

LA PLATA ELECTRIC ASSOCIATION, INC.

DURANGO, COLORADO

Board of Directors Policy

Subject: Code of Ethics and Conduct			Policy No: 129
Original Issue: 7/15/09	Last Revised: 9/18/2024	Last Reviewed: 9/18/2024	Page 1 of 10

I. PURPOSE & OBJECTIVE

To set forth La Plata Electric Association, Inc.'s (Cooperative's) values and policies in a Code of Ethics and Conduct (Code), to define accepted/acceptable behaviors, to promote high standards of practice, to provide a benchmark for the Board of Directors, the Management Staff, and the employees to use for self-evaluation, to establish a framework for professional behavior, responsibilities and duties, and to promote:

- A. Honest conduct, including the ethical handling of conflicts of interest between personal and the Cooperative's business relationships.
- B. Full, fair, accurate, timely, and understandable disclosure of the Cooperative's periodic external and internal reports.
- C. Compliance with applicable governmental statues, rules, and regulations.
- D. Prompt internal reporting of Code violations to persons identified in the Code.
- E. Accountability for adherence to the Code.
- F. Accountability of Fiduciary Responsibilities and Duties.
- G. Protection of those reporting violations of the Code.

II. POLICY

- A. Respect, Dignity, and Non-Discrimination
 - 1. The Cooperative will treat all individuals with dignity, fairness, and respect regardless of their position, background, or opinions. The Cooperative will not permit or tolerate discrimination of any kind. Directors and employees will uphold human rights in their professional endeavors.

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B. Honest and Candid Conduct

1. Directors and employees owe a duty to the Cooperative to act with integrity, in their business dealings, the affairs of the Cooperative, with each other, and with others with whom they deal. Integrity requires being honest and candid. Directors and employees shall adhere to a high standard of business and personal ethics and observe laws, rules and regulations, and the Cooperative’s policies.
2. No Director or employee will engage in any unethical or unlawful activity.

C. Fair Dealing

1. Directors and employees shall deal fairly with everyone who conducts business with the Cooperative. Directors and employees will disclose, in all business transactions, all information required by law to be disclosed, or which, in honesty and fairness should be disclosed. No Director or employee should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair practice.
2. information and communications shall be accurate and truthful.

D. Compliance with Laws

1. It is the Cooperative’s policy to abide by not only the letter, but also the spirit of applicable federal, state, and local laws, rules, and regulations. It is the personal responsibility of each Director and employee to adhere to the standards and restrictions imposed by those laws, rules, and regulations. If unclear, advice from the Cooperative’s Chief Executive Officer (CEO) and/or legal counsel should be obtained before proceeding.

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E. Fiduciary Responsibilities and Duties

1. Directors and employees have a legal duty and moral responsibility to exercise the powers of their position for the best interests of the Cooperative and its membership as a whole. Directors and employees owe the duty of utmost good faith and as an ordinarily prudent person in a like situation would under similar circumstances. Directors and employees must not put themselves in a position where their personal interests and their fiduciary duties may conflict. Directors and employees are prohibited from individually conducting negotiations or making contacts or inquiries on behalf of the Cooperative unless officially designated to do so.
2. The CEO and employees have the fiduciary obligation to diligently conduct and be held accountable for managing the Cooperative's business.
3. The Board of Directors recognize that official action of the Cooperative must occur at a properly noticed meeting of the Board of Directors pursuant to the Cooperative's Articles of Incorporation, Bylaws, policies, or Colorado law as the same may be amended or modified from time-to-time. Accordingly, Directors shall avoid representing a position of the Cooperative unless the position has been adopted by an official action or states a position set forth in the Cooperative's Vision, Mission Statement, Bylaws, Articles, or other governance documents.
4. Directors shall not imply that they are representing a position of the Cooperative in any petition, letter, or other document unless so delegated by the Board.
6. A Director shall fulfill the Director's duties and shall not allow a conflict of interest to impair the Director's fiduciary responsibilities to the Association.
7. Notwithstanding any other law to the contrary, if an individual is a dual Director of both a distribution cooperative electric association and a generation and transmission cooperative electric association or of any other cooperative association, the Director owes fiduciary duties to both

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associations and shall not be required to give priority to a fiduciary duty the Director owes to one association over the duties the Director owes to the other association.

