

**CONFLICTS OF INTEREST POLICY FOR THE TIAA BOARD OF TRUSTEES
AS ADOPTED BY THE BOARD OF TRUSTEES ON
DECEMBER 10, 2014**

Purpose

The Board of Trustees (the “Board”) of Teachers Insurance and Annuity Association of America (“TIAA”) has adopted the *Code of Ethics for the TIAA Board of Trustees* (the “Code”), which provides that TIAA’s trustees are expected to act ethically at all times and to acknowledge their adherence to the Code. In addition, pursuant to the *Governance Guidelines of the TIAA Board of Trustees* (the “Guidelines”), TIAA’s trustees are expected to disclose potential conflicts of interest and to recuse themselves from any discussion or decision by the Board relating to transactions in which they have a direct financial or professional interest. The Board has adopted this Policy to complement the Code and the Guidelines and to clarify their application to transactions involving TIAA’s trustees. This Policy will be posted on TIAA’s web site. This Policy is not intended as a substitute for any requirements under applicable laws, and to the extent this policy conflicts with any such laws, the applicable laws will take precedence.

Definitions

“Interested Trustee” – A trustee is an Interested Trustee if he or she (or a member of his or her immediate family residing in the same household) (1) is an executive officer, director or trustee of an organization with which TIAA is entering into a Covered Transaction, (2) has a decision-making role at such organization with respect to a Covered Transaction or (3) otherwise reasonably could be deemed to have a potential conflict of interest with respect to a Covered Transaction.

“Covered Transaction” – A transaction between a third-party organization and TIAA or its affiliates, but excluding (1) pension plan enrollments and renewals, (2) additions of product lines or expansions of services in the ordinary course of TIAA’s business, (3) TIAA investment transactions involving publicly-traded securities or securities offered pursuant to Rule 144A under U.S. securities laws and analogous laws of foreign jurisdictions, (4) investment transactions in which TIAA is part of a lending syndicate or investor consortium and with respect to which the Interested Trustee does not have a decision-making role and (5) transactions with a monetary value less than \$10 million. Notwithstanding the foregoing exclusions, if a transaction is being presented to the Board or one of its committees for prior approval, it shall constitute a Covered Transaction.

Required Disclosures and Determination of Conflict of Interest

Each trustee must disclose their executive officer positions, directorships and trusteeships in the annual *Trustee Conflict of Interest and Independence Questionnaire* and promptly inform the TIAA Corporate Secretary (the “Corporate Secretary”) of any changes to that information. The Corporate Secretary maintains a list of trustee affiliations based on

those disclosures for reference by TIAA employees evaluating Covered Transactions on behalf of TIAA.

If a trustee becomes aware that he/she may be an Interested Trustee, he/she must inform the Chairman of the Board (the “Chairman”) and the Corporate Secretary. In cases of doubt, a trustee should err in favor of disclosure. The Corporate Secretary will notify appropriate members of TIAA management. Likewise, if an employee evaluating a Covered Transaction on behalf of TIAA becomes aware that a trustee may be an Interested Trustee, the employee must inform the Corporate Secretary, who will notify the Chairman, the trustee and appropriate members of TIAA management.

Following any such disclosure, the Chairman will determine, in consultation with legal counsel if the Chairman deems necessary or advisable, whether the trustee is an Interested Trustee with respect to a Covered Transaction. If the potential Interested Trustee is the Chairman, the chair of the Nominating and Governance Committee will carry out the responsibilities of the Chairman under this Policy.

Recusal and Other Required Procedures

If a trustee is determined to be an Interested Trustee with respect to a Covered Transaction, the following procedures will apply:

1. The Covered Transaction will be presented to the appropriate committee of the Board and, upon recommendation from that committee, the Covered Transaction will be presented to the Board (or applicable committee acting on behalf of the Board) for approval.
2. The Interested Trustee will recuse himself/herself from any presentations, discussions, decision-making or votes with respect to the Covered Transaction. The recusal and any additional actions taken by the Board or applicable committee will be noted in the minutes of the meetings.
3. Although the Interested Trustee may not participate in any presentation, discussion, decision-making or vote with respect to the Covered Transaction, the Board (or applicable committee) may solicit information from, and engage in discussions with, the Interested Trustee in order to assist the Board (or applicable committee) in evaluating the Covered Transaction.
4. The Interested Trustee will be asked to recuse himself/herself at his/her organization from any presentation, discussion, decision-making or vote with respect to the Covered Transaction.
5. The Board (or applicable committee) may engage independent advisors to assist the Board (or applicable committee) in evaluating the Covered Transaction.

6. The Board (or applicable committee) will not approve a Covered Transaction involving an Interested Trustee unless these procedures are followed and it determines that the terms of the Covered Transaction are in the best interests of TIAA, including consideration of reputational risks, and are comparable to terms that could be obtained from an unrelated third party in an arms-length negotiation or are otherwise fair to TIAA in their entirety.
7. The Covered Transaction will not proceed without the Board's prior approval as set forth in this Policy.

