Tennessee Valley Authority
Retirement System

Ethics and Code of Conduct Policy

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Purpose

Given the mission of the Tennessee Valley Authority Retirement System (“TVARS” or “System”), ethical integrity and appropriate conduct is of paramount importance. All TVARS Directors and staff members must abide by the Standards of Ethical Conduct as issued by the Office of Government Ethics (OGE) and any TVA rules and policies related to ethics. Non-TVA employees serving as Directors also agree to be bound by the provisions of this Ethics and Code of Conduct Policy (the Policy). This Policy is intended to provide Directors and TVARS staff with further guidance on expected actions and reporting requirements related to ethics and conduct when acting in their official capacity as TVARS Directors and staff.

Policy Objectives

The objectives of the Policy are to ensure that:

1. Key elements of the OGE Standards of Ethical Conduct are understood,
2. Directors and TVARS staff conduct themselves with decorum, integrity, and professionalism in all aspects of their duties and in their interactions with fellow directors, staff, service providers, and stakeholders,
3. Guidance specific to issues faced by the Directors and staff is provided, and
4. Reporting and disclosure requirements related to their ethics and conduct are followed.

Policy Requirements

This Policy should be read in conjunction with the TVARS Rules and Regulations. In the event of a conflict between this Policy and the Rules and Regulations, the latter shall control. The Board has adopted the following guidelines to supplement the OGE Standards of Ethical Conduct:

1. Annually, the Board and staff will receive (a) fiduciary and governance training provided by an independent consultant with appropriate expertise, and (b) the online ethics training required by all TVA employees. A synopsis of the OGE Standards of Ethical Conduct will be posted on a shared electronic site available to all current Directors. The synopsis is provided for ease of reference and does not replace the need for periodic review and knowledge of the requirements of the OGE Standards of Ethical Conduct.

2. Directors and staff will act in good faith, and, when carrying out their fiduciary responsibilities, will act in the best interest of the members and beneficiaries.

3. Directors and staff will maintain independence and objectivity by avoiding actual and perceived conflicts of interest and refraining from self-dealing. Self-dealing is conduct that consists of taking advantage of one’s official position for personal benefit. Notwithstanding any retirement benefits being accrued, provided, or received as members of TVARS and participants in the TVA Savings and Deferral Retirement Plan, no Director or TVARS staff person will receive any gain or profit from any funds or transaction of the System.

4. Attached to this Policy is Subpart B of the Synopsis of the OGE Standards of Ethical Conduct regarding gifts from outside sources. The TVARS Board and staff members will not solicit or accept a gift given because of their official TVARS positions or from a prohibited source of TVARS as defined by Subpart B. However, the TVARS Board and staff members may accept a gift pursuant to one of the exceptions listed in Subpart B. Notwithstanding the above, Directors and staff will not accept any gift that could be perceived to affect their loyalty to TVARS. Before accepting any gift pursuant to one of the Subpart B exceptions, each Director and staff member offered such a gift will consider if a reasonable person, apprised of all of the relevant facts, would have reason to believe that an appearance of impropriety may exist if such a gift were to be accepted by the Director or staff member. TVARS Directors and staff should consult the DAEO to obtain advice

regarding the solicitation or acceptance of any gift from a prohibited source of TVARS.

5. Generally, the TVARS Board, or its individual directors or staff, will not accept payment of any expenses from third parties. Notwithstanding, the TVARS Board may accept on behalf of Directors and/or staff, for the use and benefit of TVARS, the payment of expenses integral to a conference, should it choose to do so, if there is a clear benefit to the System. For example, if a Director or staff member attends an annual educational conference provided by one of the System's consultants or managers made available to clients, the sponsoring organization may pay for associated travel and expenses upon acceptance by the Board. If the Board does accept such payment of expenses, and the value is over $250 per individual per event, the Director or staff member must report the acceptance of the expense payment to the DAEO. TVARS Directors and staff should consult the DAEO to obtain advice regarding whether they may accept payment of any expenses from third parties.

6. Except as set forth under Sections 4 and 5 above, current and prospective vendors or third parties will not be allowed to pay for TVARS travel expenses associated with carrying out the administration or oversight of the System. Such expenses include those associated with due diligence visits or investment manager meetings.

7. TVARS Directors and staff are subject to certain OGE restrictions when seeking employment from service providers or managers of TVARS and when performing certain types of post- employment work related to work performed while a TVARS Director or staff member. TVARS Directors and staff should consult the DAEO to obtain advice regarding any employment-seeking or post-employment restrictions that may be applicable.

