



**Teacher Retirement System of Texas**  
**Code of Ethics for Contractors**

**Adopted: September 9, 1994**

**Revised: Effective as of April 27, 2023**

I, the undersigned, acknowledge that I have read this Code and am familiar with, and agree to be bound by, the standards that govern the conduct of Contractors.

I, the undersigned, am responsible for compliance and administration of the Code, including any ethics matters that may arise thereunder. If those obligations reside with another representative of the Contractor, I have included the contact information for that person below.

If the undersigned is executing this Code on behalf of an entity engaged by TRS as a Contractor, I further acknowledge that I have distributed this Code to those persons who work for or represent the Contractor on TRS matters. They have read this Code and are familiar with, and agree to be bound by, the standards that govern the conduct of Contractors.

Further, the Contractor shall distribute this Code (i) immediately to any other person with the Contractor who begins working on or representing the Contractor on TRS matters and (ii) once a year to all persons with the Contractor who work on or represent the Contractor on TRS matters.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Contractor Entity Name

\_\_\_\_\_  
Date

Contact for Code administration: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

Contract Number Associated with this Code: \_\_\_\_\_

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## **Code of Ethics for Contractors**

The Teacher Retirement System of Texas (“TRS”) is charged by the Texas Constitution and state law with the administration and investment of pension assets held in trust for the exclusive benefit of active or retired TRS members and their beneficiaries; assets may not be diverted for other purposes. The TRS Board of Trustees is the trustee of all plan assets, responsible for the general administration and operation of TRS and authorized by law to adopt rules for TRS administration and Board business. The Board has similar responsibilities for the health benefits programs under the Texas Public School Retired Employees Group Benefits Act, the Texas School Employees Uniform Group Health Coverage Act, and other trusts or programs authorized by law to be administered by TRS. The Code of Ethics for Contractors (“Code”) sets forth the ethical responsibilities and requirements of Contractors, as that term is defined in the Code, in performing services for TRS.

### **Section I. Conflicts of Interest**

#### **A. Conflicts of Interest Defined.**

A conflict of interest exists for a Contractor when the Contractor has:

1. A relationship with any party to a transaction with TRS, or with an Employee, or Trustee, other than a relationship necessary to the services that the Contractor performs for TRS, if a reasonable person could expect the relationship to diminish the Contractor’s independence of judgment in the performance of the Contractor’s responsibilities; or
2. A direct or indirect pecuniary interest in any party to a transaction with TRS if the transaction is connected with services the Contractor provides to TRS or to the Trustees in connection with the management or investment of TRS assets.

A person's independence of judgment reasonably could be diminished when he or she is in a position to take action or not take action with respect to TRS or its business and a reasonable person could expect that such action or inaction on behalf of TRS is influenced by considerations of gain, loss avoidance, or benefit to the Contractor or a third party, rather than motivated by the best interests of TRS.

A conflict of interest will not exist under this Code if any benefit is merely incidental to the Contractor’s membership in a large class sharing a common interest, such as the class of TRS members. Further, a conflict of interest will not be deemed to exist solely because a Contractor is or has a relative who is a TRS member, retiree, annuitant or beneficiary who is not also an Employee.

#### **B. Disclosure of Potential and Actual Conflicts of Interest.**

If a Contractor either:

1. Has determined that it has a potential or actual conflict of interest; or
2. Is uncertain whether it has or would have a conflict of interest under a particular set of circumstances then existing or reasonably anticipated to occur,

the Contractor should promptly disclose the underlying circumstances to the Chief Compliance Officer in writing by submitting a completed Conflict of Interest Disclosure and Request for Determination (the “Code Conflict Disclosure Statement”, Form TRS 541C) (See Appendix B). In completing the Code Conflict Disclosure Statement, a Contractor must provide full disclosure of all relevant facts and

circumstances related to the potential or actual conflict.

A contractor who files a Code Conflict Disclosure Statement must refrain from giving advice or making decisions about any matters affected by the potential or actual conflict of interest until the Contractor cures the conflict or obtains guidance to proceed from the TRS Chief Compliance Officer.

If a Contractor with a duty to disclose conflicts reasonably believes that disclosure to the Chief Compliance Officer would be ineffective, the Contractor shall disclose the potential or actual conflict of interest to the Executive Director.

Teacher Retirement System of Texas  
Executive Director  
1000 Red River Street Austin, Texas  
78701- 2698

Whether disclosure is made to the Chief Compliance Officer or to the Executive Director, a Contractor shall provide a copy of the Code Conflict Disclosure Statement to the Employee assigned to monitor or manage the performance of the Contractor.

### **C. Conflict Determination.**

The process for determining whether a conflict of interest exists or may exist under the circumstances described in the Code Conflict Disclosure Statement will be based on the type of Contractor: (i) Financial Services Provider or (ii) all other Contractors.

#### **1. Financial Services Provider.**

Upon receipt of a Code Conflict Disclosure Statement, the Executive Director, in consultation with the Chief Compliance Officer, will determine whether a potential or actual conflict of interest exists or would arise under the circumstances disclosed.

If the Executive Director determines that a conflict does not exist, the Contractor will be notified of such determination in writing by the Chief Compliance Officer. The Chief Compliance Officer will record the determination on the Code Conflict Disclosure Statement and the Code Conflict Disclosure Statement will be retained in the Legal & Compliance department.

If the Executive Director determines that either (i) a conflict does not exist presently but would exist upon the occurrence of future events or circumstances identified by the Contractor in the Code Conflict Disclosure Statement or otherwise, or (ii) a conflict exists, the Chief Compliance Officer will notify the Contractor of the Executive Director's determination in writing, and resolution of the conflict will be addressed as provided in Section I.D.

When a Code Conflict Disclosure Statement has been provided directly to the Executive Director, the Executive Director may consult with the Chief Compliance Officer and/or another member of the Legal & Compliance or Investment Management staff, as appropriate, for guidance in making a determination regarding the existence of and resolution of a conflict. In such cases, the Code Conflict Disclosure Statement will be updated and retained as provided in this Section I.C. and in Section I.D.

