

**Policy Number: D-3**

**Subject: Conflicts of Interest**

**Review Requirement: 1 year**

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**Date of Last Review: June 11, 2026**

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**Previous Revisions: 02/13/2014, 02/11/2021, 03/09/2023, 03/14/2024, 06/12/2025**

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**I. OBJECTIVE**

To provide general guidance to the Board Members, Chief Executive Officer (“CEO”), and other key employees in the performance of their duties and responsibilities for Mountain Parks Electric, Inc., (the “Cooperative”), to assure the high standards of integrity, impartiality, and conduct necessary for maintaining public confidence in the operations of the Cooperative. Each Director, Officer, and Key Employee of the Cooperative (the “Official(s)”) must comply with this Policy and applicable law.

**II. DEFINITIONS**

As used in this Policy, and unless the context requires otherwise:

- A. Board means the Mountain Parks Electric, Inc. Board of Directors.
- B. Business Opportunity means an opportunity to engage in a business activity, other than an opportunity offered to all similarly situated Cooperative members, of which:
  - 1. An Official becomes aware in connection with performing the Official’s Cooperative functions; under circumstances reasonably indicating that the opportunity was expected to be offered to the Cooperative or a Subsidiary; or through using the Cooperative or Subsidiary information or property if the Official should reasonably expect the opportunity to interest the Cooperative or the Subsidiary; or
  - 2. An Official becomes aware of said opportunity and knows said opportunity is related to a business in which the Cooperative or a Subsidiary is engaged or expects to engage.
- C. Conflicting Interest Transaction means a transaction or proposed transaction by the Cooperative or a Subsidiary, other than the payment of the Official’s compensation or provision of the Official’s benefits, and other than a transaction offered to all similarly situated Cooperative members:
  - 1. To which an Official is a party; or

2. For which, at the time the Board considers the transaction, or at the time the Cooperative or the Subsidiary becomes legally obligated regarding the transaction, an Official had knowledge and a Material Financial Interest known to the Official, or an Official knew that a Related Person was a party or had a Material Financial Interest.

D. Control or Controlled means:

1. Having the direct or indirect power, through ownership or shares or interests, by contract, or otherwise, to elect or remove a majority of an entity's governing body;
2. Being subject to a majority of the risk of loss from an entity's activities; or
3. Being entitled to receive a majority of an entity's residual returns.

E. Cooperative means Mountain Parks Electric, Inc.

F. Director means a member of the Board.

G. Disinterested Director means a Director who, at the time the Board acts regarding income, employment, competition, a Conflicting Interest Transaction, or a Business Opportunity:

1. Is not associated with the income, employment, or compensation; is not engaged in the Conflicting Interest Transaction; and is not taking advantage of the Business Opportunity; and
2. Does not have a relationship with an Official associated with the income, employment, or compensation; engaged in the Conflicting Interest Transaction, or taking advantage of the Business Opportunity, which relationship would reasonably be expected to impair the objectivity of the Director's judgement regarding the income, employment, competition, Conflicting Interest Transaction, or Business Opportunity.

H. Key Employee means a Cooperative employee, other than a Director or Officer, who:

1. Receives more than \$150,000 in compensation reported to the Internal Revenue Service on Form W-2 in the aggregate from Cooperative and Subsidiary;

