



TEXPERS

Texas Association of Public Employee Retirement Systems

Bylaws

**As Amended
April 9, 2017**

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**TEXAS ASSOCIATION OF PUBLIC EMPLOYEE
RETIREMENT SYSTEMS**

BYLAWS

April 9, 2017

**ARTICLE I
NAME**

The name of this organization shall be the Texas Association of Public Employee Retirement Systems (“TEXPERS”). TEXPERS is a Texas non-profit corporation.

**ARTICLE II
PURPOSES**

The purpose of TEXPERS is to:

- Advance the quality of governance, management and administration of Texas public retirement systems.
- Provide for an exchange of ideas and information on issues affecting Texas public retirement systems.
- Collect and disseminate information concerning retirement systems administration, benefit design, investment, regulation and federal issues.
- Work toward safeguarding the benefits and ensuring the financial soundness of Texas public retirement systems, including but not limited to defined benefit plans.

**ARTICLE III
OFFICE**

The principal office of TEXPERS shall be located in Texas. The Board of Directors of TEXPERS (the “Board”) may establish such branch offices within the United States as it deems proper for the conduct of TEXPERS business.

**ARTICLE IV
MEMBERSHIP**

4.01 MEMBER SYSTEM

(a) Upon application, a Member System membership in TEXPERS shall be granted by the Board to any state or local public employee retirement system which is a legally constituted state or local retirement, pension, annuity or benefit system, one of whose primary purposes is consistent with the purpose of TEXPERS as set forth in Article II, unless otherwise prohibited by law. The final power to determine the status of any group for the purpose of membership in TEXPERS for any reason is vested in the Board.

(b) All Member Systems shall be classified according to a governmental group type. Each Member System classification shall be established upon becoming a Member System of TEXPERS and reestablished annually. Assignment of governmental group type shall be made by the Board whose decision is final.

Governmental group types shall consist of the following:

- Authority District
- Municipal (including but not consisting exclusively of Police and/or Fire)
- Paid Fire
- Volunteer Fire
- Paid, Part-Paid and Volunteer Fire
- Municipal (not including Police and Fire)
- Other Governmental Subdivisions
- Police
- Combined Police and Fire

4.03 ASSOCIATE MEMBER

An Associate Member membership may be granted to any organized body by the Board if such organized body's objectives are consistent with the purposes of TEXPERS. The number of Associate Members shall not be more than one-third (1/3) more than the total of Member Systems, Association/Employee Groups and Consultants, unless the Board believes it would be in TEXPERS' best interest to have such additional Associate Members. Associate Members shall not be entitled to vote on any matter and shall not hold any position on the Board. Determination of eligibility for membership is vested solely in the Board whose decision is final.

4.031 SMALL BUSINESS MANAGER MEMBER

A Small Business Manager membership may be granted to any organized body by the Board if:

- (1) the organized body is not a subsidiary of, or otherwise affiliated with, a body eligible for membership as an Associate Member;
- (2) the fair market value of the total assets under the control of or management by the body, at the time membership is granted, is less than \$500 million; and
- (3) the organized body has been in business at least three (3) years; and
- (4) the Board determines that the body's objectives are consistent with the purposes of TEXPERS.

Participation in the Small Business Manager membership category by any organized body is limited to three (3) years. The Board shall determine the number of memberships granted in this category. A Small Business Manager member may send only one (1) person to an official TEXPERS conference. A Small Business Manager member, or its representative, is not eligible to vote on any matter before the membership of TEXPERS or hold a position on the Board.

4.04 ASSOCIATION OR EMPLOYEE GROUP MEMBERS

An Association or Employee Group Member membership may be granted to any organized body by the Board if such organized body's objectives are consistent with the purposes of TEXPERS. Association or Employee Group Members shall not be entitled to vote on any matter and shall not hold any position on the Board. Determination of eligibility for membership is vested solely in the Board whose decision is final.

