

(2)--"INTEREST"--FOR-THE-PURPOSES-OF-THE-ACTUARIAL-VALUATIONS MEANS-THE-PERCENT-RATE-TO-BE-COMPOUNDED-ANNUALLY-AS-DETERMINED-BY-THE-BOARD-OF-TRUSTEES-ANNUALLY-AFTER-TAKING-INTO-CONSIDERATION-THE-ACTUAL-EARNINGS-OF-THIS-SYSTEM-FOR-THE-PRECEDING-YEARS-AND-THE-PROBABLE-EARNINGS-OF-THIS-SYSTEM-TO-BE-MADE-IN-THE-FUTURE.

(3)--TO-MEET-DISBURSEMENTS-FOR-ALLOWANCES-AND-OTHER PAYMENTS-CASH-MAY-BE-KEPT-AVAILABLE, NOT EXCEEDING 10 PERCENT OF THE-TOTAL-AMOUNT-IN-THE-SEVERAL-FUNDS-OF-THIS-PENSION-SYSTEM,--ON DEPOSIT--IN--ONE-OR-MORE-BANKS-OR-TRUST-COMPANIES--IN-THE-STATE-OF MARYLAND,--ORGANIZED-UNDER-THE-LAWS-OF-THE-STATE-OF-MARYLAND,--OR OF--THE--UNITED--STATES,--IF-THE-SUM-ON-DEPOSIT-IN-ANY-ONE-BANK-OR TRUST-COMPANY-DOES-NOT-EXCEED-25-PERCENT-OF-THE--PAID-IN--CAPITAL AND-SURPLUS-OF-THE-BANK-OR-TRUST-COMPANY.

(4)--EXCEPT--AS--OTHERWISE--HEREIN--PROVIDED,--A--TRUSTEE-OR EMPLOYEE-OF-THE-BOARD-OF-TRUSTEES--MAY--NOT--HAVE--ANY--DIRECT INTEREST--IN--THE--GAINS-OR-PROFITS-OF-ANY-INVESTMENT-MADE-BY-THE BOARD-OF-TRUSTEES. --A-TRUSTEE-OR-EMPLOYEE-OF-THE-BOARD,--DIRECTLY OR--INDIRECTLY,--FOR--HIMSELF-OR-AS-AN-AGENT,--MAY-NOT-USE,--IN-ANY MANNER,--THE--SAME--EXCEPT--TO--MAKE--THE--CURRENT--AND--NECESSARY PAYMENTS--AS--ARE-AUTHORIZED-BY-THE-BOARD-OF-TRUSTEES. --A-TRUSTEE OR-EMPLOYEE-OF-THE-BOARD-OF-TRUSTEES-MAY-NOT-BECOME-AN-ENDORSER, SURETY,--OR,--IN-ANY-MANNER,--AN-OBLIGOR-FOR-MONEY-THAT-IS-LOANED-TO OR-BORROWED-FROM-THE-BOARD-OF-TRUSTEES.

173-

(1)--THE--STATE--SHALL--INDEMNIFY--EVERY-PERSON--WHO--IS--MADE,--OR IS--THREATENED--TO--BE--MADE,--A--PARTY--TO--ANY--ACTION,--SUIT,--OR PROCEEDING--INCLUDING--ADMINISTRATIVE--AND--INVESTIGATIVE--PROCEEDINGS BECAUSE--OF--HIS--SERVICE--IN--A--FIDUCIARY--CAPACITY--TO--THIS--PENSION SYSTEM,--IN--ACCORDANCE--WITH--AND--SUBJECT--TO--THIS--SECTION.

(2)--(A)--IN-THIS-SECTION,--"SERVICE-IN-A-FIDUCIARY-CAPACITY," MEANS-THE-EXERCISE-OF--ANY--DISCRETIONARY--AUTHORITY--OR--CONTROL CONCERNING--

(I)--THE--MANAGEMENT--OR--ADMINISTRATION-OF-THIS PENSION-SYSTEM,--OR

(II)--THE--MANAGEMENT--OR--DISPOSITION--OF--THE ASSETS-OF-THIS-SYSTEM.

(B)--"SERVICE-IN-A-FIDUCIARY-CAPACITY"--INCLUDES--

(I)--MEMBERSHIP---ON---THE---BOARD--OF--TRUSTEES PROVIDED-BY-§-159-OF-THIS-ARTICLE,

(II)--MEMBERSHIP-ON-THE-STATE-INVESTMENT-COUNCIL PROVIDED-BY-§-161(4)-OF-THIS-ARTICLE,--AND

(III)--SERVICE---AS---EXECUTIVE---DIRECTOR---FOR INVESTMENTS--AS--PROVIDED--BY--§-161(2)-OF-THIS-ARTICLE-OR-ON-HIS STAFF.