



# Employee Policies

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Your Touchstone Energy® Cooperative



# EMPLOYEE POLICIES

Last Revised 12/13/22

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## **DISCLAIMER**

ALL EMPLOYEES OF COASTAL ELECTRIC COOPERATIVE, INC. ARE EMPLOYED AT-WILL AND MAY QUIT OR BE TERMINATED AT ANY TIME AND FOR ANY OR NO REASON. NOTHING IN ANY OF COASTAL ELECTRIC COOPERATIVE'S RULES, POLICIES, HANDBOOKS, PROCEDURES OR OTHER DOCUMENTS RELATING TO EMPLOYMENT CREATES ANY EXPRESS OR IMPLIED CONTRACT OF EMPLOYMENT. NO PAST PRACTICES OR PROCEDURES, WHETHER ORAL OR WRITTEN, FORM ANY EXPRESS OR IMPLIED AGREEMENT TO CONTINUE SUCH PRACTICES OR PROCEDURES. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE LIMITATIONS SET FORTH IN THIS PARAGRAPH, CREATE ANY CONTRACT OF EMPLOYMENT UNLESS:

- 1) THE TERMS ARE PUT IN WRITING,
- 2) THE DOCUMENT IS LABELED "CONTRACT,"
- 3) THE DOCUMENT STATES THE TERMS OF EMPLOYMENT, AND
- 4) THE DOCUMENT IS APPROVED BY THE BOARD OF TRUSTEES

THIS EMPLOYEE HANDBOOK REPLACES AND SUPERSEDES ALL PREVIOUS HANDBOOKS AND PERSONNEL POLICIES AND PROCEDURES.

I ACKNOWLEDGE THAT I HAVE RECEIVED AND WILL REVIEW COASTAL ELECTRIC COOPERATIVE'S EMPLOYEE POLICIES AND UNDERSTAND THAT IT IS NOT A CONTRACT OF EMPLOYMENT.

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Signature

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Printed Name

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Date

## **EQUAL EMPLOYMENT OPPORTUNITY**

- A. The Cooperative's policy, in accordance with state and federal law, is that equal employment opportunity be provided to all present and prospective employees regardless of race, color, religion, sex, national origin, age, physical disability or political affiliation.
- B. This policy applies to all personnel actions including, but not limited to, recruiting, hiring, classification/compensation, benefits, promotions, transfers, layoffs, re-call from layoffs and educational social or recreational programs of the Cooperative.
- C. This policy and Statement of Non-Discrimination are available for inspection by any employee or applicant for employment upon request to the Benefits Department during normal working hours.
- D. The Cooperative expects the full cooperation of all managers, supervisors, and other employees in this program.

## **EEO POLICY FOR DISABLED VETERANS**

- A. In accordance with state and federal law, it is the policy of the Cooperative not to discriminate against any employee or applicant because he/she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. This policy relates to all phases of employment and in order to further this policy, the Cooperative will take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- B. This policy and Statement of Non-Discrimination are available for inspection by any employee or applicant for employment upon request to the Benefits Department during normal working hours.
- C. The Cooperative expects the full cooperation of all managers, supervisors, and other employees in this program.

## **EEO POLICY FOR DISABLED INDIVIDUALS**

- A. In accordance with state and federal law, it is the policy of the Cooperative not to discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. This policy relates to all phases of employment and in order to further the policy, the cooperative will take affirmative action to employ, advance in employment and otherwise treat qualified disabled individuals without discrimination based upon their physical or mental disability in all employment practices such as the following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training.
- B. This policy and Statement of Non-Discrimination are available for inspection by any employee or applicant for employment upon request to the Benefits Department during normal working hours.
- C. The Cooperative expects the full cooperation of all managers, supervisors, and other employees in this program.

## **EMPLOYMENT OF PERSONNEL**

- A. In accordance with the Rehabilitation Act of 1973 and the Americans with Disabilities Act, no applicant for employment will be required to undergo a physical examination prior to being offered a position with the Cooperative. Applicants will be required to undergo a physical examination, which shall include alcohol and controlled substance testing, after an offer of employment has been made. An offer of employment will be contingent upon the results of the medical examination.
- B. Misrepresentation or omission of facts in seeking employment will disqualify an applicant from further consideration for employment. In the case of an employee who has already been hired by the Cooperative, a determination that the employee misrepresented or omitted facts in seeking employment may result in termination.
- C. Supervisors should notify the Chief Executive Officer of all expected vacancies. All vacancies should be posted in the Cooperative's designated work areas. Qualifications necessary for the job should be posted with the job announcement.
- D. The Cooperative accepts employment applications only when a vacancy exists. Resumes received at other times will be returned to the sender. After an employment decision has been made, the applications of unsuccessful applicants will be retired to an inactive file for a one (1) year period, then destroyed.
- E. All application forms shall be immediately forwarded to the appropriate Department Head. A selected Committee shall review all application forms, selecting any and all applicants who appear to be qualified for the job vacancy. If posting a notice of the vacancy to various print and social media locally does not generate a sufficient pool of available applicants, then the Committee shall consult with the Chief Executive Officer for authorization to advertise the position in mass media.
- F. The Committee, of which the Department Head will be a member, shall select several qualified applicants from the available pool.
- G. The applicants selected shall then be notified by letter or telephone that they should appear for a personal interview. The interview should be conducted by the Committee. Reference checks on the applicants selected shall be commenced at this point.
- H. The employment of new employees will be made on the basis of job specifications for the open position, which shall be prepared by the Department Head in cooperation with the Chief Executive Officer. Such specifications shall include the education and work experience required, the skills and abilities (mental or physical) that must be demonstrated, and the minimum scores required on various tests of ability, aptitude, and interests (if any). Any tests used will be validated in accordance with U.S. Department of Labor regulations and guidelines.

- I. Each applicant's experience, training, and references will be measured against the job specifications or qualifications and the position description. During the personal interview, only nondiscriminatory questions should be asked, and the interview should concentrate on the applicant's previous work history and his/her skills as compared to the skills required in the position description.
- J. Based upon the foregoing, the Committee, with the participation of the Department Head or immediate Supervisor, if appropriate, shall make the final selection or make a recommendation to the Chief Executive Officer.
- K. Age requirements shall comply with any and all applicable laws and in no case will an applicant under 18 years of age be hired for a non-qualifying job.
- L. New employees shall be required to participate in all employee benefit programs to which the Cooperative contributes, such as retirement programs, insurance, hospital, and medical benefits when they become eligible.
- M. All new employees will be considered as probationary employees for the first three (3) months. At the end of three (3) months, if approved by his/her Supervisor, the employee will become a regular employee and begin accumulating benefits as eligible.
- N. Temporary employees, when needed, may be hired by the Chief Executive Officer, in accordance with regular employment requirements, except that they may be exempt from the educational requirements at the Chief Executive Officer's discretion.
- O. Advertisements used as a means of recruiting will include the phrase "Equal Opportunity Employer" or similar reference to encourage receipt of applications from all interested persons.
- P. Recruiting and hiring practices will be reviewed from time to time to assure that vacancy notices are effectively dispatched and it will be known that applications from all persons without regard to race, creed, color, sex, national origin, religion, age or disability for qualified applicants will be considered and evaluated on their merits.

