

**REGULATORY ENERGY COMMISSION OF REPUBLIKA SRPSKA  
TREBINJE**

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Pursuant to Article 21 of Law on electricity (“Official Gazette of RS” No. 66/02, 29/03 and 86/03) and Article 18, Paragraph 1 of Regulatory Energy Commission of RS *Statut* (“Official Gazette of RS” No. 41/04), the Regulatory Energy Commission of RS on its session held on May 12, 2004 has made

**CODE OF ETHICS FOR COMMISSIONERS AND STAFF OF  
THE ENERGY REGULATORY COMMISSION  
OF REPUBLIC SRPSKA**

This Code of Ethics defines the behavior and attitudes for the President and Commissioners (here in after: members) and Staff of the Energy Regulatory Commission of Republic of Srpska (hereinafter: Regulator) while conducting business. The Regulator Commissioners and Staff during their employment with the Regulator shall be guided by the Law on electricity (“Official Gazette of RS, No. 66/02, 29/03 and 86/03) (hereinafter: Law), related laws and bylaws and rules and regulations of Regulator and provisions of this Code of Ethics.

The priority goal for the Commissioners and the Staff shall be to keep the Regulator’s integrity, reputation and its impartiality. While achieving the aforementioned goal, great importance shall be put on the implementation of the high ethical standards, kindness and culture, as well as interconnection of diligence and the performance of jobs and tasks in the Regulator, and correct judgment of the responsibility issues in the Regulator.

**RULES FOR COMMISSIONERS AND STAFF OF REGULATOR**

1. Commissioners and Staff of Regulator shall be prohibited from:
  - 1.2. being a member of the legislative, executive or judicial authorities or bodies;
  - 1.3. holding any elective office or have a membership with any political party or an active engagement in political activities, that is, leading campaign (for or against) of the political candidate or political party;
  - 1.4. employment within Regulator of a spouse or their family or household members in order to avoid apparent conflict of interest;

1.5. soliciting or accepting a gift from a prohibited source, or which is given by the third party because of the Commissioner's or employee's official position. A gift is anything having monetary value and includes cash, entertainment, hospitality, service, organizing of transportation (plane ticket, etc), local travel or travel abroad, lodgings, meals, purchase of a ticket, gratuity, favor, payment in advance, or reimbursement of the expense after it has been incurred, and gifts from prohibited sources.

A prohibited source includes all entities regulated by the Regulator and any physical or legal person who:

- 1.5.1. is seeking official action by the Regulator (e.g. applicants, subjects of investigations);
- 1.5.2. is doing business or seeking to do business with the Regulator (e.g. certain companies);
- 1.5.3. is conducting activities regulated by Regulator or for which the licenses are given by the Regulator (e.g., certain companies or their representatives);
- 1.5.4. has interests that may be substantially affected by the performance or non-performance of the individual Regulator's or employee's duties.

In order to apply rules referred to in the point 6.5. of this Code, the following examples are given as exceptions to prohibition of receiving gifts from the third parties (which include, but are not solely limited to aforementioned), thus the gift acceptance is allowed in the following circumstances:

- 1.5.5. where the value of the gift is 20 KM or less;
- 1.5.6. where the gift is based solely on a family relationship or personal relationship.

Gifts which may be accepted without any limitations are:

- 1.5.7. refreshments (coffee, soft drinks); or
- 1.5.8. greeting cards, plaques and other items of little intrinsic value (pens, calendars).

1.6. If Commissioner or employee within Regulator has received a gift that cannot be accepted according to the provisions of this Code, the Commissioner or employee shall be obliged to return the gift or pay its market value to the sender.

