



A Touchstone Energy[®] Cooperative 

FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY NO. 604.03

SUBJECT: SELECTION OR PROMOTION OF PERSONNEL

I. PURPOSE:

In order to operate the most efficiently, the Cooperative must employ the best-qualified individuals available to fill vacant positions. The purpose of this policy is to assure that applicants for positions will be treated fairly in accordance with accepted personnel practices and applicable state and federal laws.

II. POLICY:

It shall be the policy of the Cooperative to employ the best qualified individuals available for all vacancies in accordance with accepted personnel practices and applicable state and federal laws.

III. RESPONSIBILITY:

The General Manager and each Department Head and the Board of Directors.

IV. PROVISIONS:

The following procedures and conditions shall apply to the provisions of this policy:

- A. In filling vacancies all applicable federal and state legal restrictions will be observed. (See General Policy No. 603, Equal Employment Opportunities).
- B. All vacancies shall be filled by the best-qualified applicant. When an existing Cooperative employee is equally qualified with an outside candidate for an open position, the existing Cooperative employee will generally be given first consideration for the open position. Management reserves the right to make the final determination based on the needs of the Cooperative.
- C. Each applicant's experience, training, and references will be measured against the written job specifications or qualifications and the position description for the vacant position. Applicants may be asked to take appropriate tests, the results of which may be one factor to be considered in, the determination of the applicant best qualified to fill the position.
- D. Graduation from high school or higher education or the passing of a general educational development examination will be required for most positions if the job qualifications are such as to require it, or if such educational proficiency can be used as a measure to determine the applicant's ability-to engage in and complete projects and assignments which necessitate initiative, judgement, independence of action, and responsibility.
- E. After an offer of employment has been made but before commencing employment, the successful candidate may be required to have a physical examination as specified by the Cooperative at the Cooperative's expense by a physician approved by the Cooperative. Employment may be contingent upon the results of this physical examination and depending upon the job duties being applied for. Cooperative will reasonably accommodate the know disability of an otherwise qualified individual where such accommodation does not present an undue hardship to Cooperative. Any individual who seeks an accommodation in the hiring process or in a

position of employment should contact Human Resources. Information regarding disabilities is kept confidential to the extent required by law.

- F. The hiring of an individual who has a close relationship with an existing Cooperative employee can present operational difficulties and morale problems, particularly when the two individuals would be required to work together. Accordingly, although job vacancies are generally filled by the best-qualified candidate for the position, an individual who is a "Related Person" (as defined below) will not be considered for or hired for a "Related Position" (as defined below). An individual who is a Related Person who already works for the Cooperative will not be transferred or promoted to a Related Position within the Cooperative.

For purposes of the Policy a "Related Person" means an individual who has the following relationship with an existing Cooperative employee:

- The parent, grandparent, child, sibling, first cousin, uncle, aunt, nephew, or niece;
- The current or former spouse, brother – or sister – in-law, father- or mother-in-law, grandparent-in-law, son- or daughter-in-law, stepparent or stepchild; or
- Other similar relationship: any current or former relationship, that would make it difficult for either the existing Cooperative employee or the candidate for the position to behave objectively and treat the Related Person the same as any other coworker or such that there would be an apparent lack of objectivity. Examples include but are not limited to amorous or personal relationships including cohabitation by unmarried individuals, roommates and significant business relationships.

For the purpose of this policy, a "Related Person" means any position requiring the existing Cooperative employee and Related

Person to work in the same facility or any position in which the existing Cooperative employee or the Related Person (if hired) would be in a supervisory capacity over the other person or would have significant say in the other person's hiring, salary, working conditions, working responsibilities, evaluation, promotion, and termination.

G. Reporting of Related Relationship

All Cooperative employees who are aware that a Related Person is applying for a position at the Cooperative must report the relationship to the CEO immediately, whether or not the position applied for is a Related Position.

H. It is important for Cooperative to know about Related Persons even if they do not work in a Related Position because, for example, administrative safeguards may need to be put in place if a Related Person handles sensitive paperwork or other communications regarding a Cooperative employee.

I. In the event two existing Cooperative employees who work in a Related Position and who were not previously Related Persons become Related Persons during the course of their employment, such employees shall immediately report the changed relationship to the CEO (for example, the two employees become engaged). The Cooperative reserves the right to take steps to prevent the Related Persons from working in a Related Position. Such steps may include, for example, requiring the two employees to decide which employee will resign their employment, or Cooperative unilaterally reassigning or terminating one of the employees or putting in place administrative safeguards. Generally, this action will be required within ninety days of the individuals becoming Related Persons.

J. As of the date this policy is revised, the Cooperative understands certain Related Persons currently work in Related Positions within the

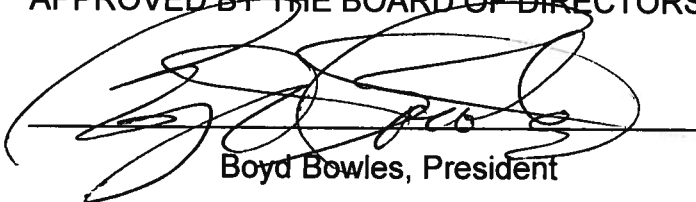
Cooperative. The Cooperative does not anticipate retroactively applying this Policy to correct those situations; provided, however, the provisions of the Cooperative's Bylaws addressing employment of relatives remain in effect. As vacancies, promotions, and transfers occur, these existing situations will likely be corrected. Further, should performance or morale problems arise as a result of these existing relationships, the Cooperative reserves the right to take immediate action.

- K. Potential conflicts of interest not specifically noted in this policy are corrected by management in the best interest of the Cooperative.

V. PRIMACY OF POLICY:

This policy supersedes any existing policy that may be in conflict with the provisions of this policy and does not represent a contract between employee and employer, but only a guideline, and the policies herein may be changed by the employer alone and without notice.

APPROVED BY THE BOARD OF DIRECTORS



Boyd Bowles, President

DATE EFFECTIVE: January 10, 1977

DATE REVISED: March 20, 1989

July 25, 2011