



## **CODE OF CONDUCT POLICY**

### **INTRODUCTION**

This Code of Conduct (the “Code”) of Mission Federal Credit Union and its affiliates (“Mission Fed”) contains standards for the transaction of business and serving members in accordance with applicable laws and regulations and standards of honesty, ethics, and integrity. Each director, supervisory committee member, employee, CUSO employee and agent of Mission Fed (collectively, “Covered Persons” and each a “Covered Person”) must follow the standards set forth in this Code, as well as applicable MFCU policies and procedures that support the Code. Compliance with the Code is the responsibility of each Covered Person, and failure to adhere to the Code and its underlying principles may be cause for disciplinary action up to and including termination.

Covered Persons are required to immediately report any known or suspected violation of the Code. Failure to report violations of the Code may result in disciplinary action up to and including termination.

### **PURPOSE AND OBJECTIVE**

The purpose of this Code is to enumerate the high standards of conduct associated with ethical business standards and practices, and to subsequently identify areas and situations in which public trust and confidence could be compromised or a law violated. Each Covered Person is expected to maintain the highest ethical standards of personal conduct in performing responsibilities on behalf of Mission Fed. Through their conduct, covered persons should personify the Mission Statement, Core Purpose, and Core Values of Mission Fed, while promoting member satisfaction and preventing unethical behavior. This Code sets forth guidelines governing such situations to help a Covered Person self-monitor his or her personal conduct so as not to discredit the Covered Person or Mission Fed.

### **CODE OF CONDUCT GENERAL STATEMENT**

Covered Persons of Mission Fed are expected to conduct the business of the Credit Union in full compliance with both the letter and the spirit of the law and the guidelines established by this Code and to:

- Use confidential information properly
- Comply with Mission Fed policies and procedures
- Recognize, disclose, and avoid conflicts of interest
- Protect credit union property, including information, products, services, and assets
- Properly manage personal finances
- Treat fairly and respectfully all with whom they have dealings
- Report any dishonest or fraudulent act

### **FRAUD PREVENTION**

Management is responsible for the prevention and detection of fraud and will maintain the necessary procedures and internal controls in an effort to prevent employee dishonesty. Mission Fed considers any form of fraud or dishonesty on the part of its employees as unacceptable conduct. Acts that are considered either fraudulent or dishonest include, but are not limited to, the following:

1. Manipulation of loan accounts, plastic card accounts, share or share draft accounts, and related documents and computer records.
2. Theft of any kind, including cash, unauthorized member account transactions, fictitious loans, and expense or salary abuse.
3. Participating in or aiding in any form of electronic or automated system fraud, including telephone abuse, electronic funds transfers, ACH, wire transfers, audio response systems, and or/home or mobile banking.

## **FRAUD PREVENTION (Continued)**

4. Altering or inappropriate use of any computer software, computer programs, and/or data processing information related to credit union or member accounts.
5. Check/share draft kiting.
6. Forgeries and new account fraud.
7. Intentionally failing to secure or altering proper collateral interests per loan security agreements.
8. Granting, requesting, or receiving preferential treatment for anyone.
9. Unauthorized disclosure of confidential credit union and/or member information.
10. Intentional violation of credit union rules, internal controls, regulations, policies or procedures.

## **CONFLICT OF INTEREST**

A conflict of interest exists when a Covered Person, or a member of his or her immediate family (spouse, domestic partner, child, sibling, parent, grandparent, including step and adoptive relationships or spouse of any of these individuals) or household member (persons living in the same residence maintaining a single economic unit), has a financial or personal interest, direct or indirect, in any person, entity, or matter that may affect their judgment in the discharge of the Covered Person's responsibilities to Mission Fed.