4.05 ASSOCIATE ADVISOR

An Associate Advisor membership may be granted to any organized body by the Board if such organized body's objectives are consistent with the purposes of TEXPERS. The number of Associate Advisor Members shall not exceed eight (8) unless the Board believes it would be in TEXPERS' best interest to have additional Associate Advisor Members. Associate Advisor Members shall not be entitled to vote on any matter and shall not hold any position on the Board. Determination of eligibility for membership is vested solely in the Board whose decision is final.

4.06 CONSULTANT MEMBER

The Board may grant a Consultant membership to any firm, or part of it, whose primary business is investment consulting to pension funds or other similar institutional investors. The number of Consultant Members shall not exceed fifty (50) unless the Board believes it would be in TEXPERS' best interest to have additional Consultant Members. Consultant Members shall not be entitled to vote on any matter and shall not hold any position on the Board. Determination of eligibility for membership is vested solely in the Board whose decision is final.

4.07 ACTUARY MEMBER

An Actuary membership may be granted to any firm whose primary business is to analyze the financial consequences of risk. The number of Actuary Members shall not exceed fifty (50) unless the Board believes it would be in TEXPERS' best interest to have additional Actuary Members. Actuary Members shall not be entitled to vote on any matter and shall not hold any position on the Board. Determination of eligibility for membership is vested solely in the Board whose decision is final.

4.08 VENDOR MEMBER

A Vendor membership may be granted to any firm whose business is to provide general business services to pension funds or similar institutional investors. The number of Vendor Members shall not exceed 50 unless the Board believes it would be in TEXPERS' best interest to have additional Vendor Members.

4.09 MEMBERSHIP TERM

The membership year shall be from January 1 to December 31 of each calendar year and annual dues shall be in an amount set forth in Section 4.10. Membership rights are contingent upon the timely payment of such annual dues.

4.10 MEMBERSHIP DUES AND FEES

Dues shall be assessed annually for the purpose of financing TEXPERS in a manner which will best benefit the membership, provide for sufficient and competent staff and ensure the effective and continued operation of TEXPERS.

An eligible member shall become a Member upon payment of the annual dues. Dues are to be assessed for one full membership year and are payable by December 31st preceding the commencement of the membership year.

Dues for each Member System shall be computed as follows: Dues shall be fixed at the rate of .000005 of the total assets (at market value on September 30th or the monthly valuation date nearest to or including November 30th of the year just prior to the year for which such dues are payable) of the Member System, as determined by the last financial statements produced by such Member System, with the exception that a Member System's dues may be no more than \$5,000.00 nor less than \$25.00.

Dues for Associate Members shall be fixed at \$5,000.00. Dues for Associate Members who have held continuous membership since December 31, 1994 shall be fixed at \$4,000.00.

Dues for Small Business Manager members shall be fixed at \$2,000.00.

Dues for Associate Advisors shall be fixed at \$10,000.00.

Dues for an Association or Employee Group Member (other than a public employee retirement system) shall be fixed at \$50.00.

Dues for Consultant Members and Actuary Members shall be fixed at \$500.

Dues for Vendor Members shall be fixed at \$500.

Registration Fees for conference attendees shall be determined by the Board.

4.11 TERMINATION

Membership termination shall occur upon failure to pay annual dues. Termination based on failure to pay annual dues shall be effective one (1) month after notice of such membership termination has been sent to the member representative at the member's last known address appearing on the official records of TEXPERS via U.S. Mail.

Membership may be terminated for violating the TEXPERS Bylaws, Code of Ethics & Conduct, or its policies as determined by the Board. Such termination shall be effective upon actual written notice to the member.

4.12 NON-LIABILITY OF MEMBERS

A Member shall not, solely because of membership in TEXPERS, be liable for the debts, obligations or liabilities of TEXPERS, nor shall any member representative be personally liable for the debts, obligations or liabilities of TEXPERS because of standing as a member of this association.

