

WELLS RURAL ELECTRIC COMPANY

Adopted: August 19, 1986

Revised: July 20, 2001

Reviewed: July 13, 2001

POLICY NO. 7-9

NO-HARASSMENT, PROFESSIONAL CONDUCT

I. OBJECTIVE

The Company is proud of its professional and congenial work environment, and will take all necessary steps to ensure that the work environment remains pleasant for all who work here. All employees, supervisory employees, directors, professionals, consultants and other persons retained, hired, or in any way associated with the company (hereinafter collectively referred to as "Company personnel" and individually as "persons" must treat each other with courtesy, consideration and professionalism. The Company will not tolerate harassment of any of the Company personnel for any reason. In addition, harassment for any discriminatory reason, such as race, creed, color, sex, national origin, disability, sexual orientation, age, or religion, is prohibited by state and federal laws, which may subject the Company and/or the individual harasser to liability for any such unlawful conduct.

II. POLICY

By this policy, the Company prohibits all persons from not only unlawful harassment, but also other harassment by unprofessional and discourteous actions. Accordingly, derogatory racial; color, creed, national origin, religions, age, sexual orientation, sexual, disability or other inappropriate remarks, slurs, jokes or actions will not be tolerated. Any employee who engages in such objectionable conduct is subject to discipline up to and including termination.

III. RESPONSIBILITIES

- A. Each person must exercise his or her own good judgment to absolutely avoid engaging in conduct that may be perceived by others as harassment.
- B. All persons are responsible for immediately reporting any conduct on the part of other persons which constitutes a violation of this policy, as follows:
 - 1. Reports of such conduct on the part of any of the persons except the chief executive officer and directors, shall be made to the chief executive officer; and
 - 2. Reports of such conduct on the part of the chief executive officer or a director shall be made to: 1) the president, 2) the vice-president, or 3) to any three directors, excluding any officer or director being accused of such conduct.

IV. EXAMPLES

- A. Forms of harassment include, but are not limited to;
1. Verbal: stated and/or repeated innuendoes, epithets, derogatory slurs, off-color jokes, propositions, threats or suggestive or insulting sounds;
 2. Visual/Non-verbal: derogatory posters, cartoons, or drawings; suggestive objects or pictures; graphic commentaries; leering; or obscene gestures;
 3. Physical: unwanted physical contact including touching, interference with an individual's normal work movement or assault; and
 4. Other: making or threatening reprisals as a result of a negative response to harassment.
- B. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, or any other visual, verbal, or physical conduct as hereinabove described which is of a sexual nature when:
1. Submission to the conduct is made either implicitly or explicitly a condition of the individual's employment;
 2. Submission to or rejection of the conduct is used as the basis for an employment decision affecting the harassed person; or
 3. The harassment has the purpose or effect of unreasonably interfering with the person's work performance or creating an environment that is intimidating, hostile or offensive to the person.
- C. No person in this Company is exempt from this policy.
- D. In response to every complaint, the Company will take prompt investigatory actions, and such corrective and preventative actions as are necessary.
- E. Persons who in good faith bring complaints to the attention of the Company and/or participate in investigations regarding such complaints will not be retaliated against in any way.

V. PENALTIES

- A. Any employee of the company who is determined to have engaged in harassment shall be subject to immediate discharge.

- B. Any director of the company who is determined to have engaged in harassment shall be subject to such action as the board of directors may direct.
- C. Any professional, consultant or other person retained, hired or in any way associated with the company, who is determined to have engaged in harassment shall be subject to termination and dismissal by action of the board of directors.
- D. The above penalties are in addition to those that may be imposed upon any individual by law.
- E. Any of the company personnel who knew or should have known of any conduct constituting harassment and failed to report the same pursuant to Paragraph III hereof, shall be subject to such disciplinary action:
 - 1. As may be determined by the chief executive officer as to all other employees;
 - 2. As may be determined by the board of directors as to all other company personnel; and
 - 3. The discipline may include, but not be limited to suspension, demotion, termination, discharge and termination of privileges, subject to any written contractual rights.

V. ACKNOWLEDGEMENT BY COMPANY PERSONNEL.

All Company personnel regularly employed by the Company shall review this policy, acknowledge that they understand its contents, and agree to abide by its terms.

VII. REPLACEMENT.

This Policy replaces and supercedes Policy No. 7 – 9 adopted August 19, 1986.