2. Has responsibilities, power, or influence over the Cooperative similar to a Director, Vice President or Officer; manages a segment or activity of the Cooperative representing ten percent or more of the Cooperative's activities, assets, income, or expenses; or has or shares authority to control or determine ten percent or more of the Cooperative's capital expenditures, operating budget, or employee compensation; and
  3. Is one of the top twenty highest-paid Cooperative employees also satisfying the foregoing Sections II.H.1 and II.H.2.
- I. CEO means the individual with ultimate responsibility for implementing the Board's decisions or supervising the Cooperative's management, administration, or operation.
- J. Material Financial Interest means a financial interest in a transaction reasonably expected to impair the objectivity of an Official's judgement regarding the transaction.
- K. Officer means an individual:
1. Appointed by the Board, or by another Officer authorized by the Board to make such appointments, or by the Cooperative's Articles of Incorporation or Bylaws; and
  2. Serving as a chief executive, operating, financial, legal, or accounting officer; being in charge of a principal business unit; or performing a major policy making function.
  3. An Officer includes, without limitation, the CEO, the Chief Financial Officer, and the Chief Risk and Strategy Officer.
- L. Official means a Director, Officer, or Key Employee.
- M. President means a Director who is President of the Cooperative or is Chair of the Board.
- N. Policy means this Mountain Parks Electric, Inc. Conflict of Interest Policy.
- O. Related Entity means an entity, other than the Cooperative, a Subsidiary of the Cooperative, or an entity in which the Cooperative is a member:
1. Controlled by an Official or an Official's Related Individual;

2. In which an Official or Related Individual collectively owns more than ten percent of the entity's shares or interests;
3. For which an Official is a general partner or member of the governing body;
4. For which an Official is a trustee, guardian, personal representative, or similar fiduciary;
5. Employing an Official; or
6. Controlled by an entity employing an Official.

P. Related Individual means an individual:

1. Who is the spouse of an Official;
2. Who is, or is the spouse of a child, stepchild, grandchild, parent, stepparent, grandparent, sibling, step sibling, half sibling, aunt, uncle, niece, or nephew of an Official or the Official's spouse.
3. Who is residing with an Official;
4. For whom an Official is a trustee, guardian, conservator, personal representative, or similar fiduciary; or
5. Who is employing an Official.

Q. Related Person means a Related Entity or Related Individual.

R. Subsidiary means an entity Controlled by the Cooperative.

### **III. POLICY**

#### **A. Employment and Income**

1. A Director may not be employed by the Cooperative or a Subsidiary;
2. An Official may not directly or indirectly receive employment or independent contractor compensation from another Official, except for de minimis amounts; and,

3. Except for temporary internships, an Official may not have a Related Individual employed by the Cooperative or a Subsidiary, where such Related Individual's hiring occurred subsequent to June 11, 2026.

B. Competition

1. An Official may not advance the Official's financial interests, or have a Related Person that advances the Related Person's financial interests, by competing with the Cooperative or a Subsidiary, unless:
  - a. There is no reasonably foreseeable harm to the Cooperative or the Subsidiary from the competition;
  - b. Any benefit that the Cooperative or the Subsidiary may reasonably expect to derive from the competition outweighs any reasonably foreseeable harm to the Cooperative or the Subsidiary from the competition; or
  - c. The Official discloses the competition to the Board and a majority of the Disinterested Directors authorizes or ratifies the competition.

C. Conflicting Interest Transaction

1. An Official may not engage in a Conflicting Interest Transaction unless:
  - a. The conflicted Official discloses in writing the existence and nature of the Official's conflicting interest and all facts known to the Official regarding the Conflicting Interest Transaction that a Disinterested Director would reasonably believe to be material in acting regarding the Conflicting Interest Transaction; Disinterested Directors deliberate and vote regarding the Conflicting Interest Transaction outside the presence of, and without participation in by, the conflicted Official; and majority of Disinterested Directors authorizes the Conflicting Interest Transaction; and
  - b. According to the circumstances at the time the Board considers the Conflicting Interest Transaction, or at the time the Cooperative or the Subsidiary becomes legally obligated regarding the Conflicting Interest Transaction, the Conflicting Interest Transaction, as a whole, benefits the Cooperative or the Subsidiary, considering, as appropriate, whether the Conflicting Interest Transaction was fair in terms of the Official's dealings with the Cooperative or the Subsidiary and whether the Conflicting Interest Transaction was

comparable to what might have been obtained in an arm's length transaction, given the consideration paid or received by the Cooperative or Subsidiary.