ARTICLE V MEETINGS

5.01 MEMBERS MEETING

An annual meeting of the members shall be held at a time and place to be determined by the Board. Each Member System may be represented by its Delegates at all meetings of the membership. The annual meeting shall be held for the purpose of holding Caucuses, as defined in Article VIII and/or reporting the results of the Caucus' election of new members to the Board and for such other matters as shall be determined by the Board. Special meetings may be called by the President by a majority vote of the Board or by one-third (1/3) of the most recently certified member Delegates of TEXPERS.

5.02 QUORUM AND VOTING

The presence of at least forty percent (40%) of all Member Systems eligible to vote shall constitute a quorum at all meetings of members for the transaction of business. A Member System is determined to be eligible to vote in accordance with Section 9.01. For purposes of counting a Member System present, at least one of the Member System's Delegates must be present. Each Delegate shall have one vote.

5.03 ROBERT'S RULES OF ORDER

The meetings and proceedings of TEXPERS shall operate according to Robert's Rules of Order (Newly Revised) for parliamentary procedure, except as may be otherwise provided by these Bylaws.

ARTICLE VI BOARD OF DIRECTORS

6.01 GENERAL POWERS

Governing Power. The governing body of TEXPERS shall be the Board of Directors except as otherwise provided in these Bylaws. The Board shall have general supervision of its activities and business affairs provided such general powers shall be exercised to further the declared purposes of TEXPERS.

Dues. The Board shall have the power to collect dues through the Treasurer or Executive Director.

Expulsion. The Board shall have the power to terminate a Member as provided in these Bylaws.

Funds. The Board shall have charge of the funds and property of TEXPERS and may invest its funds in such a manner as seems prudent.

6.02 BOARD MEETING

Regular meetings of the Board shall be established by the Board and shall be held at least twice a year, in addition to the annual meeting. Notice of regular meetings may be given in person, by telephone, by mail, by email or by fax to the address provided to TEXPERS by the Director.

Special meetings of the Board may be called by the President on three (3) days' notice to each member of the Board of Directors. Special meetings shall be called by the President in a like manner and on notice of the written request of two-thirds (2/3) of the Directors of TEXPERS. Except as may be otherwise expressly provided by statute, or by the Articles of Incorporation, or by these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice.

When the President or Board deems it inexpedient to call a special meeting, it may submit such matter to the Board by mail, electronic mail or conference call. A conference call meeting should be recorded or minutes taken. Unless otherwise required by the bylaws, the matter proposed shall be determined according to a majority vote of the Board received by the President or Executive Director fifteen (15) business days from the date of the notification to the Board, provided that at least fifty (50%) of the total Board votes must be received. Action taken by mail, electronic mail or conference call of the Board shall constitute a valid action of the Board and shall be reported to the Board.

6.03 OFFICERS

The Board shall biannually elect from among the Directors a President, First Vice-President, Second Vice-President, Treasurer and Secretary. Such election shall be conducted at the first meeting of each newly elected Board. The Board may from time to time elect other officers.

6.04 PRESIDENT

The President shall be the Chief Executive Officer of TEXPERS and perform all duties customary to the office. The President shall have general supervision and direction of the business affairs of the organization, as authorized by the Board. The President shall preside at all meetings, shall appoint committee members and shall be an ex-officio member of all committees. The President shall vote on matters before the Board only in the event of a tie.

6.05 FIRST VICE-PRESIDENT

In the absence of the President, the First Vice-President shall perform the duties of the President and when so acting, shall have all the powers of the President. The First Vice-President shall perform such other duties and have such other powers as the President or the Board may from time-to-time prescribe.

6.06 SECOND VICE-PRESIDENT

The Second Vice-President shall perform the First Vice-President's duties in the absence of the First Vice-President.

6.07 SECRETARY

It shall be the duty of the Secretary to prepare the agenda and make it available to all Member Systems at least 72 hours prior to the meetings, except in the event of a special meeting, where the agenda will be made available at the earliest opportunity. The Secretary shall also be responsible for the minutes for all meetings of the membership and of the Board . The Secretary shall also confirm the Delegates and nominees- according to Sections 802 and 6.12.

