
Subject: MSMEC Policy - Nepotism

Policy No.:106

Original Issue: 04-13-1993 Last Revised: 3-23-2023 Last Approved: 4/27/2023 Page 1 of 2

I. Policy Statement

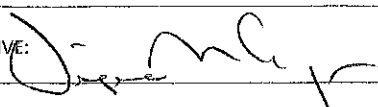
- A. To state the policy of Mora-San Miguel Electric Cooperative, Inc. (herein referred to as the Cooperative) with regard to the employment of close relatives of current employees and/or Board of Trustees.
- B. To provide guidelines for resolving potential conflicts in the event of changes in relationships of current employees.

II. Policy Content: The Cooperative is committed to employment practices that do not create situations of real, potential, or perceived conflicts of interest or favoritism. The following practices are in place to support this intention.

- A. For purposes of this policy, the Cooperative defines "Close Relative" as a person who, by blood or marriage (including half, foster, step or adoptive kin) is a spouse, child, parent, brother or sister of a current employee of Trustee.
- B. No person shall become eligible to become a Trustee of the Cooperative who is a close relative of an incumbent Trustee or of an employee of the Cooperative.
- C. The Cooperative will not consider an individual eligible for employment if he or she is a close relative of a current Trustee.
- D. A current trustee shall not lose eligibility to remain a trustee or to be re-elected a trustee, if during his/her incumbency as a trustee, he/she becomes a "Close Relative" of an incumbent Trustee or of a Cooperative employee because of a marriage or an adoption to which he/she was not a party.
- E. "Close Relatives" of the Cooperative's employees' shall not be employed by the Cooperative in the same department or in a supervisory/subordinate relationship either on a temporary or permanent basis.
- F. If any employee, after employment, enters into one of the above relationships, they must inform their supervisor, department manager, and/or Human Resources. Employees who enter into one of the above relationships who would be directly working for, supervising, or in the same line of authority which could impact the employment decisions regarding the other, will not be allowed to continue in such a reporting structure.
- G. If transfer opportunities are available (vacancies for which the employee is qualified) to resolve the reporting conflict, such steps will be taken. Positions will not be created to accommodate either employee. If no vacancies exist or transfer opportunities are unavailable, or the employee is not selected as the best candidate for the position, management and the CEO will make a determination of which employee will be terminated from employment, keeping the best interest of the Cooperative in mind. reporting conflicts shall be resolved within a reasonable time, generally no longer than sixty (60) days.

H. Should a conflict of interest arise between relatives employed by the Cooperative that is not specifically covered by this policy, the conflict will be resolved by management and the CEO in the best interest of the Cooperative.

III. **Responsibility** - The CEO shall be responsible for administering this policy and keeping the employees informed of its content.

EFFECTIVE:  Secretary Date 4/27/2023
