

CONSTITUTION AND BY-LAWS

of the

DEPARTMENT OF PUBLIC SAFETY MUTUAL ASSOCIATION

Amended January 18, 2023

ARTICLE I

This Association shall be known as the Department of Public Safety Mutual Association. Operating as an exempt association, its office shall be located and maintained in the City of Austin, Travis County, Texas.

ARTICLE II

The Object of this Association is to provide death benefits for beneficiaries of deceased members upon the mutual assessment plan as authorized by statute and by the Constitution and By-Laws of the Association.

ARTICLE III

The Officers of the Association shall consist of a President, Vice President, Secretary and Treasurer who together with eight (8) elected members shall constitute the Board of Directors. Each Officer and Board member shall hold office for a term of one year or until his or her successor has been elected or appointed.

The President, Vice President, Secretary, Treasurer, and Board Members shall be elected at the annual meeting from the membership of the Association.

ARTICLE IV

The annual meeting of the Department of Public Safety Mutual Association shall be held in the City of Austin, Texas during the month of January. The time, date, and location of the meeting is to be designated by the President of the Association with the concurrence of the other Officers.

The President of the Association shall be empowered to call any special meeting, and to designate the time, date, and location of the meeting with the concurrence of the other Officers. A special meeting need not be held in the City of Austin.

Notice of the meetings shall be in writing to the membership not less than ten (10) days in advance of the meeting date.

Business of the Association may be conducted and action taken on the majority vote of the members present or voting by proxy. Proxy voting shall be allowed at all regular or special meetings provided that they shall be in writing and verified by the Secretary prior to such meetings. A quorum shall consist of the membership present or voting by proxy, but in no case shall it consist of less than fifteen (15) members in personal attendance.

ARTICLE V

PRESIDENT: It shall be the duty of the President to preside at all meetings of the Association. The President shall appoint three (3) members of the Association to act as an Auditing Committee, to make a report of their findings at the annual meeting. The President shall submit to each annual meeting a written report of official acts during the President's term of office. The President may countersign all checks or orders for withdrawal of funds of the Association and shall perform such other duties as the Association may require.

VICE PRESIDENT: In the absence of the President, the Vice President will preside at all meetings of the Association and perform the general duties of the President, and shall perform such other duties as the Association may require.

SECRETARY: The Secretary shall keep proper records of all proceedings at the meetings of the Association and record same in a book kept for that purpose. The Secretary shall be custodian of all records and valuable papers pertaining to the Association. The Secretary shall notify the members of assessments and dues to be collected.

TREASURER: The Treasurer shall sign all checks. The Treasurer shall receive all money collected and deposit it in a bank in Austin, Texas, designated by the Board of Directors and same to be subject to withdrawal only in case of the death of a member or for expenses. The Treasurer shall keep a proper record of all receipts and disbursements. The Treasurer shall render an annual report on the financial condition of the Association at the annual meeting.

BOARD OF DIRECTORS: The Board of Directors shall have general supervision over all matters pertaining to the Association and shall attend to all matters, the transaction of which usually devolves upon a body of this kind. They shall assist the Secretary in the collection of all dues and assessments. The Board of Directors shall have the power to fill vacancies caused by resignations, deaths or other causes. However, no appointment shall exceed the term of the vacancy filled.

The Treasurer and such other Officers as may be considered necessary shall be bonded in such amounts as may be required by the Board of Directors. All officers shall serve without remuneration.

If a Board Member has a reasonable belief that an Officer or other Board Member has engaged in any action that violates any applicable law, or regulation, including those concerning accounting and auditing, or that constitutes a fraudulent practice, the member is expected to immediately report such information to the President. If the member does not feel comfortable reporting the

information to the President, he or she is expect to report the information to the Vice President, or to the Board of Directors at its next meeting.

The Association will not retaliate against any member of the Association because that member reports to a supervisor, to the executive director, the Board of Directors, or to a federal, state, or local agency what the member believes in good faith to be a violation of the law; participates in good faith in any resulting investigation or proceeding; or exercises his or her rights under any state or federal law(s) or regulation (s) to pursue a claim or take legal action to protect the member's rights.

ARTICLE VI

All employees and retirees of the Department of Public Safety are eligible to become members in the Association.

The Board of Directors may require evidence of insurability of eligible employees and retirees at any time. Applicants must certify on the membership application to be in good health with no knowledge of a terminal illness. .

Membership in the Association shall continue as long as dues and assessments, NSF check charges and penalties are paid and the member continues in the employment of the Department.

Membership in the Association shall continue for retirees who are members on the date of retirement and who are eligible to draw a retirement annuity from the Employees Retirement System of Texas.

Retirees of the Department who were not Mutual members at the time of retirement may join the Association by submitting a completed application and submitting in lump sum the total amount of all assessments from the date of retirement to the date of acceptance of the "Application for Membership." The application and total amount of all assessments must be received within 24 months of the retirement date. Retirees who have not joined within 24 months of retirement are not eligible to join the Mutual Association. The Secretary of the Association shall determine the lump sum amount due.