## **HOURS OF WORK**

- A. The work week shall begin at 5:00 P.M. on Friday of each week and shall end seven days later. The normal week schedule shall be Monday through Friday. Wages will be paid bi-weekly on alternate Thursdays immediately following the end of a two-week work period. In the event a payday falls on a holiday, pay checks will be distributed either the day before or the day after the holiday.
- B. Non-exempt employees shall be paid at one and one half their regular hourly rate of pay for all hours worked in excess of forty hours in any one week.
- C. Except when the Cooperative determines that current work requirements will not permit, employees will be permitted a fifteen-minute paid rest break each morning and each afternoon. Breaks may not be combined with each other or with meal breaks.
- D. Non-supervisory employees who are required to be on call for an entire week will be granted on call pay for that week and their overtime rate for all hours worked.
- E. When an employee is required to work sixteen hours in a consecutive twenty-four-hour period, he/she may be entitled to an eight-hour rest period.
- F. Employees will be entitled to a meal period during any scheduled work day. Any meal period of thirty [30] minutes or longer will not be considered work time.
- G. In the event of emergency situations which create prolonged outages of more than 24 hours, all hours worked are paid at time and one half, retroactive to the beginning of the emergency situation.
- H. In the event of emergency situations which affect other Cooperative systems, Management may request employees to temporarily assist other systems. All time worked while assisting other systems will be paid time and one half for the first 16 hours per day and double time after 16 continuous hours. Management shall request that employees on temporary duty continuously work together in units as assigned.
- I. All Cooperative employees are subject to be called in at any time for power restorative assistance.

## **ANTI-HARASSMENT**

- A. The purpose of this policy is:
1. To clearly state the Cooperative's prohibition of harassment on the basis of sex, race, color, religion, national origin, age, disability, or any other protected status (hereinafter, collectively, "protected status");
  2. To clearly state the Cooperative's prohibition of conduct that unreasonably interferes with another employee's ability to perform his or her job;
  3. To provide Cooperative employees with mandatory avenues for making complaints of harassment in the workplace;
  4. To protect employees who make complaints of harassment and/or who participate in investigations of harassment from retaliation; and
  5. To inform employees that violations of this policy may result in discipline up to and including termination.
- B. "Harassment" includes conduct that denigrates or shows hostility or aversion toward an individual because of his/her protected status, and that:
1. has the purpose or effect of unreasonably interfering with an individual's work performance;
  2. has the purpose or effect of creating an intimidating, hostile or offensive work environment; or
  3. otherwise adversely affects an individual's employment opportunities.
- C. The following are examples of conduct that may violate this policy:
1. epithets, slurs, remarks, jokes, negative stereotyping, or threatening, intimidating or hostile acts that relate to a protected status;
  2. written or graphic material that denigrates or shows hostility or aversion toward an individual or group because of a protected status;
  3. disparate terms of employment based on the employee's protected status;
  4. remarks about a person's body or about sexual activities;
  5. pressure for sexual activity; or
  6. physical assault or any unnecessary unwelcome touching.

- D. Any and all activities described above are prohibited and will not be tolerated. However, the conduct described in these Sections are examples only and are not intended to be an all-inclusive list of what the Cooperative may determine to be harassment. Therefore, employees are required to report all unwelcome conduct that unreasonably interferes with their ability to do their jobs.
- E. Harassment can occur in a variety of circumstances including, but not limited to, the following:
1. The harasser can be the victim's supervisor, a supervisor in another area or department, a co-worker, a Board member, an agent of the Cooperative, or a non-employee.
  2. In some circumstances, the victim does not have to be the person harassed, but could be someone affected by the offensive conduct.
- F. Any employee who feels that he/she is a victim of harassment because of his/her protected status must report the offending conduct to the Chief Executive Officer, the Executive Secretary or the Director of Finance & Administration. However, if the complaint involves the Chief Executive Officer, the employee should report the harassment to the Chairman of the Board of Trustees.
- G. Any employee who observes or otherwise has reason to believe that harassment is occurring in the Cooperative's workplace is required to report the conduct to the designated official before the harassment becomes severe or pervasive. No employee will face retaliation for filing a report under this policy.
- H. All reports of harassment will be handled in a confidential manner to the extent possible.
- I. Upon receipt of a report of harassment, the Cooperative shall conduct a prompt, thorough and impartial investigation.
- J. As part of the investigation, the Cooperative will interview the employee who complained of harassment, the alleged harasser, and others who could reasonably be expected to have relevant information. The alleged harasser shall in no way have any direct or indirect control over the investigation. The Cooperative shall protect the confidentiality of complaints of harassment to the extent possible.
- K. Any employee who makes a complaint of harassment or who participates in an investigation of harassment will be protected from retaliation.
- L. Should the Cooperative, upon completion of the investigation, find that harassment because of an individual's sex, race, color, religion, national origin, age or disability, or other protected status has occurred in violation of this policy, it will take immediate and appropriate corrective action.
- M. Any employee who has questions regarding harassment, who does not understand this policy, and/or who needs further explanation of this policy should contact the Director of Finance & Administration.

- N. Any employee violating this policy may be subject to discipline up to and including termination.
- O. The following is important:
1. In order to avoid misunderstandings, complaints made to members of Management or to the Benefits Departments must involve completion of the Harassment Report form which is included with this policy statement, incorporated herein as Exhibit A. You will be given a copy of the completed form.
  2. These procedures have been established to enable you to get relief if you feel that you are the victim of harassment. The U.S. Supreme Court has said that as a general rule you may not sue the Cooperative for a violation of your rights unless you first give the Cooperative notice and an opportunity to end the harassment. The reporting procedures which the Cooperative has adopted are intended to establish a clear record of what has been reported.

**EXHIBIT A**  
**HARASSMENT REPORT**

Name of complainant (optional) \_\_\_\_\_

Date of Report \_\_\_\_\_

Date of Incident(s) \_\_\_\_\_

Name or description of person who engaged in harassment: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What happened? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Names of witnesses: \_\_\_\_\_

\_\_\_\_\_

Names of people who say that the same person harassed them at another time:

\_\_\_\_\_

\_\_\_\_\_

If harassment is found to have occurred, what action do you want to have taken?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

Copy received by Company official:

\_\_\_\_\_  
Signature of Official

\_\_\_\_\_  
Date

## **SUBSTANCE ABUSE AND TESTING POLICY**

All employees of the Cooperative are prohibited from swallowing, inhaling, injecting, dealing in, or otherwise using illegal drugs and substances (such as marijuana, cocaine, LSD, heroin, etc.) and prescription drugs which are not prescribed for the employee's own use. This prohibition applies to use any time, both on-the-job and off-the-job. Cooperative employees are permitted to possess any substance when required by their jobs or for the purpose of lawful delivery to another person.

All employees of the Cooperative may not report to or be at work while under the influence of alcohol. An employee is considered to be "under the influence of alcohol" if he/she has any detectable amount of alcohol in his/her system.

### A. Applicants for Employment

The Cooperative will conduct pre-employment drug tests for all applicants tentatively selected for employment. The Cooperative shall not hire any applicant tentatively selected for employment who refuses to submit to a drug test or who tests positive for use of illegal or unauthorized substances. An applicant who is rejected under this policy may be considered for future vacancies if he can demonstrate that he/she is no longer a user of any such substances.

