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<b>Railbelt Reliability Council</b>		

## ETHICAL CONDUCT RULE

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### 1.0 PURPOSE AND SCOPE

The RRC has adopted this RRC Ethical Conduct Rule (ER11). All RRC Representatives are responsible for reading, understanding, and complying with this rule. The RRC has an unwavering commitment to behave in a manner reflecting the highest ethical standards. This commitment includes prohibiting and effectively responding to discrimination, harassment, misconduct, abusive conduct, and retaliation.

The purpose of this rule is to establish a framework for ethical behavior and guide the actions of the RRC Representatives consistent with the RRC's values in interactions with internal and external parties.

This rule pertains to RRC Representatives.

### 2.0 DEFINITIONS

Term	Definition
Board	RRC Board of Directors
CEO	RRC chief executive officer
RRC	Railbelt Reliability Council
RRC Representatives	Directors, employees, contractors, committee members, and Approved Participants under the RRC Public Participation in a Development Rule (ER5)

### 3.0 RESPONSIBILITIES OF KEY PERSONNEL

Title	Responsibilities
CEO	Receives health and safety concerns related to this rule
Governance Committee	Receives questions about this rule
RRC and its Directors	Act independently from Users, Owners, and Operators of the interconnected electric energy transmission network; and act in the best interests of the mission of the RRC

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Title	Responsibilities
Users, Owners and Operators	A person or entity that is, or within a reasonable time will be, generating, transmitting, storing, or distributing electricity and may, as a result of electric facilities or equipment it owns, leases, operates, or controls, adversely affect the reliable operation of the interconnected bulk-electric system

#### 4.0 GUIDING PRINCIPLES

The guiding principles for this rule are as follows:

1. **Compliance:** RRC Representatives shall comply with all laws, regulations, RRC governing documents and rules, and generally accepted principles that apply to an organization operating in the public interest;
2. **Honesty and Integrity:** RRC Representatives shall act with honesty and integrity in all matters both internal and external;
3. **Work Environment:** RRC Representatives shall ensure their actions contribute to a respectful, safe, and inclusive working environment;
4. **Respect:** RRC Representatives shall work to create a culture of respect at all levels of the organization;
5. **Cooperation and Collaboration:** RRC Representatives shall strive to promote cooperation and collaboration within the RRC;
6. **Transparency and Openness:** The RRC will provide as much information to the public as possible consistent with its obligations of confidentiality and public safety;
7. **Fairness and Consistency:** RRC Representatives shall treat all individuals and entities fairly and consistently in all interactions. Policies and procedures shall be applied fairly and consistently across all levels of the organization; and
8. **Accountability:** RRC Representatives are responsible for complying with the RRC Articles of Incorporation, Bylaws, this rule, and all other RRC policies and rules. RRC Representatives are likewise responsible for holding one another accountable.

#### 5.0 PROCEDURES

##### 5.1 Prohibition Against Personal Profit or Gain and Unauthorized Use of RRC Assets; Conflicts of Interest Disclosure

No RRC Representative shall derive any personal profit or gain, directly or indirectly, including gain by the entity they represent, by reason of their service beyond normal compensation, and are prohibited

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from the use of their position, title, or employment status at the RRC to exert inappropriate influence for personal gain or benefit, or the gain or benefit of an individual's employers. Directors shall not derive benefit beyond publicly disclosed meeting fees and expense reimbursements. RRC Representatives are prohibited from payment or acceptance of bribes, kickbacks, or other improper payments while conducting RRC business. No RRC Representative shall use the RRC's equipment, tools, software, models, or related RRC assets for unauthorized projects or activities. When there is a decision to be made or an action to be approved that could result in more than a *de minimis* benefit<sup>1</sup> to an RRC Representative, the RRC Representative has a duty to immediately disclose the conflict of interest. Such actions shall at all times comply with the requirements of RRC Bylaws Article 5 – Conflicts of Interest.

## 5.2 Independence

Because the RRC has a combination independent and balanced stakeholder board, many of the directors are appointed by entities that are affected by and have an interest in the outcomes of RRC decisions. However, both statute and regulation require that the directors, employees and members of committees act independently and exercise first loyalty to the mission of the RRC. To ensure that the directors and the RRC itself act independently from Users, Owners, and Operators, RRC Representatives shall:

1. Make every decision based on their good-faith belief that such decision is in the best interests of the Railbelt interconnected electric energy transmission network, even if such decision may not be in the best interests of a director's appointing entity;
2. Notify the Board chair, CEO, or committee chair in writing if there is an issue on which they cannot act independently;
3. In furtherance of their fiduciary duty to the RRC, directors shall disclose to the Board any information that may not be known by other directors that may affect their decision on a matter before the Board;
4. Provide impartial consideration of, and give due weight to, the interests of all stakeholder classes, whether represented on the Board or not; and
5. Refrain from promoting the RRC Representatives' own financial or other interests or the interests of a particular person or organization.

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<sup>1</sup> In general, a *de minimis* benefit is one for which, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical.

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### 5.3 Discrimination and Harassment

RRC Representatives shall be knowledgeable of and comply with the RRC Discrimination & Harassment Policy (P-01). Policy P-01 is enforceable pursuant to its own provisions.

### 5.4 Safe and Healthy Workplace

RRC Representatives are prohibited from engaging in any behavior that poses unreasonable risks to the safety, health, or security of RRC Representatives or visitors. Anyone who becomes aware of a risk to the safety, health, or security of the workplace shall report it to the CEO or the designated compliance officer immediately.

### 5.5 Confidentiality

RRC Representatives shall comply with requirements to maintain certain information or documents confidential, as established by the RRC.

### 5.6 Retaliation

RRC Representatives, in accordance with the RRC Whistleblower Policy (P-02) or other applicable RRC policies, shall not retaliate in any manner against any person who raises an allegation of a violation of this rule, other RRC policies or rules, or any applicable laws.

### 5.7 Reporting

The Conduct Compliance Rule (ER12) provides a process for reporting suspected violations and provides parameters for investigating suspected violations and for sanctioning violations. Failure to report a good-faith belief that improper activity has occurred is a violation of this rule. The Discrimination & Harassment Policy (P-01) provides a process for reporting suspected violations of that policy and provides parameters for investigating suspected violations and for sanctioning violations.

## 6.0 AFFIRMATION

RRC Representatives shall be given an Ethical Conduct Rule (ER11) orientation when they begin their affiliation with the RRC. Questions regarding this rule should be addressed to the chair of the Governance Committee. Rule refresher updates will be provided at least annually for all RRC Representatives.

RRC Representatives shall affirm their adherence to the Ethical Conduct Rule (ER 11) by executing the Ethical Conduct Rule Affirmation Statement (published separately) on an annual basis.

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