

BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION

Policy Statement Number: **2-6B**

SUBJECT: **Conflict of Interest**

I. OBJECTIVES

- A. To provide general guidance to Board members and officers in the performance of their duties and responsibilities for the Cooperative to assure the necessary high standards of integrity, impartiality, and conduct necessary for maintaining public confidence in the operations of the Cooperative. Officers and employees are also subject to the Operational Policy pertaining to business ethics.
- B. To assure compliance by Board members and Director candidates with Section 3.02 and 3.08 of the Bylaws of the Cooperative relating to a Director's business and financial interests.

II. POLICY CONTENT

The Board of Directors of Blue Ridge Electric Membership Corporation, hereinafter referred to as the Cooperative, has resolved that the statements contained in the following paragraphs will serve as a guide to the members of the Board of Directors and to the Chief Executive Officer in the management of the affairs of the Cooperative. Compliance with this policy is a condition for serving as a Board member.

- A. Use of Office of Director: A Director shall refrain from any use of the office of Director which is motivated by, or gives the appearance of being motivated by, the desire for private gain for the Director or other persons or organizations with which he or she is associated.
- B. Use of Information: A Director shall refrain from any use of inside information for private gain, either by direct action or by counsel, recommendations or suggestions to other persons or organizations with which he or she is associated.
- C. Gain from Beneficiary Organizations: A Director shall not accept or solicit anything of material value as a gift, gratuity, loan or favor for himself or herself or any other persons or organizations with which the Director is associated from an organization, business or person conducting or seeking to conduct business with the Cooperative, its subsidiaries or the Foundation, or seeking a grant, loan, donation or contribution from the Cooperative, its subsidiaries or the Foundation.
- D. Decisions Which Pose a Conflict of Interest: A Director shall disqualify himself or herself from decisions and from deliberations of the Board on issues which pose a conflict of interest or the appearance of a conflict of interest. If necessary, the Director may request an opinion of the general counsel for the Cooperative before such action is taken.
- E. Financial Interests and Positions: Director candidates, Directors-elect and Directors shall complete and provide General Counsel a certificate that the Director is in compliance with the provisions of Article III, Section 3.02 of the Bylaws and Policy Statement 2-6B and 2-6B1. Such certificate shall be in form acceptable to the Corporation and shall be filed prior to election of Director at each Annual Meeting.

If at any time a Director has a conflict of interest or potential conflict of interest with the Corporation, the Director shall notify General Counsel and make disclosure of the conflict or potential conflict. Such disclosure shall be in form acceptable to the Corporation, and shall be confidential.

- F. Business Ethics: The Chief Executive Officer shall develop a policy on Business Ethics which will set forth the intent of the Board with regard to conduct of employees in maintaining high standards of integrity, impartiality, and conduct necessary to maintaining member and public confidence in the Cooperative.

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III. RESPONSIBILITY

- A. Chief Executive Officer: It is the Chief Executive Officer's responsibility to provide assistance to the Board of Directors to assure compliance with this policy and to develop appropriate management policy relating to conflict of interest for guidance of employees.
- B. General Counsel: It is the responsibility of the Cooperative's General Counsel to give advice and counsel to the Nominating Committee and/or the Credentials and Election Committee regarding director candidate compliance with this policy and give advice and counsel to the Board members regarding Directors' or Directors' elect compliance with this policy.
- C. Board of Directors: It is the responsibility of the Board of Directors to review compliance with this policy and counsel with any Director as the situation requires. The Board shall also act to change the policy as necessary.

APPLICATION OF POLICY

Blue Ridge Electric Membership Corporation reserves the right, in its sole discretion, to interpret, deviate from, amend, modify, reduce or eliminate all or any aspect of this policy at any time.

This policy will be modified as necessary, to comply with applicable federal, state and/or local laws.

Date Adopted: April 17, 1982

Dates Revised: 3/87, 3/89, 3/91, 3/94, 3/97, 9/10, 9/11, 10/16