### B. Current Employees

All employees of the Cooperative will be subject to drug and/or alcohol testing by urinalysis where "particularized suspicion" of any drug use in violation of this policy exists or under other lawful conditions.

#### 1. Particularized suspicion is deemed to exist when:

- a. Information that an employee has used illegal drugs or substances is provided by a reliable informant;
- b. A serious accident occurs due to the apparent fault of the employee;
  - (1) "Serious accident" is defined as:
    - (a) An accident involving a fatality;
    - (b) An accident causing bodily injury which requires overnight or medical care; or
    - (c) An accident causing total aggregate property damage of \$5,000.00 or more based on reliable estimates.
  - (2) Employees required by their jobs to possess a commercial driver's license must submit to a drug test whenever they are issued a citation for a moving violation in connection with an accident.

- c. An employee exhibits any of the following:
    - (1) Extreme mood swings
    - (2) Slurred speech
    - (3) Unusual clumsiness
    - (4) Staggering
    - (5) Dilation of pupils
    - (6) Sleeping on the job or lethargy
    - (7) Excessive unexplained sweating; or
    - (8) Other aberrational behavior
  - d. An employee has been arrested for violation of drug policy;
  - e. An employee had admitted violating the Cooperative's drug policy;
  - f. An employee has tested positive for illegal drugs within the past two (2) years.
2. Particularized suspicion testing shall not be conducted without the approval of the Chief Executive Officer.

The Cooperative will require all employees to be tested for the use of controlled substances as a part of any regularly scheduled (periodic) physical examination mandated by the Cooperative or state and federal law.

Random testing for illegal or unauthorized drug use shall be conducted for all employees.

If an employee refuses to submit to a drug test when ordered to do so, the employee shall be subject to discharge.

### C. Testing Procedure

- 1. Drug testing will be by urinalysis.
- 2. The collection of samples will be performed under reasonable and sanitary conditions.
- 3. Urine normally will be collected under conditions of semi-privacy – that is, a person of the same gender will be in a position to observe obvious attempts to substitute or adulterate a urine sample. Collection of the urine sample may be directly observed by a person of the same gender, however, where the person supervising the collection believes an employee has tampered with an earlier urine sample or the employee has previously admitted violating this rule or has previously tested positive for drug use in violation in this rule.

4. A “split sample” method of collection will be utilized. (Under this method, the donor-employee’s specimen shall be poured from the collection container by collection site personnel into two (2) specimen bottles. Each bottle shall be processed according to Part 5 of this section.)
5. Urine samples will be sealed, labeled, and documented in accordance with the procedure of the drug testing company. Labeling, storage, and transportation of samples shall be performed so as reasonably to preclude the probability of erroneous identification, sample contamination, or sample adulteration.
6. Specimens will be checked for at least the following five substances:
  - a. Marijuana and related substances
  - b. Cocaine
  - c. Opiates
  - d. Amphetamines
  - e. Phencyclidine
7. Applicants and employees will have an opportunity to provide any information which they consider relevant to the test, including identification of currently used prescription or non-prescription drugs, or other relevant information.
8. Samples which initially result in a positive finding for drug use will be re-tested by the gas chromatography/mass spectrometry (GCMS) method. If the GCMS test results in a positive finding of drug use, and is verified by the Medical Review Officer, the written report of the Medical Review Officer shall be conclusive for all employment related purposes.
9. The Medical Review Officer normally will allow an employee whose drug test results have been confirmed as positive the opportunity to justify the result before the Medical Review Officer notifies the Cooperative of the test results. If the test of the first bottle is positive, an employee may request, within seventy-two (72) hours of the employee’s having actual notice that he/she tested positive, that the Medical Review Officer direct that the second bottle be tested by the laboratory for presence of the drug(s) for which a positive result was obtained in the test of the first bottle. (The Cooperative is not prohibited from transferring the employee to a non-hazardous position pending the results of the second test.) If the result of the second test is negative, the Medical Review Officer shall void the test.

D. Notice to Employees

The Cooperative shall attempt to distribute to all present employees a copy of this policy. Additional copies of this policy are available upon request. By continuing to work, the employee agrees that he/she will abide by the policy as a condition of employment.

E. Notice to Employer, State and Federal Grantor/Contracting Agencies & Law Enforcement Authorities

1. As a condition of employment, employees agree to notify the Cooperative within five (5) calendar days after any criminal conviction for the workplace manufacture, distribution, dispensation, possession, or use of illegal drugs and prescription drugs not prescribed for the individual employee's use. The Cooperative shall notify all state and federal grantors/contracting agencies of such employee convictions as required by the state and federal Drug Free Workplace Acts. "Conviction" means a finding of guilt, imposition of a sentence, a plea of no contest, or a plea of guilty.
2. The Cooperative shall notify law enforcement authorities whenever illegal drugs are found in the workplace.

F. Consequences of Violating this Policy

Violation of this policy will result in discipline up to and including discharge.

G. Coming Forward with Substance Abuse Problems

1. Employees who have substance abuse problems should report them to the Cooperative before being selected for test, and before the occurrence of an event which normally would result in testing. The Cooperative may then exercise its option to refer the employee to an Employee Assistance Program.
2. If an employee admits to a violation of this policy or tests positive for drugs in violation of this policy, and is permitted to remain an employee of the Cooperative, the employee will be discharged if he/she again either admits to a violation of this policy or tests positive for drugs in violation of this policy.

H. Confidentiality

Any drug test results or information supplied by employees and applicants as part of the Cooperative's drug testing program will be kept as confidential as possible, consistent with the purposes of this policy.

I. Testing Costs

The Cooperative will pay the costs of all drug tests to which the Cooperative requires an employee to submit.

J. Notification of Test Results

1. Applicants will be notified of the results of a pre-employment drug test, provided the applicant requests the results within 60 days of being notified of the disposition of the employment application.
2. Employees will be notified of the results (including the drug(s) discovered) of all drug tests, provided the results are positive.

## **DRUG FREE WORKPLACE**

- A. All employees of the Cooperative are prohibited from swallowing, inhaling, injecting, dealing in, or otherwise using illegal drugs and substances (such as marijuana, cocaine, LSD, heroin, etc.) and prescription drugs which are not prescribed for the employee's own use. This prohibition applies to use at any time, both on the job and off the job.
- B. While the Cooperative has no desire to intrude into the lawful conduct and in the private lives of its employees, it does expect employees to report for work in condition to perform their duties. Off-the-job, as well as on-the-job, involvement with drugs and alcohol can have an impact on the workplace and on the ability to accomplish the goal of an alcohol and drug-free work environment. Any involvement with illegal drugs can affect the confidence of the public and the government in the Cooperative's ability to meet its responsibility.
- C. The manufacture, distribution, dispensation, possession, or use of illegal drugs, narcotics of other controlled substances while on the job or in a Cooperative vehicle is a violation of this policy and will result in disciplinary action up to and including termination of employment. Any illegal drugs found will be turned over to the appropriate law enforcement agency.
- D. As a condition of employment, employees are required to agree to notify the Chief Executive Officer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such a conviction. The Cooperative is required to and will notify the Federal Contracting Agency within ten (10) days after receipt of such notice of conviction. Conviction" means a finding of guilt, imposition of a sentence, a plea of no contest, or a plea of guilty.

**PAID TIME OFF (PTO)** *(Revised December 13, 2022)*

All full-time employees are eligible for the provisions of this policy.