An Assistant Secretary may be appointed by the Board to assist with the duties of the office of Secretary.

6.08 TREASURER

It shall be the duty of the Treasurer to supervise and oversee the collection of dues and other funds belonging to TEXPERS, oversee custody of all such funds, make disbursements in accordance with authorized actions of the Board, maintain financial records for TEXPERS, ensure submission of reports to the Board on all financial transactions of TEXPERS, and make certain that TEXPERS does not engage in deficit financing. The Treasurer is responsible for monitoring the budget which is to be approved annually by the Board.

6.09 EXECUTIVE DIRECTOR

The administration and management of TEXPERS shall be carried out by an Executive Director who shall be employed by and directly responsible to the Board of Directors. Such person shall be the operating officer of TEXPERS with the responsibility for the management and direction of all operations, programs, activities and affairs of TEXPERS functioning within the policies as authorized by the Board of Directors. The Executive Director shall be responsible for the safekeeping of all business records of TEXPERS.

6.10 TERM

Directors shall serve for a term of four (4) years, except as specified in Sections 6.11 and 6.12.

6.11 RESIGNATION, REMOVAL AND REPLACEMENT OF DIRECTORS

If a Director dies, becomes disabled, resigns or is removed, for cause, before the expiration of his or her term or the position is otherwise vacant, the Board shall appoint from among those persons otherwise eligible to be Director for that Position (as defined in Section 6.12) a replacement Director, who shall serve only until the next bi-annual election of Directors. At such bi-annual election, the Caucus with the responsibility for filling the vacant Director's Position shall elect a replacement Director, who shall then serve for the remainder of the unexpired term. Removal of a Director for cause will require a vote of not less than seventy-five percent (75%) of then serving Directors. A removal for cause shall include a violation of TEXPERS' Bylaws, Code of Ethics and Conduct, or policies.

6.12 ELIGIBILITY AND ELECTION OF DIRECTORS

All Member Systems' Delegates as defined in Section 9.01 are eligible to serve on the Board. Director positions are held by such delegates and not the Member Systems they represent. Eligibility is determined at the time of appointment or election, whichever is applicable; provided however, that a voting Director must continuously be a resident of Texas and must continue as either a trustee, member or employee of a Member System in order to be eligible to serve as a Director. Persons directly involved in selling or marketing products or investments to pension systems are prohibited from serving on the Board. A person who violates this marketing prohibition immediately vacates the person's office as a Director. Directors shall be elected by the Caucuses in the manner described in Article VIII. Certification of eligibility of nominees for elected positions on the Board shall be made pursuant to Section 9.02. The applicable term of Directors shall be staggered so that one half (1/2) of the Board is re-elected at each bi-annual election.

All positions on the Board, except for appointments outlined in Section 6.11 and for the position of past president, shall be elected by the Caucuses.

Except for the non-voting position of past president, Board Members seeking reelection shall be entitled to do so without being expressly listed on the delegate form submitted by Member Systems in Section 9.01. A voting Board member seeking reelection shall be a Delegate At-Large and be allowed to vote in the Caucus meeting.

All trustees, members or employees of participating systems shall bear the governmental group classification of their Member System, as determined by the Board and outlined in Article IV.

6.13 BOARD POSITIONS

The Board positions shall be as follows (classification of all governmental groups refer to those assigned in accordance with Section 4.01(b) of these Bylaws):

- Position 1: Trustee, member or employee of a Municipal Member System. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), or Municipal (not including Police and Fire).
- Position 2: Trustee of a Municipal Board. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), or Municipal (not including Police and Fire).
- Position 3: Trustee of a Fire Board. Delegates holding this position must be a Trustee of a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Paid Fire, Volunteer Fire, Paid, Part-Paid and Volunteer Fire, or Combined Police and Fire.
- Position 4: Trustee, member or employee of a Fire Member System. Delegates holding this position must belong to a member system classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Paid Fire, Volunteer Fire, Paid, Part-Paid and Volunteer Fire, or Combined Police and Fire.
- Position 5: Trustee, member or employee of a Fire Member System. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Paid Fire, Volunteer Fire, Paid, Part-Paid and Volunteer Fire, or Combined Police and Fire.