#### **2. All Other Contractors.**

Upon receipt of a Code Conflict Disclosure Statement, the Chief Compliance Officer will determine whether a potential or actual conflict of interest exists or would arise under the circumstances disclosed.

If the Chief Compliance Officer determines that a conflict does not exist, the Contractor will be notified of such determination in writing by the Chief Compliance Officer. The Chief Compliance Officer will record the determination on the Code Conflict Disclosure Statement and the Code Conflict Disclosure Statement will be retained in the Legal & Compliance department.

If the Chief Compliance Officer determines that either (i) a conflict does not exist presently but would exist upon the occurrence of future events or circumstances identified by the Contractor in the Code Conflict Disclosure Statement or otherwise, or (ii) a conflict exists, the Chief Compliance Officer will notify the Contractor of the determination in writing, and resolution of the conflict will be addressed as provided in Section I.D.

#### **D. Conflict Resolution.**

A Contractor with a conflict of interest must disclose the conflict and cure it. A conflict may be cured by mitigating, controlling or eliminating the conflict. For each determination that a conflict exists, the cure, or the absence of a cure, will be documented by the Chief Compliance Officer on the Code Conflict Disclosure Statement submitted by the Contractor. The documentation will summarize the reasons supporting the decision, including any conditions required as part of the cure. The Code Conflict Disclosure Statement will be retained in the Legal & Compliance department, with a copy to be provided to the Contractor.

The process for evaluating whether a conflict of interest has been cured will be based on the type of Contractor: (i) Financial Services Provider or (ii) all other Contractors.

##### **1. Financial Services Provider.**

Upon receipt of a Code Conflict Disclosure Statement, the Executive Director, in consultation with the Chief Compliance Officer, and as appropriate, the Chief Investment Officer, will make any determinations regarding whether a conflict of interest has been cured under this Section I.D.1 in their sole discretion.

- a. When evaluating whether a conflict has been or can be cured, the Executive Director may consider, among others, the following factors relating to the Contractor's disclosures and steps to mitigate, control, or eliminate the conflict:
  - i. Whether the Contractor is a fiduciary;
  - ii. The nature and extent of the Contractor's disclosed pecuniary interests and relationships;
  - iii. Whether, applying the reasonable person standard, the Contractor's exercise of judgment on behalf of TRS in performing such services is, or is likely to be, affected by the Contractor's interests and/or relationships;
  - iv. Whether the information disclosed regarding the conflict is contrary to or materially inconsistent with the known facts underlying the conflict;
  - v. Whether the Contractor's interests are in fact substantially aligned with TRS' best interests (or the degree to which they are not harmful or opposed to TRS' interests) in the transaction;
  - vi. Whether TRS' best interests will be best served by proceeding with the Contractor's services even though the Contractor also has an interest;
  - vii. A cost-benefit analysis, including a review of pricing and fee structures, that

demonstrates that TRS will not suffer any economic or other disadvantages or can reasonably expect cost-savings or pecuniary benefits (including loss avoidance) if TRS consents to the services;

- viii. The nature and extent of transparency and reporting that the Contractor will be required to deliver with respect to its own interests and relationships in connection with its services, and, if applicable, whether the Contractor's contract for services with TRS will, or should be amended to, require such transparency and reporting;
  - ix. Whether the Contractor proposes to create information barriers between business units, lines of business, relationship contacts, personnel, and affiliates with respect to confidential TRS or transaction information and due diligence matters;
  - x. The Contractor's qualifications, reputation, and experience in the industry for the services to be provided for the relevant transaction;
  - xi. Whether an RFP or Trustee approval was part of the engagement process for the Contractor;
  - xii. The prior experience with and quality of the Contractor's services in previous TRS transactions; and
  - xiii. Whether, in relation to the provision of analysis or research from a Financial Services Provider that is a Broker or independent research provider, the disclosures provided by the Contractor are sufficient under the circumstances to cure the conflict by informing TRS of the nature and extent of any bias, and to form a judgment about the credibility or value of the Contractor's services, particularly if the services are of a limited nature – such as research.
- b. When evaluating whether a conflict has been or can be cured, the Executive Director may also consider the type of services underlying the conflict of interest and the value such services provide within the different segments of TRS' business. For example, whether the Contractor proposes, in addition to providing the financial services it provides to TRS under an existing or proposed agreement, to:
- i. Act as a principal or counterparty (including as an agent for a disclosed or undisclosed third party principal) opposed to TRS in a financial or investment transaction or series of transactions;
  - ii. Offer inconsistent or, alternatively, numerous services by different areas of the Contractor's organization;
  - iii. Engage an affiliate to perform services for TRS that may or may not provide an indirect or direct benefit to the Contractor;
  - iv. Recapture commissions for certain services it provides; or
  - v. Provide investment advice to TRS in connection with a TRS investment and the Contractor has a conflict or holds or intends to hold or acquire a direct or indirect pecuniary interest in the same portfolio investment or transaction as TRS whether for itself as a principal or as an agent on behalf of disclosed or undisclosed third parties.
- c. The Executive Director may consider whether a Contractor has or can cure a potential or actual conflict if the Contractor or the Contractor's Employee or affiliate prudently refrains or withdraws from taking action on a particular TRS matter provided that:

- i. The person, persons, or Contractor may be, is or are effectively separated from influencing the action taken;
  - ii. The action may properly and prudently be taken by others without undue risk to the interests of TRS; and
  - iii. The nature of the conflict is not such that the person, persons, or Contractor must regularly and consistently withdraw from decisions that are normally their responsibility with respect to the services provided to TRS.
- d. The Executive Director may elect to impose conditions as part of a determination that a conflict has been or can be cured. Such conditions will be tailored to the particular facts and circumstances. They may include, among others, requirements to:
- i. Further disclose the Contractor’s interests and relationships in any written advice, prudence letter, or recommendation provided to TRS for the transaction or series of transactions to which the determination relates;
  - ii. Revisit the “disclosure and cure” determination upon the occurrence of certain facts or circumstances;
  - iii. Agree to contractual amendments;
  - iv. Conduct ongoing monitoring and reporting; or
  - v. Acknowledge possible reconsideration of the Contractor’s disclosures at any time.