- A. PTO is accrued from January 1 through December 31 of each year. Accrual rates are as follows:

Employment Length	Annual Accrual	Pay Period Accrual
1 Year through 6 Years	17 days	5.24 Hours
7 Years through 13 Years	22 days	6.77 Hours
14 Years through 20 Years	27 days	8.31 Hours
21+ Years	30 days	9.24 Hours

- B. Employees may use PTO as follows:

1. No PTO may be taken in advance of earning.
2. PTO shall be paid at the rate of pay in effect when the PTO is taken.
3. Requests for PTO should be made at least two (2) weeks prior to the time PTO is to begin. PTO may be granted only if doing so does not impair the work of the Department. Where conflicts occur in scheduling PTO within a Department, seniority may prevail if both requests for PTO were made on the same date. The supervisor has the discretion to determine which request will be granted.
4. Use of PTO must be approved by the immediate supervisor and is subject to the Department Head's approval. Each Department Head is responsible for scheduling PTO for their department.
5. If a holiday falls within an employee's time off, the holiday will not be charged against the employee's PTO.
6. Each employee is expected to take at least five (5) days PTO each year except for those employees unable to schedule PTO due to the needs of the Cooperative as determined by Management. Employees who do not orchestrate time off are subject to Management's scheduling time off for these employees.
7. The following options are available for unused PTO.
  - a. Up to 80 hours of PTO may be purchased by the Cooperative annually. However, employee must retain a minimum balance of 80 hours at the time of the purchase.

- b. On December 31 of each year, up to (240 hours) of PTO may be carried over to the following year.
  - c. All unused PTO time in excess of the above two options will be converted to catastrophic leave.
8. Any PTO benefits due will be paid upon termination of an employee.

**HOLIDAYS** *(Revised December 13, 2022)*

- A. The following holidays will be observed:
1. New Years' Day
  2. Martin Luther King Day
  3. Good Friday
  4. Memorial Day
  5. Independence Day
  6. Labor Day
  7. Thanksgiving Day
  8. Friday after Thanksgiving
  9. Christmas Eve
  10. Christmas Day
- B. If a recognized holiday falls on Saturday, it shall be celebrated on Friday, and when it falls on Sunday, it shall be celebrated on Monday.
- C. Employees will be paid eight (8) hours of holiday pay at their regular rate. If a non-exempt employee is required to work on the holiday the employee will be paid the eight (8) hours holiday pay at their regular rate in addition to their regular work time. Exempt employees will not receive any additional pay.
- D. Employees will be disqualified from receiving holiday pay if absent on the last scheduled working day before or after such holiday, unless he/she has prior permission from his/her supervisor.

**LEAVE TIME** *(Revised December 13, 2022)*

A. Catastrophic Leave

1. Any sick leave accrued by an employee as of 12/31/2022 shall be converted to Catastrophic Leave as of 1/1/2023.
2. CAT Leave can only be used after five (5) consecutive days of absence due to illness or injury. A doctor's excuse must be submitted to obtain approval for use of CAT Leave; however, Management reserves the right to approve the use of CAT Leave for fewer than five (5) consecutive days.
  - a. Accumulated catastrophic or PTO leave used in conjunction with short term disability insurance may be applied to enable the employee to earn up to a maximum of 100% of the employee's basic salary/wages.
  - b. In the event worker's compensation is received for an absence while on CAT / PTO leave, the employee will return this compensation, in full, to the Cooperative, and the employee will be given credit on his/her CAT / PTO leave account in an appropriate amount of such returned compensation. An employee may not receive both CAT / PTO leave and worker's compensation.
  - c. No payment will be made for unused catastrophic leave while an employee is employed or upon retirement.
  - d. No payment will be made for unused catastrophic leave at termination, regardless of the circumstances of the termination.

B. Personal Leave of Absence

1. Personal leave of absence without pay for justifiable reasons and for periods not to exceed thirty (30) days may be granted upon application to and at the sole discretion of Management. An employee who desires a leave of absence must secure written permission stating the terms and conditions of such leave.
2. During the first thirty (30) days of leave in any calendar year, an employee shall maintain and continue to accrue seniority and benefits. During subsequent thirty (30) day periods of leave in any calendar year, the employee shall maintain any accrued seniority and benefits, but shall not continue to accrue.

C. Court Leave

1. An employee who is required to take leave to serve as a juror or other mandatory court duty will be excused from work for the required period of time.
2. Within a reasonable time, the employee will report back to work when not actually engaged in performing the duties described above.
3. All fringe benefits and pay will continue, with the exception that any pay received from court duty must be reimbursed to the Cooperative.

D. Voting

The Cooperative will grant any employee the necessary time to go to the polls and vote in any municipal, school, county, state, or national election if his/her duties on that day would prevent voting before or after regular working hours.

E. Military Leave

Employees are entitled to such leave of absence and reinstatement upon return from leave of absence for military service (including Reserve and National Guard duty) as may be provided by applicable state and federal law. The provisions of such laws change from time to time and for that reason no effort is made to set forth the law in this policy.

No vacation time or sick leave is accrued while the former employee is on active military duty. He/she will, however, be eligible to resume participation in these and all other applicable fringe benefits immediately upon return to work. At that time, the returning employee may accrue vacation and will be entitled to other benefits at the same rates as if he/she had never left the Cooperative.

## **TRAVEL AND OUT OF POCKET EXPENSES**

### A. Travel

1. Company owned or leased vehicles, with the exception of the Chief Executive Officer's vehicle, shall be used only for trips which are primarily for official business or authorized by the Chief Executive Officer. When a Company owned vehicle or leased vehicle is used for personal business it shall be at the expense of the individual.
2. Employees who use personal cars for official business shall be reimbursed for mileage at the rate currently approved by the Internal Revenue Service. Such reimbursement cannot exceed the cost of coach air fare by the direct route if plane service is available and practical.
3. Company credit cards will be issued only as authorized by the Chief Executive Officer. Such expenditures must be substantiated by the proper receipts and documentation.
4. Under no condition are personal expenses to be charged directly to The Cooperative. Such expenses must be paid directly by the employee.

### B. Reimbursement for Out-of-Pocket Expenses

1. Employees shall be reimbursed for all legitimate expenses incurred in the performance of official duties or for attendance at authorized meetings upon submission of a detailed expense account, with receipts attached as appropriate, and approval by the appropriate supervisor and Chief Executive Officer. A summary of employees' expenses will be submitted periodically to the Board for their review.
2. A spouse who accompanies an employee to a meeting may have his/her expenses paid by the Cooperative provided that the Chief Executive Officer has given approval in advance.
3. Employees may be issued a temporary cash advance to cover expenses incurred in the performance of official duties. Expenses exceeding the temporary advance will be reimbursed upon approval of the employee's expense account.
4. If a cash advance exceeds actual expenses, the employee will reimburse the Cooperative the difference upon submission of the expense account. Advances not immediately reimbursed may be deducted from the employee's paycheck.

### C. Work-Related Expenses

When the Cooperative requires an employee to work four (4) consecutive hours overtime within the Cooperative System, it shall reimburse the employee for actual meal expense up to a maximum of \$20.00 per meal. No more than three (3) meals will be reimbursed in a 24-hour period. Meal time will not be considered work time.

