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<b>Railbelt Reliability Council</b>		

**CONDUCT COMPLIANCE RULE**

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**1.0 PURPOSE & SCOPE**

The purpose of this RRC Conduct Compliance Rule is to enforce the Ethical Conduct Rule (ER11), certain provisions of the Bylaws<sup>1</sup>, certain provisions of the Voting Procedures Rule (ER10)<sup>2</sup>, and the Whistleblower Policy (P-02) (collectively “Conduct Policies”) when alleged violations of Conduct Policies are made, by providing a process for (1) filing a complaint alleging a potential violation of the Conduct Policies, (2) investigating alleged violations, and (3) issuing sanctions for violations.

This policy pertains to RRC Representatives and, related to violations of the Whistleblower Policy (P-06), members of the public.

**2.0 DEFINITIONS**

Term	Definition
Board	RRC Board of Directors
CEO	RRC chief executive officer
CO	compliance officer
Conduct Policies	RRC Ethical Conduct Rule (ER11), certain provisions of the RRC Bylaws, certain provisions of the Voting Procedures Rule (ER10), and RRC Whistleblower Policy (P-02)

<sup>1</sup> The provision that “Employees of the RRC are not eligible to serve as Voting Directors.,” as in RRC Bylaws Section 2.1.2.6 – Qualifications.

<sup>2</sup> Voting Procedures Rule (ER10) provisions 3.13, numbers 5 and 6, and 3.1.4

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Term	Definition
Governance Committee	Governance Committee of the RRC Board
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
Governance Committee	Oversees compliance with this policy

### 4.0 COMPLAINT PROCEDURES

#### 4.1 Initiating a Complaint

Any person, including members of the public, who in good faith believes a person subject to a Conduct Policy has violated that policy may file a complaint by electronic mail addressed to [Governance@akrrc.org](mailto:Governance@akrrc.org) or, if the allegation involves a member of the Governance Committee, to any member of the Board.

If a complaint provides contact information, the complainant shall receive a written acknowledgment of receipt by electronic mail or on paper. Any person filing a complaint (Complainant) is entitled to protection under the RRC Whistleblower Policy (P-02). Complaints can be made anonymously.

#### 4.2 Investigating Complaints

1. Within 30 days of receiving a complaint, the Governance Committee shall determine pursuant to applicable statutes, regulations, and RRC rules whether to investigate, how to investigate, and who should lead the investigation. The Governance Committee decision will be in writing and maintained according to ER 3 – Documents Retention and Access Rule.
2. If the Governance Committee decides to open an investigation, it shall appoint a CO based on expertise necessary to understand and investigate the complaint.
3. The CO shall investigate the complaint and provide a report to the Governance Committee at the end of that investigation with findings, including whether the infraction occurred and, if so, the severity of the infraction and recommendations for corrective action.
4. The Governance Committee shall review all reports, consider findings, recommend any further action, and provide notice via electronic mail or on paper to the Complainant of its conclusions.

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5. The CO shall report complaints regarding corporate accounting practices, internal controls, or auditing issues directly to the Board's Finance and Audit Committee.

## 5.0 ACCOUNTING AND AUDITING MATTERS

The Finance and Audit Committee of the Board shall be informed of and address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Governance Committee shall immediately notify the Finance and Audit Committee of any such concern or complaint and work with the Finance and Audit Committee, either directly or through a CO, until the matter is resolved. The Governance Committee shall provide an annual written report to the RRC Board and Finance and Audit Committee, which will be maintained according to ER 3 – Documents Retention and Access Rule, regarding any alleged activity that:

- Represents a material internal control or policy deficiency;
- May receive media or other public attention;
- Involves the misuse of RRC resources or creates exposure to a liability of \$10,000 or more;
- Involves a significant threat to the health or safety of employees or the public that creates a financial risk; or
- Suggests improper activity by the CEO, or any CO or director.

## 6.0 CONFIDENTIALITY

At a Complainant's request or in the CO's discretion, investigations and reports shall be kept confidential to the extent possible, consistent with applicable laws and regulations and the need to conduct an investigation and take appropriate corrective action.

## 7.0 APPEALS

Appeals related to enforcement of this rule may be made to the Board in accordance with the RRC Appeals Policy.

## 8.0 SANCTIONS FOR VIOLATIONS

The Governance Committee will forward the report and sanction recommendations to the CEO if the violation was the result of employee conduct or to the Board if the person improperly conducting themselves was an RRC representative other than an employee, or a member of the public.

The CEO shall report to the Board any sanctions imposed against employees. Any sanctions imposed against any other person must be approved by the Board.

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Anyone found to have engaged in improper conduct may be subject to disciplinary action, up to and including termination of employment, removal from the Board or from a committee, rescission of contractual relationships, revocation or prohibition of access to RRC resources, and/or prohibition of participation in RRC meetings and activities.

Subsequent to action by the CEO or the Board, subject to employee confidentiality, the Complainant shall be informed that action has been taken.

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