In each instance where the Executive Director has determined that a potential or actual conflict of interest has been cured, a Contractor may only proceed with the actions giving rise to the conflict upon written notice from the Chief Compliance Officer or Executive Director. In the event the Executive Director determines that the conflict has not been cured, the Contractor may not proceed with the services and must terminate its relationship with TRS, as described in Section I.E.

**2. All Other Contractors.**

The Chief Compliance Officer will make any determinations regarding whether a Contractor’s conflict of interest has been cured under this Section I.D.2. In reviewing the Code Conflict Disclosure Statement, the Chief Compliance Officer may consider the same factors identified in Section I.D.1, as applicable.

Following the same process, the Executive Director may undertake a conflicts determination for those conflicts where the Code Conflict Disclosure Statement was filed directly with the Executive Director.

**E. Termination.**

A Contractor who cannot or does not want to cure a conflict of interest must terminate their relationship with TRS as promptly as responsibly and legally possible. The decision to terminate, and a summary of the analysis related to that decision, will be documented by the Chief Compliance Officer on the Code Conflict Disclosure Statement submitted by the Contractor. The Code Conflict Disclosure Statement will be retained in the Legal & Compliance department, with a copy to be provided to the Contractor.

**F. Reporting.**

The Chief Compliance Officer shall regularly provide a report to the Executive Director, the Chief Audit Executive and the Audit, Compliance, and Ethics Committee of the Board regarding all Code Conflict

Disclosure Statements evidencing a conflict of interest and violations of the conflicts provisions.

## **Section II. Standards of Conduct**

### **A. Professional Standards and Laws.**

Contractors must comply with all applicable state, federal and non-U.S. professional standards and laws, including, without limitation, the following:

1. Section 36.02. Bribery. Texas Penal Code.
2. Section 36.09. Offering Gift to Public Servant. Texas Penal Code.
3. Section 572.054. Representation by Former Officer or Employee of Regulatory Agency Restricted; Criminal Offense. Texas Government Code.
4. Section 825.212. Retirement System Ethics Policy. Texas Government Code.
5. Section 2252.908. Disclosure of Interested Parties. Texas Government Code.
6. Chapter 2263. Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers. Texas Government Code.
7. All applicable securities and commodities laws.

### **B. Benefits.**

Contractors must avoid offering, conferring, soliciting, or accepting any benefit to or from Trustees, Employees, or Covered Contractors, except as otherwise allowed in Trustee and Employee Ethics Policies, incorporated herein by reference and available at <http://www.trs.texas.gov>. For example, a Contractor may not provide a special discount on services to a TRS Trustee or Employee if the discount is based on the Contractor's relationship with TRS.

### **C. Individual Advisor.**

Irrespective of compensation, a Contractor may not be a representative of or be engaged by an individual Trustee if, in either case, the Contractor's role with respect to the Trustee is to provide advice that could reasonably be expected to form the basis for a significant TRS decision made by the Trustee.

### **D. Personal Business Relationship.**

A personal business relationship exists when a Contractor and a Trustee or Employee own or operate a business together or co-invest in a business, other than through publicly traded securities. Contractors may not have a personal business relationship with a Trustee or Employee unless the Executive Director consents to the continuation of TRS' relationship with the Contractor after full disclosure. If a personal business relationship exists, a Contractor must promptly disclose the personal business relationship to the Executive Director by filing a Code Conflict Disclosure Statement with the Chief Compliance Officer. The Executive Director, after consultation with the Chief Compliance Officer, will then determine whether to approve the continuation of TRS' relationship with the Contractor while the Trustee or Employee continues in their respective role for TRS. Alternatively, the Executive Director may require the Contractor, Trustee and/or Employee to be screened from TRS matters in which the personal business relationship may reasonably be expected to diminish the Contractor's independence of judgment in the performance of duties for TRS.

### **E. Employment of Former Trustee or Executive Director.**

Contractors may not employ a former Trustee or a former Executive Director for two years after

termination of such former Trustee's TRS board service or such Executive Director's Employee relationship with TRS unless the former Trustee or Executive Director will not provide services to TRS or work on or have any involvement in TRS-related business of the Contractor. Further, Contractors may not employ any former Trustee or Employee, including the former Executive Director, at any time if the person's services to TRS, work, and involvement in TRS-related business of the Contractor would violate Government Code Section 572.054(b) of the Texas "Revolving Door" statute. To the extent that it does not violate statutory law or that it would be in the best interest of TRS, the Executive Director may waive the application of this prohibition in a specific situation.

TRS cannot enter into a contract with a former or current Executive Director or with a Contractor which employs a former Executive Director without Board approval in an open meeting.

**F. Use or Disclosure of TRS Information.**

A Contractor may not use or disclose any information acquired as a result of the relationship with TRS except as needed to provide the services required by the contract for TRS business purposes. A Contractor receiving or having access to sensitive or confidential TRS information must use its best efforts to protect such TRS information from unauthorized access, use or disclosure.

**G. Bids.**

A Contractor may not be awarded a contract that is funded in whole or in part by appropriations from the general revenue fund of the State of Texas if (i) TRS paid the Contractor to participate in preparing the specifications for, or request for proposals related to, the contract, or (ii) the Contractor assisted TRS in the selection process to award the contract.

**H. Controls**

Contractors must observe the accounting and operating controls established by law and TRS policies, including restrictions and prohibitions on the use of TRS property for non-TRS purposes, including personal purposes.