F. Conflicts of Interest

1. Directors and employees are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses, which obligates or induces them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts.
2. Directors and employees may receive gifts or favors of nominal value (\$100 or less) or casual entertainment which meets the standards of ethical business conduct, and involves no element of concealment.
3. Directors and employees are prohibited from receiving loans from the Cooperative.
4. Directors and employees having a financial interest in any property which the Cooperative acquires or having a direct or indirect financial interest in a major supplier, contractor, consultant, or other entity with which the Cooperative does business, must disclose such to the CEO and Board of Directors. This does not prohibit the ownership of securities in a publicly owned company except in a substantial amount by those in a position to materially influence or affect the business relationship between the Cooperative and such publicly owned company.
5. Any other interest in or relationship with an outside organization or individual having business dealings with the Cooperative, which may be deemed a conflicted interest transaction, is prohibited if the interest or relationship might tend to impair the ability of the Directors or employees to serve the best interests of the Cooperative, unless approved by a majority of disinterested Board members, a majority of members of the Cooperative attending an annual or special meeting of the members, or is determined by the Board of Directors to be fair to the Cooperative.

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6. Members of the Board of Directors shall complete a disclosure form, in a form approved by the Board, on an annual basis disclosing any potential conflicts of interest. Such information shall be reviewed by the Board for disposition pursuant to this policy and Colorado law. Potential conflicts of interest arising in the time period between completion of the disclosure forms shall be disclosed by the Director when such potential conflict arises and be reviewed by the Board. If the Board of Directors determines that a conflict of interest exists, the conflicted Board member shall be prohibited from participating in discussions concerning the conflict of interest matter and in voting on the matter.
 7. A Director on the Board of Directors is required to disclose in writing when a decision before the Board could provide directly and as a proximate result of the decision a financial or other material benefit to the director (if the benefit is unique to that director and not shared by similarly situated cooperative members), a parent, grandparent, spouse, partner in a civil union, child, or sibling of the Director (if the benefit is unique to that person and not shared by similarly situated cooperative members), or an entity in which the Director is an officer or Director or has a financial interest unique to that Director.
 8. If this policy regarding conflicts of interest is inconsistent with any applicable law in effect at the time of the disclosure, the applicable law shall control.
- G. Corporate Opportunities and Duty of Loyalty
1. Directors and employees owe a duty to the Cooperative to advance the Cooperative's business interests when the opportunity to do so arises.
 2. Directors and employees are prohibited from taking, or directing a third party to take, a business opportunity that is discovered through the use of the Cooperative's property, information, or position, unless the Cooperative has already been offered the opportunity and turned it down.

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3. Directors and employees owe a duty of loyalty to the Cooperative and shall not use the Cooperative's property, information, or position for personal gain or for purposes of competing with the Cooperative. If unclear, employees or Directors should seek the advice of the CEO or legal counsel before proceeding with such opportunity, and shall disclose such opportunity as a potential conflict to the Board in accordance with section II, E, 4, above.

H. Financial Information and Disclosures

1. Directors and employees who are involved with the Cooperative's financial disclosure process will educate themselves on the applicable financial reporting rules and regulations to ensure full, fair, accurate, timely, and understandable financial disclosures.

I. Protection and Proper Use of Cooperative Assets

1. Directors and employees are responsible for safeguarding the Cooperative's resources and assets, including, but not limited to, money, credit cards, checks, equipment, intellectual property, supplies, property, and employee time, and ensuring their efficient and proper use. However, no Director shall be considered a trustee of the assets of the Cooperative.
2. The Cooperative's assets and resources shall be used only for legitimate business purposes, and no Cooperative asset or resource shall be used for personal use.
3. Employees are personally responsible for keeping accurate records and reports and maintaining strict accountability of the Cooperative's assets and expenses. Entries on the Cooperative's books and records will reflect fairly, accurately, and in reasonable detail, the business transactions and other activities of the Cooperative. Misrepresented or incomplete information will not be tolerated.

