

THE SOCORRO ELECTRIC COOPERATIVE, INC.

CODE OF ETHICS

Since it's incorporation in 1945, the trustees and employees of The Socorro Electric Cooperative, Inc., (SEC) have had a consistent history of fair, honest, and ethical conduct for all activities conducted on behalf of the Cooperative or in the community. This Code of Ethics is intended to be a constant reminder of that tradition, and a statement of how we will continue to conduct ourselves on a daily basis.

The Code of Ethics is not exhaustive. It provides guidance to trustees and employees in how they are expected to carry out their duties. The Board of Trustees and Management of the SEC believe that ethical standards are achieved not just through the publication and dissemination of this document, but through open and ongoing discussion about ethical issues related to the business and activities of the SEC. Further, this open-door climate is only achieved when trustees and employees understand that they can openly raise questions and concerns without fear of retaliation.

STANDARDS OF CONDUCT

Trustees and employees are expected to uphold the values of the corporation and are required to report any situation where the individual reasonably suspects any activity that may be in violation of the law, board policies or this Code.

CONFLICTS OF INTEREST

A conflict of interest exists when any trustee or employee is called upon to make or is involved in any decision where the trustee or employee (or any relative of the trustee or employee) has any interest that would be affected by that decision.

- In any situation where it may reasonably be perceived that there is a conflict of interest, the trustee or employee is required to report that potential conflict of interest to the supervisor or president of the board.
- Trustees or employees may not have a financial interest in any entity with which the SEC does business that might create or give the appearance of a conflict of interest.
- In addition to these general standards of conflicts of interest, trustees and employees shall follow the policy on dealing with potential conflicts of interest as stated in Policy 121 and 223, Conflict of Interest.

CONFIDENTIALITY OF INFORMATION

Trustees and employees are frequently entrusted with confidential information. This may include technical or financial information about current or future projects, business plans, personnel information, consumer lists, and other information that, if disclosed, might be of use to competitors or potentially harmful to suppliers, consumers or employees.

This information is the property of the SEC and shall not be disclosed in accordance with Policy 119, Code of Conduct, or Policy 221, Non-Disclosure Policy.

MEMBER COMMUNICATIONS

Members own the Cooperative. In communicating with members, the SEC is committed that it shall:

- Provide all information to which consumers have a legitimate right in accordance with SEC Policy 508, Access to Records of the Cooperative.
- Provide information that is accurate and understandable.
- Not make leading or false statements.

FINANCIAL REPORTING AND RECORD KEEPING

The Socorro Electric Cooperative shall:

- Follow generally accepted accounting principles.
- Maintain a system of internal accounting controls that will provide reasonable assurances that all transactions are properly recorded and that material information is available to management when required.
- Maintain books and records that accurately and fairly reflect the company's financial health in accordance with Policy 312, Financial Forecast.