**I. Foreseeable Conflicts of Interest.**

Contractors may not take action personally or on behalf of TRS that would reasonably be likely to result in a foreseeable conflict of interest. If a Contractor believes that taking a particular action would be in the best interest of TRS but such action would foreseeably result in a conflict of interest for the Contractor, the Contractor must proceed under the conflict of interest provisions of Section I.

**J. Foreseeable Violation of Standards of Conduct.**

If a Contractor anticipates that future conduct by the Contractor itself, its employees or its affiliates could or is likely to violate the Standards of Conduct, but such conduct may not itself, without more, be a potential or actual conflict of interest, the Contractor may seek to "cure" that anticipated violation by following the process outlined in Section I.B. through I.D. for disclosing and curing potential and actual conflicts of interest by mitigating, controlling, or eliminating the violation.

As in Section I., the Executive Director will review Code Conflict Disclosure Statements for Financial Services Providers and the Chief Compliance Officer will review Code Conflict Disclosure Statements for all other Contractors. Any use of this sub-section will be reported on a regular basis by the Chief Compliance Office to the Executive Director, the Chief Audit Executive, and the Audit, Compliance, and Ethics Committee of the Board.

**K. Signed Acknowledgement.**

On the commencement of business with TRS (including but not limited to entering into a contract with

TRS or being named as a Broker to the TRS Contractors Broker List) and at any time this Code is revised by TRS, each Contractor must sign, date, and return to TRS a copy of this Code. The process for acknowledgment may be through electronic means.

**L. Reporting.**

Contractors shall complete all reporting requirements in accordance with TRS prescribed systems or processes, including any electronic reporting system implemented by TRS.

**M. Covered Contractor Ethics.**

Covered Contractors are subject to the Employee Ethics Policy, incorporated herein by reference and available at <http://www.trs.texas.gov> and, as applicable, any warranties and representations made in TRS questionnaires related to political contributions, improper influence, placement agents and finders.

**Section III. Periodic Disclosures**

**A. Annual Compliance Statement.**

On the commencement of business with TRS (including but not limited to entering into a contract with TRS or being named as a Broker to the TRS Contractors Broker List), the Contractor will have signed this Code in acknowledgement of the responsibilities and obligations thereunder and the consequences for non-compliance with the Code.

At least once every twelve-month period, each Contractor must read and review all applicable policies and sign and date a Contractor Annual Ethics Compliance Statement (Form TRS 550, Appendix C) and any other forms as required by TRS.

**B. Disclosure Statement for Financial Services Providers.**

In addition to the Annual Compliance Statement filed pursuant to the paragraph immediately above, all Financial Services Providers shall also file annually a Disclosure Statement for Financial Services Providers (Form TRS 630, Appendix D) with the Executive Director and the State Auditor's Office. Also, all Financial Services Providers must promptly file a new or amended Disclosure Statement for Financial Services Providers with the Executive Director and the State Auditor's Office whenever there is new information to report. In filing this statement, a Financial Services Provider will disclose in writing the following:

- (i) Any relationship (without regard to whether the relationship is direct, indirect, personal, private, commercial, or business) the Financial Services Provider has with any party to a transaction with TRS, other than a relationship necessary to the advice or services that the Financial Services Provider performs for TRS, if a reasonable person could expect the relationship to diminish the Financial Services Provider's independence of judgment in the performance of its responsibilities to TRS; and
- (ii) Any direct or indirect pecuniary interests in any party to a transaction with TRS if the transaction is connected with services the Contractor provides to TRS or to the Trustees in connection with the management or investment of TRS assets.

If no relationship or pecuniary interest described in (i) or (ii) immediately above existed during the disclosure period, then the Contractor must affirmatively state that fact. The Disclosure Statement for Financial Services Providers must be filed annually, not later than April 1 with TRS and not later than April 15 with the State Auditor's Office and must cover the previous calendar year (the reporting period).

### **C. Expenditure Report.**

Each Contractor must file annually an Expenditure Reporting Form for Contractors (Form TRS 543, Appendix E), including itemized, reasonably detailed lists of expenditures of more than \$50 per day made by or on behalf of the Contractor with respect to or for the benefit of each Trustee or Employee. The Expenditure Reporting Form for Contractors must be filed not later than April 1 and will cover expenditures for the previous calendar year.

### **D. Ongoing Report.**

Each Contractor has an ongoing obligation to determine whether it must file Code Conflict Disclosure Statements or update its Annual Compliance Statement to reflect new information related to potential or actual conflicts of interest or the standards of conduct discussed in this Code.

## **Section IV. Compliance and Enforcement**

### **A. Enforcement.**

The Executive Director is responsible for implementation and enforcement of this Code. The Executive Director will inform the Board of any significant enforcement action taken by TRS concerning a violation of this Code. The Executive Director may authorize and approve a system or process through which Contractors may electronically submit to TRS the forms, disclosures, and statements required by this Code. Any such system must, to the Executive Director's satisfaction, require Contractors to submit all information required by this Code with sufficient guarantees of reliability, accuracy, and authenticity. Implementation of any such system in no way alters or waives any requirement of submitting any form, disclosure, or other information. The Executive Director also may authorize any updates and revisions to TRS forms used for compliance with this Code so long as the changes are not inconsistent with the Code.

The Executive Director or Chief Compliance Officer may, in unique and limited circumstances, grant exceptions to the policies proscribed in the Code. Any such exceptions must be reported to the Audit, Compliance, and Ethics Committee of the Board and the Chief Audit Executive.

### **B. Contracts; Violations.**

This Code must be incorporated into and form part of each contract with a Contractor.

#### **1. Termination.**

Violations of this Code by any Contractor are grounds for terminating the contract or relationship, and may constitute a material breach of contract with no penalty to TRS for terminating the contract or relationship. Any Contractor whose contract or business relationship with TRS is terminated by TRS because of a violation of this Code may not receive a contract award from TRS for up to ten years, as determined by the Executive Director or their designee, commencing from the date of the termination. The Executive Director will maintain and serve as custodian for a list of the Contractors whose contract or relationship with TRS has been terminated because they were found to be in violation of this Code. This listing shall include information regarding the length of time during which the Contractor may not receive another contract award with TRS.

