

Tennessee School Boards Association OPEB Trust

Bylaws

ARTICLE I—TRUSTEES

Section 1. Appointment of Trustees. There shall be seven (7) Trustees. The Executive Director and President of the Tennessee School Boards Association will be voting ex-officio members of the Board of Trustees and shall remain as Trustees so long as they hold their respective positions. The remaining Five (5) Trustees shall be from the governing boards of the participating members of the trust and appointed by the TSBA OPEB Trustees. The term of these Five (5) Trustees shall be three years, and they may be reappointed.

Section 2. Officers of the Trust. The officers of the Trust shall be Chairman and Vice-Chairman. Officers shall be elected by the Trustees annually from the members of the Board of Trustees. The term of officers shall begin on January 1 each year and terminate on the following December 31. An officer's term shall also cease upon their termination as a board member. Ex-officio members of the board of trustees are ineligible to hold office.

Section 3. Appointment of Successor Trustees. Trustees and all officers of the Trust shall each continue to serve until their successors are selected except for trustees who are removed or resign. Trustees appointed to fill vacancies shall serve until the expiration of the term of his or her predecessor. Upon the death, resignation or removal of a trustee, the Trustees shall appoint a new Trustee to serve the remainder of the term.

Section 4. Vacancy of Officers. Upon the death, resignation or removal of the chairman, the vice-chairman will automatically assume the office of Chairman and a new Vice-Chairman shall be elected at the next meeting of the Trust. If the vacancy is for the office of Vice-Chairman, a new Vice-Chairman shall be elected at the next meeting of the Trust.

ARTICLE II—GENERAL TRUST PROVISIONS

Section 1. Amendments. These Bylaws may be amended by a vote of the majority of the Trustees at any meeting of the Trust, provided that notice of such proposed amendment shall have been given in writing ten (10) days in advance to all the Trustees. The Administrator shall forthwith notify the participating members of any and all amendments adopted.

ARTICLE III—MEETINGS OF TRUSTEES

Section 1. Regular Meetings. The Board of Trustees shall meet biannually; any item of business may be considered at a regular meeting. The time, date and location of meetings of the Board

shall be determined by the Board. Trustees must attend in person to participate and no proxy votes shall be permitted.

Section 2. Special Meetings. A special meeting may be called at any time by the Chairman or any three (3) of the trustees upon giving ten (10) days written notice to all trustees. An emergency meeting may be called with less than ten (10) days written notice provided that all trustees agree to such a meeting. An agenda specifying the subject of any special meeting shall accompany such notice and only business included on that agenda may be transacted.

Section 3. Notice of Meetings. All meetings of the Board shall be conducted in a manner required by law. In the event of any conflict between any provision of this Agreement and any provision of any applicable law, this Agreement shall be deemed modified to the extent necessary to comply with such law. In addition to any notices of meetings required to be served under this Agreement, the Administrator shall cause to be published any schedule or notice of meeting of the Board required by law. Such publication requirement shall be deemed met by announcement on the TSBA website.

ARTICLE IV—NATURE AND USE OF FUNDS

Section 1. Member Fund Withdrawal. The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting a pro-rata share of their other post-employment benefits (OPEB) obligations. No other withdrawals may be made by member systems.

Section 2. Investment of Funds. The Trust may invest and reinvest such portions of the trust reserve in any manner that is both prudent and permissible under the laws of the state of Tennessee. The Trustees shall develop and adopt an investment strategy.

Section 3. Investment Manager Selection. Investment managers shall be subject to all restrictions and investment guidelines within this document and within other investment strategies developed by the trustees.

Section 4. Fees

The Trust administrator shall be paid a fee per the following schedule on total assets under management and an administrative fee for the biennial OPEB valuations.

Amount	Fee
0-25MM	0.25%
25MM-50MM	0.15%
50MM-75MM	0.10%
75MM +	0.05%

The Trustees are permitted to compensate the investment managers and/or consultants with such fees as may be reasonable and competitive and are not excessive and detrimental to the Trust's

long-term viability. It shall be incumbent upon the investment managers and/or consultants to fully represent all costs and fees associated with the management of the Trust.

Section 5. Asset Manager Performance Review. The Trustees will monitor performance of the portfolio using the quarterly statements provided by the Trust's investment consultants. The investment consultants shall provide the Trustees with manager performance numbers and appropriate benchmark data with which to evaluate the managers' performance. While mindful of the specific goals of the Trust, the investment consultants shall provide data on a benchmark comprised of an appropriate mix of indices and such other benchmark data as may be requested or relevant.

A file of the written confirmations of every transaction and the quarterly statements documenting total assets, including gains and/or losses in each security since original purchase date will be maintained by the staff.

The Trustees will continually review the liquidity needs of the Trust and will notify the investment consultants as soon as possible of any significant changes in anticipated needs as set forth in this document. The Trustees will review this document annually to ensure its continued relevance and to make changes as new conditions dictate.

Section 6. Financial Institution. All monies received by the Trust shall be deposited in such financial institutions as the Trust may designate for that purpose.

Section 7. Withdrawals. All withdrawals of monies from such financial institutions shall be made only by electronic transfer or by check signed by the Treasurer of the Trust or his/her designee.

Section 8. Bonding. Any person, other than third parties retained to invest funds on behalf of the Trust, who is authorized to sign or who may be engaged in handling monies or securities held by the Trust shall be bonded at the expense of the Trust by a duly authorized surety company in such amount or amounts as may from time to time be required by the Trustees.

Adopted 4/16/09
Article VI, Section 5 revised 7/16/09
Article VI, Section 1 revised 11/15/10
Article I, Sections 1, 4, 5, 6, 7, 8, & 9 revised 09/28/12
Article II, Sections 1 & 2 revised 09/28/12
Article V, Section 1 revised 09/28/12
Article VI, Sections 2 & 6 revised 09/28/12
Article I, Sections 1, 2, 3, 5, 6 & 7 revised 11/05/12
Article II, Section 1 revised 11/05/12
Article III, Sections 1 & 2 revised 11/05/12
Article V, Sections 1 & 3 revised 11/05/12
Article VI, Sections 2 & 9 revised 11/05/12
Article I, Section 1 revised 11/10/13
Article IV, Section 4 revised 4/20/16
Article I, Section 1 added 02/20/17