



Tri-County Electric Cooperative, Inc.

BOARD POLICY

Policy No: BP-107

Conflict of Interest – Board of Directors

Original Issue Date
02/23/2009

Last Revision
01/18/2022

Board Approved
01/18/2022

Last Reviewed
01/18/2022

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POLICY

Board members must avoid activities that create a conflict of interest or the appearance of a conflict of interest.

SCOPE

- A. To provide general guidance to Board members in the performance of their duties and responsibilities for the Cooperative;
- B. To assure the high standards of integrity, impartiality, and conduct necessary for maintaining public confidence in the operations of the Cooperative; and,
- C. To assure compliance with the standards specified in the Bylaws of the Cooperative relating to a Board member's business and financial interests.

PROVISIONS

A "conflict of interest" exists when a Board member has a personal interest in a matter of such a nature and magnitude that a conflict exists between the personal interest and the Cooperative's interest that could potentially cause an inability to exercise independent and objective judgment on the matter. "Personal interests" may not technically involve the Board member but may involve relatives, business associates, or other individuals or organizations with which he/she is closely associated.

According to Board resolution, the following statements will guide the members of the Board of Directors in the management of the affairs of the Cooperative.

A. Use of Office

They shall not use their respective offices for private gain for themselves or for other individuals or organizations with which they are associated.

B. Use of Information

They shall not use inside information for private gain, either by direct action or by counsel, recommendations, or suggestions to other individuals or organizations with which they are associated.



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C. Gain from Beneficiary Organizations

They shall not receive or solicit from beneficiary organizations, related organizations, or other individuals having business with the Cooperative, anything of value as a gift, loan, favor, or gratuity for themselves or any other individuals or organizations with which they are associated.

D. Decisions Which Pose a Conflict of Interest

They shall make full disclosure to the Board of Directors of any facts indicating a conflict of interest. They shall disqualify themselves from participating in decisions posing a conflict of interest or the appearance of a conflict of interest. They may request an opinion of the Cooperative's General Counsel before taking such action.

E. Relationships With Vendors or Competitors

They shall not use their respective office or position for private gain for themselves or family members to seek, retain, or financially gain employment with vendors or competitors. This shall apply to a Directors immediate family and its members up to three degrees of separation.

F. Business Ethics

The President and Chief Executive Officer shall develop a policy on business ethics which will set forth the intent of the Board of Directors about conduct of employees in maintaining high standards of integrity, impartiality, and conduct necessary to maintain member and public confidence in the Cooperative.

G. All matters under consideration in this policy must be considered by the full Board of Directors and approved by the Board if there is a conflict-of-interest matter under consideration. Candidates for the Board of Directors must demonstrate their ability to act as an independent director in order to be considered for election as a director.



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RESPONSIBILITY

- A. The President and Chief Executive Officer shall aid the Board of Directors to assure compliance with this policy. The President and Chief Executive Officer shall also develop and enforce an appropriate management policy relating to conflicts of interest of employees.
- B. The General Counsel shall advise individual Board members and/or the Board of Directors regarding compliance with this policy.
- C. The Board of Directors shall review compliance with this policy and counsel with any Board member as the situation may require. The Board of Directors shall assure, to the extent possible, that the Cooperative is not damaged or compromised because of the existence of a conflict of interest on the part of Board members or the General Counsel.
- D. The Board of Directors and Candidates for election to the Board of Directors shall complete the form attached in this policy before consideration for candidacy to the Board of Directors.



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CONFLICT OF INTEREST CERTIFICATION AND DISCLOSURE FORM

As defined in the Tri-County Electric Cooperative, Inc.'s Conflict of Interest Policy ("Policy"), the undersigned Official:

1. Affirms that Official has received or has access to, has read, and understands the most current version of the Policy;
2. Agrees to comply with the Policy;
3. Based upon Official's good faith belief, to the best of Official's knowledge, and except as disclosed below, certifies that Official currently complies with the Policy;
4. Discloses the following information or facts regarding any actual or potential income, employments, compensation, conflicting interest transaction, business opportunity, or pecuniary benefit, or other information or fact, that could impact Official's compliance with the Policy:

5. Upon discovering any information or fact regarding any actual or potential income, employment, compensation, conflicting interest transaction, business opportunity, or pecuniary benefit, or other information or fact, that could impact Official's compliance, or another Official's compliance, with the Policy, agrees to disclose this information or fact to Cooperative's Chairman of the Board and/or the President and Chief Executive Officer ; and,
6. Upon not complying with the Policy, agrees to any sanction, disqualification, removal, or other action taken under the Policy.

Printed Name of Official

Signature of Official

Position of Official

Date