

**EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
POLICY BULLETIN NO. 220**

SUBJECT: BUSINESS ETHICS

POLICY:

I. PURPOSE:

This Ethics Policy is intended to assist directors, officers, management staff, and employees of Egyptian Electric Cooperative Association avoid the appearance of impropriety and provide guidance to said directors, officers, management staff and employees of Egyptian Electric Cooperative Association so that they may perform their duties in a manner which engenders the confidence and respect of the community and members. It is not intended to be all-inclusive because there will always be situations where individuals must use their own reasonable judgment and rely upon their own sense of what is right and prudent.

II. CONTENT:

A. Conflicts of Interest

1. Directors, officers, management staff, and employees of Egyptian Electric Cooperative Association are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses, which obligates or induces them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts with the best interests of Egyptian Electric Cooperative Association (EECA) uppermost in mind. Should a violation occur, the EECA employee will be subject to disciplinary action up to and including discharge and a director will be subject to sanctions up to and including removal from the board by the membership.
2. Directors, officers, management staff, and employees of EECA are prohibited from acquiring or having a financial interest in any property which EECA acquires or a direct or indirect financial interest in a supplier, contractor, consultant, or other entity with which EECA does business. This does not prohibit the ownership of securities in a publicly owned company except in a substantial amount by those in a position to materially influence or affect the business relationship between EECA and such publicly owned company. Any other interest in or relationship with an outside organization or individual having business dealings with EECA is prohibited if this interest or relationship might tend to impair the ability of said directors, officers, management staff, and employees to serve the best interest of EECA.

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3. If members of the immediate family of a director, officer, management staff, and employee have a financial interest as specified above, such interest shall be fully disclosed to the Board of Directors which shall decide if such interest should prevent EECA from entering into a particular transaction, purchase, or employment of services. The term “immediate family” means children or their spouse, husband, wife, sister, brother, parents, foster, or step parents, grandparents, aunts, uncles, mother or father-in-law, sister or brother-in-law, or any relative residing in said EECA’s directors, officers, management staff or employees’ households.
4. Every director, officer, management staff, and employee of EECA is expected to scrupulously avoid situations which might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all the circumstances and conditions that might be or have the potential of being considered conflicts of interests. Any potential conflicts of interests shall be reported immediately, but at least annually.

B. Confidential Information

1. Member Information – All information relating to members or potential members of EECA that directors, officers, management staff, and employees receive in the ordinary course of performing their duties should be treated as private, and not public, and should be held in strictest of confidence. Member information should be used solely for EECA business purposes, and not for the purposes for personal gain. Within EECA, information concerning members should be communicated only to those individuals who need the information to discharge their duties. Without prior written consent, information concerning members should never be provided to anyone outside of EECA, including other members of EECA.
2. Personnel Files - All information relating to employment matters including but not limited to performance appraisals, salary, and benefits should be treated as private, and not public, and shall be held in the strictest of confidence. Information concerning employment matters should be communicated only to those individuals who need the information to discharge their duties.
3. EECA Confidential Information – All information identified as confidential by EECA shall be held in the strictest confidence and shall not be disclosed to the public or outside EECA unless approved by the Executive Vice-President/General Manager and only if a Confidentiality Agreement is signed by all outside parties involved.
4. EECA Business Information - The confidentiality of business information must be followed at all times. Directors, officers, management staff, and

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employees are prohibited from disclosing information, either inside or outside the organization, to those who have no need to know or whose interests may oppose those of EECA. It is strictly prohibited for any director, officer, management staff, or employee to use such information in any manner for personal gain or advancement or from using such information in any manner to the detriment of EECA.

C. Compliance With Laws

EECA will comply with the letter and spirit of all applicable Federal, state and local laws, rules, and regulations. If any director, officer, management staff, or employee is unclear as to whether they are complying with applicable law in the course of performing their duties, they should inform their immediate supervisor and seek the advice of EECA legal counsel.