## **INSURANCE AND PENSION BENEFITS** *(Revised April 1, 2008)*

The provisions of this policy cover all full-time employees, part time employees who have worked 1,000 hours within the first twelve (12) consecutive months of employment or within a subsequent calendar year, and retired employees as specified hereinafter.

Participation in the Retirement and Security Plan and all insurance plans paid in full by the Cooperative is mandatory for all employees, except as provided by statutes and subject to the waiting periods established for each program and subject to the limitations set forth in specific insurance policies.

### A. Insurance Benefits

The Cooperative will pay 100% of the cost of the employee's insurance premium for the following employee benefits.

Please refer to the Summary Plan Description or the Benefits Department for details. The Summary Plan Description supersedes any descriptions below.

1. Medical, Dental and Vision Coverage: As outlined in the Summary Plan Descriptions. The Cooperative will pay fifty percent (50%) of the cost of dependent insurance premiums for active employees.
2. Short Term Disability: Employees are eligible for a benefit of two thirds (2/3) of their salary up to the insurance policy maximum per week as outlined in the terms of the Insurance Policy.
3. Long Term Disability: Employees are eligible for a monthly benefit of 50% of their base salary up to the insurance policy maximum amount per month as outlined in the terms of the Insurance Policy.
4. Basic Group Term Life and Accidental Death & Dismemberment Insurance:
  - a. Death Benefit equal to two (2) times annual basic earnings as outlined in the terms of the Insurance Policy.
  - b. Supplemental coverage is available at the employee's expense.
5. 24 Hour Accident Plan: As outlined in the Insurance Policy.
6. Business Travel Accident: As outlined in the Insurance Policy.

7. Retirement: For employees who have worked in any NRECA Cooperative System for twelve (12) years or longer and who have met the eligibility requirements of Coastal Electric Cooperative’s Retirement and Security Plan, the Cooperative will pay a limited, capped amount which will be determined by the Board of Trustees for any medical, dental or vision insurance coverage that was provided to the employee on his retirement date.

For those employees who were hired on or after January 1, 1993 and who wish to retire earlier than age 60, the following reduced benefit will apply.

<u>Retirement Age</u>	<u>Benefit Amount</u>	<u>Retirement Age</u>	<u>Benefit Amount</u>
51	10%	56	60%
52	20%	57	70%
53	30%	58	80%
54	40%	59	90%
55	50%	60	100%

For those employees who are hired on or after January 1, 2009, Coastal Electric Cooperative will make no contribution towards the cost of any medical, dental or vision coverage upon the employee’s retirement.

8. Additional Employee Life Insurance (Retired and Active): Coverage is based on job classification (retired vs. active status) and age as outlined in the Insurance Policy.
9. Worker’s Compensation.

B. Pension Benefits

1. Retirement & Security Program: Full-time active employees are eligible to retire at age 62 or upon the completion of thirty (30) years of benefit service as outlined in the Summary Description Plan. Reduced benefits are available for early retirement at age 55.
2. SelectRE Pension Plan (401-K): Full time active employees are eligible to participate in this money purchase pension plan with a salary deferral feature. Contributions, vesting and other information are explained in the Summary Description Plan.

C. The Benefits Department can furnish detailed information on the following additional insurance coverage that is available at the employee's cost.

1. Dependent Medical, Dental and Vision
2. Dependent Life
3. Retired Life
4. Intensive Care
5. Cancer
6. Accident
7. Specified Health Event
8. Hospital Confinement

## **TRAINING AND EDUCATIONAL ASSISTANCE**

- A. Any employee who wishes to further his/her education will be reimbursed for 100% of the cost of tuition, books, and other course related fees if the following conditions are met.
1. The course and cost must be approved in advance by the appropriate Department Head and, in turn, by the Chief Executive Officer. It must be a course which:
    - a. Increases the employee's professional effectiveness on the present job; or
    - b. Relates to a job to which the employee can reasonably aspire, and is in the best interest of the Cooperative; and
    - c. Is part of a high school completion program, a college degree program, or a course from an accredited institution or correspondence school.
  2. The course must be taken at an accredited institution of learning including accredited correspondence schools.
  3. The course must be accomplished during non-work hours without adversely affecting the employee's performance on the job.
  4. If the employee is receiving other benefits such as GI Bill or scholarships, the Cooperative will pay only the difference between the other benefits and full cost.
  5. The course must be completed with a grade no lower than a C.
- B. Fees for educational training required or requested by the Cooperative will be reimbursed in full.

## **UNIFORMS, TOOLS AND PRESCRIPTION GLASSES**

- A. Employees required to wear uniforms will be issued uniforms by the Cooperative. If the employee terminates after issuance, the uniforms shall be returned or their actual cost deducted from final wages.
- B. Foul weather gear as designated shall be provided initially and replaced upon turning in old or worn out set to the purchasing agent (maximum one (1) set per year). If the employee terminates with less than one (1) year service after issuance, the foul weather gear shall be returned or its cost deducted from the employee's final wages.
- C. One (1) pair of working boots will be furnished annually to employees requiring boots. Boots must be properly dielectrically rated and rated for impact/compression protection (current standard is ASTM F2413-05 PT and EH).
- D. Employees shall provide their own required hand tools as specified in and pertaining to the job of each employee's position description. The Cooperative will replace not more than one (1) each year of any such tools as are sufficiently worn or broken to require replacement as determined by the purchasing agent. The employee will furnish replacement for all such tools that are lost or stolen.
- E. Employees required to wear prescription glasses will be reimbursed for the cost of approved glasses meeting American National Standard Z87.1, Federal Register and the Occupational Safety and Health Administration.

## **CONFLICT OF INTEREST**

- A. Employees are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses, which obligates them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts, with the best interest of the Cooperative uppermost in mind. This does not prohibit the receiving of gifts or casual entertainment which meets all standards of ethical business conduct, and involves no element of concealment.
  
- B. The complete confidentiality of business information must be respected at all times. Employees are prohibited from knowingly disclosing such information to those who do not have the need to know, or to those whose interest may be adverse to the Cooperative; or in any way using such information for personal gain or advancement, to the detriment of the Cooperative, or to individually conduct negotiations or make contacts or inquiries on behalf of the Cooperative unless officially designated to do so.

## **NEPOTISM**

Immediate family members of the Cooperative's Chief Executive Officer shall not be hired by the Cooperative either on a temporary or permanent basis. The term "immediate family" means children or their spouse, husband, wife, brother, sister, or parents.

## **CONDUCT, DISCIPLINE, & TERMINATION OF EMPLOYMENT**

### A. Termination Initiated by the Employee

1. It is requested that a two (2) week written notice be given by the employee when possible. This will help in filling the position of the terminating employee and assist in a smooth transition.
2. Any Cooperative property in the possession of the employee must be accounted for.
3. Any indebtedness to the Cooperative must be repaid.

### B. Employee Conduct, Discipline & Termination Initiated by the Cooperative

As is the case with all organizations, instances arise when an employee must be reprimanded, suspended or discharged. When this happens, a supervisor should outline the circumstances involved and the action being taken. The supervisor must show the report (with the exception of oral warnings and terminations) to the employee for his/her signature with the understanding that this only acknowledges that the employee has seen the report. The employee's signature does not necessarily indicate agreement with the contents of the report or the action taken, nor does it prevent appealing the action. The employee must sign the report.

