Supplemental Retirement Plans Record Keeper and Custodian Transition Update
(The targeted implementation date is January 1, 2016)

Objective: Greater clarity of roles and responsibilities among service providers; greater oversight and control; and overall fee reduction.

Investments:

Work Completed Since Last Update:
- Re-papering of investment manager contracts and guidelines is nearing completion, 20 of the 24 contracts completed as of November 30, 2015
- Investment schematic finalized
- Stable Value portfolios consolidation plan in place
- Investment Policy Statement finalized (subject to Board approval)

Next Steps:
- Finalize remaining four investment manager contracts and guidelines
- Resolve any remaining outstanding items

Custody Implementation:

Work Completed Since Last Update:
- All of the omnibus markets are open; NC has completed paperwork for all of the segregated market,14 of the 27 are pending approval/signoff from BNYM/ sub-custodian in foreign markets
- Custodian contract inclusive of Key Performance Metrics, Business Requirement Agreement is essentially complete
- Investment Compliance Monitoring & Reporting parameters defined, pending finalization

Next Steps:
- Open remaining fourteen sub-custodian accounts in foreign markets
- Finalize Investment Compliance Monitoring & Reporting process
- Finalize Operating Service Agreement
- Finalize Accounting process
- Finalize GRS Performance Due Diligence Questionnaire
- Finalize file transmission testing between Prudential and BNYM - need testing completed very soon
- Investment Manager Welcome Packages will be sent week of November 30, 2015
- Review of global market transfer cost to see if Stamp Duties can be waived in UK and Hong Kong
- Review with global investment managers the process to cross trades in those markets prohibiting free transfers. (CBO issue)

Recordkeeping Implementation:

Work Completed Since Last Update:
- Fee structure finalized
- Contract nearing completion
- Field team realignment finalized, pending implementation
- Communication to participants initiated
- Hire Retiree Advocate, In-House Retirement Counselor and Data Analytics Coordinator

Next Steps:

- Initiate GoalMaker Enhancements (12 to 18 month project)
- Hire Retiree Advocate
- Implement de minims & terminated account “cash out” strategy
- Move assets from annuity structure to group trust at year end
- Finalize ongoing participant performance reporting

<u>Consulting Structure:</u>

Work Completed Since Last Update:

- Supplemental Retirement Plans Investment Staff position job description finalized

Next Steps:

- Finalize Mercer Statement of Work