

# TIER REIT, INC.

## Corporate Governance Guidelines

The Board of Directors (the “Board”) of TIER REIT, Inc. (the “Company”) has adopted the corporate governance guidelines (these “Guidelines”) set forth below to assist and guide the Board in the exercise of its responsibilities. These Guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation, the New York Stock Exchange (the “NYSE”) and the Company’s Ninth Articles of Amendment and Restatement, as amended from time to time (the “Charter”) and Second Amended and Restated Bylaws, as amended from time to time (the “Bylaws”), each as amended from time to time. The Board may review and amend these guidelines from time to time.

### I. DIRECTOR QUALIFICATION STANDARDS

**Director Criteria:** The Board has delegated to the Nominating Committee the responsibility for developing the criteria that are necessary and advisable for director candidates. The Nominating Committee is responsible for reviewing with the Board on an annual basis the appropriate skills and characteristics of director candidates, as well as the composition of the Board as a whole, and the Board shall approve such criteria.

**Process for Identifying and Selecting Directors:** The Board has delegated to the Nominating Committee the responsibility of identifying suitable candidates for nomination to the Board (including candidates to fill any vacancies that may occur) and assessing their qualifications in light of the policies and principles in these Guidelines, the committee’s charter, any applicable stockholders agreement with the Company or as may be determined by the Board or such committee from time to time. The Nominating Committee will recommend prospective director candidates for the Board’s consideration and review the prospective candidates’ qualifications with the Board. The Board shall retain the ultimate authority to nominate a candidate for election by the stockholders as a director or to fill any vacancies that may occur.

In identifying prospective director candidates, the Nominating Committee may consider all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the prospective director candidate, his or her depth and breadth of business experience or other background characteristics, his or her independence, the needs of the Board and the requirements of any applicable stockholders agreement with the Company.

**Independence:** The Board will have a majority of directors who meet the criteria for independence required by the NYSE.

At least annually, the Board will determine whether each non-employee director has a material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) for purposes of determining whether each such director qualifies as independent under the NYSE criteria.

In addition, in determining the independence of any director who will serve on the Compensation Committee, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be

independent from the Company's executive officers in connection with the duties of a Compensation Committee member, including, but not limited to:

(A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

(B) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

**Limit on Number of Other Boards:** Carrying out the duties and fulfilling the responsibilities of a director require a significant commitment of an individual's time and attention. The Board does not believe, however, that explicit limits on the number of other boards of directors on which the directors may serve, or on other activities the directors may pursue, are appropriate. The Board, however, recognizes that excessive time commitments can interfere with an individual's ability to perform his or her duties effectively. In connection with its assessment of director candidates for nomination, the Nominating Committee and the Board will assess whether the performance of any director has been or is likely to be adversely impacted by excessive time commitments, including service on other boards of directors. Directors must notify the Chairperson of the Nominating Committee in connection with accepting a seat on the board of directors of another business corporation so that the potential for conflicts or other factors compromising the director's ability to perform his duties may be fully assessed.

**Change in Circumstances:** When a director's principal occupation or business association changes, the director shall inform the Chairman of the Nominating Committee. The Committee shall review whether it would be appropriate for the director to continue serving on the Board and recommend to the Board whether, in light of the circumstances, the Board should consider requesting that such director offer his or her resignation. Directors are also expected to inform the Chairman of the Nominating Committee of other events that could reasonably be perceived to be relevant to consideration about ongoing independence or service as a director.

**Term and Age Limits:** The Board does not believe it should limit the number of terms of service on the Board by a director or establish arbitrary mandatory retirement ages for directors. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations. As an alternative to term limits, the Nominating Committee will annually review each director's performance in light of relevant factors in connection with assessments of candidates for nomination to be directors.

**Succession:** The Nominating Committee shall be responsible for developing succession plans for the Board as appropriate in light of relevant facts and circumstances.

## II. DIRECTOR RESPONSIBILITIES

**Role of Directors:** The business and affairs of the Company are managed under the direction of the Board, acting on behalf of the stockholders. The Board has delegated to the officers of the Company the authority and responsibility for managing the Company's everyday affairs. The Board has an oversight role and is not expected to perform or duplicate the tasks of the chief executive officer or senior management.

**Attendance at Meetings:** Each member of the Board is expected to make reasonable efforts to attend regularly scheduled meetings of the Board and to participate in telephone conference meetings or other special meetings of the Board. In the event that directors are unable to make at least 75% of those regular or special meetings (together with the meetings of committees on which such director serves), the Company will be required to disclose that fact in its annual proxy statement. In addition, attendance and participation at meetings is an important component of the directors' duties and, as such, attendance rates will be taken into account by the Nominating Committee and the Board in connection with assessments of director candidates for re-nomination as directors.