Covered Persons should avoid any relationship that would cause a conflict of interest with their duties, and are expected to immediately and in advance disclose any situation that may involve inappropriate or improper conflicts of interest affecting them personally, and situations affecting other employees or those with whom Mission Fed does business. Employees are prohibited from performing transactions on accounts of individuals listed above as immediate family or household member and for anyone whom they share a close personal relationship. If a close personal relationship exists with current or potential vendor or customer, this fact must be disclosed to the CEO and/or Board of Directors. Services from new vendors with a relationship to Covered Persons must be approved by the CEO and/or Board of Directors prior to entering into an agreement with the vendor.

Examples of potential conflicts of interest include the following:

- A Covered Person has a close business, fiduciary, familial, or personal relationship with a person (or an affiliate of such person) who does business, or seeks to do business, with the credit union.
- A Covered Person has a close business, fiduciary, familial, or personal relationship with an applicant for employment or an employee of the credit union (or an affiliate of such person). While the individual is still an applicant for a position, the CEO and the Sr. Vice President of Human Resources will determine whether there is a conflict. If a conflict of interest is determined, the applicant will be disqualified from being hired.
- A Covered Person with a family member or personal relationship in the same "line of responsibility" (subordinate/management). Family members and those with personal relationships to one another may both work in the credit union, but not in the same branch, administrative department or "line of responsibility."
- An appearance of impropriety does not necessarily rise to the level of a conflict of interest, but may be reasonably viewed by a third party as being biased, creating reputational risk to the credit union. Where an appearance of impropriety may exist, the credit union should consider whether an alternative should be selected to avoid the appearance of impropriety. If it looks to others as if a Covered Person might be giving someone special treatment, or if it would look that way to others if they knew about the relationship, then the Covered Person should not act with respect to that person or entity.

## FEDERAL BANK BRIBERY ACT

The Bank Bribery Act prohibits any Covered Person of Mission Fed from offering or receiving anything of value where the item of value is offered with the intent of influencing the Covered Person involved in a Mission Fed business transaction. This law is broad and carries civil and criminal penalties. Per the Bank Bribery Act, the acceptance of fees (including special discounts or any direct or indirect payment of money or property) and other items of value in return for services Mission Fed renders are generally prohibited.

If a Covered Person is offered benefits of the type which he or she believes may be impermissible, that Person must immediately disclose the matter to the Senior Vice President of Human Resources in the case of employees, to the CEO in the case of Senior Vice Presidents, or to the Executive Committee of the Board of Directors in the case of the CEO or other officials or directors, and seek a determination that the offer may be accepted or must be rejected. The Senior Vice President of Human Resources, the CEO, or the Executive Committee of the Board will give due consideration to the criteria for permissible payments and whether receipt poses a threat to the integrity of the Covered Person and Mission Fed, and will disclose the outcome of exceptions to the full Board of Directors.

**Allowable Activities:** Under the Bank Bribery Act, the following are generally permissible:

- Acceptance of gifts, gratuities, or favors based on obvious family or personal relationships (such as with parents, children, spouses or domestic partners of Covered Persons) where circumstances are clear that the relationship rather than Mission Fed business is the motivating factor.
- Acceptance of meals, refreshments, travel, accommodations, or entertainment of reasonable value (not to exceed \$250 per individual) in the course of a meeting, conference, or other occasion the purpose of which is to hold bona fide business discussions, or as part of an effort to foster better business relations, provided these expenses would be paid for by Mission Fed if not paid for by the other party as a reasonable business expense.
- Except where prohibited by law, the acceptance of loans from banks or other financial institutions, provided such transactions are made with the customary terms and are used to finance legitimate and usual activities by Covered Persons, such as for a home mortgage.
- Acceptance of unsolicited advertising or promotional materials of nominal value.
- Acceptance of discounts or rebates on merchandise or services, provided they do not exceed those that are available to other credit union members or the general public.
- Acceptance of gifts of reasonable value (limited to \$250 per gift, per person) on the occasion of recognized events such as job promotions, new jobs, weddings, retirements, or religious celebrations.
- Acceptance of civic, charitable, educational, or religious awards in recognition of a service performed or an accomplishment.