- Position 6: Trustee of a Police Board. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Police, or Combined Police and Fire.
- Position 7: Trustee, member or employee of a Police Member System. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Police, or Combined Police and Fire.
- Position 8: Trustee, member or employee of a Police Member System. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Police, or Combined Police and Fire.
- Position 9: Trustee, member or employee of an Authority/District Member System. Delegates holding this position must belong to a Member System classified by the Board as Authority, District, or Other Governmental Subdivision.
- Position 10: Trustee, member or employee of an Authority/District Member System. Delegates holding this position must belong to a Member System classified by the Board as Authority, District, or Other Governmental Subdivision.
- Position 11: Trustee, member or employee of a Municipal Member System. Delegates holding this position must belong to a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), or Municipal (not including Police and Fire).
- Position 12: Past President (ex-officio, non-voting, serves as long as the current President serves as President of the Board).

6.14 PARLIAMENTARIAN

A Parliamentarian shall be appointed by the President and shall serve at the President’s will.

6.15 QUORUM

The presence of a majority in number of the current serving Directors shall be necessary and sufficient to constitute a quorum at any meeting of the Board. The affirmative vote of a majority of the total number of Directors present at any meeting at which a quorum is present shall constitute action by the Board.

6.16 PRESIDENTIAL ADVISOR

A Presidential Advisor or Advisors may be appointed to serve at the President’s will, for the purpose of assisting the President in furthering any of the stated purposes of TEXPERS. The Presidential Advisor, or Advisors, term of appointment runs concurrent with the term of the President that appointed them.

ARTICLE VII COMMITTEES

Each committee shall consist of three (3) or more persons, a majority of whom shall be Directors, and the remainder of whom need not be Directors.

7.01 CREDENTIALS

The President shall appoint a chairperson and no less than two (2) other members to the Credentials Committee.

The purpose of the Credentials Committee is to certify that each nominee for the Board meets the eligibility requirements as set forth Sections 4.01(b), 6.12 and 6.13 of the Bylaws.

7.02 LEGISLATIVE

The President shall appoint a chairperson and no less than two (2) other members to the Legislative Committee.

The purpose of the Legislative Committee is to make decisions regarding TEXPERS' legislative matters.

7.03 EDUCATION & TRAINING

The President shall appoint a chairperson and no less than two (2) other members to comprise the Education & Training Committee.

The purpose of the Education & Training Committee is to make decisions regarding TEXPERS' education and training.

7.04 RESOLUTIONS

The President shall appoint a chairperson and no less than two (2) other members to comprise the Resolutions Committee.

The purpose of the Resolutions Committee is to originate, receive, review and recommend proposals for amending or revising the TEXPERS bylaws.

7.05 OTHER COMMITTEES

TEXPERS may have other standing or ad hoc committees or task forces as are designated from time to time by the President or Board of Directors. The President shall appoint all committees and task forces and such chairperson and members.

7.06 MEETINGS OF COMMITTEES

Meetings of all committees shall be upon call of the committee chairperson or President. Each committee shall designate a secretary who will keep minutes of the meeting.

7.07 QUORUM

A quorum for committee meetings shall consist of a majority of the members.

7.08 VOTING

A simple majority at any committee meeting where a quorum is present shall determine any issue presented.

7.09 NOTICE

Notice of regular or special meetings shall be given in writing to each committee member showing the date, hour and place of meeting at least ten (10) days in advance of the meeting. Notice of a special meeting to be held by conference call shall be given in writing to each committee member showing the date, hour and place of meeting at least three (3) days in advance of the meeting.

