

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CODE OF CONDUCT POLICY

PURPOSE

As fiduciaries of a public trust, the trustees of the Merced County Employees' Retirement Association (MercedCERA) Board of Retirement are mindful that they must carry out their duties in a manner consistent with the positions of trust and confidence they hold. The success and effectiveness of the Board requires that all trustees abide by the highest standards of professionalism, ethics, and integrity. In addition to meeting these fiduciary and other duties, the Board believes it is important that the trustees conduct themselves in accordance with generally accepted standards of business and social behavior. To confirm and support its commitment to such standards, the Board has therefore established this Code of Conduct Policy, which is further supported by MercedCERA Resolution 2026-02, Conflict of Interest and Board Governance Policy.

GENERAL EXPECTATIONS AND GUIDELINES

Trustees shall:

- i. Conduct themselves with a duty of candor; exhibiting decorum, honesty, integrity, professionalism and ethical behavior in all aspects of their Board duties and in their relations with fellow board members, staff, service providers, and other constituents;
- ii. Comply with all policies and rules of the Board;
- iii. Pay undivided attention during meetings;
- iv. Acknowledge that offering advice or guidance to a MercedCERA member or beneficiary may expose the Board to claims or lawsuits. Accordingly, board members shall not offer advice as to what specific choices a member or beneficiary should make. Board members shall instead refer the member or beneficiary to MercedCERA staff;
- v. Recognize that all board members and management have considerable commitments of their time, and to therefore strive to carry out the business of the Board in the most efficient and effective manner possible;
- vi. Use of electronic devices during MercedCERA Board Meetings should only be for completing Board business. The board members are supplied with a portable electronic device for agenda review during meetings and MercedCERA related communication and research during all other times;
- vii. Build and maintain the knowledge necessary to fulfill their fiduciary responsibilities;

- viii. Speak on behalf of the Board only when explicitly authorized by Board vote/action to do so, including indicating in all statements made to the media or others concerning Board business that they do so personally and not on behalf of MercedCERA, unless so authorized; and,
- ix. Refrain from making individual membership inquiries about their own accounts directly to MercedCERA executive management, including the Retirement Administrator, and instead adhere to the established protocols required of all other members.

ENFORCEMENT PROVISIONS

The chair, when presiding over meetings of the Board, will enforce and attempt to rectify any breaches of this Code of Conduct that may occur during meetings of the Board. Similarly, subcommittee chairs will enforce and attempt to rectify any breaches that may occur in the course of a meeting of a committee of the Board.

Board members who believe that a fellow board member may have breached any provisions of this Code of Conduct, or similarly, provisions of MercedCERA Resolution 2026-02, Conflict of Interest and Board Governance Policy, are encouraged to communicate this directly to the board member in question. Alternatively, the board member or any other external party may communicate such a concern to the Chair, who will consider the matter and determine appropriate action.

In the event the board member or external party has a concern with the conduct of the Chair, the board member may communicate such concern to the Vice-Chair, who will consider the matter and determine appropriate action.

When considering reported breaches of this Code of Conduct, the Chair and Vice Chair shall exercise their discretion, but the Board expects that they will at a minimum discuss the reported breach with the board member in question, and if necessary, with the Retirement Administrator, Board Counsel, or the full Board.

Where the Chair believes that a board member has committed or refuses to cease the offending behavior, the Chair may consult with the Retirement Administrator, Board Counsel, or the full Board and recommend that the Board:

- a) Request the offending board member to rectify past actions, if possible, or refrain from similar actions in the future;
- b) Request the offending board member to undertake special educational or counseling initiatives that may be of assistance to the board member in addressing the matter;
- c) Remove the offending board member from the position of Chair, Vice-Chair, Secretary or committee chair, or from any Board committee assignment the board member may hold;
- d) Preclude the offending board member from serving as Chair, Vice-Chair, Secretary or committee chair, or from service on a board committee, for a specified period of time;

- e) Limiting the Board member's travel privileges, if the violation relates to travel;
- f) Censuring the board member; or
- g) Any other lawful action the Board deems appropriate, with advice from counsel.

Enforcement provisions "c" through "g" described above are to be discussed in open session with the board member in question. The Board, should it believe a governing principle has been violated, may, by majority vote of those Board members eligible to attend and vote (excluding the Board member in question), take enforcement action.

This policy will be reviewed with new board members during New Board Member Orientation.

POLICY HISTORY

The Board adopted this policy on July 23, 2026.