Retirees of the Department whose membership lapsed while retired may rejoin the Association by submitting a completed application and submitting in lump sum the total amount of all assessments from the lapsed date to the date of acceptance of the "Application for Membership." The application and total amount of all assessments must be received within 24 months of the lapsed date. Retirees whose membership has lapsed over 24 months are not eligible to re-join the Mutual Association. The Secretary of the Association shall determine the lump sum amount due.

If an applicant is rejected for membership due to an existing health condition at the time of the application process, all fees paid by the applicant shall be returned to the applicant.

ARTICLE VII

Benefits payable under certificates of membership shall not exceed \$10,000 for active Department employees and \$5,000 for Department retirees. If the membership of the Association is less than 1,000, the benefits payable shall consist of the total sum of an assessment of \$10 against each member.

All death benefits may be paid within thirty (30) days from the date of the filing of due proof of death of the member on any form as may be provided by the Officers of the Association.

Full benefits will be paid to the beneficiary(s) of a current member of the Association, who has been called to active duty by the United States Armed Forces and whose death was caused by an Act of War.

Active members of the Department must make payment through payroll deduction of \$5 per month or by one full annual payment of \$60. The one-time payment must be paid by October 1. Department retirees may choose to make three equal payments for the annual assessment, due October 1, November 1, and December 1. Any member who is not paid in full by January 1 shall be terminated from membership.

Beneficiaries of the insured member will be paid the sum as stated under the benefits provision, upon death of a member.

The amount of any annual assessment will be approved by the Board of Directors in such amount as may be necessary to pay the projected annual claims against the Association upon the death of its member(s). The Board of Directors may authorize an additional assessment during the year if it becomes necessary to maintain financial solvency of the Association. The amount of the assessment shall be the same for the active employees and retirees. However, the method of payment for an additional assessment will follow the retiree payment plan. Payroll deductions cannot be made for any additional assessments.

New members must sign up for payroll deduction at the time of application, or pay one full payment of \$60 due by October 1 or pay a prorated amount of the number of months remaining in the assessment year. There will be no pro rata refunds for early termination of memberships.

All dues, assessments, and NSF check charges and penalties shall be payable within thirty (30) days of the issuance of notice by the Secretary. Failure to pay assessments within the specified period shall lapse the membership and forfeit all claims as a member of the Association.

A person whose membership in the Association has lapsed may be reinstated upon the payment of such dues, assessments, NSF check charges and penalties as may be determined by the Board of Directors.

Monetary donations to the Association may be accepted and shall be deposited to the Death Benefit Fund. All donations shall be included with the Treasurer's report at the annual meeting for the current reporting period.

ARTICLE VIII

Each certificate when issued shall bear the signature of the President and be signed by the Secretary of the Association.

ARTICLE IX

In the event of liquidation, any remaining sum shall be divided equally among participating members.

ARTICLE X

No member of the Association shall be liable in any way for obligation of the Association other than dues and assessments as herein described. No Officer or Director of the Association shall be individually liable for any claim against the Association nor shall he be personally liable for death claims or operation expenses of the Association. The Officers shall be liable for all funds coming into their hands belonging to the Association.

Whenever a Board Member has a financial or personal interest in any matter coming before the Board of Directors, the Board Member shall fully disclose the nature of the interest and withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested Board Members determines that it is in the best interest of the Association to do so. The minutes of meetings at which such a vote is taken shall record the names of those found to have an actual or possible conflict of interest, the nature of the financial interest, the Board's decision as to whether a conflict of interest in fact existed, and, if the Board determines a conflict of interest exists, the rationale for approval notwithstanding the conflict of interest. For purposes of this provision, the term "interest" shall include personal interest, interest as a director, officer, member, stockholder, shareholder, partner, manager, trustee or beneficiary of any concern, or having an immediate family member who holds such an interest in any concern.

Each Board Member shall annually sign a statement that declares whether such person is an independent Board Member, having no financial or personal interest in any matter relating to the Association. If at any time during the year the information in the annual statement changes materially, the Board Member shall disclose such changes and revise the annual disclosure form.

The Board of Directors shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

ARTICLE XI

The Constitution and By-Laws may be amended by the majority vote of the quorum attending and/or voting at any annual or special meeting.

A prerequisite to such amendment is that a copy of a proposed amendment and a statement of its purpose covering substantially the subject matter of the amendment which is finally adopted shall have been included in the notice of the meeting.

BY-LAWS

ARTICLE I. Order of Business

Section 1. The order of business of the Association shall be (1) reading and adoption of minutes; (2) report of officers; (3) report of the Auditing Committee; (4) report of special committees; (5) unfinished business; (6) new business; (7) election of officers and directors; (8) adjournment.

Section 2. In the absence of other authority, the deliberation of this Association shall be governed by the Roberts' Rules of Order.