

CHAPTER 7-5 TRIBAL CORPORATIONS/LIMITED LIABILITY COMPANIES CODE OF ETHICS AND BUSINESS CONDUCT

7-5-1 Short Title

This Chapter shall be known and may be cited as the Colville Tribal Code of Ethics and Business Conduct

7-5-2 Intent

The Colville Business Council finds that:

(a) The Colville Business Council has a sovereign duty and responsibility to assure the integrity of operations of Tribal Corporations and Tribal Limited Liability Companies chartered or created pursuant to Chapter 7 of this Code, as well as the integrity of operations of federally-chartered Tribal Corporations.

(b) The Colville Business Council has a sovereign duty and responsibility to foster a culture of transparency, honesty and accountability in all such tribal corporations and companies.

(c) In order to provide appropriate direction to the boards of these companies, the Colville Business Council creates this Code of Ethics and Business Conduct to assure that Boards of Directors and Boards of Managers recognize and avoid ethical risks.

7-5-3 Purpose

The purpose of this Chapter is to provide a mechanism for maintaining the highest standard of ethical business conduct among Tribal Corporation Boards of Directors and Tribal Limited Liability Company Boards of Managers, and a process for reporting and addressing violations of this Code of Ethics and Business Conduct.

7-5-4 Definitions

(a) "Company" means any tribally or federally chartered tribal corporation and any tribal limited liability company created pursuant to this Code.

(b) "Board" means a tribal corporate board of directors or a tribal limited liability company board of managers.

(c) "Board Member" means a member of a tribal corporate board of directors and a tribal limited liability company board of managers.

(d) "Immediate Family" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, brothers and sisters-in-law and anyone who shares the person's home.

7-5-5 Scope

This Code of Ethics and Business Conduct applies to all Board Members. It cannot be waived or modified by a vote of the Company's Board. All Board Members must conduct themselves according to the language and spirit of this Chapter and seek to avoid even the appearance of improper behavior.

7-5-6 Financial Disclosure

Prior to appointment by the Colville Business Council, or upon passage of this Code, all Board member applicants and current Board Members must provide to the Council a complete and detailed listing of their business holdings, including but not limited to business entity and real property ownership, leases, licenses, contracts and other agreements made for the purpose of monetary gain or benefit. This list must be warranted as accurate by the potential Board Member, signed and notarized by a Notary. This information will be held in strict confidence by the CBC and discussed by CBC or with a Tribal attorney only as necessary to determine compliance with this Code or an applicant's suitability for board membership.

7-5-7

Conflict of Interest

(a) Board Members shall not act on matters involving an actual or apparent conflict of interest during their tenure on a Board. A “conflict of interest” occurs when a Board Member’s personal interest interferes in any way with—or appears to interfere with—the interest of the Company he serves. Personal interests may include commercial, industrial, banking, consulting, legal, accounting, charitable, and financial relationships, among others. If a Board Member has a personal interest in a matter before the Board, the Board Member shall disclose the interest to the full Board prior to discussion of the matter, excuse himself from participation in the discussion and may not vote on the matter.

(b) No Board Member or member of his immediate family may receive any personal benefit from the Board Member’s Company as a result of the Member’s position on the Board. This prohibition does not apply to compensation for services or reimbursement for expenditure under the Company’s compensation or reimbursement plan for Board Members. Board Members shall not accept compensation in any form for services performed for the Company from any source other than the Company.

(c) Board Members and their immediate families may not accept any gifts in the form of cash or cash equivalents (such as gift certificates, loans, stock or stock options) from persons or entities who deal with the Board Member’s Company.

(d) Board Members and their immediate families may not accept any gift which reasonably appears to be made in order to influence the Member’s actions on the Board, but non-cash gifts to the Board Member and his immediate family with a total fair market value of less than \$100 over any 12-month period may be accepted.

(e) A Board Member shall not engage in any conduct or activity that is inconsistent with his Company’s best interests or that disrupt or impair the Company’s relationship with any person or entity which has entered, or is reasonably likely to enter, into a business or contractual relationship with the Board Member’s Company.

(f) Board Members shall not use Company assets, labor or information for personal use unless approved as part of a compensation or expense reimbursement program available to all Board Members.

(g) Board Members shall not accept loans, or any other guaranty of an obligation, from the Member’s Company.

7-5-8

Company Opportunities

Board Members owe a duty to their Company to advance its legitimate interests when the opportunity to do so arises. Board Members are prohibited from

(a) taking for themselves opportunities that are discovered through the use of Company property, information or their position on the Company Board;

(b) using Company property, information or their position for personal or professional gain for themselves or their employer; and

(c) competing with or helping another person or entity compete with the Company, including competing for business opportunities. If the disinterested Board Members for the Company determine that the Company will not pursue an opportunity made known to a Member through his position on the Board, the Member may pursue the opportunity if the disclosure and abstention procedures set forth herein are followed.

