

**CITY OF LINCOLN POLICE AND FIRE PENSION INVESTMENT BOARD
CONFLICT OF INTEREST POLICY**

The purpose of this Policy (the “Policy”) is to protect the interests of the City of Lincoln Police and Fire Pension Plan (the “Plan”) by avoiding Conflicts of Interest, Prohibited Remuneration, and Prohibited Contracts, and providing for disclosure of any Financial Interests by members of the City of Lincoln Police and Fire Pension Investment Board (the “Board”).

**ARTICLE I
Definitions**

1. Compensation. Compensation means any direct and indirect cash or noncash benefits which have a value of more than \$10.
2. Conflict of Interest. Conflict of Interest means one or more of the following:
 - a. A Board member or Immediate Family Member has or may receive Compensation from any Third-Party that has or is entering into a Contract with the Plan.
 - b. A Board member or Immediate Family Member has a Financial Interest that may directly or indirectly affect the ability of an Interested Person to act solely in the interests of the Plan.
 - c. Any other circumstance that may give rise to reasonable questions of possible favoritism, self-dealing, or undue influence
3. Contract. Contract means any contract or agreement.
4. Financial Interest. Financial Interest means that a Board member or Immediate Family Member has received or anticipates receiving Compensation from any Third-Party. However, a Financial Interest does not include (a) the Benefit that the Board member is entitled to as a Member of the Plan in accordance with the generally applicable terms of the Plan; or (b) Compensation received by the Board member as wages paid by the City of Lincoln, Nebraska.
5. Immediate Family Member. Immediate Family Member means a family member of a Board member by blood, marriage, or adoption, or an individual who has a romantic relationship with a Board member.
6. Interested Person. Interested Person means a Board member who may have a Conflict of Interest.
7. Third-Party. Third-Party means any individual, firm, or other entity which is involved in (a) private equity, venture capital, private placement, venture debt investment, a private equity fund, a mutual fund, an exchange traded fund, or any similar type of investment; (b) the provision of investment management or investment advisory services; (c) the provision of trust or

custodial services; (d) the provision of recordkeeping or third-party management services; (e) the provision of actuarial services; or (f) the provision of legal services.

ARTICLE II Prohibited Actions

1. Prohibited Remuneration. No Board member may solicit or accept Compensation from a Third-Party, based on a written or unwritten agreement that the vote, unofficial or official action, or judgment of the Board member would be influenced thereby. This requirement is not waivable and cannot be exempted, whether or not the Board member makes disclosure as a Conflict of Interest under Article III below.

2. Prohibited Contracts. The Plan may not enter into a Contract with any Third-Party which would result in any Board member having a significant financial interest under LMC 2.54.040. This requirement is not waivable and cannot be exempted, whether or not the Board member makes disclosure as a Conflict of Interest under Article III below.

3. Failure of Fiduciary Responsibility. In accordance with Section 4.62.015 of the Lincoln Municipal Code, Board members, excluding the Finance and Human Resources Directors, may be removed by a vote of five or more Board members for a failure of fiduciary responsibility.

ARTICLE III Conflicts of Interest

1. Avoidance of Conflicts of Interest. Each Board member shall avoid Conflicts of Interest to the extent possible. Board members should also be sensitive to the appearance of a Conflict of Interest, even if no actual Conflict of Interest exists.

2. Disclosure of Potential Conflicts of Interest. If the actions or inactions of a Board member or a Contract could result in an actual or possible Conflict of Interest:

a. An Interested Person must make a declaration on the record to the other members of the Board regarding the nature and extent of his or her interest prior to official consideration of the Contract or other transaction, including all material facts regarding the actual or possible Conflict of Interest;

b. The Interested Person may not vote on the Contract or other transaction, or any matters related thereto; and

c. The Interested Person may not act for the Board regarding any matter related to the Contract or other transaction in the future, including inspection or performance under the Contract.

3. Determining Whether a Conflict of Interest Exists. After the Interested Person discloses all material facts related to the Conflict of Interest, and after any discussion with the Interested Person, the Interested Person shall leave the Board meeting while the determination of

a Conflict of Interest is discussed and voted upon. The remaining Board members shall decide if a Conflict of Interest exists.

a. The chairperson of the Board shall appoint a disinterested person to investigate alternatives to the proposed Contract, transaction, or arrangement. If the chairperson of the Board is the Interested Person, the Secretary of the Board shall appoint a disinterested person to investigate alternatives to the proposed Contract, transaction, or arrangement. If the Secretary of the Board is not in attendance, the attending Board members shall appoint a disinterested person to investigate alternatives to the proposed Contract, transaction, or arrangement.

b. If a Conflict of Interest exists, after exercising due diligence, the Board shall determine whether the Board can obtain, with reasonable efforts, a similar or more advantageous Contract, transaction, or arrangement from some other Third-Party that would not give rise to a Conflict of Interest.

c. If a similar or more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Plan's best interest, for the Plan's benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Ledger. The Secretary of the Board shall maintain separately from other records a ledger containing the information listed in items (a)–(e) below about every Contract entered into with the Board or the Plan in which a Board member has a potential Conflict of Interest and for which disclosure is made pursuant this Article III. Such information shall be kept in the ledger for five years from the date of the Board member's last day of service on the Board and shall include the following:

- a. Names of the contracting parties;
- b. Nature of the interest of the Board member in question;
- c. Date that the Contract was approved by the Board;
- d. Amount of the Contract; and
- e. Basic terms of the Contract.

The information supplied regarding the Contract shall be provided no later than ten days after the Contract has been signed by both parties. The ledger kept pursuant to this section shall be available for public inspection during the normal working hours of the office in which it is kept.

5. Conflict of Interest Statement. Each Board member shall annually sign a statement which affirms such person: has received a copy of the Policy; has read and understands the Policy;

and has agreed to comply with the Policy. A form which may be used for this purpose is attached as Exhibit A.

ARTICLE IV
Disclosure of Financial Interests

1. Disclosure of Potential Financial Interests. In an effort to avoid potential Conflicts of Interest, each Board member shall annually disclose his or her Financial Interests. A form which may be used for this purpose is attached as Exhibit A.

ARTICLE V
Actions Regarding Failure of Fiduciary Responsibility

1. Policy Violations. Violations of the Policy will be addressed in accordance with LMC 4.64.015, which could lead to removal from the Board.

2. Violations of Law. In addition to violations of this Policy, if the conduct of a Board member actually or potentially violates the Lincoln Municipal Code, the Nebraska Political Accountability and Disclosure Act, or other governing law, the Board shall handle such conduct in accordance with applicable law notwithstanding the result of any removal procedures initiated under this Policy.