If the employee refuses to sign the report, he will be suspended from work without pay. If he/she does not sign the form by 5:00 p.m. at the end of his/her second full scheduled work day, he/she will be presumed to have quit his/her job.

#### 1. Types of Disciplinary Action

Disciplinary action which may be taken includes but is not limited to:

- a. Informal counseling
- b. Oral reprimand
- c. Written reprimand
- d. Suspension without pay
- e. Probation
- f. Demotion
- g. Dismissal

#### 2. Examples of Conduct Warranting Disciplinary Action

It is not possible to list all acts and omissions which may result in disciplinary action. The disciplinary action which is administered for any particular act or acts of misconduct rests at the sole discretion of the Cooperative subject to review by

way of the Employee Appeals/Grievance Procedure. The following list is merely a guideline of some of the more obvious types of misconduct which may result in disciplinary action.

- a. Conviction of or plea of guilty or no contest to a charge of theft, violation of drug laws, sexual misconduct, offense involving moral turpitude, or offense.
- b. Incompetence.
- c. Unauthorized absence.
- d. Insubordination, including disrespect for authority, or other conduct which tends to undermine authority.
- e. Failure or refusal to carry out instructions.
- f. Unauthorized possession or removal, misappropriation, destruction, theft or conversion of the Cooperative's property or the property of others.
- g. Violation of safety rules, neglect, or engaging in unsafe practices.
- h. Interference with the work of others.
- i. Threatening, coercing, or intimidating fellow employees.
- j. Dishonesty.
- k. Tardiness or absenteeism.
- l. Failure to provide information or falsification in information of school records.
- m. Failure to report personal injury or property damage.
- n. Neglect or carelessness.
- o. Introduction, possession, or use of illegal or unauthorized prescription drugs or intoxicating beverages while on duty anywhere; working while under the influence of illegal drugs or intoxicating beverages; or the off-the-job illegal use or possession of drugs. For purposes of this policy, an employee shall be determined to be "under the influence" if he/she has any detectable amount of any such substance in his/her system.
- p. Unsatisfactory performance.
- q. Violation of policies and procedures.

### 3. Employee Appeals/Grievance Procedure

- a. If an employee feels unfairly treated, he/she shall first take the appeal to their immediate supervisor, where every effort will be made to resolve the difficulty. The employee must speak with a supervisor within five [5] work days of the event.
- b. If the appeal cannot be resolved by their immediate supervisor, the employee can request a conference with the Department Head within five [5] work days of a decision by the supervisor.
- c. If efforts at these administrative levels do not result in the appeal being resolved, the employee may request the Chief Executive Officer to consider the appeal. If the appeal is presented to the Chief Executive Officer, the request must be in writing and must summarize the problem. The appeal must be filed within five [5] days of the response of the Department Head or within thirty [30] days of the event, whichever is earlier.

## **HIPAA POLICY FOR 125 PLAN**

### A. Statement of HIPAA Privacy Compliance Program

The Health Insurance Portability and Accountability Act (“HIPAA”) is a federal law enacted in 1996 and overseen by the U. S. Department of Health and Human Services (HHS). The privacy rules under HIPAA were created to ensure that health plans and other health care entities protect the privacy of individuals’ health care information. Coastal Electric Cooperative, Inc. (the Cooperative) will comply in all aspects with HIPAA and all HIPAA privacy rules.

This policy outlines the compliance plan the Cooperative has adopted in order to ensure compliance with the HIPAA privacy rules and all applicable state laws governing the privacy of health information.

### B. Plan’s Uses and Disclosure of Protected Health Information

The Cooperative will not use, disclose or request protected health information without participants’ valid authorization. The Privacy Officer or authorized designee may disclose protected health information in the following instances:

1. A threat to public health or safety
2. Abuse, neglect, or domestic violence
3. Public health activities
4. Health oversight activities
5. Pursuant to legal proceedings and law enforcement
6. Disclosures concerning decedents
7. Other government purposes
8. To the participant
9. To the Secretary of HHS
10. Another health plan of the participant

### C. Minimum Necessary Requirements

The Cooperative will use, disclose or request only the minimum amount of protected health information necessary in all situations. Exceptions:

1. With participant’s written authorization
2. Secretary of Health and Human Services
3. Federal regulations governing health information systems

D. Individual Authorizations for Certain Uses and Disclosures

The Cooperative will not use, disclose or request protected health information without participants' valid authorization, except for treatment, payment, health care operations, or as otherwise permitted by the Plan's policies and procedures in accordance with applicable law.

It is the policy of the Plan to treat an individual's Personal Representative as the individual with respect to the protected health information of the individual. The Personal Representative of an individual is a person who, under applicable state law, has the authority to act on behalf of the individual in making decisions related to health care.

E. No Consent to Use or Disclose Health Information for Plan's Payment or Health Care Operations

The Cooperative will not seek or obtain participants' consent when using or disclosing their protected health information in order to fulfill the Cooperative's payment and health care operations activities.

F. Disclosures of De-Identified Health Information

The Cooperative is allowed to disclose de-identified health information, which is information that does not, or cannot, identify an individual. The Cooperative may use protected health information to create de-identified health information and is permitted to share that information with business associates without authorization.

G. Disclosures of Limited Data Sets

The Cooperative is permitted to use or disclose a limited data set only for research, for reasons of public health or in order to accomplish its health care operations. Participants' protected health information may also be used by the Cooperative or by a business associate in order to create a limited data set. A limited data set excludes direct identifiers of the individual or of relatives, employers or household members of the participant.

H. Contracts with Business Associates

The Cooperative will not disclose protected health information to a business associate and will not allow a business associate to disclose protected health information on the Cooperative's behalf unless there is a written Business Associate Contract in effect.

I. Safeguarding Protected Health Information

The Cooperative will take every precaution necessary to ensure that Plan participants' protected health information is kept confidential. The Privacy Officer and other authorized employees are responsible for taking steps to secure protected health information.

All printed materials containing protected health information will be stored in a secure location when not in use. All electronic information containing protected health information will be password protected.

J. Administrative Requirements

HIPAA establishes specific administrative requirements that the Cooperative must adopt in order to ensure the confidentiality of participants' protected health information. These include appointing a Privacy Officer, providing authorized employees with the necessary training and establishing disciplinary procedures for any violations. Compliance will be investigated by the Privacy Officer.

K. Record Retention

The Cooperative must retain the following types of records for six years from the date of creation or when the records were last in effect:

1. Privacy policies and procedures
2. Authorizations and revocations
3. Training records
4. Designation of Privacy Officer
5. Complaints and related investigations and sanctions
6. Requests for restrictions on uses and disclosures
7. Uses and disclosures of protected health information subject to an accounting

L. Training of Employees on the Plan's Policies and Procedures with Respect to Protected Health Information, and Form of Employee Certification and Agreement of Compliance

The Cooperative recognizes that in order to comply with all aspects of HIPAA Privacy Rules, employees who are authorized and responsible for safeguarding protected health information will require training. All employees with access to protected health information will be trained on the HIPAA policies and procedures regarding protected health information that THE COOPERATIVE has adopted. Each training session will be documented and maintained by the Privacy Officer.