**Time Commitment; Advance Distribution and Review of Materials:** Directors are expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge their responsibilities. Senior management is responsible for distributing information and data that are important to the Board's understanding of the business to be conducted at a Board or Committee meeting to the directors. Directors should review these materials in advance of the meeting when reasonably practicable.

### **III. BOARD STRUCTURE**

**Size of Board:** The Board presently has seven members. The Board has the authority under the Bylaws to set the number of directors, which may never be less than the minimum required by the Maryland General Corporation Law, unless the Bylaws are amended.

**Chairman:** The Bylaws provide that the Board may designate from among its members a Chairman of the Board, who may or may not be an officer of the Company.

**Lead Independent Director:** It is the Board's policy that if the Chairman of the Board is an officer of the Company, then the independent directors, by vote of a majority of the independent directors, shall annually select an independent director to serve as lead independent director. The independent director selected to serve as lead independent director shall serve in such role until he or she ceases to be an independent director, resigns from the position or a successor is selected by a majority of the independent directors. The responsibilities of the lead independent director shall include the following:

- presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of independent directors;
- serving as liaison between the Chairman of the Board and the independent directors;
- approving Board meeting schedules to assure that there is sufficient time for discussion of all agenda items; and
- having the authority to call meetings of the independent directors of the Board.

The lead independent director shall have such additional responsibilities as may be assigned from time to time by the Board and/or the independent directors.

**Committees:** The Board intends at all times to have an Audit Committee, a Compensation Committee and a Nominating Committee. All members of these committees will be independent directors under the criteria established by the NYSE. Committee members will be appointed by the Board upon recommendation by the Nominating Committee, with consultation with the Chief Executive Officer and consideration of the desires of the individual directors. Each of these standing committees will have a written charter that sets forth the purposes, goals and responsibilities of such committee, as well as the qualifications for committee membership. The Board may from time to time establish additional committees as necessary or appropriate.

**Executive Sessions:** The non-management directors will meet at regularly scheduled executive sessions without management participation, and at least once each year an executive session with only independent directors present shall be held. The Chairman of the Board or, if the Chairman of the Board is an officer of the Company, the lead independent director, will preside at these meetings.

#### **IV. DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

In carrying out its responsibilities, the Board, and each committee thereof, shall be entitled to rely on the advice and information that it receives from management and such experts, advisors and professionals with whom the Board, or any such committee, may consult. The Board, and each committee thereof, shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company, attend a meeting of the Board, or such committee, or meet with any members of or advisors to the Board or such committee. The Board or any committee thereof shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its or their responsibilities.

#### **V. DIRECTOR COMPENSATION**

The form and amount of director compensation will be reviewed periodically, but no less than every three years, by the Compensation Committee, which shall make recommendations to the Board based on such review. The Board shall retain the ultimate authority to determine the form and amount of director compensation. As a part of each director's total compensation and to create a direct link with corporate performance, the Board believes that a meaningful portion of each director's compensation should be provided in the Company's common stock to further the correlation of director and stockholder interests.

The Company's executive officers shall not receive additional compensation for their service as directors.

#### **VI. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Company will provide each new director with materials that are designed to familiarize the new director with the Company's business.

As part of the Company's continuing education efforts, supplemental information is provided to directors from time to time and meetings of the Board are held from time to time in alternative locations in order to provide the directors an opportunity to become familiar with Company's assets.

## **VII. DIRECTOR RESIGNATION POLICY**

If a director nominee does not receive more votes cast for than against his or her election in an uncontested election, the incumbent director shall tender his or her resignation to the Board for consideration. If an incumbent director fails to receive the required vote for re-election and tenders his or her resignation, the Nominating Committee will act on an expedited basis to determine whether it is advisable to accept the director's resignation and will submit a recommendation for prompt consideration by the Board. The Board will act on the tendered resignation within 90 days following certification of the stockholder vote and will promptly and publicly disclose its decision. The Board expects that a director whose resignation is under consideration shall abstain from participating in any decision regarding his or her resignation. If the resignation is not accepted, the director will continue to serve until the next annual meeting and until the director's successor is duly elected and qualified or until the director's earlier resignation or removal. The Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

## **VIII. MANAGEMENT SUCCESSION**

The independent directors shall be responsible for developing a chief executive officer succession plan. Succession planning should include policies and principles for chief executive officer selection, as well as policies regarding succession in the event of an emergency or the retirement of the chief executive officer. The independent directors shall also be responsible for overseeing the Company's succession planning for other senior management positions, and shall consult with the chief executive officer in connection with such planning.

