CITY OF PLANO DEFERRED COMPENSATION PLAN

OVERSIGHT COMMITTEE CHARTER AND BY-LAWS

(REVISED MARCH 2011)

I. GENERAL OVERVIEW AND PURPOSE

A. THE PLAN

The City of Plano Deferred Compensation Plan is an IRC §457(b) governmental deferred compensation plan (the "Plan") created pursuant to Section 609.102(b) of the Texas Government Code. The Plan allows participating employees of the City of Plano to accumulate supplemental retirement income on a tax-deferred basis by deferring current income in accordance with the rules and requirements of IRC §457(b).

B. PARTICIPATING PARTIES

The Plan is open to eligible employees of the City of Plano.

C. PLAN SPONSOR

The City of Plano is the Plan Sponsor.

D. PLAN ADMINISTRATOR

The City Manager of the City of Plano and his or her designee(s) serves as the Plan Administrator as defined under Section 609.103(a) of the Texas Government Code and shall have the powers authorized by Chapter 609 of the Texas Government Code.

II. PLAN GOVERNANCE

A. CREATION OF COMMITTEE

Pursuant to Section 609.106 of the Texas Government Code, the Deferred Compensation Oversight Committee ("Committee") is created to oversee and manage the activities of the Third Party Administrator(s) ("TPA") contracted by the City to administer the Plan. The Committee's function is to ensure that the City meets its responsibility as a fiduciary of the Plan by overseeing the activities of the Plan's TPA(s) and working to obtain appropriate value for Plan participants that is consistent with other governmental deferred compensation plans of like size. The Committee shall serve in an advisory capacity to the Plan Administrator who has ultimate responsibility for the administration of the Plan.

B. SPECIFIC RESPONSIBILITIES OF THE COMMITTEE

The Committee is charged with the following responsibilities:

1. Recommend the adoption of an Investment Policy Statement ("IPS") drafted by the Committee that describes the Plan(s), its purpose, its responsible parties, its operations, the number and types of investments available to participants, how and with what frequency investment options are reviewed and/or replaced, and other items to ensure the use of good judgment and prudent care in making decisions on behalf of Plan participants and their

beneficiaries. Review the IPS annually to be sure it continues to meet the needs of the Plan and its participants.

2. Periodically, participate in the selection of a TPA through a competitive bid process, assist in negotiating contract terms with the selected TPA, and monitor the activities and the quality of services provided by the TPA(s) on an on-going basis.

3. Periodically, participate in the selection of an independent consultant through a competitive bid process who provides operational, financial, and investment guidance to the Committee; assist in negotiating contract terms with the selected firm/individual; monitor the activities and the quality of services provided by the consultant on an on-going basis.

4. At least quarterly, review investment options of the Plan and recommend the addition, replacement, or elimination of any option to better meet the needs of the Plan's participants and beneficiaries.

5. Review and recommend training, education, and communication standards and materials for the Plan's eligible employees.

6. Review and recommend the development of policies and procedures that are necessary in order for the Plan to comply with all state and federal laws.

7. Provide input on policies and procedures relative to eligible participants, beneficiaries, appeals and any other matters as may be necessary to advise the Plan Administrator and/or TPA.

8. Recommend, as necessary, the issuance of an RFP that results in hiring service providers that provide better value and/or services for participating employees.

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C. COMMITTEE COMPOSITION

Assigned HR staff shall notify departments of the need to fill Committee seats. Department Directors will recommend members to the City Manager (through HR) for approval. The Committee shall be comprised of employees representing various departments within the City and shall be participants in the Plan. Members of the Committee shall serve on a voluntary basis and members' terms shall be staggered to ensure continuity among the Committee's membership.

Members may serve two (2) consecutive three (3) year terms and shall comply with all requirements of the Committee. In the event a member is appointed to complete an unexpired term, the member may be appointed for up to two (2) additional three (3) year terms. It is required that all members understand the fiduciary responsibilities of the Committee and their roles in meeting the City's goals relative to the Plan. Members of the Committee shall serve at the discretion of the City Manager and may be removed at any time by the City Manager with or without cause. In addition, members of the Committee are subject to removal in accordance with the City's Council's then-current policy regarding attendance at Committee meetings.

