

 Oakdale Electric Cooperative		Board Policy
Policy Name: Nepotism		Policy No: 3.02
Last Reviewed/Revised: 06-06-2023		Page 1 of 2

I. PURPOSE:

This policy sets the parameters for making employment decisions about close relatives of current employees and board members of Oakdale Electric Cooperative.

II. SCOPE:

Oakdale's General Manager/CEO is responsible for administering and ensuring compliance with this policy.

III. POLICY:

A. General:

1. Oakdale Electric Cooperative is an inclusive and diverse workplace that seeks to attract and retain the most qualified individuals in a fair, equitable and impartial manner, while avoiding conflicts of interest and ensuring productivity and confidentiality in the workplace.
2. In accordance with these objectives, Oakdale restricts the hiring or retention of relatives of directors and employees of Oakdale as provided in this policy.

B. Definition of Close Relatives. Under this policy, Close Relatives include all of the following:

1. Spouses, to the extent permitted by law;
2. Children and parents, whether by blood relationship, adoption, or guardianship;
3. Grandchildren and grandparents, whether by blood relationship, adoption, or guardianship;
4. Siblings and half-siblings;
5. Mothers-in-law, fathers-in-law, daughters-in-law, sons-in-law, sisters-in-law, and brothers-in-law;
6. Step-children, step-grandchildren, step-parents, and step-grandparents if the relationship involves being dependent of or living in the same household.

C. Close Relatives of Oakdale Directors. Hiring or retention of Close Relatives of Oakdale directors is prohibited. In the event that a Close Relative of an existing Oakdale employee is nominated for election as an Oakdale director, the

following procedure shall apply:

1. This policy shall be brought to the attention of both the affected employee and director candidate. The director candidate shall be given the opportunity to withdraw.
 2. If the director candidate does not withdraw and is then elected to the Board, the employee shall be terminated on or before the date that his/her Close Relative is seated on the Board.
- D. Close Relatives of Oakdale Employees. Hiring or retention of a Close Relative of an Oakdale employee is prohibited in the following circumstances:
1. The hiring or retention would result in one Close Relative in a supervisory position over another;
 2. The Close Relatives would be employed in the same supervisory unit; or
 3. The Cooperative General Manager/CEO otherwise determines the employment of those Close Relatives would be detrimental to the Cooperative and its members, taking into consideration potential conflicts of interest.
- E. Other Relationships. Oakdale may prohibit hiring or other employment actions involving a close relationship other than those specified in this policy if such relationship would create an actual conflict of interest or would be inconsistent with the purpose of this Policy.
- F. New or Changed Relationships. Close relationships covered by this policy may come into existence only after an employee is hired. If that occurs:
1. The individuals involved shall inform their respective supervisors and human resources of the relationship.
 2. Management shall work with the affected employee(s) to bring the situation into compliance with this policy.
 3. In some cases, compliance may be achieved by agreement between the employees on transfer or resignation. If an agreement cannot be reached in a way that serves Oakdale's best interest, the General Manager/CEO shall determine the course of action.
- G. Pre-Hiring. The following procedures shall be followed to ensure compliance with this policy:
1. Applicants for employment shall be required to disclose in writing if the applicant is a Close Relative of any existing Oakdale directors or employees.
 2. If the applicant is a Close Relative of an Oakdale director or a Close Relative of an existing employee in circumstances prohibited under this policy, the applicant will be notified that he/she is not eligible for the position with the Cooperation.

3. If the applicant is a Close Relative of an existing Oakdale employee and the applicant's employment is not prohibited under this policy, then the applicant's relationship to the Oakdale employee shall be considered neither an asset nor a hindrance in reviewing the applicant's qualifications.

Original Effective Date: 11/26/1981	Reviewed Date (no revisions): 11/30/1988, 06/24/2020, 06-06-2023	Revised Date(s): 03/31/2004
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