Attachment 3. MOSERS’ Ban on Pay-to-Play Practices

The following policy has been adopted by the MOSERS Board of Trustees.

Pay-to-Play

Introduction

The Board has adopted this Pay-to-Play Policy to protect MOSERS’ members and their beneficiaries by (1) requiring the disclosure of payments to placement agents in connection with MOSERS’ investment and (2) prohibiting improper political contributions. This Policy is designed to prevent impropriety (or even the appearance of impropriety), and to provide transparency and confidence in the investment decision-making of MOSERS.

A. Principles

This Policy incorporates by reference the meanings of the terms defined in the following rules, as applicable:

1. “CFTC Rule 23.451” means the federal rule found at 17 C.F.R. § 23.45 and promulgated by the Commodity Futures Trading Commission, or any successor provision.
2. “Financial service provider” means any person that uses a Placement Agent.
3. “FINRA Rule 2030” means rule 2030, Engaging in Distribution and Solicitation Activities with Government Entities, promulgated by the Financial Industry Regulatory Authority, or any successor provision.
4. “MOSERS employee” means any person employed by MOSERS as well as any of MOSERS’ Trustees.
7. “Placement Agent” means a finder, solicitor, marketer, consultant, broker, or other intermediary to raise money or solicit investments from, or obtain access to, MOSERS and its staff, directly or indirectly.

B. General Provisions

MOSERS shall not engage a financial service provider unless:

1. MOSERS has provided a copy of this Policy to the financial service provider;
2. The financial service provider provides MOSERS the following:
   a. A record confirming that the financial service provider and its covered associates have complied with all applicable pay-to-play rules in connection with its solicitation of MOSERS;
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b. If a Placement Agent was used, a record that:
   i. Discloses all compensation of any kind which the financial service provider provided, or agreed to provide, to a Placement Agent (including the nature, timing, and value of the compensation) in connection with its solicitation of MOSERS;
   ii. States that the Placement Agent is (1) registered with the SEC or the CFTC, as applicable; and (2) subject independently to a pay-to-play rule; and
   iii. States whether the Placement Agent or its covered associates are registered as lobbyists with the State of Missouri or the federal government; and

c. A record agreeing to respond to requests from MOSERS’ for information relating to pay-to-play rules.

C. Policy Review and History

1. This Policy will be reviewed by the Board no less frequently than every five years for continued relevancy and appropriateness.

2. The Board adopted this Policy on February 21, 2019.