

Randolph Electric Membership Corporation

Board Policy No. 412

SUBJECT: Standards of Conduct

I. PURPOSE:

To establish the standards, rules and procedures under which the Directors shall perform their duties.

II. POLICY CONTENT:

All of the powers of the Cooperative may be exercised by the Board of Directors except as conferred upon the members by law, the Certificate of Incorporation, or the Cooperative's Bylaws. This policy establishes certain standards under which such powers will be exercised in the best interests of the Cooperative.

A. General Conduct of Directors

Directors should conduct themselves personally and professionally in accordance with the highest ethical standards.

B. Conduct with Respect to Fellow Directors

Regardless of the personal relations or differences between Directors, they should respect each other in the following ways:

1. Each Board member should allow ample opportunity for every other Board member to speak on any matter being considered by the Board of Directors and listen carefully to the opinions and factual observations of the other Directors.
2. Except when in the best interest of the Cooperative, a Board member shall not reveal differences of position among Directors on matters considered and acted upon by the Board of Directors, except to other Directors or the Chief Executive Officer. This standard applies to informal as well as formal communications.

C. Director Access to Cooperative Information

The President shall approve a Director's request to obtain access to information which is reasonably germane to his/her standing as a Director and which is requested for a proper purpose. The President shall take such actions as are necessary to provide a timely response to the Director's request. Notwithstanding the forgoing, Directors shall obtain guidance and

access from the Cooperative's General Counsel if the request would pertain to concerns of actual or potential criminal activity involving the President.

Access to Cooperative information is subject to the following conditions:

1. Requests for information shall be made as set forth in this policy. In no case shall a Director seek to obtain information through the Cooperative's employees, agents or independent contractors. Any employee facing such a request is required to notify the President or the Chief Executive Officer concerning the matter.
2. Information received by a Board member pursuant to this policy shall not be revealed to any other individuals, unless the Director is sincerely convinced that to do so is compelled by law or the overriding best interests of the Cooperative.
3. A Director shall not disclose information received pursuant to this policy if the effect of such disclosure is to damage the Cooperative or the public's perception of the Cooperative.

D. Loyalty to the Cooperative

A Director owes a duty of loyalty to the Cooperative and should, therefore, abide by Board decisions. Debate and differences of opinion are inevitable when reaching a consensus; however, such differences should remain within the Board room.

E. Good Faith and Fair Dealing

Every Director shall act in good faith and commit to fair dealing with every other Director and the Chief Executive Officer in all matters relating to Cooperative business. Good faith and fair dealing require:

1. That Directors reveal all information or interests which they may have that may bear upon action being considered by the Board of Directors or the Chief Executive Officer;
2. That Directors will not pursue a position, inquiry, recommendation, or motion for the purpose of harassing or annoying other Directors or the Chief Executive Officer; and
3. That Directors' communications with employees other than the Chief Executive Officer, if made at all, shall be casual and conducted on a friendly and courteous basis. Communications with employees shall not be for the purpose of influencing any employee's position or attitude concerning Cooperative-related activities, seeking Cooperative information, or otherwise have the purpose or effect of

interfering with the usual and customary chain-of-command between management and employees.

F. Non-Discrimination and Anti-Harassment

Directors shall refrain from engaging in discriminatory or harassing conduct with respect to a Member or other person's race, color, religion, national origin, gender, gender identity, sexual orientation, age, disability, veteran status or any other category subject to legal protection under any applicable Federal or State law. All Directors shall be cognizant the Cooperative is an Equal Opportunity Provider and Employer.

G. Bylaw Limitations on Director Interference with Cooperative Management and Operations

Directors shall specifically refrain from:

1. Interfering with, or endeavoring to exercise undue influence upon, the Chief Executive Officer or any other employee or agent of the Cooperative in the performance of duties;
2. Attempting in any manner as to encourage or promote insubordination on the part of employees of the Cooperative or to undermine proper support of, and respect for, the Chief Executive Officer, or any other employee or agent of the Cooperative;
3. Directing or attempting to direct employees or contractors, or otherwise interfering in operational matters;
4. Interfering in or attempting to interfere in personnel matters (including hiring, firing, disciplinary or individual compensation issues);
5. Attempting to adjust individual member concerns on behalf of the Cooperative;
6. Reviewing individualized confidential member data or individual confidential account information; or
7. Attempting to influence vendor selections or interfere with equipment specifications and bidding procedures.

III. RESPONSIBILITY:

- A. This policy shall be the responsibility of the Board of Directors, except as otherwise provided for herein by the Chief Executive Officer or General Counsel.
- B. The Ethics Committee shall monitor compliance with the requirements of this policy, bringing potential violations to the attention of the offending party and, if necessary, the Board of Directors.

- C. The Board of Directors shall be responsible for the enforcement of this policy and may take such actions as are reasonable to assure compliance, including, but not limited to, censure and sanctions appropriate to any violation of this policy by a Director.

EFFECTIVE DATE: October 26, 1988

REVISED EFFECTIVE DATES: August 19, 2003
August 27, 2012
April 25, 2024