

Meeting No. 510

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

December 10, 2025

The regular quarterly meeting of the Board of Directors (Board) of the TVA Retirement System (TVARS or System) was held on Tuesday, December 10, 2025, at 1:14 p.m., EST, at the TVA Knoxville Office Complex West Tower, 9th Floor, Room 405, Knoxville, Tennessee.

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The following directors were present: Eric J. Davis, Acting Chair; Thomas W. Barnett; Michael L. Belcher; Marilyn G. Brown; Micheal D. Clement; and Bryan Johnson. Director Lori E. Stenger was not present. Also present were Mark N. Meigs, Executive Secretary; Sally R. Weber, Assistant Secretary and Senior Manager, Retirement Operations; Brent B. Roberts, Treasurer and Senior Manager, Retirement Applications, Financial Reporting, and Investments; Hayley S. Huskey, Assistant Treasurer and Manager, Financial Reporting and Investments; and W. Colby Carter, Legal Counsel.

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510-1 Each director was notified in a memorandum dated November 26, 2025, of the regular quarterly meeting to be held on December 10, 2025. A copy of the notice from the Executive Secretary is filed as Exhibit 510-1.

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510-2 (A-7153). The Chair's report included the following:

- The Chair thanked all the Directors for good discussions prior to the meeting and acknowledged the enjoyable lunch with the TVARS staff.
- The Chair welcomed Bryan Johnson to his first meeting serving as a Director on the Board.

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510-3 (A-7154). The Executive Secretary's report included the following:

- Prior to the meeting in an executive work session, the Executive Secretary met with the Board to provide information and updates on the System's organization structure and staffing and to discuss succession planning within the organization. In addition, the Executive Secretary provided and discussed with the Board an overview of the annual work plan. A copy of the 2026 work plan is filed as Exhibit 510-3(a).
- The Executive Secretary provided to the Board the proposed quarterly meeting schedule for calendar year 2025. A copy of the quarterly meeting schedule is filed as Exhibit 510-3(b).
- The Executive Director recognized Eric Smith on the TVARS staff who is retiring on December 26, 2025. Eric began his career with TVARS in 1992 and dedicated his entire professional journey to serving TVARS. The Executive Secretary shared that Eric has consistently demonstrated not only a strong work ethic, but also an unwavering commitment to integrity and professionalism, and that his contributions have been invaluable and his presence will be deeply missed.

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510-4 (A-7155). Legal Counsel had no items to report for the Legal Update.

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510-5 (A-7156). As required by the TVARS By-Laws in the event of officer vacancies, an election was held for the offices of Chair and Vice-Chair of the Board.

- Director Davis was nominated as the candidate for the office of Chair. After a statement by Director Davis, pursuant to the TVARS By-Laws, the Directors voted by ballot, and Director Davis was elected as Chair for the remaining period of the three-year term ending at the December, 2026 quarterly meeting.
- Director Brown was nominated as the candidate for the office of Vice-Chair. After a statement by Director Brown, pursuant to the TVARS By-Laws, the Directors voted

by ballot, and Director Brown was elected as Vice-Chair for the remaining period of the three-year term ending at the December, 2026 quarterly meeting.

510-6. As a part of the Consent Agenda, the Board approved the minutes for the meeting reported below in A-7157, and accepted the reports as of September 30, 2025, listed below in A-7158, A-7159, A-7160, and A-7161.

- A-7157 Meeting No. 509 held September 12, 2025
- A-7158 Treasurer's Report (filed as Exhibit 510-6(a))
- A-7159 Investment Performance Report prepared by Wilshire Advisors LLC (Wilshire) (filed as Exhibit 510-6(b))
- A-7160 Report of retirements approved (filed as Exhibit 510-6(c))
- A-7161 Quarterly fund analysis for the TVA Savings and Deferral Retirement Plan (401(k) Plan) prepared by Fidelity Investments(Fidelity) (filed as Exhibit 510-6(d))

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510-7 (A-7162). The Audit Committee report consisted of the items reported below at A-7163 and A-7164, and of the following items:

- Prior to the meeting, the Audit Committee received an update from the staff on the annual renewal of the Cyber and Crime Insurance policies. The renewed Cyber Insurance policy had a decrease in premium and no changes to the carrier, limit and retention. The renewed Crime Insurance policy remains constant with the annual premium unchanged and no changes to the carrier, limit and retention.
- Prior to the meeting, Charlotte Vrba, Ann Zander, and AJ Quebbeman of Crowe LLP, the System's auditor (Crowe), provided an update to the Board via video conferencing on the status of the System's 2025 fiscal year-end audit, including the timing plan of the audit and required communications as part of the audit. Crowe is working through plan audit procedures and will receive an audit package from Fidelity for the 401(k) Plan by the end of the calendar year. Field work will be performed by Crowe in January, 2026 with the expected completion of the audit in April, 2026.