The New York Insurance Law

The New York Insurance Law (the "Insurance Law") prohibits the directors of an insurance company from receiving consideration for negotiating, procuring, recommending or aiding in any purchase or sale of property or loan by the insurer. The Insurance Law also provides that no director shall be "pecuniarily interested," directly or indirectly or through any substantial interest, in any such transaction.

The [New York State](#) Department of Financial Services (the "Department") and courts have provided little guidance with respect to these provisions, which were promulgated in the 1930's in response to a specific conflict of interest involving the director of an insurance company. In fact, over the years, the Department has conspicuously avoided a bright-line test, focusing instead on the facts and circumstances of each transaction. The Department has stated that the prohibition is intended to prevent conflicts between the personal economic interests of a director and his or her official responsibilities to the insurer.

Despite the limited guidance, it is clear that a trustee may not receive a placement fee, commission or other incentive compensation in connection with a transaction between TIAA and an organization with which the trustee is affiliated. Likewise, it is clear that a trustee should not have a pecuniary interest in such a transaction, subject to certain exceptions. For example, the Department's General Counsel has opined that if an officer holds less than 5% of the outstanding securities of a fund in which an insurer is investing, that interest alone would not create a conflict of interest. In evaluating whether a trustee is an Interested Trustee, the Chairman will consider, in consultation with legal counsel as necessary or advisable, the applicability of the Insurance Law conflict of interest provisions to the Covered Transaction.

Q & A and Examples

1. Is there a materiality standard applicable to the Policy regarding the disclosure of potential conflicts?

Answer: No. There is no materiality standard with respect to a trustee's obligation to disclose any facts or circumstances they believe could cause them to be an Interested Trustee.

2. Does the Policy apply to Covered Transactions with a TIAA affiliate?

Answer: Yes. "Covered Transaction" includes transactions between a third-party organization and a TIAA affiliate.

3. Example (TIAA Trustee at a Participating Institution): One of TIAA's trustees is the President of ABC University. ABC and TIAA are in discussions that could result in ABC offering its employees additional TIAA retirement products. The TIAA Trustee is an Interested Trustee, but TIAA's provision of additional retirement products to ABC employees is not a Covered Transaction because it is an expansion of services in the ordinary course of TIAA's business. TIAA's provision of additional retirement products to ABC employees does not need to be approved in accordance with the conflict of interest policy.
4. Example (Purchase of Goods and Services): One of TIAA's trustees is the President of DEF Corporation. TIAA wants to buy \$2mm of goods and services from DEF. The TIAA trustee is an Interested Trustee, but the sale is not a Covered Transaction because the monetary value is less than \$10mm.
5. Example (Purchase of Private Placement): One of TIAA's trustees is a member of the Board of Directors of GHI Corporation. TIAA would like to buy all the bonds being issued by GHI in a private placement. The TIAA Trustee is an Interested Trustee, and TIAA's purchase of the bonds is a Covered Transaction. TIAA's purchase must be approved in accordance with the conflict of interest policy.
6. Example (Syndicate Transaction): One of TIAA's Trustees is a member of the Board of Directors of JKL Corporation. TIAA would like to buy \$50mm of \$400mm in bonds being issued by JKL in a private placement. Other investors are expected to buy the remaining \$350mm. The TIAA Trustee is an Interested Trustee, but TIAA's purchase of the bonds is not a Covered Transaction because TIAA is part of an investor consortium with respect to which the TIAA Trustee does not have a decision-making role. TIAA's purchase does not need to be approved in accordance with the conflict of interest policy.
7. Example (Private Equity Fund Investment): One of TIAA's Trustees is a principal of MNO Capital. TIAA would like to buy a \$50mm limited partnership interest in a \$2 billion private equity fund MNO is forming. In exchange for managing the fund, an MNO affiliate will receive a management fee based on the aggregate capital commitments of the limited partners. Other investors are expected to buy the remaining limited partnership interests. The TIAA Trustee is

an Interested Trustee, and TIAA's purchase of the interest is a Covered Transaction. TIAA will need to evaluate the facts and circumstances in light of the New York Insurance Law to determine whether TIAA can proceed with the transaction.

8. Example (Registered Public Offering): One of TIAA's Trustees is the Chief Executive Officer of PQR Corporation. TIAA would like to buy \$25mm of \$150mm in bonds being issued by PQR in a registered public offering. The TIAA Trustee is an Interested Party, but TIAA's investment is not a Covered Transaction because the bonds are being offered in a registered public offering. TIAA's purchase of the bonds is not subject to the Conflict of Interest Policy.
9. Example (Prohibited Transaction under NY Insurance Law): TIAA Trustee S is a Managing Director at Investment Bank STU. A TIAA subsidiary is issuing \$100mm of debt. STU wants to underwrite the issuance, in exchange for which it will receive a fee or commission, a portion of which will be shared by TIAA Trustee S as part of his STU compensation package. TIAA Trustee S is an Interested Trustee, and the retention of STU as the underwriter is a Covered Transaction. Because Trustee S would receive compensation in connection with TIAA's retention of STU, the New York Insurance Law prohibits the transaction.