#### **2. Notice and Cure.**

Notwithstanding the foregoing, to the extent that a violation of the Code (i) is disclosed to the Chief Compliance Officer within seven days of the discovery of the occurrence of such violation and (ii) such violation can be cured within 30 days of proper and complete disclosure based on the procedures in Section I.B. and Section I.D., such violation may be resolved, and such contract may

remain in effect. The disclosure noted in clause (i) of this paragraph must be made through a Code Conflict Disclosure Statement and must describe in detail the violation and the action proposed to cure such violation. The determination of whether such violation has been appropriately cured will be made by the Executive Director. All violations of this Code, whether cured or not, will be reported to the Audit, Compliance, and Ethics Committee of the Board.

**C. Fiduciary Duties.**

Contractors who are Fiduciaries shall take appropriate action as co-fiduciaries in the event a violation of this Code involves a breach of fiduciary duties. Such Contractors should be mindful that a decision by the Executive Director that a conflict has been properly disclosed and cured does not lessen a Contractor's duty of care to TRS or continuing duty of loyalty under the Contractor's fiduciary duty.

**D. Report Violations.**

Contractors with knowledge of a violation of this Code, by themselves or others, must report promptly such violation to the Executive Director or Chief Compliance Officer.

**E. Internal Reporting and Enforcement.**

A Contractor shall be responsible for compliance with this Code by the Contractor and each of its employees and affiliates working on TRS matters. Any disclosure or report required by this Code must be submitted to TRS by the Contractor entity rather than by individual employees and affiliates. A Contractor is responsible for making a diligent inquiry of each of the Contractor's employees and affiliates working on TRS matters before each submission and from time to time during engagement as a Contractor to determine if further submissions are required. The Contractor's inquiry shall include any employee or affiliates who worked on TRS matters during the reporting period, regardless of whether the employee or affiliate works on TRS matters at the reporting time, ceased working on TRS matters during that time or has since left employment with the Contractor. This inquiry obligation may be satisfied by an inquiry made near or at the time of a former employee's departure from a Contractor's employment. A Contractor must ensure that any Code Conflict Disclosure Statement required by this Code contains all relevant and material facts and circumstances necessary for TRS to fully understand the details of the potential or actual conflict of interest and, if applicable, the factors supporting a proposed cure for the conflict. This may involve updating a Code Conflict Disclosure Statement prior to TRS making a conflict or cure determination.

## Appendix A – Definitions

In this Code the following definitions apply unless the context requires otherwise:

**“Affiliate.”** Entities (units, divisions, parents, subsidiaries, etc.) and individual agents, representatives, contractors, and employees of the Contractor organization.

**“Agent.”** An entity or person, engaged as an independent contractor, performing material or significant duties on behalf of TRS as its representative. An Agent would include an unpaid intern or volunteer. For purposes of this Code, the term “Agent” does not include a Financial Services Provider. However, if an Agent also falls within the definition of a Consultant, the entity or person is considered a Consultant under this Code. If an Agent also falls within the definition of Financial Services Provider, the entity or person is considered a Financial Services Provider for all purposes. If questions exist regarding who constitutes an Agent, the Executive

Director or their designee shall make that determination after consultation with the Chief Compliance Officer.

Notwithstanding the above, there may be certain entities or persons engaged by TRS, performing material or significant duties on behalf of TRS as its representative, that will be considered outside the scope of this Code. Any such determinations will be made on a case by case basis in the best interest of TRS, and a record of such determination will be maintained by the Legal & Compliance department.

**“Board.”** The Board of Trustees of TRS.

**“Broker.”** See Financial Services Provider.

**“Consultant.”** An entity or person, other than an Employee or Trustee, (i) who provides advice to TRS intended to affect or form a basis for significant TRS decisions, including but not limited to an actuary or insurance and health care plan advisor or (ii) who provides advice to TRS and may reasonably be expected to receive for their services more than \$10,000 in compensation from TRS during a fiscal year (September 1 to August 31). Consultant does not include a Financial Services Provider. However, if a Consultant also falls within the definition of a Financial Services Provider, the entity or person is considered a Financial Services Provider, respectively, for all purposes. If questions exist regarding who constitutes a Consultant, the Executive Director or their designee shall make that determination after consultation with the Chief Compliance Officer.

**“Contractors.”** A collective term used to signify inclusion of all groups. For example, Agents, Consultants, and Financial Services Providers, as each separate term is defined herein.

**“Covered Contractor.”** A Contractor who works on location at TRS or a worker assigned by or paid, directly or indirectly, by the Contractor to work at TRS. A secondee to TRS from a Financial Services Provider would be a Covered Contractor.

**“Employee.”** A person who works for TRS in an employer-employee relationship (including a paid intern) and not in an independent contractor capacity, and includes the Executive Director and Chief Investment Officer of TRS.

**“Executive Director.”** The individual appointed as the executive director pursuant to Section of the Texas Government Code.

**“Fiduciary.”** For purposes of this Code, a Contractor identified or appointed by contract or otherwise designated by TRS as a TRS fiduciary. If questions exist regarding who constitutes a Fiduciary for purposes of this Code, the Executive Director or their designee shall make that determination after consultation with the Chief Compliance Officer.

