KAUA'I ISLAND UTILITY COOPERATIVE
BOARD POLICY NO. 12
(Revised 02/21/2017)

CODE OF ETHICS
DEVELOPMENT AND MANAGEMENT

PURPOSE OF POLICY:

To set forth the policy of Kauai Island Utility Cooperative ("KIUC") regarding
development and management of its Code of Ethics, and, as stated, to guide the ethical behavior
of members of the Board of Directors, management and staff.

POLICY CONTENT:

A. Commitment to Ethical Behavior

It is the policy of the Board of Directors of KIUC to expect the highest level of ethical
behavior of its Directors, management and staff, and to periodically update and restate its
standards in a published Code of Ethics.

B. Objectives of KIUC's Code of Ethics

The KIUC's standards of ethical behavior will be defined and communicated to deter
wrongdoing and to promote:

1. Honest conduct, including the ethical handling of actual or apparent
   conflicts of interest between personal and cooperative business relationships.

2. Full, fair, accurate, timely and understandable disclosure of the
   cooperative's periodic external reports.

3. Compliance with applicable governmental rules and regulations.
4. Prompt internal reporting of code violations to persons identified in the code.

5. Accountability for adherence to the Code of Ethics.

C. Matters to be Addressed in the Code of Ethics

KIUC's Code of Ethics will address the following matters:

1. A general statement of KIUC's business philosophy and position on respect, trust, integrity, honesty and other core ethical issues.

2. Legal requirements imposed by state or other regulatory agencies.

3. Compliance with applicable law including whistleblower protection and records retention.

4. Conflicts of interest including contractual relations involving KIUC, gifts to Board Members or Employees in consideration of business opportunities with KIUC, outside activities which might impair KIUC's business, use of KIUC's property for personal purposes or use of KIUC's confidential information.

5. Preparation of KIUC's annual report, press releases and other public disclosures to ensure they are accurate, complete and understandable.

6. Reporting of violations of KIUC's Code of Ethics will be facilitated by multiple alternative reporting procedures, timely and fair processes by which management will investigate reports and protection for those employees or others who report apparent violations in good faith.

7. The mechanisms for holding Board Members and Employees accountable for compliance with the Code of Ethics.
D. **Code of Ethics Implementation**

Management shall be held accountable for development of a Code of Ethics for approval by KIUC's Board, and for its enforcement, as well as periodic reporting to the Board regarding ethics-related matters and opportunities to improve the code and this policy.

A copy of KIUC's Code of Ethics developed pursuant to this Policy and as embodied in the current version of KIUC Administrative Policy No. 400-06-001 or its successor shall be considered incorporated herein and attached hereto.

**RESPONSIBILITIES:**

The Board is responsible for compliance with this policy.

Adopted on this 21st day of **February, 2017**.

\[Signature\]

Teofilo Tacbian  
Secretary

Current: 02/21/2017  
Reviewed: 05/26/2015  
Reviewed: 08/28/2012  
Revised: 01/26/2010  
Revised: 11/28/2006  
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Section: EXECUTIVE
Policy No.: 400-06-001
Effective Date: (Rev) October 26, 2010
Effective Date: November 11, 2006

Title: CODE OF ETHICS

INTRODUCTION

This Code of Ethics (the “Code”) has been developed and adopted pursuant to the requirements of Board Policy No. 12 “Code of Ethics Development and Enforcement” of Kaua‘i Island Utility Cooperative (“KIUC” or “Cooperative”), which Policy should also be consulted. It is intended to provide guidance to the directors, officers and employees of KIUC so they may perform their duties in a manner that fosters the confidence and respect of the membership and community.

PURPOSE

The Code is intended to be a decision-making tool that should be kept in mind anytime a decision is made or a new task is begun, and is intended as an overview of KIUC’s guiding principles and not as a restatement of KIUC policies and procedures. The Code cannot and is not intended to cover every applicable situation or provide answers to all questions that might arise. KIUC must ultimately rely on each person’s good sense of what is ethical, moral and right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. Because KIUC’s reputation depends on the integrity and principled business conduct of its directors, officers and employees, in many instances the Code goes beyond the minimum requirements of the law.

GENERAL

It is the foundation of KIUC’S culture of trust that ethical behavior is an important and critical part of how business is conducted. KIUC expects its directors, officers and employees will maintain the highest level of integrity in their dealings with each other and with the public on behalf of the Cooperative. KIUC also expects its directors, officers and employees will conduct themselves in accordance with The 7 Cooperative Principles.
CODE OF ETHICS

A. Conflicts

1. The directors, officers and employees of KIUC must conduct themselves so as to avoid conflicts of interest, or the appearance of conflicts of interest, in their relations with KIUC, including, but not limited to, taking personal advantage of business opportunities which are discovered through the use of KIUC property, information or position, and engaging in business with, becoming employees of, becoming materially affiliated with, or retaining a material financial interest in any competing enterprise or business engaging in business with KIUC. Such relations include not only dealings between a director, officer or employee, and KIUC, but also dealings between a related party and KIUC.