8. In the event of an actual, perceived, or potential conflict of interest involving any Director and his or her work and responsibilities as a TVARS Board member, the TVARS Board should consult with the DAEO to advise them on options or the proper course of action pursuant to applicable federal conflicts of interest laws and regulations, including 18 U.S.C. 208 and 5 C.F.R. 2640, and any applicable TVA policies. Prior to consulting with the DAEO, the Director may consult with the Executive Secretary and/or legal counsel on the actual, perceived, or potential conflict of interest, which can work with the Director to get advice from the DAEO if needed.

9. Legal Counsel in consultation with the DAEO is available to answer questions related to ethics and disclosure requirements.

10. All Directors must annually file a financial disclosure report – either OGE Form 440 or OGE Form 278e as determined by the TVA Ethics Office based on the individual's position. The Executive Secretary will establish a process for confirming that all Directors have filed the form as appropriate. The Executive Secretary will report any compliance failures to the Audit Committee.

11. In the event a Director holds the position of TVA's DAEO, the Alternate DAEO in TVA's Office of the General Counsel will serve in the capacity of the DAEO for purposes of this Policy.

12. For any questions by TVARS Directors and staff as referenced in this Policy, the TVA Ethics Office may be contacted at 865-632-3199 or via email to EthicsandCompliance@tva.gov.

Policy Review

The TVARS Board will review this Policy at least every three years to ensure it remains appropriate. The Board may amend or terminate this Policy at any time.

SUBPART B ATTACHMENT- GIFTS FROM OUTSIDE SOURCES (SYNOPSIS)

BASIC PROHIBITION ON GIFTS FROM OUTSIDE SOURCES.

An employee shall not solicit or accept a gift given because of his or her official position or from a prohibited source. A prohibited source is defined as any person, including any organization more than half of whose members are persons:

- Seeking official action by the employee's agency;
- Doing or seeking to do business with his or her agency;
- Conducts activities regulated by his or her agency; or
- Has interests substantially affected by the performance of his or her duties.

Prior to accepting or declining the gift, and before determining if an exception would allow acceptance of the gift, the employee must consider whether a reasonable person with knowledge of the relevant facts would question the employee's integrity or impartiality as a result of accepting the gift.

DEFINITION OF A GIFT - The term "gift" includes almost anything of monetary value. However, it does not include:

- Coffee, donuts, and similar modest items of food and refreshments when offered other than as part of a meal;
- Greeting cards and most plaques, certificates, and trophies;
- Prizes in contests open to the public;
- Commercial discounts available to the general public or to all Government or military personnel;
- Commercial loans, pensions, and similar benefits;
- Anything paid for by the Government, secured by the Government under Government contract, or accepted by the Government in accordance with a statute; or
- Anything for which the employee pays market value.

EXCEPTIONS - Subject to the limitations noted below, there are exceptions which will permit an employee to accept:

- Unsolicited gifts with a market value of $20 or less per occasion, aggregating no more than $50 in a calendar year from any one source (this exception does not permit gifts of cash or investment interests);
- Gifts when clearly motivated by a family relationship or personal friendship; Commercial discounts and similar benefits offered to groups in which membership is not related to Government employment or, if membership is related to Government employment, where the same offer is broadly available to the public through similar groups, and certain benefits offered by professional associations or by persons who are not prohibited sources;
- Certain awards and honorary degrees;
- Gifts resulting from the outside business activities of employees and their spouses;
- Travel and entertainment in connection with employment discussions;
- Certain gifts from political organizations;
- Free attendance provided by the sponsor of an event for the day on which an employee is speaking or presenting information at the event;
- Free attendance provided by the sponsor of a widely-attended gathering of mutual interest to a number of parties where the necessary determination of agency interest has been made;
- Invitations to certain social events extended by persons who are not prohibited sources, provided

no one is charged a fee to attend the event;

- Certain gifts of food and entertainment in foreign areas; or
- Gifts accepted by the employee under a specific statute, such as 5 U.S.C. 4111 and 7342, or pursuant to a supplemental agency regulation.

LIMITATIONS ON USE OF EXCEPTIONS. An employee may not use any of the exceptions noted above to solicit or coerce the offering of a gift or to accept gifts:

- For being influenced in the performance of official duties;
- In violation of any statute; or
- So frequently as to appear to be using public office for private gain.

DISPOSITION OF GIFTS. When an employee cannot accept a gift, the employee should pay the donor its market value. If the gift is a tangible item, the employee may instead return the gift. Subject to approval, however, perishable items may be donated to a charity, destroyed, or shared within the office.

Policy Review Record

Originally Adopted	4/22/2011
Reviewed (in conjunction with TVA DAEO and Ethics & Compliance Office)	3/12/2021
Amended	6/8/2021