

**EXCERPT**  
**from**  
**MINUTES OF MEETING**  
**of**  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
**held**  
**November 2, 2022**

---

The Vice President and General Counsel (Compliance Officer) reported to the Board that the Ethics and Compliance Department had completed its review of several policies included in the MLGW HR Policy Manual which address ethics, conflicts of interest and gifts and gratuities and recommended to the Board of Commissioners that it approve the amended and restated Ethics Policy attached to this resolution to update, expand and clarify the expectations of the MLGW Ethics Program.

**NOW THEREFORE, BE IT RESOLVED, THAT,** the Ethics Policy attached to this resolution is hereby approved and adopted effective as of the date of this resolution; and

**FURTHER RESOLVED THAT,** simultaneously with the adoption of this Ethics Policy HR Policy Manual Policies No. 23-05 Business Gifts and Gratuities and No. 23-15 Standards of Business Conduct are hereby repealed and rescinded.

**RESOLVED THAT,** the Ethics and Compliance Department is hereby authorized to file a copy of the Amended and Restated Policy with the appropriate office of the State of Tennessee and to develop such procedures and processes as are necessary and efficient in the implementation of the provisions included therein.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular - special meeting held on 2nd day of November, 2022 at which a quorum was present.

  
\_\_\_\_\_  
SVP, CFO & CAO Secretary - Treasurer



## **MLGW HUMAN RESOURCES POLICY MANUAL**

**SUBJECT: ETHICS**

**EFFECTIVE DATE:**

|   |                             |                             |
|---|-----------------------------|-----------------------------|
| <b>APPROVED BY:</b><br><br><b>MLGW BOARD OF COMMISSIONERS</b> | <b>BOARD APPROVAL DATE:</b> | <b>REVISION DATE/PAGES:</b> |
|---|-----------------------------|-----------------------------|

### **I. PURPOSE**

The purpose of this Policy is to establish ethical standards for Memphis Light, Gas and Water Division. This Policy reaffirms the strong commitment of MLGW to the highest standards of legal, ethical, and professional conduct in its business practices. MLGW expects all employees to observe these standards of ethical business conduct in all work-related situations.

### **II. REFERENCES**

Comprehensive Governmental Ethics Reform Act of 2006, codified at Tennessee Code Annotated §§ 8-17-101 *et seq.*

Title VI of the Civil Rights Act of 1964, codified at 42 U.S.C. § 2000d, *et seq.*

Title VII of the Civil Rights Act of 1964, codified at 42 U.S.C. § 2000d, *et seq.*

Rehabilitation Act of 1973, codified at 29 U.S.C. § 794, *et seq.*

Americans with Disabilities Act of 1990, codified at 42 U.S.C. § 12132, *et seq.*

**Age Discrimination Act of 1975, codified at 42 U.S.C. § 6102, *et seq.***

**Foreign Corrupt Practices Act of 1977, codified at 15 U.S.C. §78dd-1, *et seq.***

**False Claims Act (FCA), 31 U.S.C. § 3729, *et seq.***

**MLGW Policy 20-01, Equal Employment Opportunity**

**MLGW Policy 23-02, Disciplinary Actions**

**MLGW Policy 23-08 Use of Division Vehicles**

**MLGW Policy 23-10, Theft and/or Unauthorized Use of MLGW Property and/or Utility Services**

**MLGW Policy 23-11, Political Activity**

**MLGW Policy 23-12, Anti-Harassment**

**MLGW Policy 23-16, Accessing and Changing Customer Accounts**

**MLGW Policy 23-24, Falsification of MLGW Records**

**MLGW Policy 23-30, Circulation of Unauthorized Materials**

**MLGW Policy 23-31, Media Contact**

### **III. DEFINITIONS**

- (a) **"Agency" means any board, bureau, body, commission, committee, department or office of the City, including any joint board to which the City Council or the City Mayor has appointment powers.**
- (b) **"Agent" means any person authorized by MLGW to act on its behalf.**
- (c) **"Board" means the Memphis Board of Light, Gas and Water Commissioners**
- (d) **"Board Member" means a member of the Memphis Board of Light, Gas and Water Commissioners.**
- (e) **"Business Partner" means supplier, manufacturer, contractor, joint venture partner, agent, or consultant of MLGW.**
- (f) **"Confidential Information" means information which has been obtained in the course of employment, by independent contract or otherwise acting as a Board Member, Officer, or Employee, and which information is not available to members of the public under state or other law or regulation, and which the Board Member, Officer, or Employee is not authorized to disclose.**

