirectly, from unauthorized, negligent or inappropriate use, handling or further disclosure of the information; and
 - iv. An assessment of whether it is likely or possible that the information requested, if combined together with other available non-DPFPP information, might impair the interests of the members and beneficiaries in confidentiality and/or privacy, or might impair the interests of DPFPP's investment program or portfolio.
6. A Board determination to disclose or otherwise make available confidential information to a Trustee in response to a Trustee's request may include within its terms any conditions of time, place, medium and form of disclosure or availability deemed appropriately protective or prudent under the circumstances as determined by the Board in its discretion.
7. A Board determination to disclose or otherwise make available confidential information to a Trustee in response to a Trustee's request shall not waive any confidentiality rights of DPFPP or its members or beneficiaries and shall not be deemed or construed to be a waiver of confidentiality or consent to any subsequent use, transfer or disclosure of such information to any other party, including but not limited to, any individual, entity or political or corporate official or body other than DPFPP.
8. Unauthorized use by a Trustee of confidential information made available to such Trustee under this section shall constitute an unpermitted appropriation of DPFPP information and a violation of this Policy. The Board in its discretion may take any legal action to secure or vindicate its rights in DPFPP information that is the subject of suspected or alleged unauthorized use.
9. Nothing in this section shall be construed to contravene the requirements of the Texas Public Information Act, as applicable to System information.
10. Nothing in this section shall be construed to limit the Board's ability as a whole to require that DPFPP staff provide information to the Board.

D. Voting Requirements for Board Action

Any action by the Board, except those where the Plan specifically requires approval by 2/3 of all the Trustees of the Board, is required to be approved by a majority of all the Trustees of the Board, i.e. at least six Trustees must approve any Board action regardless of the number Trustees present.

E. Board Agenda

1. The agenda for each Board meeting will be set by the Executive Director. The Executive Director shall consult with the Chairman on the agenda to be posted for the next meeting or meetings in the future.
2. The Chairman may direct that an item be placed on the agenda for consideration by the Board.
3. Four Trustees may file a written request with the Executive Director asking that a particular item be placed on the agenda for a future meeting. Upon receipt of such request, the Executive Director will endeavor to cause such item to be on the agenda for the meeting date requested, subject to the timing of the request, the amount of preparation time required to address such item as well as the projected meeting length of the requested meeting given items already scheduled to be on the agenda.

F. Board Meetings

1. The Board will use Robert's Rules of Order Newly Revised (RONR 11th ed., 2011) for parliamentary procedure, subject to applicable law and policy.
2. A Trustee shall be considered to have attended a Board meeting if the Trustee is present for at least 50% of the meeting.
3. Participation in a Board meeting through telephone conference shall be permitted.
4. If a Trustee does not attend a Board meeting, the Trustee may provide a written explanation to the Board to be considered at the next Board meeting.
 - a. At the next Board meeting, the Board shall consider the written explanation together with any other oral information the Trustee shall provide.
 - b. The Board shall vote as to whether the absence shall be noted as excused.
5. The Chairman shall have the power to call a special meeting.

G. Effective Date

APPROVED on _____, 2017 by the Board of Trustees of the Dallas Police and Fire Pension System.

[signature]

William F. Quinn
Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary