



<b>Policy:</b>	1.3	<b>Type:</b>	Staff
<b>Title:</b>	Conflicts of Interest		
<b>Responsible:</b>	Office of General Counsel		
<b>Approved By:</b>	Chief Executive Officer		
<b>Effective Date:</b>	01/01/2009	<b>Amendment Date</b>	06/21/2018

## Policy

Employees are expected to conduct the business of NRECA in an honest, forthright and ethical manner in order to best serve the interests of NRECA and its members. NRECA expects employees to report any actual, apparent, or suspected conflicts of interest to their manager or Human resources as outlined in Policy 1.6 Policy - Whistleblower Hotline.

## Definition

A conflict of interest is a situation in which a person, and potentially by extension a family member, has competing interests or duties to more than one person, including him/herself, or organization, and cannot adequately serve the actual, apparent or potential adverse interests of both parties. This includes when an individual's personal interests are inconsistent with the best interest of NRECA or its members.

For purposes of this policy, an employee's "family member" includes any person in a familial relationship with the employee that could create an actual, apparent, or suspected conflict of interest.

## Guidelines

As an employee you are required to avoid actual, apparent, or suspected conflicts of interest by complying with the following:

1. Employees and their family members are prohibited from receiving gifts, fees, loans or favors from NRECA suppliers, contractors, consultants, or other business partners in accordance with Policy 1.5 - Gifts Including Business Entertainment, Meals and Travel.
2. Employees are prohibited from knowingly disclosing confidential information to those who do not have a legitimate need to know or whose interests may be adverse to NRECA's interests, and are prohibited from using such information for their personal gain (or that of a family member) or to the detriment of NRECA, in accordance with Policy 10.2 - Information Privacy and Confidentiality.
3. Employees shall make a full and complete disclosure to their manager of any personal financial interests that they or a family member may have in property that NRECA acquires, has acquired, or considers acquiring, or any personal financial interests that they or a family member may share with any third party with which NRECA does business.
4. Employees are expected to avoid the appearance of, or actual, conflicts of interest when representing NRECA. To ensure that actual or potential conflicts of interest are properly managed, employees should seek guidance from their manager or Human Resources.
5. Employees have an obligation to seek guidance when facing an ethical dilemma. An ethical dilemma exists when the ethics rules don't clearly tell an employee what to do.
6. Employees are not permitted to knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter. Employees must retain documents in accordance with Policy 1.4 – Record Retention and Destruction to ensure good business practice and compliance with the law.

## Policy 1.3

7. Employees responsible for purchasing goods or services should not make a purchase from a third party owned by an NRECA employee or the employee's family member. In rare situations, exceptions may exist, where the arrangement is in NRECA's best interest and the transaction has been properly approved in advance by the Sr. VP of Finance.
8. Employees are prohibited from supervising, or taking an employment action involving, a family member.

### **Key Employee Requirements**

Key employees are required to complete and submit an annual Conflict of Interest Certification and Disclosure Form to the Finance Department by January 31st of each year. Key employees include all Vice President level employees in addition to those employees who meet specific criteria defined by the IRS. The Finance Department will notify each employee who has been determined to be a Key Employee for any given year by December 31st of that year. The Finance Department will also maintain all relevant documentation required for IRS regulatory compliance.

### **Policies for Cross References**

Staff Policy 1.1 – Standards of Conduct

Staff Policy 1.4 – Record Retention & Destruction Policy

Staff Policy 1.5 – Gifts, Entertainment, Meals & Travel From Suppliers

Staff Policy 1.6 – Whistleblower Protection