2. All Interested Persons as defined in KIUC Board Policy No. 5: Conflicts of Interest and Conduct of Interested Persons shall comply with Board Policy No. 5.

B. Confidential Information

1. Customer Information - All information relating to customers (members and non-members) or potential customers of KIUC that directors, officers and employees receive in the ordinary course of performing their duties should be treated as private, and not public, and should be held in the strictest of confidence. Customer information should be used solely for corporate purposes, and not for the purposes of personal gain. Within KIUC, information concerning customers should be communicated only to those individuals who need the information to discharge their duties. Without prior written consent of the customer, information concerning customers should never be provided to anyone outside of KIUC, including other customers of KIUC.

2. Personnel Files - All information relating to employment matters (e.g., performance appraisals, salary, and benefits) shall be treated as private, and not public, and shall be held in the strictest of confidence, unless required by law. Information concerning employment matters should be communicated only to those individuals who need the information to discharge their duties. All requests for personnel file information shall be made through the respective department manager in charge of employee matters or through a KIUC officer.

C. Gifts and Other Offers

1. Directors, officers or employees of KIUC should not provide, directly or indirectly, any gift to any individual or company (including, but not limited to, customers, suppliers and vendors) in consideration for doing business with KIUC.

2. Directors, officers or employees of KIUC should not accept any gift from any individual or company (including, but not limited to, customers, suppliers or vendors) of a value that a reasonable person under the circumstances would believe was meant to influence that director, officer or employee in the performance of his or her duty or responsibilities to KIUC. No gift should be accepted if there is a possibility that it would jeopardize KIUC's reputation.

3. Directors, officers or employees of KIUC should not accept any bonus, commission or other fee from any KIUC customer, supplier or vendor, in the performance of their KIUC fiduciary responsibilities.
4. Any director, officer or employee who receives an offer of employment, bonus, a 
commission or other fee or receives an offer of any gift from any individual or company 
(including, but not limited to, customers, suppliers and vendors) in consideration of doing 
business with KIUC should report the same to the appropriate parties. Directors should report 
any such offer to KIUC's General Counsel. Officers and employees should report any such 
offer to his or her supervisor, to the President and CEO, or to KIUC's General Counsel as 
appropriate.

5. The acceptance or giving of normal and reasonable business entertainment does 
not violate this prohibition concerning gifts and offers.

D. Outside Activities

Directors, officers and employees of KIUC should not have outside interests that: (i) 
materiably and adversely affect their ability to effectively perform their duties, (ii) compete with 
the business of KIUC, (iii) involve significant use of the equipment, supplies or facilities of KIUC 
not authorized by KIUC, (iv) imply sponsorship or support by KIUC, if such sponsorship or 
support is not authorized by KIUC, or (v) adversely affect the reputation of KIUC. Directors, 
officers and employees are encouraged to seek the advice of the President and CEO or KIUC's 
General Counsel, as appropriate if there is any question as to whether participation in specific 
outside activities is appropriate.

E. Post Employment and Director Term Contact

As a matter of law, directors, officers and employees continue to have a fiduciary duty to 
KIUC after they leave the company. This duty prohibits former directors, officers and 
employees from using or disclosing to others KIUC’s trade secrets or confidential information in 
order to compete with KIUC for business. The type of information that falls within this category 
includes, but is not limited to, lists of customers, business strategies, alliances, and other 
confidential information concerning KIUC and its customers.

F. Compliance with Laws

KIUC will comply with the letter and the spirit of all applicable federal, state and local 
laws, rules and regulations. If any director, officer or employee is unclear as to whether they are 
complying with applicable law in the course of performing their duties they should seek the 
advice of KIUC's General Counsel.

G. Public Communications

Directors, officers and employees of KIUC should always be conscious of the fact that 
what they communicate to the public, whether in writing or orally, may be viewed as a 
communication from KIUC and a direct reflection on KIUC, and may have a significant impact 
on KIUC's reputation. Accordingly, except for oral and written communications to the public 
made by employees of KIUC in the ordinary course of performing their job obligations and 
responsibilities at KIUC, all oral and written communications by such employees to the public 
concerning KIUC, or communications that may be construed as statements made on behalf of 
KIUC, should be reviewed and approved by the employee’s department manager(s), who may 
seek guidance from the President and CEO if deemed necessary by the employee's manager. 
All oral and written communications by directors shall be in accordance with Board Policy No. 
27. Directors, officers and employees are encouraged to seek the advice of KIUC management
if there is any question as to whether any oral or written communication to the public is appropriate.

H. Financial Integrity

1. Directors, officers and employees of KIUC should be prudent in their expenditures on behalf of KIUC. They should record all business transactions in accordance with accepted accounting principles; maintain appropriate internal controls designed to prevent or detect fraud and ensure every accounting or financial record and supporting data describes the transaction accurately without omission, concealment or falsification; and maintain and retain all business records accurately and in compliance with applicable laws and KIUC policies.

2. Directors, officers and employees of KIUC should be committed to building a culture of trust, not only among themselves but also with members and vendors. KIUC seeks to always maintain the highest standards of integrity and objectivity in our working relationships and will not conduct business with anyone who does not operate with integrity or who compromises KIUC’s values and ethical standards.

