

Investment Manager Instructions for Loomis Sayles & Co.

Policy:

The portfolio under the supervision of Loomis Sayles & Co. (Loomis) is intended to be a primarily a domestic fixed income portfolio. Loomis has been hired to pursue an investment style, which the Board has defined as an actively managed core-plus fixed income style. Loomis is expected to produce investment returns that are 50 basis points over the Barclays U.S. Aggregate Bond Index on an annualized basis over rolling three-to-five year periods, net of fees, and rank above median compared to their style peers over the same period. It is understood that investment returns are not guaranteed.

Guidelines:

- A. The portfolio shall be constructed as a core-plus bond separate account under Loomis' Core Plus Full Discretion Management strategy. As such, the portfolio will be managed according to Loomis' internal separate account guidelines subject to the Pension Plan's Investment Policy (Policy). Except as specifically limited by the Policy, the portfolio shall be adequately diversified according to Loomis' internal policies regarding security, industry and sector weights. In the event the Loomis guidelines as specified below conflict with the Policy, the guidelines below shall apply.
- B. Loomis' portfolio construction guidelines include the following restrictions:

Eligible Investments

- Public or private debt obligations issued or guaranteed by U.S. or foreign issuers, including but not limited to corporations, governments (including their agencies, instrumentalities and sponsored entities), supranational entities, partnerships and trusts. Such obligations may be issued at fixed, variable, adjustable or zero coupon rates or convertible into equity instruments, including contingent convertibles
- Preferred, hybrid, mortgage or asset-backed instruments (including, but not limited to, TBAs, CMOs and CMBS) issued by any of the above-named entities
- Securities issued pursuant to Rule 144A and/or Reg S
- Bank loans*
- Structured notes
- Reverse repurchase agreements
- CLOs
- ABS Residual securities
- Cash equivalents including, but not limited to, commercial paper, CDs, BAs, T-bills and repurchase agreements

- In addition to the above, any security type that is included in the benchmark is an eligible investment. New issues that are expected to be included in the benchmark at its next update are also permitted.

Diversification

- Maximum 30% of market value to Yankee Bonds
- Maximum 30% of market value to 144a (with and without reg rights)
- Maximum 10% of market value to RegS
- Maximum 10% of market value to Bank Loans
- Maximum 5% of market value to Structured Notes
- Maximum 5% of market value to Hybrids
- Maximum 5% of market value to Preferred Stock
- Maximum 15% of market value to Asset-Backed securities
- Maximum 15% of market value to Mortgage-Backed securities

Duration

The effective duration of the portfolio will generally not deviate from that of the benchmark index by more than +/-5 years.

Credit Quality

The portfolio may invest up to 15% of the market value of the portfolio in instruments rated below BBB- by S&P, Baa3 by Moody's and BBB- Fitch ("high yield instruments"), as determined at the time of purchase.

If the ratings assigned to an instrument by Standard & Poor's, Moody's, and/or Fitch are not the same, the highest rating of these rating agencies will be used.

If an instrument is not rated by Standard & Poor's, Moody's, and Fitch, the equivalent rating determined by the Loomis Sayles Research Department will be used.

U.S. Dollar Exposure

At least 80% of the market value of the portfolio must be invested in U.S. dollar denominated instruments, counting cash and cash equivalents toward this percentage, as determined at the time of purchase. Loomis Sayles may hedge any non-USD portion or none.

Issuer Limitation

No issuer, except instruments issued or guaranteed by the U.S. Government, its agencies, or instrumentalities or government sponsored entities will comprise more than 5% of the market value of the portfolio, as determined at the time of purchase.

Industry Limitation

No industry, as defined by Barclays level 4, except instruments issued or guaranteed by the U.S. Government, its agencies or instrumentalities or government sponsored entities will comprise more than 25% of the market value of the portfolio, as determined at the time of purchase.

Short-Term Investment Fund

The Client has arranged for a sweep of any cash in the portfolio into a short-term investment fund program. Loomis Sayles will not be responsible for investments made pursuant to that cash sweep.

Conversion

Notwithstanding the foregoing, the portfolio may receive instruments prohibited or not contemplated herein through the conversion, exchange, reorganization, corporate action or bankruptcy of an otherwise permissible investment. Loomis Sayles may hold or dispose of these investments at its discretion.

Guideline Cure Period

If any of the parameters described above are breached (except those that are to be determined at the time of purchase), as a result of market movements, capital additions or withdrawals or other events not within the control of Loomis Sayles, Loomis Sayles shall have a reasonable period of time, not to exceed six months, to bring the portfolio into compliance with the applicable investment guidelines.

Performance Measurement

Performance measurement for this portfolio will start on the first day of the month following the first full month of management after portfolio inception to permit the completion of portfolio construction and to manage any transitional issues (such as cash flow, instrument transfers) that may arise during portfolio construction.

* Investment in individual bank loans will generate a transaction cost associated with both the purchase and sale of these loans. The counterparty on these trades determines how they will settle and most choose ClearPar. ClearPar is the primary platform and supported by most banks. Bank loans that do not settle on this platform are prohibitively labor intensive and it is not likely many trades will occur away from the ClearPar platform.

Accounts participating in a bank loan trade will be charged by ClearPar a pro-rata share of the trade (a “subtrade”). ClearPar will deliver the invoice to the Loomis and, in turn, Loomis will deliver this invoice to your custodian to pay from the assets of the portfolio. While you may elect to pay the invoice directly, directing the custodian to pay the invoices from the portfolio assets will facilitate proper performance calculations for your portfolio. As of the current date, the subtrade fee structure is as follows:

Subtrades per Master Trade	Subtrade Fee per Subtrade
1-5	\$19
6-21	\$110 divided by number of subtrades
22 or more	\$5

There is also a volume discount schedule that is applied once trades on the platform exceed 5,000.

C. Loomis will be reviewed quarterly based on the following:

1. Adherence to style risk assignment, including portfolio characteristics relative to those of the benchmark.
2. The value-added over the Barclays U.S. Aggregate Bond Index.
3. The trend of value-added over the Barclays U.S. Aggregate Bond Index.
4. The value-added over median similar style investment managers.

These guidelines are not to be construed as restrictive to Loomis's ability to follow the strategies they consider are most appropriate given the Board's directive, but rather as an exercise of the Board's fiduciary responsibility. If at any time Loomis feels that these instructions are unrealistic, or may be a hindrance in pursuing their investment style, the Executive Director and the investment consultant are to be notified immediately in writing.