

## **POLICY NO. 20-010**

REVISION DATE: December 27, 2005

SUBJECT: **CODE OF ETHICS**

### **I. PURPOSE**

To establish a policy regarding the development and enforcement of a Code of Ethics to guide the ethical behavior of members of the Board of Directors, management and employees.

### **II. POLICY CONTENT**

#### **A. General Conduct**

Okanogan County Electric Cooperative recognizes and respects each Board Member and employee's right to privacy and their right to engage in personal activities outside the scope of service and employment with the Cooperative. Okanogan County Electric Cooperative also expects that a board member or employee shall observe the highest moral and ethical standards in all dealings in which he or she represents the Cooperative. Okanogan County Electric Cooperative encourages membership and involvement in civic, fraternal, or associations within the employee's community. Each employee has an obligation however, to refrain from activities which conflict or interfere with the Cooperative or its mission.

#### **B. Conflicts of Interest**

A "conflict of interest" exists when a board member or employee has a personal interest in a matter of such nature and magnitude that an antagonism exists between their personal interest and that of the Cooperative, such that he/she may not be able to exercise independent and objective judgment of the matter in the best interests of the Cooperative as opposed to his/her own interests. His/her "own interests" may not technically involve them but does involve relatives, business associates, or other persons or organizations with whom they have close relationships. The following represent, but are not limited to, conflicts which a board member or employee should avoid.

1. Legal Requirements – No board member or employee shall do anything in the conduct of business which would violate any local, state, or federal laws, including any illegal acts in restraint of trade.
2. Political Activities – Board members and employees are encouraged to support political candidates of their choice by active support, as well as voting. All such activities must be on the board members or employee's own time outside the Cooperatives facilities, and the board member or employee must not pretend to act on behalf of the Cooperative. The exception would be an event hosted and sanctioned by the Cooperatives Board or General Manager.
3. Competitive Associations – Board members and employees shall conduct themselves in a fair and ethical manner when dealing with vendors, service agents, and suppliers. A board member or employee may not accept full-time, part-time, or temporary employment, or have any ownership interest in any organization or entity that is a competitor, service provider, or supplier of the Cooperative or its subsidiaries. Under no circumstance is a board member or employee to give, offer, or promise, directly or indirectly, to a representative, customer or potential customer, or a financial institution, anything of value that could be considered an incentive to do business with the Cooperative or its subsidiaries.
4. Relationships – If a board member or employee, or a member of the board member or employee's immediate family, has or develops a direct or indirect connection with a vendor or any other business associate of the Cooperative or its subsidiaries, the board member or employee must report the interest to his or her immediate supervisor or the board and must not represent the Cooperative in related transactions. The Cooperative shall not enter into a contract for materials, equipment, or services with any organization in which a board member or employee has a management position, a substantial monetary investment or other interests.
5. Gifts, Gratuities, and Entertainment – A board member or employee and their immediate family members shall not accept gifts of more than nominal value, or any special discounts or loans, from any person, company, or entity doing or seeking to do business with the Cooperative under circumstances from which it might reasonably be inferred that the purpose of the gift is to influence the board member or employee in the conduct of the Cooperative's business with the donor. This policy does not cover gifts whose value is so small that they are not likely to influence a business decision, nor

does it include novelty gifts, such as pens, pencils, calendars, meals, entertainment or other gifts of nominal value.

6. Outside Employment – Employment with the Cooperative shall be the principal vocation of all regular, full-time employees. An employee, whether full-time, part-time, or temporary, may pursue outside employment under the following conditions only:
  - a. The outside employment must not interfere with the efficient performance of the employee's job function at the Cooperative.
  - b. The employment must not create a conflict of interest nor be the type that would reasonably give rise to criticism or suspicions of a conflict of interest, such as working for a vendor or supplier.
  - c. The outside work may not be done during working hours at the Cooperative, nor may any use be made of Cooperative facilities, equipment, labor, supplies, telecommunications network, or licensed software.
- C. The Cooperative cannot describe all situations that might create a conflict of interest. A board member or employee should contact the Board or General Manager concerning any questions relative to potential conflicts. All board members and employees are encouraged and expected to be diligent and attentive to unauthorized conduct that could result in economic loss or public embarrassment to the Cooperative. Board members and employees with information tending to show a violation of the requirements and intent of this policy may report that information to the Board or to the General Manager without retaliation or adverse personnel action. Violations by the General Manager may be reported to the President of the Board or to the Cooperatives attorney.
- D. In the event of a violation of any provisions of this policy, the disciplinary actions provided under Policy No. 40-010 Salary and Benefit Plan shall prevail.

### **III. RESPONSIBILITY**

The Board of Directors, Management and employees are responsible for the enforcement, as well as periodic reporting to the board regarding ethics related matters and opportunities to improve this policy.

**ATTESTING:**

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President

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Secretary

\_\_\_\_\_  
Date