**“Financial Advisor.”** See Financial Services Provider.

**“Financial Services Provider.”** A person or entity, other than an Employee or Trustee, who provides: (i) financial management or advice to TRS or to the Board that is a basis for significant financial, investment, or fund management decisions or actions by or on behalf of TRS, and whose primary role is to provide such management or advice; (ii) financial services to TRS or advice in connection with the management or investment of TRS trust funds and who may reasonably expect to receive for their services more than \$10,000 in compensation from TRS during a fiscal year (September 1 to August 31); or (iii) assistance to TRS in the buying or selling of stocks, bonds, commodities, options, and other securities, including related analysis or research (for example, on a security, company, industry, or sector) and who is named from time to time on the TRS Contractors Broker List. A Financial Services Provider would include but is not limited to (i) financial advisors, (ii) financial consultants, (iii) investment counselors, (iv) money or investment managers, (v) custodian banks and security lending agents, (vi) Strategic Partners, (vii) external managers retained pursuant to agency agreements and (viii) brokers. For purposes of reporting compliance, the term “Financial Services Provider” includes an entity or person who appeared on the TRS Contractors Broker List or the TRS Restricted Contractors List during any portion of the period of time covered by a particular report, even if that entity or person is no longer named on the TRS Contractors Broker List or TRS Restricted Contractors List.

If questions exist regarding who constitutes a Financial Services Provider, the Executive Director or their designee shall make that determination after consultation with the Chief Compliance Officer.

Notwithstanding the above, the following persons or entities are not considered Financial Services Providers: (i) attorneys and law firms, (ii) companies that provide actuarial services that impact investment strategies, (iii) companies that only provide financial information, research or advice that is not created for TRS’ exclusive use, or software by subscription or license agreement, (iv) companies that provide software and services to transmit data between or among TRS operating systems, (v) the medical board, and (vi) health care consultants.

**“Strategic Partner.”** The institutions that are advisors that provide services under relationships designated by TRS as Strategic Partners.

**“TRS.”** The Teacher Retirement System of Texas.

**“Trustee.”** A member of the Board of TRS.

Appendix B – Conflict of Interest Disclosure and Request for Determination (“Code Conflict Disclosure Statement”)

Form TRS 541C



## CONFLICT OF INTEREST DISCLOSURE and REQUEST FOR DETERMINATION

**Contractor’s Complete Name:** \_\_\_\_\_

Under Section I.B. of the TRS Code of Ethics for Contractors (“Code”), a Contractor should promptly inform the Chief Compliance Officer by use of this TRS Form 541C if the Contractor either:

- has determined that it has a potential or actual conflict of interest; or
- is uncertain whether it has or would have a conflict of interest under a particular set of circumstances then existing or reasonably anticipated to occur.<sup>1</sup>

A signed copy of this form may be emailed to the TRS Chief Compliance Officer or such other address as may be specified by TRS. If you have reason to believe that disclosure to the Chief Compliance Officer would be ineffective, your TRS Form 541C should be sent directly to the Executive Director.

Teacher Retirement System of Texas  
 Executive Director  
 1000 Red River Street Austin, Texas  
 78701- 2698

You must include all relevant facts and circumstances necessary for TRS to fully understand the details surrounding the potential or actual conflict of interest. If any information you provide below requires updating or amending, immediately inform the Chief Compliance Officer (or Executive Director, as applicable) and promptly provide the updated or amended information.

### **I. Conflict Determination**

Describe fully the facts and circumstances that create the possible, potential or actual conflict of interest. Specify the interest or relationship that creates the conflict. Name all relevant parties. If there are non-confidential documents or related materials, attach those materials to your submission or provide website links to where those materials may be found.

As a reminder, Section I.A. of the Code provides that a conflict of interest exists when a Contractor has:

1. A relationship with any party to a transaction with TRS, or with an Employee or Trustee, other than a relationship necessary to the services that the Contractor performs for TRS, if a reasonable person could expect the relationship to diminish the Contractor’s independence of judgment in the performance of the Contractor’s responsibilities; or
2. A direct or indirect pecuniary interest in any party to a transaction with TRS if the transaction is connected with services the Contractor provides to TRS or to the Trustees in connection with the management or investment of TRS assets.

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*Enter a complete, reasonably detailed description of the facts and circumstances here.*

<sup>1</sup> Contractors should complete TRS Form 541C in the same manner proscribed for addressing conflicts of interest when (1) reporting potential or actual violations of the Standards of Conduct in the Code, pursuant to Section II.J., or (2) using the Notice and Cure provisions in Section IV.B.2.

Provide your preliminary analysis of why you believe the situation may or may not be a conflict of interest under the definition of conflict in Section I.A. of the Code. Please address each element of the definition of conflict of interest as set forth in items 1. or 2. above, as applicable to your circumstances.

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*Enter your preliminary analysis here, explaining why there is or is not potential or actual conflict of interest.*

## **II. Cure Determination**

Provide your preliminary analysis of why you believe the conflict of interest has or may be cured. Use the factors outlined in Section II.D. of the Code, among others that you may consider relevant, to describe how and whether the conflict has been mitigated, controlled, or eliminated. In addition to the factors, your analysis should discuss, as applicable, the type of service underlying the conflict, the value of the service, any cost-benefit analysis that has been performed related to the service, and any restrictions on persons or activities in relation to the service or relationship underlying the conflict. If there are non-confidential documents or related materials, attach those materials to your submission or provide website links to where those materials may be found.

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*Enter your preliminary analysis here, explaining whether and how the conflict has or may be cured.*

- I have withdrawn from participation in this matter pending further notification from TRS.
- I believe that I can effectively withdraw from participation in this matter.

Why or why not? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **III. Reporting Obligations**

### **A. Self-reporting by Covered Contractor**

I have provided a copy of this disclosure statement to my supervisor, team leader or manager, or monitoring personnel. If "no," why not?

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*Please provide requested explanation, if applicable.*

**B. Reporting of Others**

- I believe another individual or entity has a conflict of interest, as defined in the Code.
- I have knowledge that the other individual or entity has withdrawn from participation in the matters affected by the conflict of interest pending further notification from TRS.
- I have provided a copy of this TRS Form 541C to the TRS personnel who supervise or monitor the individual or entity that is the subject of this disclosure statement.

