

ELKHORN RURAL PUBLIC POWER DISTRICT

POLICY #1025

Directors' Code of Ethics

Policy: The Directors of the Elkhorn Rural Public Power District hold an important and elevated role in corporate governance. As part of the leadership team, Directors are vested with both the responsibility and authority to protect, balance, and preserve the interests of all of the ratepayers, employees, and citizens of the communities in which business is conducted. Directors fulfill this responsibility by prescribing and enforcing the policies and procedures employed in the operation of the District and by demonstrating the following:

I. Honest and Ethical Conduct

Directors 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 organization.
- Prohibit and eliminate the appearance or occurrence of conflicts between what is in the best interest of the District and what could result in material personal gain for a member of the District, its officers, directors, employees, agents, and consultants including, but not limited to, attorneys and accountants
- Provide a mechanism for employees or others to inform senior management or the board of directors of deviations in practice from policies and procedures governing honest and ethical behavior.
- Demonstrate their personal support for such policies and procedures through periodic communication reinforcing these ethical standards throughout the District.

II. Financial Records and Periodic Reports

The Board of Directors will establish and manage the transaction and reporting systems and procedures to ensure that:

- Business transactions are properly authorized and completely and accurately recorded on the District's books and records in accordance with accounting practices prescribed or permitted by applicable law.
- The retention or proper disposal of District 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 a 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.

III. Compliance with Applicable Laws, Rules and Regulations

The Board of Directors will establish and maintain mechanisms to:

- Educate employees about any federal, state or local statute, regulation or administrative procedure that affects the operation of the District generally.
- Monitor compliance with any applicable 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.

Adopted: December 14, 2004

Reviewed: June 9, 2009