

Policy Number: D-1

Subject: Director's Duties and Standards of Conduct

Review Requirement: 1 year

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Previous Revisions: 05/24/2006, 08/22/2007, 02/13/2014, 07/10/2014, 12/10/2020, 02/09/2024, 03/13/2025

I. OBJECTIVE

To identify the fiduciary duties of Directors and to clarify the standards of conduct for which each Director will be held accountable when serving on the Board of Mountain Parks Electric, Inc. (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;
3. In a manner the Director reasonably believes to be in the best interest of the Cooperative; and
4. With loyalty toward the corporation.

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

Each Director shall:

1. Demonstrate respect for all other Directors;
2. Allow opportunity for every other Director to be heard on any matter being considered by the Board;

3. Outside of board meetings, Directors shall abstain from disclosing to persons other than Directors, the Chief Executive Officer or the Cooperative's Attorney any confidential differences of positions among the Directors on matters considered and/or acted upon by the Board. Directors may disclose such differences during an executive session held during a meeting of the Board of Directors. With respect to all other differences of positions among the Directors on matters considered and/or acted upon by the Board, such disclosures may only be made with the highest fidelity, without misrepresentation, and never in a manner that conflicts with official Cooperative records of such discussions or violates the Director's fiduciary duty to the Cooperative.

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 CEO. In no case shall such information be sought through other employees, agents, or independent contractors, provided the Board President or Cooperative Attorney may seek such information from sources other than the CEO for issues related to the CEO and subject to the Cooperative's Whistleblower Policy.
2. In instances in which a Director has sought access to information not generally made available or reported to the Board, the CEO may report on this at the next meeting of the Board.
3. Confidential Information as defined in Policy B-8, including information received by a Director pursuant to this Policy D-1, shall not be revealed by him or her to any other persons (the remaining Directors, CEO 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

1. Every Director shall deal in good faith with every other Director and the CEO in expressing his or her views, questions and concerns relating to Cooperative policies, rates, and programs. Good faith requires all Directors should reveal all information or interests which they may have and that may bear upon action being considered by the Cooperative.

E. Administration

1. The Cooperative's Attorney shall review this policy with the Board on an annual basis and inform the Board that personal liability may result from violations.
2. 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 CEO or Cooperative Attorney.

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 12, 2026