




California ISO  
Shaping a Renewed Future

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**Governors Code of Conduct and Ethical Principles**

 <b>California ISO</b> <small>Shaping a Renewed Future</small>	<b>Board Policy</b>	<b>Revision Date</b> <b>Version No.</b>	<b>3/11/2011</b> <b>4.1</b>
<b>Governors Code of Conduct and Ethical Principles</b>		<b>Policy Adopted</b>	<b>5/6/1997</b>


### 3.4.3 Gifts and Gratuities

A Governor shall not accept directly or indirectly, any gift, favor, meal, transportation, discount, or service (“Gift”) that would tend to affect, or give the appearance of affecting, his or her judgment in the performance of his or her corporate duties.

The following Gifts (“Exempt Gifts”) will be generally presumed to not affect that judgment and thus may be accepted:

- (a) Gifts not from a “business related source”, as defined below;
- (b) meals and beverages, provided in connection or conjunction with a business related events, including social events and celebrations to the extent they are in conjunction with a business related event;
- (c) inexpensive non-cash Gifts such as pens, calendars, items of clothing provided as promotional items or for a special occasion;
- (d) Gifts from immediate family members; and
- (e) Gifts from other relatives and personal friends that are traditionally exchanged on a personal basis.

A “business related source” means:


 <b>California ISO</b> <small>Shaping a Renewed Future</small>	Board Policy	Revision Date Version No.	3/11/2011 4.1
Governors Code of Conduct and Ethical Principles		Policy Adopted	5/6/1997

- (a) A market participant;
- (b) An existing vendor or contractor or a vendor or contractor seeking the business of the ISO;
- (c) Any entity in the business of the distribution, marketing or development of electric energy;
- (d) Any company that is a service provider or supplier to a market participant.

A Gift is deemed to be indirectly received from a business-related source if it is from one or more of its directors, officers, employees or agents, its subsidiary or parent company, or from any company, trade group or non-profit organization owned, controlled by or that receives a substantial amount of its revenues or funding from one or more business-related sources.

In addition to Exempt Gifts listed above, and subject to the limitations in this paragraph, a Governor may receive a Gift from a business-related source so long as its receipt would not tend to affect, or give the appearance of affecting, his or her judgment in the performance of his or her corporate duties. Each Governor shall keep a record of every such Gift with a market value exceeding fifty dollars. The record must include the donor, the Gift value, and receipt date. A current, cumulative record shall be available upon request of the ISO. Additionally, each Governor will provide the record of Gifts for each calendar year to the Corporate Secretary. A Governor shall not knowingly accept Gifts, other than Exempt Gifts, totaling more than ~~two~~ ~~one~~ hundred ~~and fifty~~ dollars from any single business-related source in a twelve-month period. A Governor shall not accept cash gifts from any business-related source other than an immediate family member.

A Governor shall not accept compensation or expense reimbursement for any action taken in his or her corporate capacity, from a source other than the ISO except that he or she may accept, or be reimbursed for tuition, meals, transportation, lodging, and incidental expenses related to the attendance of a course or conference, facility tour, or other business gathering if the acceptance is consistent with and furthers the purposes of the ISO. The nature and an estimated of value of this compensation shall be reported to the Corporate Secretary in advance of attendance and shall be limited to the reasonable value of business expense reimbursement for such an event. The actual value of the compensation shall be reported to the Corporate Secretary within ten days after its receipt.

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### REVISION HISTORY

VERSION NO.	DATE	DESCRIPTION
1.0	5/6/1997	Adopted by the Board of Governors
2.0	5/28/1998	Amended by the Board of Governors
3.0	2/25/1999	Amended by the Board of Governors
4.0	3/26/2010	Amended by the Board of Governors
4.1	3/11/2011	Updated ISO logo and made non-substantive changes
<a href="#">4.2</a>	<a href="#">10/27/2011</a>	<a href="#">Amended by the Board of Governors (gift limit provision)</a>