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 of
this pension system;

(ii) Membership on the advisory investment
committee; and

(iii) Service as investment administrator
or on his staff.

[(c)] (3) If, with respect to a civil,
administrative, or investigative action, suit, or
proceeding, a person acted in good faith and in a manner he
reasonably believed to be in or not opposed to the best
interest of this pension system, and, with respect to a
criminal action, had no reasonable cause to believe his
conduct was unlawful, then indemnification shall be against
those ` expenses, including reasonable attorney's fees,
judgments, fines, and accounts paid in settlement that were
actually and reasonably incurred by him in connection with
the proceeding.

[(d)] (4) The termination of any suit or proceeding,
in any manner, does not, of itself, create a presumption
that a person did not act in good faith and in a manner he
reasonably believed to be in or not opposed to the best
interest of this pension system, and with respect to a
criminal action or proceeding, had reasonable cause to
believe that his conduct was unlawful.

[(e)] (5) Indemnification may not be made:

[(i)] (A) With respect to any suit SUIT,
claim, or matter as to which the person is adjudged to be
liable for gross negligence or willful misconduct in this
system; or

[(ii)] (B) For an independent contractor
who provides services to this pension system.

[(f)] (6) The State may provide insurance for every
person eligible for indemnification under this section
against any liability asserted against him or incurred by