3. Directors, officers and employees of KIUC should require honest and accurate recording and reporting of information in order to make responsible business decisions. This includes such data as quantity, quality, safety, time and personnel records as well as all financial records.

4. Directors, officers and employees of KIUC recognize the need for a truly independent audit. KIUC’s directors will select a competent independent financial auditor and maintain a finance and audit committee comprised of board members to oversee the audit.

I. Cooperative Assets

Directors, officers and employees of KIUC have a responsibility to protect the KIUC assets entrusted to them from loss, damage, misuse or theft. KIUC assets, such as cash, funds, vehicles, equipment, products, or computers, may only be used for business and other purposes as approved by management. KIUC assets may never be used for illegal purposes.

ENFORCEMENT AND ACCOUNTABILITY

1. Individuals who reasonably believe they have information regarding a violation of this Code of Ethics should bring their concerns to the attention of the President and CEO or KIUC’s General Counsel as appropriate.

2. Any report of a violation of this Ethics Policy will be investigated promptly. If required, appropriate action for infractions will be taken: (1) for Bargaining Unit employees in accordance with the current KIUC Collective Bargaining Agreement; (2) for non-Bargaining Unit employees by a KIUC management disciplinary committee that consists of four department managers appointed by the President and CEO, provided, however, that in the event the alleged violation relates to the President and CEO such violation shall be promptly reported to the Chairperson of the KIUC Board of Directors or to KIUC’s General Counsel; and (3) in the event the alleged violation relates to a KIUC director such violation shall be promptly reported to the Chairperson of the KIUC Board of Directors or to KIUC’s General Counsel, provided, however, that in the event that the alleged violation relates to said Chairperson such violation shall be promptly reported to KIUC’s General Counsel. Violations of this policy by KIUC
employees shall be subject to appropriate disciplinary actions, up to and including immediate
termination of employment. Directors who violate this policy will be subject to censure by the
Board and/or removal in accordance with KIUC’s Bylaws.

3. Confidentiality will be maintained throughout the investigatory process to the
extent possible consistent with thorough investigation.

4. Each year KIUC will require all directors, officers and employees to certify that
they have complied with the Code and are not aware of any unreported violations of the Code
that may have occurred by executing a copy of the certification form attached hereto during the
month of January each year and submitting it to KIUC Human Resources in the case of
employees, or to the Executive Administrator to the Board in the case of directors. The
President and CEO shall be responsible for ensuring that certifications are executed annually in
accordance with this provision.

5. Individuals who reasonably believe they have information regarding a violation of
this Code of Ethics may also make their concerns known by logging onto KIUC’s Hotline
Program, reportlineweb.com/KIUC or calling toll-free (855) 312-8521. The report line is an
independent reporting service that can receive anonymous complaints, which will be
documented and relayed to KIUC.

DEFINITIONS

"Related Party" means:

1. Any cooperative, corporation, partnership, limited liability company or
other organization, other than KIUC, of which a KIUC director, officer or employee is an officer,
director or employee;

2. Any cooperative, corporation, partnership, limited liability company or
other organization which is "controlled" by a KIUC director, officer, or employee;

3. Any trust or other estate in which a KIUC director, officer or employee has
a substantial beneficial interest, or for which a KIUC director, officer or employee serves in a
fiduciary capacity; and

4. Any close relative, or the spouse of a KIUC director, officer or employee.

"Control" means:

1. Control of the election of a majority of the directors of the organization;

2. Having the power to exercise a controlling influence over the
management or policies of the organization; or

3. Having the power to vote ten percent (10%) of the shares or other
Membership interests of the organization.
CONCLUSION

Most of the guidelines set forth in this Code are common sense requirements. The good judgment and continuing concern of directors, officers and employees of KIUC for their own integrity and the trust and confidence of the community in KIUC will always be the most important guideline when dealing with questions of ethics and appropriate conduct. Directors and elected officers of KIUC should address any questions or concerns about this Code to the Executive Committee of the Board of Directors or KIUC's General Counsel. Appointed officers and employees should address any questions or concerns about this Code to their supervisor, department manager, or the President and CEO.

Approved: /s/ David J. Bissell
DAVID J. BISSELL
President and CEO

Date: May 26, 2015

Board Oversight: /s/ Karen Baldwin
KAREN BALDWIN
Board Secretary

Date: May 26, 2015
Kaua‘i Island Utility Cooperative ("KIUC") requires that each employee, officer and director must certify on the following form at least annually or at such other times as requested to do so by KIUC management.

I, ___________________________________________,

First Name    Middle Name    Last Name
(PLEASE PRINT)

As an employee of KIUC, I do hereby acknowledge that I have received a copy of the KIUC Code of Ethics and that I have read and reviewed the Code of Ethics and understand its contents and understand that I am subject to all of its provisions. I further certify that I am not aware of any violations of the Code of Ethics that have not been duly reported pursuant to the provisions of the Code of Ethics as of the date of this certification.

__________________________________________  __________________________
Signature                                      Date:

__________________________________________
Title

__________________________________________
Department