D. Public Communications

Directors, officers, management staff, and employees of EECA should always be conscious of the fact that what they communicate to the public, whether in writing or verbally, is a direct reflection on EECA and may have a significant impact on EECA's reputation. Accordingly, except for verbal and written communications to the public made by directors, officers, management staff, and employees of EECA in the ordinary course of performing their obligations and responsibilities to EECA, all verbal and written communications to the public concerning EECA or that may be viewed as statements made on behalf of EECA should be reviewed and approved by EECA Executive Vice-President/General Manager prior to dissemination. This includes but is not limited to, speeches, articles, position papers, press conferences and press releases. Directors, officers, management staff, and employees are encouraged to seek the advice of EECA Executive Vice-President/General Manager if there is any question as to whether any verbal or written communication to the public is appropriate.

E. Political Activities

1. EECA will not endorse any candidate or party either by statement of endorsement or monetary contributions.
2. Individual directors, officers, management staff, and employees are encouraged to be politically active but they shall not use their position with EECA to endorse either political candidates or parties, or philosophical or social concepts.

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3. Directors, officers, management staff, and employees, who are candidates for government office, or current office holders, will be expected to resign from their position if their political activities interfere with their normal execution of job duties.
4. All directors, officers, management staff, and employees are encouraged to familiarize themselves with the positions of their elected officials as to pending legislation affecting EECA.

F. Financial Integrity And Transparency

1. Management will exhibit and promote the highest standards of honest and ethical conduct through the establishment and operation of policies and procedures that;
 - Encourage and reward professional integrity in all aspects of the financial organization by eliminating inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal, or alienation from the financial organization or EECA itself.
 - Prohibit and eliminate the appearance or occurrence of conflicts between what is in the best interests of EECA and what could result in material gain for a director, officer, management staff, or employee.
 - Provide a mechanism for directors, officers, management staff, and employees to inform senior management of deviations in practice from policies and procedures governing honest and ethical behavior (see Whistleblower policy no. 222).
 - Demonstrate EECA's support for such policies and procedures through periodic communication reinforcing these ethical standards throughout the organization.
2. Financial Officers will establish and manage the Company transaction and reporting systems and procedures to ensure that:
 - Business transactions are properly authorized and completely and accurately recorded on the Company's books and records in accordance with generally accepted accounting practices.

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- The retention or proper disposal of company financial records shall be in accordance with established corporate financial policies and applicable legal and regulatory requirements.
 - Periodic financial communications and reports will be delivered in manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.
3. Financial Officers will establish and maintain mechanisms to:
- Educate directors, officers, management staff, and employees responsible for developing financial records and reports about any federal, state, or local statute, regulation, or administrative procedure that affects the operation of the financial system and EECA in general.
 - Monitor the compliance of the financial organization within EECA with any federal, state or local statute, regulation, or administrative rule.
 - Identify, report, and correct in a swift and certain manner, any detected deviations from applicable federal, state or local statute or regulation.

G. Enforcement And Accountability

1. Individuals who reasonable believe that they have information regarding a violation of this Ethics Policy should bring their concerns to the attention of the Executive Vice-President/General Manager, Administrative Assistant, or EECA Legal Counsel.
2. Any report of a violation of this Ethics Policy delivered in good faith will be investigated promptly and, if required, appropriate action for infractions will be taken by EECA management after due consideration of all the facts and circumstances. In the event the alleged violation relates to the Executive Vice President/General Manager or a member of the EECA Board of Directors, EECA management shall promptly report any such violation to the Executive Committee of the Board of Directors which will take appropriate action after due consideration of all the facts and circumstances.
3. Confidentiality will be maintained throughout the investigation process to the extent consistent with adequate investigation.

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4. EECA will not permit retaliation of any kind against individuals for good faith reports of violations of this Ethics policy (see Whistleblower Policy No. 222).

III. CONCLUSION

Most of the guidelines set forth in this ethics policy are common sense requirements. The good judgment and continuing concern of directors, officers, management staff, and employees of EECA for their own integrity and the trust and confidence of the members and community in EECA will always be the most important guideline when dealing with questions of ethics and appropriate conduct. Directors and officers of EECA should address any questions or concerns about this ethics policy to the Board of Directors. Management staff and employees should address any questions or concerns about this ethics policy to the Executive Vice-President/General Manager, Administrative Assistant, or EECA legal Counsel.

Adopted: 11/23/2004
Revised: 03/27/2012
Revised: 1-26-2016

Attested: Gilbert Kroening, Secretary
Attested: Kevin Liefer, Secretary