

March 26, 2014

To: SVIA's Board of Directors

From: Gina Mitchell, SVIA

Re: Board Resignation, 2014 Election, Succession Planning for Committee Officers

On March 26<sup>th</sup> the Board of Directors held a call to discuss Tim Stumpff's resignation from the Board, succession planning for a Committee officer, the process, and the next Board election. The following Board members participated in the call:

Joe	Fazzino	United Technologies Corporation
Nick	Gage	Galliard Capital Management, Inc.
Brett	Gorman	PIMCO
Susan	Graef	The Vanguard Group
Aruna	Hobbs	New York Life Investment Management LLC
James	King	Prudential Financial
Steve	Kolocotronis	Fidelity Investments
Gina	Mitchell	SVIA
Thomas	Schuster	Metropolitan Life Insurance Company
Marijn	Smit	Transamerica Stable Value Solutions
Russell	Smith	Aetna Inc.
Joe	Veeneman	IBM

Steve LeLaurin was unable to participate.

Board turnover/vacancies. There was agreement that the Board has full discretion as how to fill these positions. Each potential vacancy is unique and should be treated as such. The Board also recognized that Board positions are a composite of both the talents of the individual as well as the company that employs that person who brings unique experience and expertise to the Board.

Tim Stumpff's Board seat. The Board concluded not to fill Tim Stumpff's seat. Unlike previous vacancies, the Board felt they would be asking someone to serve essentially for six months, which is a very short period of time and then potentially running for a term of his/her own in October. In turn, an individual appointed to the Board to fill a vacancy may gain an advantage of running as an incumbent and potentially the perception as being endorsed by Board since the person was appointed. For these reasons, the Board decided that Tim's position should go unfilled for the remainder of his term and should be filled by a candidate the membership chooses in the October elections.

Transition of Committee Chair. Recognizing that Steve LeLaurin will be retiring from the Board at the end of this year after serving two full terms on the Board, and the importance of his good efforts and role as Chairman of the Committee on Data and Research, the Board agreed that a Co-Chair should now be appointed to begin educating and handing off the Committee's important responsibilities, which Steve has carried for so many years. Steve suggested and the Board concurred that Sue Graef should

serve as Co-Chair and assume the role of Chairman of Data and Research upon Steve's retirement from the Board.

Process for Officers. The Board agreed to enhance how committee officers were chosen. In addition, to looking at individuals' leadership and service on the respective committee(s) and have the Executive Committee make a recommendation, SVIA's Chairman will also announce that a position is available and request that individuals who are interested in a leadership position nominate themselves. The Board would then decide among those interested in serving as an officer.

October Elections. The Board was reminded that four service firm and one plan sponsor position that are open to election this fall. The positions include:

- Sue Graef, The Vanguard Group who is eligible to run for a second term as a service firm member,
- Brett Gorman, PIMCO who is eligible to run for a second term as a service firm member,
- Steve LeLauren, INVESCO who will be retiring from the Board as a service firm member having served two terms,
- Tim Stumpff, Morley, who resigned from the Board during his first term as a service firm member, and
- Joe Fazzino, UTC who is a plan sponsor and will be finishing his first term this year.

All members who wish to run for the Board must be nominated as a candidate. Service firm members must receive at least three nominations or 10% of the total number of members who make nominations. This later requirement minimizes the possibility of an overly broad field and run-offs for candidates. Plan sponsors must be nominated by at least one voting member and be willing and able to serve for one term (three years).

SVIA voting members, which are one per company, will be asked to make nominations after Labor Day through CVENT. The nomination period will last two weeks. Those who are nominated as candidates and who wish to run will be announced at the Fall Forum. SVIA's election will follow the Fall Forum, be held electronically through CVENT. The election period will also last for two weeks. Candidates who are elected to the Board will begin their term, January 1, 2015.