

<b>Subject:</b>	<b>Directors Duties and Standards of Conduct</b>		
<b>Policy No.:</b>	<b>D-1</b>		
<b>Original Issue Date:</b>	<b>Review Requirement:</b>	<b>Date of Last Review:</b>	<b>Date Last Revised:</b>
<b>January 1, 2003</b>	1 year	March 14, 2024	March 14, 2024
<b>Previous Revisions:</b>	05/24/2006, 08/22/2007, 02/13/2014, 07/10/2014, 12/10/2020, 02/09/2023		

**I. OBJECTIVE**

To explain the fiduciary duties of Directors and to clarify the standards of conduct for which they will be held accountable when serving on the Board.

All of the powers of the Cooperative are conferred upon and may be exercised by the Board of Directors, except as reserved to or conferred upon the members by law, the Articles of Incorporation, or the Bylaws. It is the purpose of this policy to identify or establish standards whereby such power may be exercised in the best interests of the Cooperative.

**II. POLICY**

A. Legal Duties

Colorado law requires that each Director shall discharge the Director’s duties as a director, including the Director’s duties as a member of a committee:

1. In good faith;
2. With the care of an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the director reasonably believes to be in the best interest of the Cooperative.

Pursuant to these three requirements, Colorado law imposes specific fiduciary duties that the Directors must follow. The Cooperative’s attorney shall make a presentation to the Board at least once each year instructing the Board on these fiduciary duties.

B. Conduct with Respect to Fellow Directors

All Directors shall:

1. Demonstrate mutual respect for other Directors;
2. Allow opportunity for every other Director to be heard on any matter being considered by the Board;
3. Abstain from revealing to persons other than Directors, the General Manager or the Cooperative’s Attorney any differences of positions among the

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Directors on matters considered and acted upon by the Board. (This standard does not preclude fair and accurate publications of such differences to the Cooperative's members in relation to contests for Director elections or other matters to be voted upon by the members.)

#### **C. Director Access to Cooperative Information**

Any Director is entitled to have access to Cooperative data or information, at reasonable times during the business hours for a proper purpose that is germane to his or her standing as a member or Director. This principle is subject to the following:

1. All requests for information shall be made through the General Manager. In no case shall such information be sought through other employees, agents, or independent contractors (unless after consultation with and being advised by the Cooperative's Attorney because an actual or potential criminal activity of the General Manager is involved).
2. In any instance in which a Director has sought access to information not generally made available or reported to the Board, the General Manager shall report on this at the next meeting of the Board.
3. Confidential information received by a Director pursuant to this policy shall not be revealed by him or her to any other persons (the remaining Directors, General Manager and Cooperative Attorney excepted) unless he or she is sincerely and reasonably convinced that he or she is compelled to do so by applicable law.
4. In no case should a Director reveal to others information and data he or she receives if the actual or potential effect of such revelation is to damage the Cooperative, including its image, or to enable himself or herself and/or others to personally profit therefrom.

#### **D. Good Faith and Fair Play**

Every Director shall deal in good faith and fair play with every other Director and the General Manager in expressing his or her views, questions and concerns relating to cooperative policies, rates, and programs. Good faith and fair play require:

1. All Directors should reveal all information or interests which they may have and that may bear upon action being considered by the Cooperative.

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2. That Directors will not pursue a position, inquiry, or motion which unduly harasses or annoys other Directors, the General Manager, employees, or independent contractors.
3. Director communications with employees other than the General Manager shall be casual and conducted on a courteous basis, but not for the purpose of influencing an employee's position or attitude concerning his/her Cooperative-related activities or for the purpose of directing the work of an employee.

#### **E. Meeting Conduct**

Regardless of the personal relations and differences of the Board Members, they should respect each other at all times including:

1. Each Board Member should allow ample opportunity for every other Board Member to be heard on any matter being considered by the Board and listen carefully to the judgmental views as well as the factual observations of the other Board Members.
2. Unless the Board Member feels he/she must do so because of a compelling and overriding concern for the best interests of the Cooperative, no Board Member should reveal to any person, other than other Board Members, the General Manager, or the Cooperative Attorney, his/her judgment or opinion of the basis for any difference of position of other Board Members on matters considered and acted upon by the Board. This standard will apply to informal as well as formal communications.

#### **F. Meeting in Executive Session**

No Board Member shall reveal to any person, other than other Board Members during executive session, the General Manager or the Cooperative Attorney, the content of any documents considered or discussion held during an executive session of the Board. Notwithstanding the foregoing, a Board Member may disclose such information if, upon the advice of Board Member's legal counsel, such disclosure is required by law and the disclosure is limited in scope to only the information and recipients necessary to comply with said law.

#### **G. Policy Implementation**

1. All candidates, nominees, or appointees to the Board shall receive a copy of this policy and attest by their signatures to having received the policy.

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2. Mountain Parks Electric, Inc. legal counsel shall review this policy with the Board on an annual basis and inform the Board that personal liability may result from violations.
3. The President of the Board shall ensure that this policy is followed.

### **III. RESPONSIBILITY**

The Board of Directors will be responsible for the administration and compliance of this policy except, as otherwise provided for herein, where it will be the responsibility of the General Manager or Cooperative Attorney.

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*Liz McIntyre*