D. Business Opportunity

1. An Official may not directly or indirectly take advantage of a Business Opportunity unless, before the Official becomes legally obligated regarding the Business Opportunity:
  - a. The Official informs the Cooperative or Subsidiary of the Business Opportunity; and
  - b. The Official discloses in writing the existence and nature of the Business Opportunity and all facts known to the Official regarding the Business Opportunity that a Disinterested Director would reasonably believe to be material in acting regarding the Business Opportunity; Disinterested Directors deliberate and vote regarding the Business Opportunity outside the presence of, and without participation by, the Official; and a majority of Disinterested Directors disclaims interest in the Business Opportunity.

E. Insider Financial Benefit

1. Except as expressly allowed by this Policy, an Official may not use Cooperative or Subsidiary property, confidential information, or position to secure financial benefit unless:
  - a. The use is payment of compensation or provision of benefits;
  - b. The benefit is received as a Cooperative member; made available to all other similarly situated Cooperative members; and lawful.
  - c. Notwithstanding anything to the contrary in this section E1, if the use is a Conflicting Interest Transaction, a majority of Disinterested Directors must authorize the Transaction.

**IV. RESPONSIBILITY**

- A. The Board interprets and enforces this Policy. The Cooperative's Attorney must annually review this Policy with all Officials.
- B. The minutes of all Board meetings should record all disclosures, votes, authorizations, and other actions taken under this Policy.

- C. Each Official must annually complete and sign the Conflict-of-Interest Certification and Disclosure Form attached to this Policy and deliver the completed and signed Form attached to this policy to the President or CEO. If an Official discovers any information or fact that could impact another Official's compliance with this Policy, then the Official must disclose the information or fact to the President or CEO immediately.
- D. If the CEO or President receives a Form disclosing any information or fact that could impact on Official's compliance with this Policy, then, respectively, the CEO must deliver the Form to the President, and the President must distribute the Form to the Board. If the CEO or President receives or discovers any other information or fact that could impact any Official's compliance with this Policy, then, respectively, the CEO must disclose this information or fact to the President, and the President must disclose this information or fact to the Board.
- E. Upon receiving or discovering any information or fact that could impact a Director's compliance with this Policy, including Directors serving as Officers, the Board must:
  - 1. Provide the Director an opportunity to comment orally and in writing regarding the information or fact, and an opportunity to be represented by legal counsel; and
  - 2. Determine whether the Director complies with this Policy.
- F. If the Board determines that a Director, including Directors serving as Officers, does not comply with this Policy, then:
  - 1. The Board may, but shall not be obligated to, provide the Director an opportunity to comply with this Policy within thirty days; and
  - 2. If the Director does not comply with this Policy within thirty days, then, as allowed by law, the Board must sanction, and/or remove the Director.
- G. Upon receiving or discovering any information or fact that could impact the CEO's compliance with this Policy, the Board must act as appropriate.
- H. Upon receiving or discovering any information or fact that could impact any other Official's compliance with this Policy, the CEO must act as appropriate.

**APPROVED BY THE BOARD OF DIRECTORS ON JUNE 11, 2026**

**Conflict of Interest Certification and Disclosure Form**

As defined in the Mountain Parks Electric, Inc. Conflict of Interest Policy (Policy), the undersigned Official:

1. Affirms that the Official has received or has access to, has read, and understands the most current version of the Policy;
2. Agrees to comply with the Policy;
3. Based upon the Official's good faith belief, to the best of the Official's knowledge, and except as disclosed below, certifies that the Official currently complies with the Policy;
4. Discloses the following information or facts regarding any actual or potential income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or financial benefit, or other information or fact, that could impact the Official's compliance with the Policy:

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\_\_\_\_\_;

5. Upon discovering any information or fact regarding any actual or potential income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or financial benefit, or other information or fact, that could impact the Official's compliance, or another Official's compliance, with the Policy, agrees to disclose this information or fact to the Cooperative's President or CEO; and
6. Upon not complying with the Policy, agrees to any sanction, disqualification, removal, or other action taken under the Policy.

\_\_\_\_\_  
Printed Name of Official

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

\_\_\_\_\_  
Position of Official

\_\_\_\_\_  
Date