M. Mitigation of Harmful Effect of Improper Use or Disclosure

The Cooperative will make every effort to minimize or correct any harm caused by the improper use or disclosure of protected health information in violation of our policy. Information regarding any improper act by the Plan or any of its business associates shall be forwarded immediately to the Privacy Officer. Legal counsel will be notified as well.

N. Uses and Disclosures of Health Information for Marketing

The Cooperative will not use or disclose participants' protected health information for marketing purposes without first obtaining the participants' permission. "Marketing" means communicating information about the Cooperative's products or services designed to encourage recipients to purchase or use a particular product or service.

O. Confidential Communication Requirements

The Cooperative will accommodate all reasonable requests from participants to receive protected health information by alternative means or at alternative locations if disclosing protected health information in the usual method could endanger a participant.

P. Individual Right of Access to Protected Health Information

Cooperative participants have the right to obtain and inspect copies of protected health information that the Cooperative maintains on behalf of the participant. Such information includes information regarding enrollment, payments, claims adjudication, case or medical management records and any other records used in whole or in part by the Cooperative that the plan uses to make decisions about the individual.

Q. Right of Individual to Request Restrictions on Uses and Disclosures

The Cooperative will consider participants' requests to restrict the use or disclosure of their protected health information to carry out payment or health care operations and disclosure of their protected health information to a family member or friend.

R. Amendment of Protected Health Information

The Cooperative recognizes the participants' right to request that their protected health information or a designated record set including their protected health information be amended in certain circumstances.

S. Accounting of Disclosures of Protected Health Information

The Cooperative, with limited exceptions, will give participants a statement of all disclosures of their protected health information in the six years prior to the request.

T. Review and Resolution of Complaints

Participants in the Cooperative Plan have the right to make complaints about the Plan's compliance with HIPAA policies and procedures. All privacy complaints should be forwarded to the Privacy Officer as follows:

Coastal Electric Cooperative, Inc.  
Privacy Officer  
2269 Jefferies Highway  
Walterboro, SC 29488

Complaints will be investigated within thirty (30) days of receipt and a written response will be sent to the participant within sixty (60) days.

**SECONDARY EMPLOYMENT** *(Revised 06/24/08)*

- A. All full-time employees are employed on the assumption that Coastal Electric Cooperative, Inc. is their primary employer and that any other employment is secondary.
- B. Employees, whether full-time, part-time or temporary may not perform electrical work for any person or company when compensation is received. Under no circumstances may an employee or Coastal Electric Cooperative, Inc. use Cooperative property, (tools, equipment, uniforms, vehicles, etc.) in conducting secondary employment services.
- C. Coastal Electric Cooperative, Inc. is not liable for any injury or damage sustained or caused by Coastal Electric Cooperative, Inc. employees while engaged in secondary employment services or while engaged in personal activities.

## **ETHICS AND CONFLICTS OF INTEREST IN OUTSIDE BUSINESS AND RELATED ACTIVITIES** *(Adopted 07-21-09)*

- A. The Cooperative recognizes that situations may arise when employees, including management and executive employees, wish to be involved in non-Cooperative business activities. Examples of such activities may include, but are not limited to: membership on boards of other companies; an active interest in the ownership and management, in whole or in part, of other companies; serving as independent consultants, and so forth.
- B. While the Cooperative does not want to be unduly restrictive in this regard, it expects that outside activities will not in any way either detract from the employee's performance or effectiveness or create a conflict of interest. Therefore, no employee shall place himself/herself into a non-Cooperative business relationship, investment, or other activity where his/her actions are not in the best interests of the Cooperative or could reasonably be interpreted as not in the best interests of the Cooperative unless written approval has been obtained after full disclosure to the Chief Executive Officer or to the Chairman of the Board.
- C. The use of discretion and good judgment will help an employee avoid conflicts of interest. The following rules must also be followed.
1. Outside activities must not be in conflict with the employee's job responsibilities at the Cooperative or the best interests of the Cooperative. If the non-Cooperative activity involves a company in a vendor relationship with the Cooperative, the employee policy entitled "Ethics and Conflicts of Interest in Relationships with Vendors" must be followed. Non-Cooperative activities must also be in accordance with the employee policy entitled "Secondary Employment."
  2. Non-Cooperative activities must not interfere with the employee's duties and responsibilities as a Cooperative employee.
  3. Non-Cooperative business activities must not be conducted during the Cooperative's regular work hours.
- D. Employees are expected to exercise discretion and good judgment in determining whether ethics and/or conflict of interest issues arise as a result of their non-Cooperative business activities. Whenever there is any question as to a possible conflict, employees should submit written details of proposed non-Cooperative business activities through their supervisor to the Chief Executive Officer or to the Board Chairman before becoming involved in the activity. Approval of such activity must not be assumed. An employee should refrain from engaging in the business or non-Cooperative activity until a final decision is made by the Cooperative.
- E. This policy does not apply to activities, memberships, officerships, or directorates in other electric cooperative organizations, whether national, state, or local.

## **ETHICS AND CONFLICTS OF INTEREST IN RELATIONSHIPS WITH VENDORS** *(Adopted 07-21-09)*

- A. No employee shall place himself/herself into a situation or a relationship with a vendor where his/her actions are not in the best interest of the Cooperative, or could reasonably be interpreted as not being in the best interests of the Cooperative without written approval from the Chief Executive Officer, following full disclosure.
- B. Possible conflicts of interest should be discussed with the employee's supervisor. If the supervisor is unable to determine if a conflict exists, or if the supervisor determines that a conflict exists, the conflict shall be disclosed promptly, in writing, to the Chief Executive Officer.
- C. Employees' Outside Business Interests
- Possible conflicts of interest relating to an employee's outside business interests include but are not limited to:
1. ownership, including ownership of stock, in whole or in part, either directly or through a relative or agent, of vendor companies;
  2. relatives employed by or owning vendor companies. (The nature of the relationship between individuals and the position of the relative with the vendor company can influence the extent of any possible conflict of interest. Reporting such relationships to the employee's manager will permit a proper evaluation of the facts.);
  3. direct employment or retention as a consultant by any vendor company; and
  4. officerships and directorates in vendor companies. (Officerships or directorates in national, statewide, material supply, or service cooperatives is excluded.)
- D. Employees or Former Employees as Vendors or Subcontractors
1. Purchase orders and subcontracts may not be awarded to an employee of the Cooperative or to a partnership or corporation in which an employee is a principal or major stockholder.
  2. Business should not be transacted with former Cooperative employees who are operating in a sales capacity or as a principal in a business until one year has elapsed since termination of their employment with the Cooperative.
  3. Deviations from this policy must be approved by the Chief Executive Officer.

E. Gifts, Favors, and Entertainment

It is the policy of the Cooperative that gifts, favors, and excessive entertainment have no place in the conduct of business and should be discouraged. Accordingly, Cooperative personnel are expected to:

1. adopt the Cooperative policy as their own and make this policy known by their actions, communications, and deeds; and
2. courteously decline or return any gift, favor, or offer of excessive entertainment. It is recognized that it is common trade practice to offer advertising novelties of insignificant value (pencils, pens, cigarette lighters, and the like). These advertising novelties are acceptable. Whether or not an item can be considered an advertising novelty depends on the degree of prominence in which the vendor's name or trademark is displayed and the value of the item. Tickets for baseball, basketball, and football games and all other forms of entertainment may be accepted, if not excessive. A perishable gift, if it is excessive, may be contributed to a charitable organization in the name of the supplier. The supplier should receive written notification of the donation.

