

**MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**CONFLICTS OF INTEREST**  
**POLICY NO. 104**  
**NEW POLICY**

**SUBJECT:** Conflict of Interest by Board Members, officers and employees

**OBJECTIVES:**

A. To provide general guidance to Board members, officers and employees in the performance of their duties and responsibilities for the Cooperative to assure the high standards of integrity, impartiality, and conduct necessary for maintaining public confidence in the operations of the Cooperative.

B. To assure that the standards specified in Article IV Section 3 of the Bylaws of the Cooperative relating to a Board members' business and financial interests are complied with.

**1. POLICY CONTENT**

A "conflict of interest" exists when a Board member or the Manager has a personal interest in a matter of such nature or magnitude that an antagonism, between his personal interest and that of the Cooperative exists, so that he may not be able to exercise independent and objective judgment on the matter in the best interests of the Cooperative opposed to his own interests. His "own interests" may not technically involve him but does involve some of his relatives, business associates or other persons or organizations with which he is closely associated.

The Board has resolved that the statements contained in the following paragraphs will serve as a guide to the members of the Board and to the Manager in the management of the affairs of the Cooperative.

A. **Use of Office:** Board members, officers and employees shall refrain from any use of their respective offices which is or gives the appearance of being motivated by the desire for private gain for themselves or for other persons or organizations with which they are associated.

B. **Use of Information:** Board members, officers and employees shall refrain from any use of inside information for private gain, either by direct action or by counsel, recommendations or suggestions to other persons or organizations with which they are associated.

C. Gain from Beneficiary Organizations: Board members, officers and employees shall not receive or solicit from beneficiary organizations, related organizations or other persons having business with the Cooperative anything of value as a gift, loan, favor or gratuity for themselves any other persons or organizations with which they are associated.

D. Decisions Which Pose a Conflict of Interest: Board members, officers and employees shall make full disclosure to the Board of any facts which may indicate a conflict of interest. They shall disqualify themselves from decisions which pose a conflict of interest or the appearance of a conflict of interest. They may request an opinion of the Cooperative's attorney before such action is taken.

E. Business Ethics: The Manager shall develop a policy on business ethics which will set forth the intent of the Board with regard to conduct of employees in maintaining high standards of integrity, impartiality, and conduct necessary to maintain member and public confidence in the Cooperative.

## 2. RESPONSIBILITY

A. The Manager: It is the Manager's responsibility to provide assistance to the Board to assure compliance with this Policy and to develop and enforce appropriate management policy relating to conflicts of interest of employees.

B. Attorney: It is the responsibility of the Cooperative's attorney to counsel and/or advise individual Board members and/or the Board regarding compliance with this policy.

C. Board: It is the responsibility of the Board to review compliance with this Policy and to counsel with any Board member or the Manager, as the situation may require. It is also the responsibility of the Board to 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, the Manager or the Cooperative's attorney.

The Board shall be responsible for the enforcement of this policy.

Approved: April 13, 1993  
Effective April 13, 1993  
Reaffirmed February 24, 1995

  
Board Secretary