7-5-9

Confidentiality

Board Members may not disclose to any unauthorized person confidential or proprietary information about their Company, its customers, prospective customers, or other third parties. Board members shall maintain the confidentiality of such information entrusted to them by the Company and any other confidential information about the Company that is disclosed to them, from whatever source and by any means (orally,

in writing, electronically) in their capacity as a Member, except when disclosure is authorized or legally mandated. For purposes of this Code, “confidential information” includes all non-public information that might be of use to current or potential competitors, or harmful to the Company or its customers if disclosed. Should a Board member require clarification regarding whether certain information is confidential, he or she shall consult with the Company’s Legal Counsel for direction on whether the information may be disclosed.

7-5-10 Use of “Insider Information”

Board Members may not use non-public Company information for personal gain in investments, stock purchases, land purchases, securities trading, goods and services purchases, or provide any other person with such information for that person’s monetary gain.

7-5-11 Fair Dealing

(a) Board members must always deal fairly in any dealings with the Company’s customers, suppliers of goods or services, competitors, and employees. Board Members must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice

(b) Board Members and their immediate family are prohibited from accepting bribes, kickbacks or other corrupt payments in cash or any cash equivalent goods or services, directly or indirectly, from a person or entity doing business or seeking to do business with the Board Member’s Company. A violation of this provision shall result in the immediate removal of the Board Member and may result in civil or criminal penalties.

7-5-12 Protection and Proper Use of Company Assets

Board Members must protect their Company’s assets and assure their efficient use. Loss through theft, carelessness or waste by a Member violates this Code and may subject the Member to removal and/or civil and criminal penalties. In all cases, theft will result in the Member’s removal and submission of a report of the circumstances, by the Company’s Legal Counsel, to the Tribal Prosecutor. Board Members may use Company assets only for legitimate business purposes.

7-5-13 Compliance with Laws, Rules and Regulations

Board Members must comply with all applicable laws, rules and regulations. It is the personal responsibility of each Member to know and adhere to the standards and restrictions imposed by those laws, rules and regulations.

7-5-14 Reporting Illegal or Unethical Behavior

Board Members must practice and promote ethical behavior. Board Members are required to disclose to the Office of Reservation Attorney Managing Attorney or designee any reasonably suspected violation, or potential violation of this Code, or any other applicable laws, by another Board Member, or any employee or contractor of the Company. Reports made in good faith will not subject the reporting Member to repercussions. If any employee or contractor of the Company makes a reasonable and good-faith report of a violation of this Code or any applicable law, rule, or regulation to a Board Member, the Member shall disclose the report to the Office of Reservation Attorney Managing Attorney or designee. Reports made under a reasonable and good belief that misconduct has occurred will not subject the reporting person or the Member forwarding the report to any sanction or disciplinary measure. Members, employees or contractors who file reports in bad faith, as a means of harassment or for other improper purpose(s), will be subject to disciplinary measures and/or other sanctions available.

7-5-15 Accuracy of Company Information

Board Members must assure, to the best of their abilities that all information in Company reports and files is accurate, complete, fair, and understandable, and if required to be submitted by a date certain to any other entity, timely submitted. Members must assure, to the best of their abilities, that all public communications issued by the Company are accurate, and as complete as necessary to provide a fair and full representation of the subject of the communication.

7-5-16

Compliance

(a) Board Members shall report any suspected violations of this Code promptly to the Office of Reservation Attorney, Managing Attorney or designee. The Attorney will review the matter with the Board Chairman if the Chairman is not the subject of the report, or if he is so subject, with the next-ranking member of the Board. The Attorney, at his discretion, may further investigate the matter or refer the matter to an outside contract investigator as needed and will take appropriate action in the event it is determined that any violation of this Code has occurred.

(b) Any serious violation committed by a Board Member will subject the Member to removal from the Board, upon recommendation of the Company's Legal Counsel and a majority vote of the Board for removal.

(c) A lesser violation may require the resignation of the Member, upon recommendation of the Company's Legal counsel and a majority vote of the Board to request the resignation. Other civil or criminal action may also be appropriate under the circumstances.

(d) In all instances, crimes of theft, embezzlement, misappropriation of Company property, or crimes of violence or sexual harassment or instances of discrimination based upon race, religion, gender or sexual orientation will result in the removal of the Member and may result in civil or criminal legal action against the Board Member.

(Enacted 06/01/17, Resolution 2017-281)