

December 2019

Re: 7th Director Announcement

Dear TVA Retiree:

The TVA Retirement System (TVARS) Board is reopening the process of selecting a 7th director. The TVARS Board understands the importance of this selection and desires a consensus vote on the new 7th director. Given that the composition of the Board has changed since the original selection process began, the Board feels it is best for the selection process to start fresh. Accordingly, the Board is asking for resumes from any TVA retirees interested in serving as the 7th director of the TVARS Board so that all six of the current Board members can be part of this process from the beginning. Any eligible retiree interested in this position would need to apply, including those who applied previously. According to the TVARS Rules and Regulations, the 7th director must be a TVA retiree and is selected by a majority of the other 6 directors (3 of whom are elected by TVA employees and 3 of whom are appointed by TVA). The initial term of the newly selected 7th director will be a partial term that will run from date of selection to October 31, 2021.

TVARS is a federal agency established by TVA in 1939 to provide retirement benefits for TVA employees, retirees and beneficiaries and administers a defined benefit pension plan and a 401(k) plan. The TVARS Board administers the System and these retirement plans through a staff of 23 employees loaned from TVA to TVARS and a number of outside firms providing services in the following areas: audit, investment consulting, investment management, trustee and recordkeeping, legal, and governance. There are 9,700 TVA employees eligible for benefits under the TVARS retirement plans, and TVARS currently pays \$715 million annually in benefits to 23,000 retirees and beneficiaries. TVARS defined benefit plan assets total \$8 billion and 401(k) plan assets total \$2.8 billion.

The general responsibilities of a TVARS Board director may be found in the TVARS Governance Policy, and the desired characteristics of the 7th director may be found in the TVARS Director Election/Selection Policy. Both policies are on the TVARS website under "Board" (www.tvars.com/aboutus.htm). The responsibilities of the TVARS Board involve fiduciary duties and will require a good bit of time on the part of the 7th director. Regular meetings are held quarterly and special meetings may be called to handle specific action items as needed. Directors will normally need preparation time prior to any of these meetings, and occasional travel will be required depending on the location of meetings.

If you are interested in the 7th director position, please send your resume, contact information, and any other information on your background and experience relevant to the position **by Friday, January 31, 2020**, to Angie Shepherd, TVA Retirement System, 400 W. Summit Hill Drive, Knoxville, Tennessee 37902, or submit by email to retsvcs@tva.gov referencing 7th director vacancy in the subject line. The TVARS Board will be reviewing candidate information and interviewing potential directors. If you do not receive confirmation from TVARS that your information was received, or if you have any questions regarding the position, please contact Angie Shepherd at 865-632-6357 or retsvcs@tva.gov.