Resolution – Revocation of Plan Administration Committee (PAC) Bylaws and Approval of Retirement Plan Committee Charter

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November 21, 2025 – Open Session

Retirement Plan Structure and Proposed Changes

- Pedernales Electric Cooperative, Inc. (PEC) as the **Plan Sponsor** sponsors both retirement programs
  - Defined Benefit Plan
  - Defined Contribution Plan (401k)
- Plan Administration Committee (PAC) as the **Plan Administrator** is charged with the administration of PEC's retirement plans.
  - The PAC, created by the Board in 2010, reviews plan investments for fiduciary oversight, plan management and compliance, investment decisions, setting policy and procedure.
  - Currently 7 Person committee composed of employees across PEC departments, who participate in one or both plans.
- After review of the retirement plans and PAC structure in consultation with outside counsel and consultants, PEC determined:
  - The PAC should be reconstituted under updated governing documents consistent with current legal and industry standards.
  - This involves revoking the charter of the PAC and creating a new Retirement Plan Committee (RPC) which will serve as the Plan Administrator.

New Retirement Plan Committee and Charter

- RPC:
    - Consist of 5 individuals to manage decisions.
    - Employees with specific qualifications:
        - Generally composed of Finance and HR personnel, to provide experience with investments and benefits.
        - More senior employees, including CFO, VP of Finance and Director of HR.
- RPC Charter - Simpler organizational document that replaces the existing bylaws.
    - Sets out committee purpose, organization and structure of committee, committee operations, and indemnification.
    - Structured to be consistent with ERISA and other applicable law.
    - Retirement Plan documents control to the extent any provision of the Charter is inconsistent with them.

Implementation Timeline

- Upon Board Approval - November 2025:
    - Existing committee members have been notified of PAC dissolution
    - New committee members will be appointed as of December 1, 2025
- December 2025: Fiduciary Training for new members
- December 2025: Investment Meetings both with and without current Investment Advisor

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