

## RESOLUTION 14-12

### DELEGATION OF FIDUCIARY AND ADMINISTRATIVE DUTIES UNDER PENSION, DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

**WHEREAS**, Virginia law requires that when a local government or political subdivision, such as the Virginia Port Authority, establishes a retirement plan, then any funds segregated or designated for the retirement plan shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and similar aims. Such investments shall be diversified so as to minimize the risk of large losses unless under the circumstances it is clearly improper to do so. Collectively these duties are referred to as Fiduciary Duties.

**WHEREAS**, Pursuant to certain enabling statutes, the Board has established three retirement plans for employees of the Authority, two of which are defined contribution plans (that is, the Deferred Compensation Plan and the Matching Plan) and one of which is a defined benefit pension plan intended to pay retirement benefits under a formula described in the plan to plan participants. The assets of each of these plans must be invested under the standard just described. With respect to the two defined contribution plans, the plans permit participants to direct the investment of their own account balances among the investment funds made available under the plans.

**WHEREAS**, in order to fulfill its Fiduciary Duties with respect to the Plan, the Board has determined that it shall appoint an Investment Committee to oversee the operation of the Plans and act as plan administrator and to oversee the investment of the assets of the Plans, including 1) the appointment and removal of the trustees for the plans and 2) the appointment of various investment managers as the committee deems appropriate for the defined benefit plan and 3) to review and select the investment funds to be made available for investment direction by participants under the defined contribution plans.

**WHEREAS**, the Virginia International Terminals LLC (VIT) has similar Fiduciary Duties with respect to its retirement plans and desires to delegate such duties to the Investment Committee. The Board has determined that it would be desirable to permit such a delegation and empower the Investment Committee to accept the delegation of such duties from VIT.

**WHEREAS**, under each Plan, the Authority has delegated to the Plan Administrator the right to modify, alter, or amend the Plan in whole or in part to make any technical modification, alteration or amendment which in the opinion of counsel for the Plan Sponsor is required by law and is deemed advisable by the Administrator and to make any other modification, alteration or amendment which does not, in the Administrator's view, substantially increase costs, contributions or benefits and does not materially affect the eligibility, vesting or benefit accrual or allocation provisions of the plans.

**WHEREAS**, in addition, under Virginia law, the Board of Commissioners is authorized to set the policy and procedures for the administration of the plans. This includes making determinations with respect to the interpretation of the terms of the plans and their application to various situations as they arise. While the staff of the Authority will generally perform the day to day tasks of plan administration, with the assistance of third parties hired for that purpose, there will be instances where the staff and its third party assistants are unable or are not empowered to make a decision or interpretation. Collectively these duties are referred to as Administrative Duties.

**WHEREAS**, the Virginia International Terminals LLC (VIT) has similar Administrative Duties with respect to its retirement plans and desires to delegate such duties to the Chief Human Resources Officer of the Authority. The Board has determined that it would be desirable to permit such a delegation and empower the Chief Human Resources Officer of the Authority to accept the delegation of such duties from VIT.

**NOW, THEREFORE, BE IT RESOLVED**, the Board hereby appoints an Investment Committee consisting of the Chairman of the Board, the Chairman of the Finance & Audit Committee of the Board, and the following officers of the Authority: the Executive Director/CEO, the Chief Financial Officer, and the Chief Human Resources Officer, until such time as the Board determines otherwise.

**BE IT FURTHER RESOLVED**, that the Board hereby delegates to the Investment Committee its Fiduciary Duties with respect to the plans, including 1) the duty and responsibility to oversee the investment of the assets of the Plans, 2) the appointment and removal of the trustees for the plans 3) the appointment of various investment managers as the committee deems appropriate for the defined benefit plan and 4) to review and select the investment funds to be made available for investment direction by participants under the defined contribution plans.

**BE IT FURTHER RESOLVED**, that authority to amend the plans on behalf of the Plan Administrator to the extent that such amendments do not, in his view, substantially increase costs, contributions or benefits and does not materially affect the eligibility, vesting or benefit accrual or allocation provisions of the Plan and the Administrative Duties are hereby delegated to the Chief Human Resources Officer of the Authority.

**BE IT FURTHER RESOLVED**, that the Board recognizes that actions by the Investment Committee taken under the delegation by VIT of its Fiduciary Duties are within the scope of the authority of the Investment Committee.

**BE IT FURTHER RESOLVED**, that the Board recognizes that actions by the Chief Human Resources Officer of the Authority taken under the delegation by VIT of its Administrative Duties are within the scope of the authority the Chief Human Resources Officer of the Authority.

**BE IT STILL FURTHER RESOLVED** that a copy of this Resolution be attached to the minutes of the Virginia Port Authority Board Meeting of November 18, 2014.

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John G. Milliken  
Chairman

Attest:

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Debra J. McNulty, Clerk