

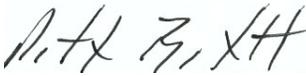
TVA RETIREMENT SYSTEM
NOTICE OF AMENDMENT TO THE
RULES AND REGULATIONS OF THE TVA RETIREMENT SYSTEM (“TVARS”)

December 12, 2017

At an October 30, 2017, special-called meeting, the TVA Retirement System Board of Directors (“TVARS Board”) approved an amendment to the TVARS Rules and Regulations (“TVARS Rules”).

The TVARS Board is composed of seven directors: three appointed by TVA, three elected by and from active employees who are members of the System, and a seventh selected by the other six who is a TVA retiree. The term for each director is three (3) years. The term of the current seventh director will expire next year on October 31, 2018, and the TVARS Board in early 2018 will begin the process of evaluating potential candidates to help in the selection of a new seventh director. In order to effectively fulfill its responsibilities, the TVARS Board recognizes the importance of having all director positions on the TVARS Board filled at all times. Given the time and effort involved in the evaluation and selection process, and the fact that the TVARS Board has previously gone without a seventh director when the six other directors took an extended period of time in agreeing upon a selection, the TVARS Board adopted an amendment to section 3(2)(a) of the System Rules to provide a limited carryover period of up to one (1) year for the current seventh director to continue in the event the TVARS Board is unable to select a new seventh director by the end of the sitting seventh director’s term. This amendment to section 3(2)(a) also contains a voting restriction for the seventh director during any such carryover period that would not allow the seventh director to vote on any amendments to the TVARS Rules or 401(k) Plan Provisions except for those amendments required by the IRS.

TVARS has presented this amendment to TVA for its review and consideration as of the date of this Notice. The amendment will become effective January 11, 2018, unless vetoed by TVA within 30 days of this Notice. A copy of the amendment as approved by the TVARS Board is attached.



Patrick D. Brackett
Executive Secretary
TVA Retirement System

Section 3(2)(a) of the Rules and Regulations of the TVA Retirement System is amended to add the language underlined as follows:

SECTION 3

3. Administration of the System

2. a. The board shall consist of seven members, three of whom shall be elected by and from the membership of the System, three of whom shall be appointed by TVA, and one of whom shall be a retiree selected by a majority vote of the other six. Except for the members of the initial board who were designated for staggered terms of one, two, and three years, respectively, the term of each director shall be three years. Each term shall be deemed to expire with the end of the day preceding the respective anniversary date of the establishment of the System, and all appointments and elections except those made to fill vacancies for unexpired terms shall be effective on such anniversary dates; provided however, in the event the three elected directors and the three appointed directors do not select a seventh director by the expiration of the seventh director's term, then the current sitting seventh director (i) shall continue to serve as a member of the board for an additional one (1) year or until such time as the six directors select the seventh director by a majority vote, if earlier, and (ii) during such continuation period, such seventh member shall be restricted from voting on amendments to these Rules and Regulations and the Deferral Plan Provisions, with the exception of any amendments required by IRS rules or related to the tax-qualified status of the System and Deferral Plan. Any vacancy on the board shall be filled by election or appointment, as the case may be, for only the unexpired portion of the predecessor's term.