On a case-by-case basis, the Senior Vice President of Human Resources in the case of employees, the CEO in the case of Senior Vice Presidents, and the Executive Committee of the Board of Directors in the case of the CEO and other officials or directors, may approve other circumstances described in this policy, in which Mission Fed personnel accept something of value in connection with Mission Fed business, provided that such approval is made in writing on the basis of full written disclosure of all relevant facts, is otherwise consistent with this policy and the law, and will disclose the outcome of exceptions to the full Board of Directors.

## NCUA PROHIBITED TRANSACTIONS

Regardless of whether a conflict of interest constitutes a violation of the Bank Bribery Act, certain activities could be in violation under the NCUA Rules and Regulations and therefore are not permitted by Mission Fed.

Investments: Section 703.5(k)(1) prohibits Covered Persons from receiving any monetary considerations in connection with the making of a Mission Fed investment or Mission Fed deposit.

Loans and Lines of Credit to Members: Section 701.21(c)(8) states that it is a conflict of interest for a Covered Person, or an immediate family member, to receive a direct or indirect commission, fee, or other compensation from an outside entity in connection with any loan Mission Fed originates.

Loans and Lines of Credit to Officials: Under section 701.21(d)(5), a loan or line of credit made to or endorsed or guaranteed by (i) a Board or Supervisory Committee member (ii) an immediate family member of a Board or Supervisory Committee member, or (iii) any individual having a common ownership, investment or other pecuniary interest in a business enterprise with a Board or Supervisory Committee member, or their immediate family members, cannot contain preferential rates, terms, and/or conditions. The approval of the Board of Directors is required where the aggregate of loans to a Board or Supervisory Committee member and loans on which that member serves as endorser or guarantor exceeds \$20,000 plus pledged shares.

Investments in Loans to Credit Union Service Organizations (CUSOs): Section 701.27(d)(6) considers it a conflict of interest when a Covered Person of an affiliated federal credit union (one that has either invested in or made loans to a CUSO), or any of their immediate family members receive any salary, commission, investment income, or other income or compensation from the CUSO, directly or indirectly, or from any person being served through the CUSO.

Management Official Interlocks and Outside Employment: Section 711 prohibits a Covered Person with management functions, including a branch manager, a director, or any person serving in such capacity from serving as a management official of another depository institution or a depository holding company.

Mission Fed further prohibits Covered Persons from serving as a director, partner, consultant, manager, or any other form of employment or affiliation (even in a volunteer capacity) with any business organization that does significant business with or is a competitor of Mission Fed. Outside employment that is not defined above is permitted as long as it does not detract from the Covered Person's performance or is otherwise detrimental to the best interests of Mission Fed. All outside employment must be disclosed to and approved by Mission Fed.

## **CONFIDENTIAL INFORMATION AND COMPANY RESOURCES**

Confidential Information Regarding Members and Others: Covered Persons must take all reasonable measures to protect the confidentiality of non-public information about Mission Fed and its members, and the CUSO and their customers, to prevent the unauthorized disclosure of such information unless required by applicable law, regulation, legal or regulatory process.

Confidential Information Regarding Current or Former Covered Persons: All requests for information regarding current or former Covered Persons must be referred to the Human Resources Department. The amount of information the Human Resources Department may provide is limited by Mission Fed's internal procedures and applicable laws.

Mission Fed Resources; Proprietary Information: Covered Persons are prohibited from taking, selling, disclosing, or otherwise using Mission Fed's physical resources or proprietary information for personal benefit or for the benefit of any other party. The definition of the Mission Fed's physical resources or proprietary information includes all Mission Fed's physical property, intellectual property, including but not limited to any written materials, any computer or network-based information or data, and any other types of information or data developed for Mission Fed by an employee or a vendor, supplier or other contractor of Mission Fed.

