

Policy Number: 206

Policy Name: Whistleblower Policy

Approval Date: January 29, 2009

Revision/Review Date: October 22, 2015

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I. Purpose

To ensure that Clay Electric Cooperative, Inc. maintains an effective, easy-to-use mechanism for employees, members and other third party individuals to raise concerns regarding potentially unlawful or unethical behavior within the organization and protect against retaliation of the whistleblower. This policy is not intended to replace the complaint procedure which is available to address job related grievances or concerns.

II. Policy

It is the Cooperative's policy that no retaliation shall occur against any employee, member or other third party ("Whistleblower") who reports a concern about potentially unlawful or unethical conduct. Each employee has an obligation to report in accordance with this Whistleblower Policy: (a) questionable or improper accounting or auditing inconsistencies, (b) suspected unlawful or unethical conduct, and (c) suspected violations of Cooperative policy (collectively referred to as "Suspected Violations" from this point forward).

A. No Retaliation

This policy is intended to encourage and enable employees to raise Suspected Violations for prompt internal investigation and appropriate action. **No employee who in good faith reports a Suspected Violation shall be subject to retaliation in any form for making this report.** An employee who retaliates against someone who has made a good faith report is subject to discipline up to and including termination of employment.

B. Reporting Suspected Violations

1. In most cases, employees should first discuss **the** Suspected Violation with their immediate supervisor. If, after speaking with the immediate supervisor, the Whistleblower continues to have reasonable grounds to believe the Suspected Violation is valid, the Whistleblowers should then report the Suspected Violation (in writing or orally) to the Director of Internal Audit.
2. If the supervisor is a subject of the Suspected Violation, or if the Whistleblower is uncomfortable speaking with the immediate supervisor for any reason, the Whistleblower should report the

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Suspected Violation to the Director of Internal Audit. If the General Manager/CEO is the subject of the Suspected Violation, the Suspected Violation should be reported to the Cooperative's Attorney or the Board President.

3. Suspected Violations should be reported to the Director of Internal Audit who will inform the General Manager/CEO, and will direct the investigation of the Suspected Violation:
 - Suspected Violations regarding auditing and accounting matters should be reported to the Director of Finance and Administrative Services.
 - Suspected Violations regarding a potential **improper** human resource issue should be reported to the Director of Human Resources.
 - Suspected Violations regarding an unsafe workplace condition should be reported to the Director of Human Resources.
4. A member of the Board of Trustees, Cooperative member, vendor or supplier or any third party may make a good faith report of a Suspected Violation to the Cooperative's attorney.

C. Handling of Reported Suspected Violations

1. Investigation Procedure: All Suspected Violations will be dealt with promptly and in a manner intended to protect confidentiality, consistent with the need to conduct a full and fair investigation.
 - Suspected Violation Not Involving the General Manager/CEO: Following a preliminary assessment, if the individual initially receiving the Suspected Violation believes the Suspected Violation warrants further investigation, then the Director of Internal Audit shall be responsible for investigating the Suspected Violation and reporting the results of this further investigation to the referring supervisor, or to a higher level management or to the General Manager/CEO as appropriate. If the investigation indicates that there has been, or likely has been a violation of law, accounting or audit standards, then the individual who receives the report of the results of the investigation shall consult with the General Manager/CEO,

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Corporate Attorney or Director of Internal Audit, to determine the appropriate follow-up action.

- Violations Involving the General Manager/CEO: If the General Manager/CEO is the subject of suspected violation, the Cooperative's Attorney or Board President who initially receives the Suspected Violation, shall conduct a preliminary assessment. If the preliminary assessment reveals that the Suspected Violation warrants further investigation, the Cooperative's Board President will then report to the full Board, engage the Cooperative's attorney to further investigate the Suspected Violation and report back to the Board on the results of the investigation for appropriate follow-up action and conclusion.
2. Follow-up with Whistleblower: The Whistleblower will be informed of the progress and/or outcome of the investigation unless: (1) the Whistleblower indicates their preference not to be informed, (2) this would be detrimental to the Whistleblower, Cooperative or the investigation, or (3) there are other, sound reasons not to inform the Whistleblower. The Director of Internal Audit, Attorney or Board President responsible for the investigation is also responsible for determining whether follow-up with the Whistleblower would be detrimental or whether other reasons exist not to inform the Whistleblower. The applicable individual would also be responsible for informing the Whistleblower when the Suspected Violation has been settled or closed.
 3. Cooperation: All employees are required to cooperate in the investigation, which may include steps such as personal interviews and requests for and review of documents. Employees must not discuss the investigation, including any interviews or document requests, with anyone, except their own legal counsel, unless specifically instructed that they may do so.

D. Acting in Good Faith

Anyone who reports false or malicious Suspected Violations, or who makes such reports with reckless disregard for the truth, as opposed to reporting which, even if erroneous or unsubstantiated, are made of good faith based upon a reasonable belief in the truth and accuracy of such information, shall be subject to appropriate disciplinary action.

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E. Confidentiality

Reports of Suspected Violations, and any investigations regarding Suspected Violations, shall be kept confidential to the extent possible and lawful, consistent with the need to conduct an adequate investigation.

III. Responsibility

The General Manager/CEO, along with the Board President, shall ensure that this policy is implemented. It is the responsibility of all Trustees, officers and employees to comply with this policy and report Suspected Violations in accordance with this policy. The Board of Trustees shall review this policy periodically.