- (g) **"Direct interest" includes being the sole proprietor, a partner, or the person having the controlling interest in the business with which the contract will be entered.**
- (h) **"Employee" means any person employed or retained by MLGW, whether paid or unpaid and whether part-time or full-time. This definition includes retired Employees or former Employees during a period of time in which they are later employed or retained by MLGW. Unless stated otherwise in this Policy, Employees shall include Officers and Board Members.**
- (i) **"Gratuity" means any item having monetary value. Gratuity includes, but is not limited to, any gift, favor, discount, entertainment, hospitality, loan forbearance, interest in real estate, stock, bond, certificate of deposit, negotiable instrument, or cash of any amount.**
- (j) **"Immediate Family" means parents, spouse, and children, whether by blood, adoption, or marriage, as well as any other similarly close personal relationship.**
- (k) **"Indirect Interest" in a proposed contract means where (1) a person or persons, who are related by blood or marriage to an Officer, Employee or Board Member, have a Direct Interest, or (2) an Officer, Employee, Board Member, or their Immediate Family have an ownership interest in the entity equal to 5% or more, but less than a Controlling Interest. Normal employment compensation of Immediate Family whose regular, ongoing employer or business has a contractual arrangement with MLGW shall not be considered an ownership interest for this definition provided the Officer, Employee or Board Member did not assist his or her Immediate Family in securing the contract with MLGW.**
- (l) **"Limited English proficiency" (LEP) means the inability of any person or group of persons to speak, read, write, or understand the English language at a level that allows them to meaningfully communicate with MLGW.**
- (m) **"MLGW" means the Memphis Light, Gas and Water Division.**
- (n) **"Officer" means any person appointed to any MLGW position, whether paid or unpaid and whether part-time or full-time. This definition includes retired Officers or former Officers during a period of time when they are later appointed, employed, or retained by MLGW.**
- (o) **"Official Duties" means all those duties which, based upon charter, ordinance or other document creating the office, employment or position, a Board Member, Officer, or Employee may be reasonably expected to perform.**
- (p) **"Personal Interest" means any financial, ownership or employment interest of a Board Member, Officer or Employee in a business or entity that MLGW**

does business with, regulates or supervises and includes (1) these interests arising from relationships with the Board Member, Officer or Employee's Immediate Family; (2) from outside employment, business partnerships, corporate associations or memberships, whether or not any financial interest is involved; (3) the ownership of any real estate having a value of one thousand dollars (\$1,000.00) or greater in which MLGW has or for which MLGW is negotiating an acquisition, leasehold, or easement agreement; or any other such financial or ownership or employment interest as described herein by the Board Member, Officer, Employee, or Immediate Family.

- (q) "Prohibited Source" means any person, business, entity, or other organization that is seeking official action, doing business with, or seeking to do business with, or conducting activities regulated by, or has interests that may be substantially affected by decisions or performance or nonperformance of Officers, Employees or Board Members of MLGW.

#### **IV. SCOPE**

This Policy applies to all employees, whether compensated or not, including those of any separate committee or other instrumentality appointed or created by the Board of Commissioners to the extent permitted by the MLGW Charter.

#### **V. POLICY STATEMENT**

Employees are expected to adhere to acceptable business principles in all matters related to MLGW and exhibit a high degree of personal integrity at all times in situations related to MLGW. This not only involves respect for the rights and feelings of others, but also demands that, in all matters related to MLGW, employees refrain from any behavior that might be harmful or demeaning to the employees, their co-workers, MLGW's supervisors and management, or to MLGW itself, or from any behavior that would be viewed unfavorably by current or potential customers or by the public at large. Employees are always encouraged to observe the highest standards of professionalism.