## **IX. STOCK OWNERSHIP**

The Board believes it is important to align the interests of the Company's non-employee directors and the Company's executive officers who are described in the Company's definitive proxy statement as named executive officers (the "Named Executive Officers") with those of the stockholders and for non-employee directors and Named Executive Officers to hold equity ownership positions in the Company.

Each non-employee director is expected to retain an aggregate number of shares of common stock of the Company with a value equivalent to four (4) times the annual cash retainer received for Board service by such non-employee director during a given year. Non-employee directors should satisfy this standard within five years from the later of (1) the date such director joins the Board, or (2) the date of the adoption of these guidelines.

The Company's Chief Executive Officer is expected to retain an aggregate number of shares of common stock of the Company with a value equivalent to four (4) times the annual base salary received by the Chief Executive Officer during a given year. All of the Named Executive Officers other than the Chief Executive Officer are expected to retain an aggregate number of shares of common stock of the Company with a value equivalent to three (3) times the annual base salary received by the applicable Named Executive Officer during a given year. All Named Executive Officers should satisfy this standard within five years from the later of (1) the date such individual becomes a Named Executive Officer, or (2) the date of the adoption of these guidelines.

Compliance with these ownership guidelines will be measured as of the end of each fiscal year. Any non-employee director who is prohibited by law or by applicable regulation of his or her employer from owning equity in the Company shall be exempt from this requirement. The Nominating Committee may consider whether exceptions should be made for any non-employee director or Named Executive Officer on whom this requirement could impose a financial hardship.

## **X. COMMUNICATIONS WITH STOCKHOLDERS**

The Company has established several means for stockholders and other interested parties to communicate concerns to the Company's directors:

- Any interested party who wishes to communicate with the Board may contact the Company's Secretary at 5950 Sherry Lane, Suite 700, Dallas, Texas 75225.
- If the concerns of any interested party relate to the Company's accounting, internal controls and auditing matters (including, but not limited to, knowingly providing any false or misleading representation to an auditor), then such party is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to the Chairman of the Audit Committee, who can be contacted by mail at: Audit Committee Chairman of TIER REIT, Inc., 6125 Luther Lane, #105, Dallas, Texas 75225.
- If any interested party wishes to communicate directly and confidentially to the director who presides over executive sessions of our independent directors, such party may do so by contacting the Executive Sessions Chairman at the address listed above for the Audit Committee Chairman.

## **XI. ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND COMMITTEES**

The Board will conduct a self-evaluation at least annually for the purpose of determining whether it and its committees are functioning effectively, and each committee of the Board will conduct a self-evaluation at least annually for the purpose of determining whether it is functioning effectively. These evaluations will consider the performance of the Board or the committee, as the case may be, as a unit.

The Nominating Committee will oversee the evaluation process.

## **XII. RELATED PERSON TRANSACTION APPROVAL AND DISCLOSURE POLICY**

All related person transactions must be reviewed and approved by a majority of the disinterested directors on the Board (i.e., directors that do not have a personal financial interest in the transaction that is adverse to that of the Company or its stockholders) in advance of the Company or any of its subsidiaries entering into the transaction; provided that, if the Company or any of its subsidiaries enters into a transaction without recognizing that such transaction constitutes a related person transaction, this approval requirement will be satisfied if such transaction is ratified by a majority of the disinterested directors on the Board promptly after the Company recognizes that such transaction constituted a related person transaction. The term "related person transaction" shall refer to a transaction required to be disclosed by the Company pursuant to Item 404 of Regulation S-K (or any successor provision) promulgated by the Securities and Exchange Commission, but such term excludes

any transaction for which an obligation to disclose under Item 404 arises solely from the fact that a beneficial owner of more than 5% of a class of the Company's voting securities (or an immediate family member of any such beneficial owner) has an interest in the transaction. This policy will be in addition to, and not in substitution of, any other policy of the Company relating to the approval of conflict of interest transactions.

### **XIII. MISCELLANEOUS**

The Board believes that the management should be responsible for communications with the press, media and other outside parties made on behalf of the Company, though individual Board members may, at the request of management or of the Board, communicate with outside parties on behalf of the Company.

These Guidelines are not intended to modify, extinguish or in any other manner limit the indemnification, exculpation and similar rights available to the directors of the Company under applicable law and/or the Company's Charter and Bylaws.

Although these Guidelines have been approved by the Board, it is expected that these Guidelines will evolve over time as customary practice and legal requirements change. In particular, Guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent such legal, regulatory or exchange requirements are modified. In addition, the Guidelines may also be amended by the Board at any time as it deems appropriate.

ADOPTED: June 23, 2015

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