F. Business Meals

Business oriented luncheon and dinner engagements with suppliers are discouraged. If an employee does participate in a lunch or dinner engagement with a supplier, the engagement should be conducted in a manner so that the employee does not feel obligated to the supplier as a result of accepting business gifts or entertainment.

1. As a general rule, luncheon and dinner engagements with vendors should be avoided. The Cooperative recognizes, however, that it is sometimes courteous and appropriate for employees to have lunch with suppliers during meetings with them that extend through the noon hour. Employees are advised that only in extremely rare circumstances will evening business meetings and/or dinner engagements with suppliers be considered in the best interest of the Cooperative.
2. To establish the proper environment for the conduct of the Cooperative's business, meals occurring in the local area of the Cooperative should be paid for by the employee and are reimbursable as a normal expense account item subject to approvals and limitations as may be required by policy. An employee may accept lunch and dinner invitations while a guest in a supplier facility, when on other occasions the supplier has accepted similar invitations from the Cooperative while a guest at the Cooperative's facility.
3. In order to maintain an appropriate business atmosphere and to ensure attention to the best interests of the Cooperative, inappropriate use of alcoholic beverages is to be avoided.

G. Financial Dealings with Suppliers

Employees must avoid any financial dealings, direct or indirect, with suppliers or their representatives, including but not limited to:

1. loans;
2. gambling or participating in contests;
3. investment in supplier companies;
4. use of real or personal property of a vendor, vendor's employee, or vendor's representative; and
5. business or investment dealings with a vendor, vendor's employee, or vendor's representative, such as joint ownership of investment real estate, joint ownership of other companies, and so forth.

H. Trips to Vendor Facilities

Suppliers should not be permitted to pay for hotel and travel expenses of Cooperative employees.

I. When appropriate, the provisions of this policy shall apply to members of the Board.

## **MAINTENANCE AND DESTRUCTION OF PERSONNEL RECORDS** *(Adopted 07-21-09)*

The Cooperative shall retain, preserve and destroy personnel and employment-related records according to the following record retention schedule, except to the extent that further record preservation is required under a Document Hold Notice:

### A. Recruitment

#### 1. Advertisements:

- a. Job postings and advertisements for job vacancies shall be retained for two (2) years following the selection of a candidate.
- b. Job postings and advertisements shall be placed in a separate file at the conclusion of the selection process. The file shall be conspicuously marked for destruction after the end of the two (2) year period.

#### 2. Applications and Resumes:

- a. Except as provided herein, the Cooperative shall retain applications and resumes for a period of one (1) year following a selection for the vacancy. Application forms shall indicate that applications and resumes will be destroyed after twelve (12) months. Unsolicited applications and resumes shall be returned to the sender immediately or destroyed without notice.
- b. The applications and resumes of non-selected candidates shall be placed in a separate file at the conclusion of the selection process. The file shall be conspicuously marked and dated for destruction after one (1) year.
- c. In the event of a legal challenge to any selection decision, all files relating to the subject position or job category, regardless of date, shall be immediately secured and retained pending further instruction from the Cooperative's general counsel.

### B. Personnel Files

1. The application and/or resume of the selected candidate shall be placed in the new employee's personnel file and retained for the life of the file.
2. Performance reviews and disciplinary records shall be placed in the personnel file. Performance and disciplinary records shall be maintained for a period of ten (10) years.
3. Upon separation of an employee, the personnel file shall be conspicuously marked for destruction five (5) years following the date of separation.

4. In the event of any legal challenge by an employee, the entire personnel file and all other records relating to the employee shall be immediately secured and retained for delivery to the Cooperative's general counsel.

C. I-9 Forms

1. The Cooperative shall maintain and preserve I-9 forms in a separate I-9 file.
2. The Cooperative shall destroy I-9 forms three (3) years after the date of hire or one (1) year after the date of termination, whichever is later.

D. Payroll

1. General payroll records shall be preserved for a period of three (3) years following the date of creating the record.
2. Any records necessary for determining retirement benefits shall be preserved for at least six (6) years following date of lump sum distribution or separation of employment, whichever is later.
3. Specific payroll records shall be preserved indefinitely to the extent they could be necessary for establishing or confirming eligibility for pension benefits, or otherwise calculating the employees' levels of benefits under such Plans.

E. Employee Benefits

1. Except as provided in Section D(3), above, employee benefit records for individual employees shall be maintained for the duration of employment, plus three (3) years.
2. Plan documents shall be maintained for the life of the Plan, plus three (3) years.

F. Medical, Worker Injury and Exposure Records

1. All general medical records shall be maintained separately from personnel files. The medical records file shall be conspicuously marked for destruction three (3) years following the date of separation, subject to the specific requirements below.
2. As required by 29 C.F.R. 1910.1020, records of employee exposure to hazardous substances shall be maintained for the duration of employment, plus thirty (30) years.
3. Reports of work-related injury shall be maintained for a period of five (5) years following the date of the incident.
4. In the event of a claim against the Cooperative's workers' compensation policy, record maintenance and disposal shall be coordinated with the Cooperative's insurance carrier.

G. Drug and Alcohol Tests

Drug and alcohol testing records, including records relating to the Cooperative's drug and alcohol testing for commercial drivers, shall be maintained for five (5) years from the date the record was created.

## **WHISTLEBLOWER PROTECTION** *(Adopted 07-21-09)*

- A. This policy will provide specific procedures for employees to file complaints or concerns regarding reasonable suspicions of misconduct involving accounting, internal accounting controls, auditing matters, illegal activities and/or conflicts of interest; and to protect employees engaged in whistleblower activities from retaliation and/or discrimination.
- B. Employees shall report genuine concerns of misconduct involving accounting, internal accounting controls, auditing matters, illegal activities, and/or conflicts of interest to the Board of Trustees utilizing the procedures set out in this policy. The Cooperative prohibits retaliation and discrimination against employees who file reports in good faith, as set out in this policy.
- C. Complaints or concerns must be submitted using one of the procedures set out below, and may be submitted anonymously.
  - 1. Employees may submit their concerns in writing to the Chief Executive Officer, who will then forward the complaint to the Board of Trustees. Complaints filed in this manner should be submitted in a sealed envelope labeled, "CONFIDENTIAL -- To be opened by the Chairman of the Board of Trustees"; or
  - 2. Employees may submit their concerns in writing to the Cooperative's General Counsel. The Cooperative's General Counsel will forward the concerns to the Chairman of the Board of Trustees; or
  - 3. Employees may direct concerns to the Chairman of the Cooperative's Board of Trustees via mail or overnight delivery.
- D. Upon receipt of a complaint made in good faith, the Board of Trustees shall investigate the matter and take appropriate corrective action, if necessary. The Trustees shall make reasonable efforts to protect the confidentiality and anonymity of the complainant. The Board of Trustees shall retain all such complaints and concerns for a minimum of seven (7) years.
- E. The Cooperative prohibits retaliation and discrimination against any employee who provides information concerning suspected fraud or who files a complaint or concern in good faith pursuant to this policy. Furthermore, no employee shall be adversely affected because he/she refuses or fails to carry out a directive that constitutes fraud, or is a violation of state or federal law.
- F. Day-to-day suggestions, corrections and adjustments shall be directed through internal channels.