##### **A. Compliance with Laws, Regulations, and Rules**

MLGW's Employees have an obligation to know and follow the policies, rules, regulations, and laws that apply to their business activities. MLGW requires all such persons to avoid any activities which involve or would lead to the involvement of MLGW in any unlawful or prohibited practice.

##### **B. Inclusion and Respect**

**MLGW is an equal opportunity employer. Intimidation, harassment, or discrimination, including on the basis of race, color, national origin (including Limited English Proficiency), sex (including pregnancy, sexual orientation, gender identity or expression), religion, political affiliation, citizenship status, age, disability, veteran status, genetic information, or on any other basis legally prohibited by or protected by Federal or State law, are not permitted, nor shall any person be excluded from participation in or be denied the benefits of MLGW programs or services on the basis of such factors.**

**E. Confidential Information and Acceptable Use of Information**

**MLGW has developed specific internal policies to protect against the inappropriate disclosure of confidential information. All Employees are expected to be able to recognize MLGW's confidential data and execute the procedures established to protect it.**

**No Employee shall use for personal gain, or for the gain of any or employer, Immediate Family member or other person of similarly close personal relationship, information belonging or pertaining to MLGW which is not a matter of commonknowledge. They shall not use his or her position to secure information about any person or entity for any purpose other than the performance of official responsibilities or as may be required by law, nor shall they divulge to any unauthorized person any Confidential Information acquired by result of his or her employment or association with MLGW.**

**Employees shall only access customer, financial, personnel, and other records for MLGW business purposes as required within the scope of their Official Duties.**

**F. Financial and Data Veracity**

**MLGW's accounting and reporting shall faithfully reflect the Division's business activities, consistent with generally accepted accounting principles, standards, and regulations for accounting and financial reporting. Our practices shall comply with all MLGW policies and with applicable laws and regulations relating to the preservation of documents and records.**

**MLGW's management decisions will be based on timely, accurate and complete financial information with appropriate consideration of short- and long-term risks.**

**MLGW's funds, property, or services shall not be used for any unlawful or improper purpose, nor shall undisclosed or unrecorded funds or assets be established. No payment on behalf of MLGW will be approved or made with the intention or understanding that such payment or any part of such payment will be used for any purpose other than that described by the documents supporting the payment.**

**G. Avoidance of Conflicts of Interest**

**1. Personal Interests**

**Personal Interests should be disclosed to the Ethics and Compliance Department as early as possible but no later than thirty (30) days of their establishment so that any conflict of interest may be addressed and resolved in an appropriate manner.**

**No Employee shall participate in making or influencing any MLGW decision or action in which they know they have any Personal Interest or any material financial interest distinguishable from that of the public generally or from that of other MLGW, Employees generally. Such Personal Interest or material financial interest in a matter before the Board must be disclosed during the meeting at which the vote takes place, prior to the vote, so the disclosure appears in the minutes. The Board Member may recuse himself/herself from voting on the measure.**

**2. Business relationships with MLGW**

**It is the duty of all employees to adhere to acceptable business principles and avoid any activity or associations in which there is a potential for conflict of interest. Therefore, no employee will participate in making, or use their position to influence any MLGW-related decision in which he or she or their Immediate Family has any Personal Interest.**

**No employee who has a Personal Interest shall pass upon, authorize payment for, supervise or control any work for MLGW or any purchase, contract, renewal, change order or subcontract for any material or service for MLGW where such work is to be performed by or such materials or services are to be purchased from or through any contract or subcontract in which such employee knows he/she or their Immediate Family are interested, if such interest is distinguishable from that of the public generally or from that of other employees, generally.**

