

Confidentiality Policy

Adopted March 16, 2012

Confidentiality Policy

Purpose

The Board recognizes the sensitivity of its deliberations related to its decision-making, particularly in a system of its size and unique statutory structure. Further, the Board acknowledges that it may be in receipt of Confidential Information that, if released, could potentially harm the trust, individual Members, Retirees, Beneficiaries, or the system overall. Maintaining the trust of Tennessee Valley Authority Retirement System (TVARS) Members and Retirees is of paramount importance, and thus they should know that efforts are being made to protect Confidential Information. Further, the Board oversees billions of dollars in assets and certain aspects of the investment program must be kept confidential in order to protect the trust. The primary purpose of this Policy is to ensure that Confidential Information is protected by being handled carefully, consistently, and appropriately. Notwithstanding the foregoing or any other terms of this Policy, this Policy does not confer any rights, benefits, or privileges upon Members, Retirees, Beneficiaries, or any other third-parties.

Policy Objectives

The objectives of the Policy are to ensure that:

1. A common understanding of what constitutes Confidential Information is established.
2. Protocols for the handling and dissemination of Confidential Information are understood.
3. Confidential Information is protected as provided for in the Policy.

Policy Requirements:

This Policy should be read in conjunction with the Rules and Regulations. In the event of a conflict between this Policy and the Rules and Regulations, the latter shall control. The following guidelines regarding confidentiality are hereby approved by the Board:

- 1) For purposes of this Policy, "Confidential Information" is any confidential, proprietary, or deliberative or privileged work product of TVARS or work product of certain third-party vendors to TVARS and includes, but is not limited to, the following:
 - a) Information in written or electronic form marked or labeled as "Confidential," "Proprietary," "Restricted," "Deliberative," or "Privileged."
 - b) Information disclosed orally, where, before or during such disclosure, it is stated that the information or some portion of the information is deemed to be confidential, proprietary, restricted, deliberative, or privileged.
 - c) Member-specific information (addresses, social security numbers, salary information, information regarding disability retirement applications, medical information, personally identifiable information, etc.).
 - d) Non-public investment information and investment information that is contractually identified as confidential.

- e) Proprietary work product by or in conjunction with third-party service providers or information that is contractually identified as confidential.
 - f) Discussions with and advice from legal counsel.
 - g) Information regarding TVARS' systems or controls that, if released, would compromise data security (for example, passwords, firewalls, or other data security information).
 - h) Preliminary analysis, positions, or deliberations of the Board that have not yet been approved for disclosure by the Board, and individual Director's questions and comments on issues as part of the Board's analysis and deliberations before an official Board position or decision has been adopted or approved.
 - i) Written correspondence and e-mails or other electronic communications regarding TVARS business between and among Directors and TVARS staff, unless the other Board gives permission for its release and dissemination to the extent not prohibited by this Policy, agreement, law, or otherwise.
- 2) Except as permitted under the Rules and Regulations or this Policy or as required by law, the Board and TVARS staff shall not disclose, discuss, or disseminate Confidential Information to any person or entity other than to Directors or TVARS staff who have a legitimate need for such information..
- 3) The Board may consult with legal counsel regarding the legal status of privileged information or work product and whether there is a duty to disclose such information.
- 4) When possible, electronic and hard copies of Confidential Information shall be marked as "Confidential." The Executive Secretary shall have primary responsibility for ensuring Confidential Information is appropriately marked. The Executive Secretary is delegated the responsibility to ensure that there is a compelling reason to mark documents as confidential. The Board also may determine if written or electronic information should be marked as "Confidential."
- 5) Directors and TVARS staff may request in writing that certain information be designated confidential even if such information does not fall within the scope of Confidential Information as described in this Policy. If such a request is made, the Board shall decide whether to treat the information as confidential and may seek input from legal counsel, if the Board determines it is necessary.
- 6) The Board may decide to authorize a Board member or TVARS staff to discuss or to disclose Confidential Information or to release written or electronic Confidential Information previously determined to be Confidential Information, provided such disclosure or release is not otherwise prohibited by agreement or law.

- 7) The Board may call an executive session to discuss matters of a confidential nature. Matters discussed in executive session shall be kept confidential unless decided otherwise by the Board. The Board may ask third parties to participate in the executive session at its discretion. Prior to being allowed to participate in the executive session, each third party shall agree to abide by this Policy.
- 8) From time to time, the Board may identify the need to establish a liaison with different entities or organizations. Prior to providing any Confidential Information to such liaison, the liaison shall agree to abide by this Policy.
- 9) Any request for the disclosure of Confidential Information by any third-party shall be determined by the Board on a case-by-case basis.
- 10) Directors and TVARS staff must exercise due care when transmitting, discussing in public places, storing, disposing of, or otherwise handling Confidential Information to ensure it remains protected and confidential.
- 11) Confidential Information shall be redacted from meeting minutes and transcripts. A notation shall be included in such meeting minutes and transcripts that indicate Confidential Information was removed.
- 12) The Executive Secretary has responsibility to ensure that proper controls are in place to protect Confidential Information maintained in or on TVARS systems or files or accessible by TVARS staff and other third parties.
- 13) The Executive Secretary shall establish policies and training for Directors and TVARS staff regarding the proper handling, disclosure, dissemination, and protection of Confidential Information.
- 14) The prohibition on the disclosure, discussion, or dissemination of Confidential Information set forth in this Policy shall survive the termination or expiration of a Director's term or affiliation with TVARS and the termination of employment or affiliation of TVARS staff with TVARS.

Annual Affirmation

All Directors and TVARS staff annually shall sign a statement affirming the following:

- a) They have received a copy of this Policy.
- b) They have read and understand the Policy.
- c) They agree to comply with the terms of this Policy.

However, the failure of a person to sign such statement shall not excuse such person from complying with the Policy.

TVA management also shall be provided a copy of TVARS' Confidentiality Policy on a periodic basis.

Policy Review

The TVARS Board shall review this Policy periodically to ensure it remains appropriate. The Board may amend or terminate the Policy at any time.

Adopted _____