

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM SECURITIES LITIGATION POLICY

A. PURPOSE

The Municipal Employees' Retirement System of Louisiana (MERS) invests a pool of assets to fund the retirement benefits of its members. Investment decisions are made in accordance with the prudent-man rule to maximize assets. However, losses are possible. This policy establishes guidelines to monitor losses and allow MERS to attempt to collect losses caused by violations of law, fraud, and/or violations of fiduciary or other duties. Collection of losses may be accomplished through the filing of claims or the engagement in securities litigation.

B. ROLES

The Board of Trustees has authority to:

1. Select law firms skilled in securities class action matters ("Monitoring Firms") to identify and evaluate potential claims.
2. Select a particular Monitoring Firm to represent MERS on a specific claim.
3. Authorize participation in securities litigation and select a Monitoring Firm to represent MERS in such litigation.
4. Authorize application for lead or co-lead plaintiff status.
5. Authorize opting into a non U.S. group action.
6. Authorize opting out of a class settlement.
7. Approve settlement agreements.

The Executive Director, in consultation with Counsel if not also serving as General Counsel, has authority to:

1. Make recommendations to the Board of Trustees concerning each of the matters in which the Board has authority to act.
2. Review the performance of Monitoring Firms and make recommendations to the Board about retention of those firms.
3. Make decisions about various administrative steps in filing claims.
4. Make decisions about the conduct of litigation other than those matters reserved to the authority of the Board of Trustees.
5. In consultation with the Board Chair, make decisions that are necessary due to a legal deadline if the Board is unable to act before the deadline.

The Custodian Bank for MERS, or their agent, is expected to:

1. Maintain data necessary to identify the securities and transactions of MERS that may result in MERS being a class member and make that data available to the Monitoring Firms retained by MERS.
2. File proofs of claim on behalf of MERS in which MERS may participate as a class member and notify the Monitoring Firms.
3. Collect, record, and deposit proceeds from claims of MERS.

Each Monitoring Firm is expected to:

1. Have an audit process to determine whether the Custodian has filed appropriate claims documentation.
2. Identify circumstances in which MERS may have incurred investment losses, giving rise to a potential claim which is not yet the subject of litigation.
3. Evaluate losses over \$1 million or in which actions were taken that specifically negatively impacted MERS and make recommendations to MERS on whether it should pursue separate litigation, opt-in to a non-U.S. matter, or file for lead or co-lead plaintiff designation.
4. Accept an appointment as Special Counsel to MERS on a contingent fee basis when selected by the Board of Trustees for a particular case. If a Monitoring Firm declines to accept an appointment the Board of Trustees may choose another firm.
5. Evaluate settlements of actions in which MERS is not lead or co-lead plaintiff where losses exceed \$1 million and recommend whether MERS should object to, comment on, or opt out of the settlement.

C. GUIDELINES

The MERS Board of Trustees recognizes its obligation to the system to attempt to collect losses caused by alleged violations of law and/or improper conduct. The Board further acknowledges that significant resources of the system may be required to pursue such claims.

The Board of Trustees will select up to five securities litigation firms to monitor potential and filed class action claims. These firms will be eligible for selection to represent MERS if the Board determines to engage in activities to pursue a loss.

Apart from cases that warrant consideration of taking an active role in litigation, the Board instructs its Executive Director and Custodian Bank, or their agent, to file a claim form or registration statement in any matter in which MERS has a recognized loss.

When litigation is the approach recommended by a Monitoring Firm, the Board will gather all relevant information to determine the cost/benefit analysis of engaging in litigation.

A loss of a minimum of \$1 million is the threshold for considering litigation and seeking lead plaintiff or co-lead plaintiff status or opting in to a non-U.S. matter. The Board may waive this financial threshold in a situation where it believes specific egregious activity occurred that directly impacted MERS.

Any recommendation of a Monitoring Firm concerning pursuing litigation shall be presented to the Board of Trustees for consideration. If multiple firms submit a recommendation each shall be presented. The Board of Trustees shall determine whether to accept the recommendation and which firm to select to pursue the recommendation.

A Monitoring Firm representing MERS shall keep the Board informed of the various stages of litigation. If a settlement is offered, the Monitoring Firm should present that offer to the Board for action. If a deadline requires action and the Board is unable to meet, the Executive Director, in consultation with the Chair, shall make a decision and report to the Board at its next meeting.

D. REVIEW

The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.