**Employees shall not be Directly Interested in any contract, subcontract, or purchase decision with MLGW, nor shall they hold controlling interest in any entity contracting with MLGW. No Employee or Immediate Family shall be indirectly interested in any contract, subcontract, change order or renewal with MLGW unless he or she acknowledges that interest prior to the execution of such contract, renewal or change order. Such acknowledgement by a Board Member shall be made by public disclosure to the Board prior to a vote on the contract by the Board. Such acknowledgment shall be noted in the minutes of the meeting. Contracts or subcontracts in which any Board Member, Officer, Employee, or Agent has a Personal Interest must be approved by the Board regardless of the value of such contract.**

**No Employee shall enter into a loan or rent or lease real estate to or from other MLGW Employees or Business Partners, unless approved by the Manger of Ethics and Compliance on a case-by-case basis.**

**3. Secondary Employment or Subsequent Service or Employment**

**Employees, other than Board Members, may not serve on a board of directors, or serve in a management position for, or work for an outside business, or a professional, social, or charitable organization, including board memberships, if it is likely to conflict with their job responsibilities or give the appearance that a conflict of interest may exist, either currently or in the future, regardless of whether the secondary position is paid or unpaid. Fundamental loyalty must be to the public interest, and the employee must not enter into any engagement or employment that conflicts or interferes with the full discharge of the Employee's and Board Members assigned job duties.**

**Employees will not be permitted to engage in full-time or part-time employment in addition to their work at MLGW that conflicts in any way with the Employee's assigned duties or the general business of MLGW or that interferes with the Employee's regularly scheduled working hours.**

**In no event will any secondary position, employment, or business venture be allowed which adversely affects 1) the Employee's attendance, efficiency, or productivity in their position with MLGW and 2) MLGW's image. MLGW's telephones, equipment, or supplies shall not be used for any business venture other than Division business.**



**No Employee shall, for a period of one year after separation from service or employment, appear before any Agency or receive compensation for any services rendered on behalf of any person, business or association in relation to any case, proceeding, or application, with respect to which such former Employee, was directly concerned or in which they personally participated during the period of employment or association with MLGW or which was under their active consideration or to which information not available to the general public was made available during their service or employment.**

**4. Business Gifts, Gratuities, Entertainment, and Favors**

**No Employee or their Immediate Family, will directly or indirectly offer, give, solicit, or accept any cash, gifts, special accommodations, favors, entertainment, loans, or the use of property or facilities either for the performance of an act, or refraining from performance of an act that he or she would be expected to perform, or refrain from performing, in the regular course of his duties; 2) that might reasonably be interpreted as an attempt to influence his or her discretion or reward him for past exercise of discretion in the discharge of his or her Official Duties.**

**No Gratuity may be provided to or accepted from a Prohibited Source.**

**Gratuities do not include:**

- 1. Reasonable items of food and refreshments, such as meals, soft drinks, coffee, and the like that are provided or received in connection with an Employee's attendance at a widely attended meeting or other event or function relating to his or her Official Duties;**
- 2. Greeting cards and items of small intrinsic value, such as plaques, certificates and trophies, which are solely for presentation;**
- 3. Loans on terms generally available to the public;**
- 4. Opportunities and benefits, including favorable rates and commercial discounts available to the public or to all MLGW Employees;**

5. **Rewards and prizes given to competitors in contests or events, including random drawings open to the public unless the Officer, Employee, or Board Member's entry into the contest or event is required as part of his or her Official Duties;**
6. **Pension and other benefits resulting from continued participation in an Employee welfare and benefits plan maintained by a present or former employer;**
7. **Anything paid for by MLGW or secured by MLGW under MLGW contract; provided, however, no contract or lease with MLGW may require passes, tickets, or any other Gratuity to be given to Employees or permit reduced fees not available to the general public to be paid by Employees. Parties contracting with MLGW shall not provide, and Employees shall not accept Gratuities or prerequisites in connection with the execution of or performance under a contract or lease;**
8. **Any gift accepted by MLGW under specific legal authority, including:**
  - (i) **Travel, subsistence, and related expenses in connection with an Officer, Employee, or Board Member's attendance at a meeting or similar function relating to his or her Official Duties which takes place away from his or her duty station;**
  - (ii) **Other gifts provided in-kind which have been given or accepted by MLGW under any gift policy;**
9. **Anything for which market value is paid by the Employee.**

