

MINNESOTA POWER EMPLOYEES CREDIT UNION

Volunteer Officials Code of Ethics/Conflict of Interest Policy

The objective of Minnesota Power Employees Credit Union (MPECU) is to maintain the highest standard of business ethics and conduct in our daily relationship with our members, board of directors, credit committee, supervisory committee, employees, and outside providers of service to the credit union.

The purpose of the policy is to establish guidelines to comply fully with all applicable laws and regulations pertaining to the operation of the credit union and the duties performed by the board of directors, credit committee, and supervisory committee of the credit union.

Conflict of Interest

Volunteer officials shall avoid any situation involving a conflict or appearance of conflict between his/her personal interests and the interest of the credit union.

A guide to the types of activities which might cause conflict:

- Volunteer officials will not participate in the deliberation, approval, or processing of any type of loan in which he/she has a direct or indirect interest. Likewise, the volunteer official cannot use his/her position to influence or coerce the approval of such loan.
- A volunteer official shall not have any direct or indirect interest in or relationship to any other business or organization if such interest could influence or appear to influence the volunteer official in the performance of his/her duties.
- No volunteer official or member of his/her immediate family (living under the same roof) shall accept gifts of more than token value, excessive entertainment, service, or other substantial favors or benefits from vendors doing business with or seeking to do business with the credit union, nor can they be a competitor of the credit union.
- Personal profit or advantage of confidential information will not be used or disclosed by the volunteer official of the credit union.

Standard of Leadership for Volunteer Officials

- Observe the highest standards of personal **conduct** at all times.
- Strictly uphold the laws, by-laws, rules, policies, and regulations relating to the operation of the credit union.
- Guard against the use of the credit union position for personal and financial advantage or special privileges, and avoid conflicts of interest with credit union policies and operations.

Confidential Information

A volunteer official shall not use, for personal benefit, information acquired as a result of his/her relationship with the credit union. Confidential information shall not be discussed with any other person except as is necessary in the performance of credit union duties or as expressly authorized by credit union position and responsibility. As a result of improper disclosure of confidential information, the volunteer official can be held liable for any and all benefits gained from the improper use of such information or any damages sustained.

Fraud and Dishonesty

MPECU considers any form of fraud or dishonesty by volunteer officials as totally unacceptable conduct. Fraudulent or dishonest acts include but are not limited to:

- Manipulation of loan accounts, documents, computer records, all savings accounts, or checking accounts.
- Theft of any kind, including but not limited to, stealing from member accounts, over-payment of dividends and creating fictitious loans.
- Check/share draft kiting.
- Forgeries.
- Intentional violation(s) of credit union rules, internal controls, regulations, policies, or procedures.
- Granting or requesting preferential treatment regarding loans, interest rates, dividend rates, fees, or terms.
- Fraudulent or unauthorized use of computer time (personal computer or main frame) and software piracy.

Review of Code of Ethics/Conflict of Interest Policy

- Each item concerning a conflict of the policy for a volunteer official shall be reviewed by the President, Chairperson of the Board, the Supervisory Committee, and relayed to the Internal Auditor.
- An opportunity will be given to the volunteer official to explain and resolve the matter.
- If the issue cannot be resolved, the President shall forward a written report to the Board of Directors, Supervisory Committee, and the Internal Auditor. If the item involves the President, the conflict shall be reviewed by the entire Board of Directors.
- Suspected fraud shall be brought to the attention of the Internal Auditor. Once investigated, the Internal Auditor will notify the President and Supervisory Committee.
- Information received will be treated confidentially except to the extent necessary for the purpose of MPECU's interest.

Disciplinary Action

A director or committee member who violates any of the responsibilities and codes may be removed from the board or committee, depending upon the other board and committee member's assessment of the offense and the circumstances involved. The disciplinary action may be in addition to any penalty prescribed by law for the violation.

VOLUNTEER ANNUAL ACKNOWLEDGMENT STATEMENT

I acknowledge I have received a copy of the MPECU Code of Ethics/Conflict of Interest Policy. I agree to make full and complete disclosure of any conflict of interest I may have. I understand MPECU will not tolerate fraudulent or dishonest activities of any kind and I am not to engage in acts of fraud or dishonesty while a volunteer official at MPECU.

Volunteer Official's Signature

Date