



BOARD OF TRUSTEES POLICIES

Subject: Nepotism Policy			Policy No.: 123
Original Issue: 4/27/2012	Last Revised: 10/31/2025	Last Reviewed: 10/31/2025	Page 1 of 3

PURPOSE

To establish a policy regarding the employment and retention of immediate family members of employees or members of the Board of Trustees and to avoid real or perceived conflicts of interest within Jemez Mountains Electric Cooperative, Inc. (JMEC or the Cooperative).

ACCOUNTABILITY

The General Manager and President of the Board of Trustees are accountable for ensuring implementation of and adherence to this policy.

SCOPE

Nepotism, as defined in this Policy, is a practice of showing favoritism to immediate family members or members of the household in conferring favors in the line of patronage, employment, promotion, appointments, etc. Nepotism is not normally acceptable in the operation of JMEC.

In addition, non-related employees who have a Personal Relationship (which includes romantic, sexual or other special relationship) that creates a conflict of interest or the appearance of a conflict of interest are subject to all provisions of this policy.

POLICY

No favoritism toward immediate family members or members of a household, is permitted. Therefore, administrative or supervisory control by a close relative over such an employee is prohibited.

1. For the purpose of this policy, an "immediate family member" is defined as a member of the household, the spouse, child, sibling, parent or guardian, parents-in-law, step-parents and step-children, and, and includes these relationships whether created by marriage, domestic partnership, or co-habitation.

An "employee" is defined as a full-time or part-time regular, temporary, or contract employee.

2. As a general rule, JMEC will not employ immediate family members of the General Manager, managers, directors, or of any employee working in Human Resources. Exceptions to this rule may be allowed in appropriate situations after approval by the full Board of Trustees. Such situations include regional and national shortages of qualified employee applicants in a Co-op-related field necessary for the proper functioning of the Cooperative.
3. No Board of Trustee or employee will be permitted to supervise or work in the same department as an immediate family member or will be permitted to influence any, promotion,



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demotion, appointment, dismissal, or disciplinary authority over an immediate family member.

4. If two employees, for reasons beyond their control, become immediate family members during the course of their employment with the Cooperative and they work in the same
5. department or one exercises supervisory control over the other, every reasonable effort will be made by management to transfer one of the employees to a vacant position, which avoids a conflict of interest, if such a vacancy exist. If no vacancy exists then one employee must be terminated. The employees may decide which one may terminate. If the employees are unable to reach a decision then the employee with the least service to the cooperative will terminate within 90 days.
6. If two employees, due to their own actions, become immediate family members through marriage, domestic partnership, co-habitation or otherwise which results in a work relationship that does not meet the conditions listed in this policy, will have 90 calendar days to come into compliance. If not in compliance by the end of the 90 days, JMEC will take whatever actions it deems necessary to ensure compliance. This action can include termination of the employee with the least seniority or the employee who has a record of performance issues at JMEC.
7. Employees must disclose to Human Resources any familial or personal relationship, and any change in such relationship, that may create the appearance of or an actual conflict of interest or otherwise adversely affect their working relationship or the work environment within their department or reporting chain.
8. Providing false or misleading information concerning a relationship or failure to comply with this policy will be grounds for disciplinary action, up to and including termination.
9. The Board of Trustees authorizes Management to take the provisions of this policy into consideration before hiring, promoting, or transferring decisions.

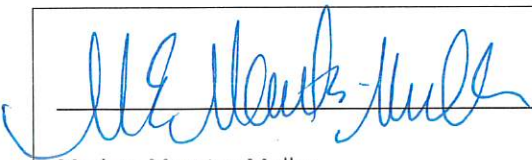


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(Signature Page)

 _____, Chairman of the Board Dennis Trujillo	Date: <u>10/31/2025</u>
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 _____, Policy Committee Chair Marissa Maestas-Muller	Date: <u>10/31/25</u>
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