

Meeting No. 432

MINUTES OF MEETING
OF THE BOARD OF DIRECTORS
RETIREMENT SYSTEM OF THE TENNESSEE VALLEY AUTHORITY

April 22, 2011

(Edited to remove personal information related to individual members and retirees and proprietary information.)

A special called meeting of the Board of Directors (Board) of the TVA Retirement System (System) was held on Friday, April 22, 2011, at 3:55 p.m., EST, at the Chattanooga Hotel, Kinsey Boardroom, 1201 S. Broad Street, Chattanooga, Tennessee.

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The following directors were present: Leslie P. Bays, Chairman; Janet C. Herrin, Vice Chairman; John M. Hoskins; Leonard J. Muzyn; Allen E. Stokes; Anthony L. Troyani; and Tammy W. Wilson. Also present were Patrick D. Brackett, Executive Secretary; Pamela K. Ramsey, Assistant Secretary; and W. Colby Carter, Legal Counsel.

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432-1. Each director was notified in an e-mail dated April 19, 2011, of the special called meeting to be held on April 22, 2011. A copy of the notice from the Chairman is filed as Exhibit 432-1.

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432-2 (A-5826). The Board was provided information on the proposed transition from SAS-70 auditing standards to SSAE-16 auditing standards, which are the equivalent international financial reporting standards. After discussion, upon the recommendation of the Audit Committee, the Board voted to approve, and authorized the Executive Secretary to execute, a contract with E.H. Johnson & Company, P.C. for the purpose of auditing internal controls of the System upon which TVA relies in the preparation of TVA's financial statements and producing a SSAE-16 report for fiscal year 2011. A copy of the contract is filed as Exhibit 432-2.

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432-3 (A-5827). The Board previously approved Kennedy Wilson as a private real estate manager and to commit \$10 million to Kennedy Wilson's Property Fund IV (see Minute Entries 426-13 and 426-14). Upon the recommendation of Wilshire, the Investment Committee, and the Executive Secretary, the Board voted to amend this previous approval and

increase its commitment to Kennedy Wilson's Property Fund IV from \$10 million to \$15 million. A copy of a memorandum from the Executive Secretary and the Program Manager, Investment Management, to the Board dated April 18, 2011, is filed as Exhibit 432-3.

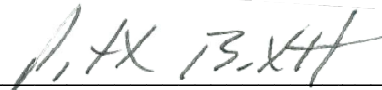
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432-4 (A-5828). After discussion, upon the recommendation of the Election Committee and the Executive Secretary, the Board voted to approve the selection of VR Election Services to serve as the outside election services vendor for the System's Board of Director elections and to delegate to the Executive Secretary the authority to take any actions necessary to effect this approval. A copy of a memorandum from the Executive Secretary to the Board dated April 18, 2011, is filed as Exhibit 432-4.

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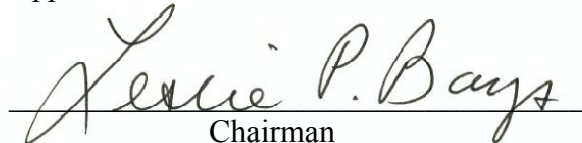
432-5 (A-5829). After discussion, the Board approved the following two governance policies: Service Providers Interaction and Evaluation Policy and Ethics and Code of Conduct Policy. A copy of the two governance policies is filed as Exhibit 432-5 and will be posted on the System's website.

The meeting was adjourned at 4:30 p.m., EST.



Executive Secretary

Approved:


Chairman