7.10 CONFERENCE CALL

Subject to the provisions of this Section regarding notice and quorum, members of all committees may participate in and hold a meeting by conference call. A conference call meeting should be recorded or minutes taken. Action taken by conference call of a committee shall constitute a valid action.

ARTICLE VIII CAUCUSES AND DELEGATES

8.01 CAUCUS CLASSIFICATION

Caucuses are comprised of Delegates, as defined in Section 9.01, and serve to elect Directors. There are four (4) Caucuses of Delegates: Municipal, Fire, Police, and Authority/District. Eligibility for serving as a Delegate to one of the four (4) Caucuses is as follows:

Municipal: Delegate must be a trustee, member or employee of a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), or Municipal (not including Police and Fire).

Fire: Delegate must be a trustee, member or employee of a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Paid Fire, Volunteer Fire, Paid, Part-Paid and Volunteer Fire, or Combined Police and Fire.

Police: Delegate must be a trustee, member or employee of a Member System classified by the Board as Municipal (including but not consisting exclusively of Police and/or Fire), Police, or Combined Police and Fire.

Authority/
District: Delegate must be a trustee, member or employee of a Member System classified by the Board as Authority/District, or other Governmental Subdivisions.

Each of the designated Caucuses shall be responsible for electing qualifying delegates to serve as Directors for the Positions set forth below:

	<u>Caucus</u>	<u>Director's Position</u>
1.	Municipal	1, 2, 11
2.	Fire	3, 4, 5
3.	Police	6, 7, 8
4.	Authority/District	9, 10

8.02 NUMBER OF DELEGATES

Member Systems shall be entitled to Delegates as provided in the Bylaws, with a maximum of six (6) Delegates, not including Delegates At-Large, from any one Member System. "Member System Members" include active and retired members of any Member System. In addition to Delegates At-Large as defined in 6.12, each Member System at any meeting of TEXPERS shall be entitled to the number of Delegates provided in the following schedule:

<u>Members</u>	<u>Delegates</u>
1 - 1000	2
1000 - 4000	4
over 4000	6

8.03 ELIGIBILITY FOR MORE THAN ONE CAUCUS

Delegates, including Delegates At-Large, shall caucus in groups, according to the governmental group type of their Member System. A Member System which qualifies for more than one of the Caucuses set out in Section 8.01 must designate the Caucus for which each Delegate will caucus at the time the delegate form is completed. The number of the Member System's Delegates caucusing with each Caucus, must be certified to the Secretary prior to the first annual meeting.

8.04 VOTING

No Delegate for any Member System shall be entitled to caucus or to vote on any business at a meeting unless the Member System which the Delegate represents is current on its dues and any other financial obligations to TEXPERS, as fixed and determined by the Board, and has been declared paid by the Treasurer. Delegates each have one vote within their caucus group and one vote at a meeting of the Member Systems. Delegates At-Large each have one vote within their caucus group and one vote at a meeting of the Member Systems. Caucuses shall designate a caucus chairperson and formulate rules to govern the fairness of the selection of their Directors.

ARTICLE IX CREDENTIALS

9.01 DELEGATES

Delegates, which include Delegates At-Large, serve to represent their respective Member Systems and are eligible to vote in all matters coming before the membership of TEXPERS. Delegates of a Member System may be trustees, members, or employees of a Member System. To establish credentials in the appointment of Delegates, the Secretary shall submit to each Member System a form on which the said Member System shall supply the names of the official Delegates, their alternates, if any, in writing, the selected Caucus of such Delegates or alternates and such other information as the Secretary may deem necessary, which shall be completed by the Member System and returned to the Secretary at least thirty (30) days prior to the annual meeting. The Secretary shall turn over all forms submitted requesting credentials for appointing Delegates to the Credentials Committee. If original delegates or alternates are unable to participate at the annual meeting, other eligible members may be selected from those present to be alternates. The Credentials Committee shall be the final judge of the qualifications and certification of Delegates.

9.02 BOARD OF DIRECTORS

The Credentials Committee shall certify that each nominee for the Board meets the eligibility requirements as set forth in Sections 4.01(b), 6.12, and 6.13 of these Bylaws.