Mission Fed Technology and Systems: Covered Persons are to use Mission Fed technology and systems, including but not limited to internet, email, phones and Symitar, for legitimate Mission Fed business purposes. The Human Resources Procedure Manual contains specific guidelines for the use of Mission Fed systems and technology and Covered Persons must adhere to those guidelines.

## **FINANCIAL RESPONSIBILITY**

The credit union encourages all Covered Persons to use Mission Fed as their primary financial institution. If Covered Persons select Mission Fed as their financial institution, they are expected to be financially responsible and to conduct themselves properly in relation to all their financial activities and in the use of their own accounts and loans (collectively "accounts"). Covered Persons' accounts will be subject to periodic review. Additionally, Covered Persons who mismanage their personal finances or accounts will be subject to having their accounts closed, as well as subject the Covered Persons to disciplinary action up to and including termination.

Covered Persons shall not invest in securities, real estate, etc. in anticipation of realizing a profit or personal gain if the information which prompted the investment was privileged information acquired by reason of their association with Mission Fed. Covered Persons shall be allowed all investment rights and benefits to the same extent as all members of Mission Fed.

## **WHISTLEBLOWER PROCEDURES**

Reporting Illegal or Unethical Behavior: If a Covered Person suspects or knows of violations of this Code or illegal or unethical business or workplace conduct, the Covered Person has an obligation to report the situation. Covered Persons may report the situation to Mission Fed management, the Human Resources Department or through the whistleblower hotline at [www.ethicspoint.com](http://www.ethicspoint.com) or by calling EthicsPoint at 877-252-8856. Additionally, anyone may report directly to the NCUA via the NCUA's toll-free Fraud Hotline at 800-827-9650 or online through the NCUA's website using the [NCUA Fraud Hotline Form](https://ncua.gov/regulation-supervision/regulatory-compliance-resources/fraud-prevention-resources/ncua-fraud-hotline-form) (<https://ncua.gov/regulation-supervision/regulatory-compliance-resources/fraud-prevention-resources/ncua-fraud-hotline-form>). Covered persons may file reports anonymously; however, in certain circumstances filing an anonymous report may restrict the scope of the investigation. If concerns or complaints require confidentiality, then this confidentiality will be protected to the extent feasible, subject to applicable law. The report will be investigated in a timely manner and Covered Persons will have the opportunity to obtain follow-up information concerning their report. Additionally, outside entities such as Mission Fed vendors may utilize the whistleblower hotline to report concerns related to Mission Fed Covered Persons.

Non-Retaliation: Mission Fed prohibits retaliation of any kind against anyone who has made a good faith report or complains of violations of this Code or other known or suspected illegal or unethical conduct.

## **TRAINING**

Mission Fed shall provide Covered Persons with initial and periodic training on complying with the Code.

## **ANNUAL AFFIRMATION, FOLLOW-UP, REPORTING AND REVISIONS**

Annually, each Covered Person will execute a code of Conduct Affirmation Form. Forms from the Board of Directors will be reviewed by the Supervisory Committee, and the Board Chairperson will direct the review of Forms from the Supervisory Committee. The Executive Department will retain all Forms from the Board and Supervisory Committee. For all other Covered Persons, Human Resources will review and retain the Forms. Suspicious activity evidenced from the Human Resources Department's reviews will be sent to the Supervisory Committee for follow-up. The Supervisory Committee will report to the Board of Directors any findings that might compromise the integrity of Mission Fed. If appropriate, notification will be provided to applicable agencies, such as, law enforcement, regulatory agencies and/or bond provider.

This Code may be amended or modified by the Board of Directors. Waivers of this Code may only be granted by the Board of Directors or a committee of the Board with specific delegated authority. However, with respect to waivers of this Code for executive officers or directors, such waivers may be granted only by the independent members of the Board of Directors.

Approved by the Board of Directors on July 31, 2024