

OREGON TRAIL ELECTRIC COOPERATIVE
BAKER CITY, OREGON

BOARD POLICY NO. 32

SUBJECT: Code of Conduct and Conflict of Interest

- I. Objective: To provide and establish written policies and guidelines clarifying the code of conduct and conflict of interest policies of the Board of Directors (Board) of Oregon Trail Electric Cooperative (OTEC).
- II. Content:
 - A. Code of conduct: Board members have a fiduciary responsibility to OTEC, including the duties of loyalty, diligence, and confidentiality. Toward that end, a member of the Board shall:
 1. Adhere to all applicable requirements of law, OTEC bylaw, and policy.
 2. Be loyal, acting at all times in utmost good faith on behalf of OTEC.
 3. Avoid any conflict of interest that has the potential to interfere with the best interests of OTEC and its members/owners.
 4. Be possessed with the knowledge and skills necessary to direct the affairs of OTEC. Board members are expected to participate in various educational opportunities that provide the basis for them to act in a deliberate, informed and effective manner. Board members are expected to make a concerted effort to become Credentialed Cooperative Directors.
 5. Be willing to devote the time and effort necessary to perform his or her duties as a Board member.
 - B. Conflict of interest: A conflict of interest occurs when a Board member or their close family member has a personal or outside financial, business, or professional interest or responsibility that conflicts with their duties as a Board member such that he or she may not be able to exercise independent and objective judgment on the matter in the best interests of OTEC. In order to deal effectively with actual or potential conflicts of interests, Board members:
 1. Shall base their decisions solely on the interests of OTEC and its members.
 2. Shall refrain from any use of their office which is or gives the appearance of being motivated by the desire for private gain for themselves or for any other persons or organizations they are associated with.
 3. Shall not receive or solicit from any business or third parties associated or

doing business with OTEC anything of value or money, whether as a gift, a loan, a favor, or a gratuity which could or might appear to influence the decisions of the Board member.

4. Shall not receive or solicit any loans from OTEC.
 5. Shall make full disclosure to the Board of any conflict of interest and recuse themselves from deliberations on any issue they hold a material interest or that creates the appearance of a conflict of interest.
 6. Shall, when they believe another Board member has a conflict of interest that has not been properly recognized or resolved, seek proper resolution of the issue by bringing the matter to the attention of the Board through the Board President, or in the case of potential conflict of the President, through the Board Vice President.
- C. Confidentiality: Information that is confidential in nature received by Board members due to their position on the Board creates an obligation on the part of the Board member to deal confidentially with that information and to regard that information as exclusive to OTEC. Toward that end, Board members:
1. Shall not disclose confidential matters or information received to any third party unless the Board member is convinced that disclosure is required by law.
 2. Shall not use any such information for private gain to himself/herself or for any family member or relatives.
 3. Shall not, absent compelling concern for the best interests of OTEC, reveal any differences among Board members on matters considered and acted upon by the Board regardless of whether the matter was the subject of action or an informal discussion.
 4. Shall support decisions of the Board regardless of his or her position during deliberations. This provision does not preclude fair and accurate publication of such differences to OTEC's members/consumers in relation to Director elections or other matters voted upon by the members.
- D. Communications: A Board member shall not participate in communications with OTEC contractors, employees or agents that could reasonably be expected to: a) compromise the financial interests of OTEC, b) interfere with the orderly

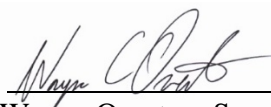
management of OTEC, c) disrupt the morale of OTEC employees or d) infringe on the roles of the Board and the General Manager as set forth in Board Policy 04.

E. Attestation Statement: Board and key staff members shall annually complete and sign a statement attesting to or disclosing the following:

1. That the Board member acknowledges his or her fiduciary responsibility to OTEC and pledges to avoid if possible and disclose conflicts of interest and the appearance of conflicts of interest to the Board.
2. That the Board member acknowledges he or she has access to confidential information and pledges to protect the confidentiality of that information.
3. That the Board member won't make public statements contrary to board policy.
4. Other Board positions, including a brief description of the organization.
5. Positions of employment, including a brief description of the employer, the position held, and the position responsibilities.
6. Relationships that involve holding a position of responsibility or significant financial interest from which OTEC obtains a substantial amount of goods or services.
7. Contractual or other business relationships with other Board members.
8. Financial information that bears upon the potential for a conflict of interest.
9. Any other interest the Board member believes may create a conflict with his or her fiduciary responsibility to the membership of OTEC or that may create the appearance of a conflict of interest.

III. Responsibilities: It shall be the responsibility of individual Board members to read this policy and become familiar with its content, to ensure compliance of the policy, and to complete an annual attestation statement.

Revised: 10-25-17

Attested: 
Wayne Overton, Secretary-Treasurer

Approved: 9-28-10

Revised: 10-25-17