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510-8 (A-7163). Prior to the meeting, the Board met with Sean Katzenberger and Rob Vittitow of Crowe and the TVARS financial reporting staff to review and discuss the results of the System and Organization Controls Report SOC 1 Type 2 related to the System's administration services for the period August 1, 2024, to July 31, 2025. Upon the recommendation of the Audit Committee, the Board voted to accept the SOC1 Type 2 Report. A copy of the TVARS SOC 1 Type 2 Report and Crowe's SOC1 Presentation dated December 10, 2025, is filed as Exhibit 510-8.

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510-9 (A-7164). Upon the recommendation of the Audit Committee, the Board voted to approve an engagement letter with Crowe to perform the System's SOC1 audit for the period August 1, 2025, to July 31, 2026. A copy of the SOC1 engagement letter between Crowe and TVARS is filed as Exhibit 510-9.

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510-10 (A-7165). The Retirement Committee report consisted of the items reported below at A-7166, A-7167 and A-7168.

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510-11 (A-7166). Due to the federal government shutdown from October 1, 2025, to November 13, 2025, the Bureau of Labor Statistics ("BLS") did not research and maintain inflation data for the month of October, 2025 and has canceled the release of the CPI tables (including the Consumer Price Index for All Urban Consumers or "CPI-U") for the month of October, 2025. Under the TVARS Rules, the cost-of-living adjustment ("COLA") calculation is based on the change in the 12-month average of the CPI-U over the annual periods November 1

through October 31. In the absence of the October CPI-U statistic needed for the final month of the average, TVARS staff worked with the TVARS actuary, Mercer Human Resource Consulting (Mercer), to develop a reasonable equivalent inflation measurement for October 2025 in lieu of the BLS-cancelled October 2025 CPI-U table for purposes of the COLA calculations under the TVARS Rules. Prior to the meeting, the TVARS staff discussed with the Board three alternatives developed with Mercer, all of which Mercer opined are reasonable methods to calculate the October 2025 CPI. Following a discussion with the TVARS staff on the three alternatives, upon the recommendation of the Retirement Committee, the Board approved the following resolution for the October 2025 CPI-U:

WHEREAS, on an annual basis at its December quarterly meeting, the TVA Retirement System Board of Directors (Board) approves the calculation of the cost-of-living adjustment (COLA) for eligible pension, supplemental, and additional benefits pursuant to Sections 6I2, 7L2, and 18C3 of the TVARS Rules and Regulations (TVARS Rules);

WHEREAS, under the TVARS Rules, the COLA calculation is based on the change in the 12-month average of the Consumer Price Index for All Urban Consumers (CPI-U) and the 12-month periods used in calculating the change in CPI-U averages are the annual periods November 1 through October 31;

WHEREAS, as a result of the delay by Congress in approving the federal government's annual budget, which led to the nation's longest ever shutdown in federal government operations and services from October 1, 2025, to November 13, 2025, the Bureau of Labor Statistics (BLS) did not research and maintain inflation data for the month of October 2025 and has officially announced that it has canceled the release of the CPI tables, including the CPI-U, for the month of October 2025;

WHEREAS, TVARS staff have worked with the TVARS actuary, Mercer Human Resource Consulting (Mercer), to develop a reasonably equivalent inflation measurement for October 2025 in lieu of the BLS-cancelled October 2025 CPI-U table for purposes of the COLA calculation under the TVARS Rules, which has resulted in three acceptable alternatives (CPI Alternatives); and

WHEREAS, pursuant to Section 3.7 of the TVARS Rules, the TVARS Board has the sole and exclusive responsibility for determining under the TVARS Rules the benefits payable to beneficiaries by TVARS;

BE IT RESOLVED, that the Board hereby approves the third alternative method from the CPI Alternatives for the October 2025 CPI-U data (the Projected October CPI-U based on the August to September increase) and the calculation of average CPI-U for the 12-month period from November 1, 2024, to October 30, 2025, using the third alternative method from the CPI Alternatives, which when used in the calculation of the COLA under the TVARS Rules yields the highest COLA result; and

BE IT FURTHER RESOLVED, that the Board hereby determines that the calculation of the average CPI-U for the 12-month period from November 1, 2024, to October 30, 2025, using the third alternative method from the CPI Alternatives is definitive, will not be changed in the event the BLS were to release or account for October 2025 inflation data at some point in the future or through inflation data of later months, and will be the 12-month average CPI-U used in next year's calculation of the COLA pursuant to the TVARS Rules.

A copy of Mercer's letter regarding the three October 2025 CPI-U calculation alternatives is filed as Exhibit 510-11.