The Committee will be comprised of voting representatives from the following departments:

Number	Department
1	Fire Department
1	Police Department
1	City Manager's Office
1	Budget/Finance (to rotate on and off, respectively)
1	Parks & Recreation

1	Public Works
3	Non-civil service (any department)
1	Retiree

D. COMMITTEE CHAIR AND VICE-CHAIR

The Committee will elect a Committee Chair and Vice-Chair from among their membership for a one-year term. The Chairperson is responsible for ensuring that meetings are conducted orderly, properly and regularly; information is disseminated and maintained as necessary; and responsibilities, individual and collective, are consistently adhered to. The Vice-Chairperson shall assist the Chairperson and preside over meetings in the absence of the Chairperson. The Vice-Chairperson shall have the option of serving as Chairperson as a natural succession at the end of the Chairperson's term.

E. RESPONSIBILITIES OF COMMITTEE MEMBERS

The Committee Members shall, at a minimum, perform the following duties and tasks:

1. Attend each scheduled meeting, or, no later than forty-eight (48) hours prior to the meeting, notify the Chairperson of the reason why he/she cannot attend.

2. Review all information submitted prior to meetings and prepare to participate and provide input for recommendations and/or decision-making.

3. Share ideas/concerns from employees with the Committee for discussion, consideration, and responses, as appropriate.

4. Be respectful of "rules of order" and professional courtesy during meetings.

5. Remember that all decisions are for the purpose of ensuring the best value to participants and their beneficiaries, and personal/individual agendas shall not be used as platforms for meeting discussions.

6. Address disagreements or questions regarding procedures professionally and at the appropriate time and place.

7. Serve as a liaison for questions/concerns between the Committee and the Member's Department.

8. Ensure that all recommendations regarding the Plan comply with the provisions of the Plan's Investment Policy Statement.

9. Assist in developing and implementing policies and procedures that are necessary in order to comply with all state and federal laws and standards or codes of conduct, to the extent they exist and are applicable to a governmental deferred compensation plan under IRC §457(b).

10. Committee members shall understand the fiduciary responsibilities assigned to the Committee and their roles in meeting the goals relative to the Plan. To that extent and as set forth in the attached Exhibit "A", Committee Member Orientation and Education Policy, annually, the Committee members must complete fiduciary training to ensure responsibilities and roles are understood.

11. Committee Members shall comply with the City of Plano Code of Conduct.

F. COMMITTEE MEETING PROTOCOL AND PROCEDURES

1. Rules of Order and Quorum:

a. The Committee and its subcommittees shall operate under the general guidance of Robert's Rules of Order unless State law provides otherwise.

b. A quorum must be present for the Committee or its subcommittees to conduct business. Attendance by six (6) members of the Committee will constitute a quorum.

c. A simple majority of the Committee is required to pass and enact any motion or action recommended by any committee member.

d. Committee members may not attend meetings through delegates or authorize voting by proxy.

e. Committee meetings must be held in accordance with the Texas Open Meetings Act, as amended.

2. Scheduling of Regular, Special, and Emergency Meetings:

a. Regular meetings of the Committee will be held quarterly. The anticipated dates for all quarterly meetings must be set by no later than December 15 for the following year by the Committee Chairperson and communicated to the committee members.

b. The Committee Chairperson or a majority of committee members may call for special or emergency meetings of the Committee.

3. Meeting Notices:

a. At least seventy-two (72) hour's notice of all Committee meetings shall be provided to the public in accordance with the Texas Open Meetings Act.

b. If permitted by the Texas Open Meeting Act, in the case of an emergency meeting requiring immediate action to avoid some serious consequence, shorter notice may be provided.

c. The Committee Chairperson shall provide the members of the Committee with at least (7) seven calendar day's notice of all non-emergency type Committee meetings.

4. Meeting Attendance:

a. Committee members are obligated to make every reasonable effort to attend the meetings of the Committee and the subcommittees on which they serve.

b. If a Committee member cannot attend a meeting of the Committee or a subcommittee, the member must notify the Committee Chairperson as soon as practicable, but in no event later than forty-eight (48) hours prior to any such meeting.

c. A Committee member may participate in any meeting of the Committee by telephone or video conference in a manner consistent with the Texas Open Meetings Act.

d. A representative from the Plan's TPA and the Plan's outside consultant shall attend all Committee meetings and provide information/updates as requested by the Committee.