9.03 ALTERNATE DELEGATES

Alternate Delegates must comply with all of the provisions of Section 9.01. Alternates may not vote in the absence of any Delegate who has registered at a meeting. An Alternate is a person selected by their Member System to replace a Delegate who fails to register at the meeting.

ARTICLE X LIMITATIONS

10.01 POLITICAL ENDORSEMENTS

TEXPERS shall not endorse political candidates.

10.02 LOCAL MATTERS

Any legislation or matter of pure local effect and concern and which does not adversely affect or have the potential to detrimentally impact pension rights and benefits of the membership of TEXPERS shall be considered a policy matter in which TEXPERS shall not participate.

10.03 LIABILITY LIMITATION & INDEMNIFICATION

Liability Limitation

A Director is not liable to TEXPERS or its members for monetary damages for an act or omission in his or her capacity as a Director, except for a breach of the Director's duty of loyalty to TEXPERS or its members; an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; a transaction from which the Directors received an improper benefit whether or not the benefit resulted from an action taken within the scope of the Director's office; or an act or omission for which liability of the Director is expressly provided by statute.

Indemnification

Every Officer, Director and employee of TEXPERS shall be indemnified by TEXPERS against all expenses and liabilities including counsel fees reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved by reason of being or having been in such position, or any settlement whether the person is in such position at the time such expenses are incurred. Such indemnification shall apply except in such cases where the Officer, Director or employee commits a breach of duty of loyalty to TEXPERS or its members; an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; a transaction from which is received an improper benefit, whether or not the benefits resulted from an action taken within the scope of their office or position; an act or omission for which liability is expressly provided for by statute; or an act related to an unlawful payment of a dividend; or is finally adjudged liable, by due legal process, of willful misfeasance or malfeasance in the performance of duties. The right of indemnification shall be in addition to and not exclusive of all other rights to which such position may be entitled.

ARTICLE XVIII RESOLUTIONS

11.01 CONSIDERATION

Any Member System may submit resolutions for consideration at any annual meeting, provided, that the proposed resolution shall be submitted in writing by certified mail to the Secretary, who should in turn submit such resolutions to the Resolutions Committee, not less than thirty (30) days prior to the date of the annual meeting at which such resolution is to be offered for consideration. All resolutions submitted to the Resolutions Committee at least thirty (30) days prior to the annual meeting shall be posted on the TEXPERS website no later than ten (10) business days prior to the annual meeting. Any resolution not so submitted, shall first, in order to be considered by the Delegates if offered from the floor, obtain a consent vote for introduction of two-thirds (2/3) of the delegates present at the session at which such resolution is to be offered for consideration, before a vote for or against adoption of the resolution may be taken. The Delegate requesting such consent shall have a sufficient number of legible copies of such proposed resolution available, so that each Delegate present may receive a copy thereof before any vote is taken.

**ARTICLE IXII
AMENDMENTS**

12.01 AMENDMENTS TO THE BYLAWS

Amendments to these Bylaws, may be proposed by any Member System or by the Board, provided that any proposed amendment proposed by a Member System shall be submitted in writing by certified mail to the President at least sixty (60) days before any meeting of the membership, and that the President shall submit any proposed amendment to the Member Systems at least thirty (30) days before the meeting of the membership, together with a report of the Board thereon. A vote of two-thirds (2/3) of the Delegates present and voting from the Member Systems shall be required for the adoption of an amendment.

**ARTICLE XII
DISSOLUTION**

13.01 DISSOLUTION

On the winding up and dissolution of TEXPERS, after paying or adequately providing for the debts, obligations and liabilities thereof, the remaining assets shall be distributed to such organization(s) organized and operated exclusively for charitable or educational purposes which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States law).

**ARTICLE XIV
ETHICS**

The TEXPERS Board shall adopt and govern themselves in accordance with TEXPERS Code of Ethics & Conduct.