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510-12 (A-7167). Upon the recommendation of the Retirement Committee, the Board approved the calculation of a 2.5% cost-of-living adjustment (COLA) in the monthly pension and supplemental benefits payable to eligible retirees and beneficiaries in accordance with the TVARS Rules. The COLAs are effective with the January 2026 payments as provided for in sections 6I, 7L and 18C3 of the TVARS Rules. A copy of the memo from the Executive Secretary to the Board dated December 10, 2025, with the COLA calculation is filed as Exhibit 510-12.

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510-13 (A-7168). Upon the recommendation of the Retirement Committee, the Board approved the calculation of the following interest crediting rates for calendar year 2026: (i) a 6.00% annual interest crediting rate to the cash balance accounts of participants hired before January 1, 1996, pursuant to Section 7C3(a) of the TVARS Rules; (ii) a 4.75% annual interest crediting rate to the cash balance accounts of participants hired on or after January 1, 1996,

pursuant to section 7C3(b)(ii) of the TVARS Rules; and (iii) a 4.75% annual interest crediting rate for fixed fund accounts pursuant to Section 17 of the Actuarial Assumptions in the Appendix to the TVARS Rules. A copy of the memo from the Executive Secretary to the Board dated December 10, 2025, with these cash balance and fixed fund annual interest rate calculations is filed as Exhibit 510-13.

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510-14 (A-7169). Prior to the meeting, the Election Committee discussed participation data from the most recent election along with historical election data and discussed methods to educate and encourage TVARS members to consider running for the elected Board positions. Communication via postcard, TVA Today, bulletin boards within the plants and corporate areas, and using Code of Excellence (COE) ambassadors via monthly meetings and email lists were all methods discussed that could increase awareness of the elections. A copy of the TVARS election data is filed as Exhibit 510-14.

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510-15 (A-7170). The Investment Committee report consisted of the following items:

- On December 9, 2025, Wilshire, the System's investment consultant, provided to the Investment Committee the quarterly defined benefit plan review covering the following: updates to capital market assumptions; economic/market activity; pension plan asset allocation as of September 30, 2025, compared to policy allocation; investment performance by asset class and by individual managers, absolute and compared to benchmarks, as of September 30, 2025; and investment performance attribution analysis. A copy of Wilshire's Executive Summary of Investment Performance as of September 30, 2025, is filed as Exhibit 510-15(a).
- On December 9, 2025, Wilshire outlined for the Investment Committee the updated manager transitions that have occurred since the new strategic asset allocation was approved on June 11, 2025, in order to implement the new allocation policy. A copy of Wilshire's Asset Allocation Update dated December 9, 2025, is filed as Exhibit 510-15(b).

- On December 9, 2025, Wilshire provided to the Investment Committee an analysis of the System's funded ratio and asset and liability returns over the past year. A copy of Wilshire's Asset Liability Monitor for the third quarter 2025 is filed as Exhibit 510-15(c).
- On December 9, 2025, Wilshire presented to the Investment Committee the risk reporting dashboard for the total investment portfolio through September 2025 and the various changes in investment risk as a result of certain factors over the past one-year period. A copy of Wilshire's Risk Analysis report for TVARS dated September 2025 is filed as Exhibit 510-15(d).
- On December 9, 2025, Mercer Investments LLC, the System's defined contribution consultant, provided to the Investment Committee the 401(k) Plan quarterly review covering the following: 401(k) Plan asset allocation as of September 30, 2025; investment performance and expense ratio analysis of the 401(k) Plan fund line-up, absolute and compared to benchmarks and peer funds, as of September 30, 2025; recent plan changes, including upcoming fund changes for the active U.S. large cap value equity and international equity investment options; a deeper evaluation of the William Blair small-mid cap growth equity fund on the investment lineup; and a governance review that included current 401(k) Plan statistics, judicial update, regulatory and legislative updates, and upcoming Secure Act 2.0 catch-up contribution provisions being implemented effective January 1, 2026. In addition, Mercer provided and discussed with the Investment Committee a comprehensive review of Fidelity's self-directed brokerage account (SDBA) service available to 401(k) Plan participants, Fidelity BrokerageLink, including the following: regulatory history of SDBAs in defined contribution plans, SDBA market review, BrokerageLink participant utilization and demographics for the 401(k) Plan, and BrokerageLink review, including service and fee comparison with alternative SDBA providers. A copy of Mercer's Q3 2025 DC Quarterly Review dated December 9, 2025, is filed as Exhibit 510-15(e).
- The Board was provided and took note of information regarding asset allocation transfers and rebalancing during the third quarter of 2025. A copy of the information is filed as Exhibit 510-15(f).
- The Board was provided and took note of information on due diligence meetings between TVARS staff and investment managers and service providers for the period September 2025 through November 2025. A copy of the information is filed as Exhibit 510-15(g).

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The meeting was adjourned at 1:27 p.m., EST.



Executive Secretary



Chair