**Notwithstanding any prohibition in this Section, an Officer, Employee or Board Member may accept:**

1. **Gifts based solely upon family or personal friendship rather than upon an Employee's MLGW position.**
2. **Reduced membership or other fees for participation in an organization's activities offered to all**

**government employees where the only restriction on membership relates to professional qualifications.**

- 3. Campaign contributions solicited and received in accordance with any applicable federal, state, and local laws.**
- 4. Any Honorarium ordinarily given by a charitable, scientific, religious, or educational institution.**
- 5. Other awards, Honoraria, and honorary degrees:**
  - (i) Awards, other than cash or investment interest, that are given for meritorious public service or achievement by a person or organization that does not have interests which may be substantially affected by the performance or nonperformance of the Employee's duties.**
  - (ii) Gifts, Honoraria, or awards of cash or investment interest may be accepted upon determination that the award is made as part of an established program of recognition under which awards have been made on a regular basis.**
  - (iii) Honoraria or honorary degrees from an institution of higher education may be accepted upon determination that the award would not raise a question about the Employee's impartiality.**
- 6. Gifts of meals, lodgings, transportation, and other benefits based solely on outside business or employment relationships:**
  - (i) Resulting from the business or employment activities of an Employee's spouse when it is clear that such benefits have not been offered or enhanced because of the Employee's official position;**
  - (ii) Resulting from an Employee's business or employment activities when it is clear that such benefits have not been offered or**

enhanced because of his or her official status;  
or

- (iii) Customarily provided by a prospective employer in connection with bona fide employment discussions.

**7. Widely attended gatherings and other events:**

- (i) An Officer, Employee or Board Member assigned to speak, participate, or present information on behalf of MLGW at a conference or other event may accept an offer of free attendance at the event and ordinary and reasonable travel and lodging expenses associated with the event when provided by a sponsor or organization putting on the event;
- (ii) An Officer, Employee or Board Member may accept free attendance at a widely attended gathering when it has been determined that his or her attendance is in the interest of MLGW because it will further MLGW programs or operations:
- (iii) Attendance by an Employee cannot be underwritten by anyone other than MLGW, a sponsor, or organization putting on the event.

**Disposition of prohibited gifts:**

1. Officers, Employees or Board Members and their Immediate Family who receive a prohibited gift must promptly return any prohibited gift received or promptly pay the donor fair market value, or if the prohibited gift is perishable, may donate to charity or share it with other Employees.
2. Reciprocation by the Employee shall not constitute reimbursement as required in this Section.
3. After the gift has been disposed of, the Officer, Employee or Board Member shall communicate in writing with the donor informing the donor of the MLGW prohibition against gifts. Further, the

Employee shall inform the Manager of Ethics and Compliance in writing of the gift, including the identity of the donor and all relevant facts and circumstances.

4. It is recognized that, under certain circumstances, refusal to accept, or returning a prohibited gift, may be awkward or contrary to the interests of MLGW, as in the case of a national or international custom. In those instances, the Employee must provide written disclosure to the Manager of Ethics and Compliance within ten days. The Manager of Ethics and Compliance shall determine the proper disposition of the gift.

Employees shall not accept any payments, fees, or commission for expediting service of any type to MLGW customers; ordering or arranging the purchase of materials, supplies, equipment, work, or service; or providing information about MLGW's services.

**5. Disclosure of Personal and Financial Interests**

1. The following Employees shall submit a disclosure of personal and financial interests on or before March 1 of each year to the Manager of Ethics and Compliance or within thirty (30) days after entering office or otherwise becoming subject to this requirement. :
  - a. Board Members
  - b. President & CEO
  - c. Chief Utility Officer
  - d. Members of the MLGW Senior Leadership Council

The Manager of Ethics and Compliance shall publicly post current disclosures filed by these Employees.