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*Please provide additional explanation regarding the known facts surrounding a potential conflict of interest by another individual or entity.*

As, or on behalf of, the Contractor listed below, I certify that all of the information provided in this TRS Form 541C is accurate and complete.

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Contractor

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Signature

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Printed Name

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Title or Position of Individual Named Immediately Above

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Phone Number and Email Address

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Date

**IV. Conflict Determination & Resolution (for TRS use only)**

<ul style="list-style-type: none"><li><input type="checkbox"/> No Conflict</li><li><input type="checkbox"/> Conflict</li><li><input type="checkbox"/> Conflict Upon Occurrence of Future Events</li></ul>
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- Conflict Not Cured or Incurable
- Conflict Cured
- Conflict Cured with Conditions (see below)

Conditions Required as Part of Cure Determination:

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*Identify conditions required as part of the cure determination pursuant to Section*

- Contract Continued
  - Contract Terminated
- Contract Termination Date \_\_\_\_\_

Reviewer Name: \_\_\_\_\_

Date: \_\_\_\_\_

Appendix C – Annual Ethics Compliance Statement Form TRS 550



## CONTRACTOR ANNUAL ETHICS COMPLIANCE STATEMENT

**Consistent with Section IV. E. of the Code of Ethics for Contractors (the “Code”), an entity engaged by TRS as a Contractor shall be responsible for compliance with the Code by each of its employees and representatives and the authorized representative completing and executing this Statement does so on behalf of the entity itself and all of its employees. In this regard, any response, disclosure, or report required by this Code must be submitted to TRS by such entity rather than by individual employees and representatives, and such entity is responsible for making a diligent inquiry before each submission and from time to time during its engagement as a Contractor to determine if further submissions are required.**

**CAPITALIZED WORDS APPEARING HEREIN HAVE THE SAME MEANING ASSIGNED TO THEM IN THE CODE.**

### FOR ALL CONTRACTORS

- ◆ After diligent inquiry, Contractor represents that the Code has been read by those persons who work or represent the Contractor on TRS matters and that these individuals are familiar with the standards that govern the conduct of TRS Contractors.
- ◆ Contactor agrees to comply with both the letter and spirit of the Code (including prohibitions upon offering or conferring any gifts, entertainment, or other economic benefits to Trustees and Employees, found in Section II.B of the Code) and the Expenditure Reporting Form and Memorandum. Contractor understands that a violation of the Code is grounds for termination of the contract or relationship with TRS, and constitute a material breach of contract with no penalty to TRS for terminating the contract or relationship. **Contractor further understands that termination of a contract or relationship because of a violation of the Code can preclude another contract or relationship with TRS as provided in the Code.**
- ◆ Contractor agrees to report in writing to the Chief Compliance Officer or to the Executive Director as required in the Code if Contractor:
  - 1) has determined that it has a potential or actual conflict of interest as defined in the Code, or
  - 2) is uncertain whether it has or would have a conflict of interest under a particular set of circumstances then existing or reasonably anticipated to occur, or
  - 3) has knowledge that a Trustee, Employee, or Contractor has violated the Code, or
  - 4) has violated the Code or has an interest or relationship which violates the Code.

Such written report should be made on the TRS Form 541C, Conflict of Interest Disclosure and Request for Determination.

- ◆ Contractor agrees to provide a copy of any such disclosure to the Employee who monitors or manages the Contractor’s work.
- ◆ Contractor agrees to not take action personally or on behalf of TRS which is reasonably likely to result in a foreseeable conflict of interest unless permitted under Section II.I or II.J. of the Code or pursuant to Section I.D. of the Code.
- ◆ To the best of the knowledge and belief of Contractor, Contractor does not have a conflict of interest, nor has Contractor engaged in any activity that constitutes a conflict of interest, as defined in the Code, except as indicated below.

---

*(Write "None" if there is nothing to report. If there is something to report that requires additional space, please use and attach an additional sheet to this form.)*

- ◆ To the best of the knowledge and belief of Contractor, Contractor has no personal business relationship with a Trustee or Employee, except as indicated below.

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*(Write "None" if there is nothing to report.)*

- ◆ To the best of the knowledge and belief of Contractor, Contractor has not violated the Code, except as indicated below.

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*(Write "None" if there is nothing to report.)*

- ◆ To the best of the knowledge and belief of Contractor, Contractor is unaware of any violations of:
  - 1) the TRS policy prohibiting the offering or accepting of gifts, entertainment, or other economic benefits involving any Trustee, Employee, or Contractor.
  - 2) the Code by any other Contractor, except as indicated below.

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*(Write "None" if there is nothing to report.)*

- ◆ Contractor agrees that if any change in circumstances occurs which should be reported in accordance with the Code, Contractor will promptly report this change to the Chief Compliance Officer or to the Executive Director.
- ◆ If Contractor was a Contractor during the prior calendar year, Contractor hereby certifies and represents that Contractor filed the Expenditure Reporting Form for Contractors that was due by April 1 of this calendar year. Contractor agrees to file by April 1 of the next calendar year an Expenditure Reporting Form for Contractors addressing expenditures made in this calendar year.
- ◆ Contractor is in compliance with all professional standards and laws that apply to Contractor.

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Signature

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Name of Contractor

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Printed Name and Position

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Date

Appendix D – Disclosure Statement for Financial Services Providers

Form TRS 630



**DISCLOSURE STATEMENT  
FOR FINANCIAL SERVICES PROVIDERS**

**DUE ANNUALLY  
OR WHENEVER THERE IS NEW INFORMATION TO REPORT**

**INSTRUCTIONS:**

- 1) The reporting period covered by this statement consists of the preceding calendar year.
- 2) This statement must be filed annually.
- 3) A new or amended statement must be promptly filed with the parties listed in step 5 of these instructions whenever there is new information to report under Texas government code, section 2263.005 (a) or Section III.B of the TRS Code of Ethics for Contractors.
- 4) This statement must be submitted even if you answer “no” to questions 1 and 2 in part 2.
- 5) Submit a copy of this statement to each of the following:
  - a. The Executive Director of the Teacher Retirement System of Texas (“TRS”) (mail to 1000 Red River Street, Austin, TX, 78701-2698), no later than April 1.
  - b. The State Auditor (mail to P.O. Box 12067, Austin, TX, 78711-2067 Attn: Disclosure Statement), no later than April 15.
- 6) The term “Financial Services Provider” has the meaning given to it by the TRS Code of Ethics for Contractors.