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J. Employment Activities

1. The Cooperative is an equal opportunity employer. The Cooperative recruits, employs, and compensates without regard to race, religion, creed, color, national origin, age, gender, sexual orientation, marital status, disability, ancestry, or veteran status.
2. The Cooperative commits to a safe workplace free of violence and harassment.

K. Relations with Public and Governmental Officials

1. Directors and employees shall not pay or receive any bribe, enticement or other similar unlawful payment, to or from, any public or government official, or other individual, to secure any concession, contract, or other favorable treatment for Cooperative, the Director, or the employee.
2. Directors and employees shall comply with federal, state, and local laws, rules, and regulations applicable to such relations with public or government officials.

L. Confidentiality

1. In carrying out Cooperative business, Directors and employees often have access to confidential or proprietary information about the Cooperative, its customers, employees, suppliers, or members. Directors and employees with access to such confidential or proprietary information are under an obligation to protect such information and must maintain the confidentiality of such information, except when disclosure is authorized or legally mandated. Confidential proprietary information includes, but is not limited to, any non-public information that could be harmful to the relevant customer or useful and/or helpful to competitors if disclosed. This requirement of confidentiality continues after an employee or Director is no longer employed or otherwise affiliated with the Cooperative.

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2. A Director or employee shall return any confidential or proprietary information in his/her possession upon ceasing his/her relationship with the Cooperative. Questions regarding the disclosure of confidential or proprietary information should be directed to the CEO or legal counsel.

M. Protection of the Environment

1. The Cooperative is committed to preserving the environment and natural resources, and to developing alternative energy resources. Directors and employees will comply with environmental laws and other requirements that prohibit waste or contamination of air, water, and other natural resources.

N. Compliance with this Code of Ethical Conduct

1. Directors and employees are personally responsible for complying with this Code and applying this Code to specific situations in which questions are presented. Questions relating to how this Code should be interpreted or applied should be addressed to the CEO or legal counsel. Directors or employees who are unsure of whether a situation violates this Code should discuss the situation with the CEO or legal counsel to prevent possible misunderstandings.

O. Code of Ethical Conduct Investigations and Whistle Blowing Protection

1. Directors or employees who become aware of any existing or potential violation of this Code, federal and/or state laws, fair business practice, and/or generally accepted accounting standards are required to notify the CEO and/or legal counsel. Failure to do so is itself a violation of this Code.

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2. Upon notification of a potential violation of the Code, the CEO upon consultation with legal counsel will take all action necessary to investigate the alleged Code violation. If a violation has occurred by an employee, the CEO upon consultation with legal counsel, will take such disciplinary or preventive action as is deemed appropriate. If a violation has occurred by a Director, the violation shall be reported to the Board of Directors for such disciplinary or preventive action as is deemed appropriate.
3. Retaliation against a person who reports, in good faith, an alleged Code violation will not be tolerated.
4. If the potential violation of the Code concerns the conduct of the CEO, the notification shall be submitted to the President of the Board of Directors, who, upon consultation with outside legal counsel shall promptly investigate the concern and determine an appropriate response.
5. The Cooperative, and any of its officers, Directors, or employees, will not discharge, demote, suspend, threaten, harass, or in any other manner discriminate against any employee in the terms and conditions of employment because the employee reported conduct which the employee reasonably believed constituted a violation as above described.
6. Directors or employees making known false or malicious reports will subject the Director or employee to appropriate disciplinary action, which may include discharge, and other legal action, as appropriate. Nothing in this section shall be deemed to diminish the rights, privileges or remedies of Directors or employees under any federal or state law, or under any collective bargaining agreement.

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P. Directors and employees will receive training and review of this Policy.

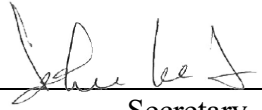
III. RESPONSIBILITY

A. The President of the Board of Directors shall be responsible for the administration of this policy as it affects members of the Board of Directors.

B. The CEO is responsible for administration of this policy as it affects employees of the Cooperative.

9/18/2024

Date



Secretary