5. Meeting Agendas:

a. The Committee Chairperson, in consultation with the Director of Human Resources and/or his/her designee, will prepare and distribute to Committee members an agenda for each Committee meeting containing a list of the specific matters to be discussed, considered or decided at the meeting.

b. The Committee may discuss, consider or make decisions only on matters related to those listed in the agenda.

c. Items may be placed on a Committee meeting agenda by any of the following means:

(1) By initiation of any Committee Member at a meeting of the Committee;

(2) By a Committee member's submission of an item to the Chairperson at least fourteen (14) calendar days prior to the next scheduled meeting;

(3) By the Committee Chairperson; or

(4) By the Plan Administrator or his/her designee through the Committee Chairperson.

(5) By the Plan's TPA through the Committee Chairperson.

(6) By the Plan's outside consultant through the Committee Chairperson.

6. Meeting Materials:

a. The Director of Human Resources and/or his/her designee will make every effort to have the agenda and meeting materials completed and distributed to the committee members two (2) calendar days before each meeting.

b. The Director of Human Resources and/or his/her designee shall prepare a summary of the issues to be discussed, a staff or committee recommendation, if applicable, and a proposed motion for the Committee to consider.

7. Public Access and Testimony at Committee Meetings:

a. All open sessions of the meetings of the Committee are public and all persons who wish to attend may do so as required in accordance with the Texas Open Meetings Act.

b. Every agenda for a regular Committee meeting shall provide the public an opportunity to address the Committee during public comment sessions. The Committee Chairperson may prescribe the time and manner of such public comment, but will usually limit any speaker's remarks to no more than 5 minutes.

c. With regard to matters raised by a member of the public for which proper public notice has not been provided, the matter may be discussed, but no action may be taken at that meeting. The Committee may request the Director of Human Resources and/or his/her

designee to investigate the issue further and report back to the Committee at a later meeting.

d. The Director of Human Resources, and/or his/her designee, in consultation with the Committee Chairperson, will convene meetings in facilities and locations that provide the public with reasonable access to all public meetings of the Committee or a subcommittee as required by state law.

e. An individual who intends to speak at a meeting of the Committee or a subcommittee may be required by the Committee to sign a register to permit compliance with minute taking required under state law.

8. Meeting Minutes and Committee Records

a. The Director of Human Resources and/or his/her designee will ensure that minutes of all meetings of the Committee and subcommittees are taken and posted in an appropriate place on the City's intranet for viewing by all employees.

b. The Director of Human Resources and/or his/her designee will prepare a written copy of the minutes taken at prior meetings of the Committee and present it to the Committee, as appropriate, for approval at subsequent meetings.

c. The Director of Human Resources and/or its designee will maintain records of the Committee activities and actions in accordance with state law and such other documents necessary or appropriate to establish a due diligence record of the Committee's activities.

EXHIBIT "A"

COMMITTEE MEMBER EDUCATION POLICY

General

The City finds that it is critical for the sound governance of the Plan for Committee members to be fully informed with regard to the nature, purposes, structure, and operational systems and processes of Plan. The City further finds that it is important that Committee members are provided with appropriate education and training in areas that will facilitate the performance of their governance and oversight responsibilities as Committee members and fiduciaries for the Plan.

Committee Member Education

1. Each Committee member is required to complete annual training regarding fiduciary responsibilities, and is encouraged to seek to increase their knowledge of areas impacting the Plan (i.e. investments, asset allocation, etc.) The Director of Human Resources and/or his/her designee will coordinate annual fiduciary training, and will provide additional offerings to support continuing education on a quarterly basis.

2. Each Committee member is required to attend an annual fiduciary training session sponsored by the City.

3. Committee members are encouraged to attend select conferences and seminars as might become available relating to:

    a. Investment issues and trends;

    b. Retirement and deferred compensation benefits design;

    c. Fiduciary management of employee benefit trusts; and

    d. Other subjects related to the oversight of the Plan;

4. The Director of Human Resources and/or his/her designee will periodically provide to the Committee information on available conferences and seminars.