**PART 1: GENERAL INFORMATION**

FILING TYPE (check one):     ANNUAL DISCLOSURE FOR YEAR ENDING DECEMBER 31, 20\_\_\_\_     UPDATED DISCLOSURE

FILER (check one):     INDIVIDUAL     BUSINESS ENTITY (on behalf of itself and all of its employees or representatives who provided advice or services to TRS)

NAME OF INDIVIDUAL \_\_\_\_\_ JOB TITLE \_\_\_\_\_

NAME OF BUSINESS ENTITY (if any) \_\_\_\_\_

TYPE OF FINANCIAL ADVICE OR SERVICE PROVIDED \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_ PHONE \_\_\_\_\_

IF YOU ARE PROVIDING FINANCIAL ADVICE OR FINANCIAL SERVICES **CONCERNING TRS MATTERS** TO A TRS TRUSTEE BUT **NOT** TO TRS ITSELF, PLEASE PROVIDE THE NAME(S) OF THE TRUSTEE(S):

**If there are none, please answer “NONE”.** Note: A current listing of trustees can be found at the TRS website – [www.trs.texas.gov](http://www.trs.texas.gov).

**PART 2: DISCLOSURES**

**DISCLOSURE REQUIREMENTS FOR FINANCIAL SERVICES PROVIDERS**

Financial Services Providers must disclose information regarding certain relationships and interests to the TRS Executive Director and the Texas State Auditor pursuant to Texas Government Code Section 2263.005.

- 1) Do you or your business entity have or did you or your business entity have any relationship with any party to a transaction with TRS (other than a relationship necessary to the services that you or your business entity will perform, are performing, or performed for TRS) that a reasonable person could expect to diminish your or your business entity’s independence of judgment in the performance of your or your business entity’s responsibilities to TRS?  
 Yes                       No

If yes, please explain in detail the nature of such relationships. (Attach additional sheets as needed.)

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- 2) Do you or your business entity have or did you or your business entity have any direct or indirect pecuniary interests in any party to a transaction with TRS where the transaction is or was connected with any financial advice or service that you or your business entity provide to or provided to TRS or to a TRS trustee concerning TRS matters?

Yes                       No

If yes, please explain in detail the nature of such pecuniary interests. (Attach additional sheets as needed.)

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**PART 3: SIGNATURE AND DATE**

**TO BE COMPLETED BY AN ENTITY ENGAGED BY TRS**

**Pursuant to Section IV. E. of the Code of Ethics for Contractors (the “Code”), an entity engaged by TRS as a Financial Services Provider shall be responsible for compliance with the Code by each of its employees and representatives. This Disclosure Statement must be submitted to TRS by such entity rather than by individual employees and representatives, and such entity is responsible for making a diligent inquiry before each submission and from time to time during its engagement as a Financial Services Provider to determine if further submissions are required.**

Consistent with Section IV. E. of the Code, I hereby attest that I am authorized to file this Disclosure Statement on behalf of the business entity named above and that all information provided above is complete and accurate with respect to the business entity and all of its employees and representatives that provide financial advice or services to TRS. I further attest that a diligent inquiry of such employees and representatives was made by the business entity before each submission and periodically during the time that the business entity provides financial advice or services to TRS. Through the signature of the authorized individual below, the business entity hereby acknowledges its responsibility to submit promptly a new or amended Disclosure Statement to the parties listed in step 5 of the above instructions if any of the above information changes.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name and Position \_\_\_\_\_

**TO BE COMPLETED BY AN INDIVIDUAL  
ENGAGED BY TRS**

I hereby attest that all information provided above is complete and accurate. I hereby acknowledge my responsibility to submit promptly a new or amended Disclosure Statement to the parties listed in step 5 of the above instructions if any of the above information changes.

Signature \_\_\_\_\_ Date \_\_\_\_\_ Printed \_\_\_\_\_

Name \_\_\_\_\_

Appendix E – Expenditure Reporting Form for Contractors

Form TRS 543



## EXPENDITURE REPORTING FORM FOR CONTRACTORS

Required for: Expenditures of more than \$50 per day made on behalf of any one Trustee or TRS Employee by a TRS Contractor (as defined in the TRS Code of Ethics for Contractors; not including any other provider of goods or services)

Return to: Chief Compliance Officer, Teacher Retirement System of Texas

Due by: April 1, following the calendar year covered by the report

**PLEASE CHECK THE APPROPRIATE BOX:**

- Contractor made no reportable expenditures during the calendar year covered by this report. If this box is checked, please sign and provide the information requested in the signature block located at the end of this form.
- Contractor made reportable expenditures during the calendar year covered by this report. If this box is checked, please complete the rest of this form, sign and provide the information requested in the signature block located at the end of this form.

NOTE: If daily expenditures exceeding \$50 fall within two or more categories noted in Item 1 of the TRS Expenditure Reporting Memorandum, then a separate form for each Trustee or Employee and for each category may be filed with TRS.

Expenditure Date	Value / Amount per Day per Trustee/ Employee	Expenditure Category	Vendor / Provider	Address / Location	Recipient name(s): Trustee / Employee	Were spouses/ other guests in attendance?

BY MY SIGNATURE, I HEREBY CERTIFY AND REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

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Signature

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Printed Name

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Title

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Name of Contractor

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Contractor's Address

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Date of Signature

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Calendar Year Covered by This Report