2. The following Employees shall participate in a program devised and administered by the Manager of Ethics and Compliance to identify potential conflicts of personal or financial interest.

- a. **Employees in the office of the MLGW President & CEO who report directly to the President & CEO**
  - b. **Employees in the Contracts and Purchasing Departments**
  - c. **Directors**
  - d. **Managers**
  - e. **Any Employee who:**
    - (i) **Develops specifications or evaluation criteria or approves requests for proposals or other bid solicitations; or**
    - (ii) **Selects, evaluates, or recommends for award or rejection any bid or request for proposal for the purchase of personal property, goods, or services, including, without limitation, construction projects.**
    - (iii) **Employees who are authorized by MLGW to make purchases using a procurement card.**
3. **Throughout the year every Employee shall notify the Manger of Ethics and Compliance within thirty (30) days of the creation of a potential conflict of interest or following the occurrence of any event, action or changed circumstance that renders currently-filed statements inaccurate or incomplete.**
3. **The form of the Personal Interest and Financial Disclosures shall be devised by the Manager of Ethics and Compliance. The disclosure forms shall be signed under penalty of perjury.**

## **VI. VIOLATIONS**

**Violations of this Policy will be subject to disciplinary action up to and including termination.**

## **VIII. REPORTING ETHICAL CONCERNS**

**MLGW's Employees have an obligation to uphold the ethical standards of MLGW. Behaviors that may represent a violation of the Code should be reported promptly and in good faith.**

**Ethical concerns may be reported to management, the Ethics and Compliance Department, or the department responsible for administering a specific MLGW Policy. MLGW may also provide a means for anonymous reporting of ethical concerns. Management personnel shall promptly notify the Ethics and Compliance Department, Legal Services, or the Department responsible for administering the policy upon the receipt of a report of alleged violation or concern.**

**Although reports may be made anonymously, those reporting concerns are encouraged to identify themselves to facilitate communication. The Ethics & Compliance Department and investigators will take every reasonable precaution to keep the identity confidential, consistent with conducting a thorough and fair investigation.**

**To help maintain confidentiality, MLGW's employees shall avoid discussing these issues, or that of any investigation, with others. Those involved in an investigation are expected to cooperate fully and answer all questions completely and honestly.**

**Retaliation is prohibited for filing a complaint. Raising a concern or participating in an investigation cannot be the basis for any adverse employment action, including separation, demotion, suspension, loss of benefits, threats, harassment, or discrimination. Acts of retaliation should be reported to the Ethics and Compliance Department.**

**Knowingly making a false accusation, lying to investigators, or interfering or refusing to cooperate with an ethics investigation is a violation of this policy.**

## **IX. INVESTIGATIONS**

**MLGW takes all reports of possible misconduct seriously. Concerns will be promptly reviewed and investigated in a timely manner. A determination whether this MLGW policy has been violated will be made, and appropriate corrective action will be taken. As appropriate, reports will be submitted to management responsible for determining the appropriate corrective action. Violations may result in disciplinary action, up to and including termination.**

**Employees have a duty to cooperate with investigations by providing truthful accounts and relevant documentation in response to investigator questions and related information requests.**

## **X. RESPONSIBILITY**

- A. The Manager of Ethics and Compliance shall be responsible for establishing and managing the ethics program, coordinating the various components of the ethics program with those policies and activities supporting it with their responsible departments, and reporting on the overall program's performance to MLGW's Board of Commissioners.**
- B. The Manager of Ethics and Compliance shall conduct assessments, training, and awareness programs in support of the ethics program, as appropriate.**
- C. The Manager of Ethics and Compliance shall institute controls to identify and mitigate potential conflicts of interest of Employees**
- D. The Manager shall establish an Ethical Review Committee to review potential conflicts of interest. This Committee may include representation from the community appointed by the Board.**