1.7. Commissioners or employees within Regulator may not give a gift to an official superior nor can Commissioners or employees within Regulator accept a gift from another Commissioner or employee within Regulator who is in subordinate position except in the following circumstances:

- 1.7.1. gifts other than cash that are valued at no more than 20KM;
- 1.7.2. food and refreshments shared in the office among employees;
- 1.7.3. events of personal significance such as marriage, illness or the birth of a child; or
- 1.7.4. occasions that terminate the subordinate-official superior relationship such as retirement, resignation or transfer to position that is outside the Regulator.

1.8. use the Regulator's property for other than authorized purposes. The property shall include the office material, telephones, computers or any other property which has been purchased by the funds of the Regulator.

2. Duties of the Commissioner within Regulator shall be a priority among all of the activities. The aforementioned shall include, but not be only limited to:

2.1. prohibition of performing any other duty in the state institutions, perform other work for compensation, as well as prohibition from membership or status of representative of an institution or other body in the electricity power sector. In order to apply rules referred to in the point 2.1. of this Code, the following examples are given (which include, but are not solely limited to aforementioned), thus it shall be allowed to:

2.1.1 write, lecture, teach, and give speeches for no compensation on non-electricity-related subjects and which relate to arts, sports, education and other social and recreational activities,

2.1.2. participate in humanitarian activities that do not reflect adversely upon his or her impartiality while conducting his or her official duties.

2.1.3. be a member of a family that owns a business in a non-electricity related area.

2.2 prohibition of direct or indirect interest in companies in the electricity sector (e.g. hold stocks, bonds, shares or parts of those companies);

2.3. prohibition from any financial and business dealing that tend to reflect adversely on his or her impartiality, interfere with the proper performance of his or her official duties, exploit his or her position in relate to conducting work, involve him or her in frequent transactions with physical or legal persons likely to come before the Regulator. A Commissioner of Regulator should disqualify himself or herself in a proceeding in which his or her impartiality might reasonably be questioned.

In order to apply rules referred to in the point 2.3. of this Code, the following examples are given (which include, but are not solely limited to aforementioned), thus it should exclude:

2.3.1. personal bias or prejudice concerning a certain physical or legal person;

2.3.2. the Commissioner of Regulator knows of his or her, financial interest in the subject matter that is the subject of a Regulator proceeding, or any other interest that could be substantially affected by the outcome of the decision-making in the SERC. This exclusion applies to interests of the Commissioner's spouse, children, and the members of the household;

2.3.3. investments in a non-electricity sector company, if that company becomes involved in any business relations with or proceeding before the Regulator;

2.3.4. direct or indirect communication with anyone on the issues of fact, law or procedure that is related to the process that is actually before the Regulator outside of a public or internal

session or meeting of the Regulator, except conversations with the other Commissioners or Staff of Regulator. If this prohibited communication takes place, the Commissioner of Regulator shall timely explain the nature and the content of the conversation at the next Regulator meeting, in order to ensure that every attending physical or legal person is informed on the event, and to give them the opportunity to comment on this issue.

2.4. activities outside the Regulator, which might represent the conflict of interests. In that sense, it shall be necessary to avoid frequent contacts with the physical or legal persons for which it might be confidently assumed shall, in the future, send requests to the Regulator referred in provisions of the Law.

3. Commissioners and Staff of Regulator should afford every physical or legal person who is legally interested in a proceeding of the Regulator, or his or her representative, necessary help, that is, a full right to be heard according to law. That shall include:

- 3.1. conducting duties in an unbiased, professional and dedicated manner;
- 3.2. finding suitable and legally correct solution for the issues within the competencies of the Regulator;
- 3.3. avoiding, that is, preventing incorrectness in conducting their duties, that is, duties within the registered activities of the Regulator;
- 3.4. taking of equal attitudes towards all license applicants as well as licensees;
- 3.5. obligation to reply to the requests of the interested parties or to redirect them to the relevant physical or legal person or authorized institution;
- 3.6. forming of the unbiased opinion and preventing influence of family members or any other physical or legal person on their decision-making;
- 3.7. precision and comprehensibility in communicating;
- 3.8. patient and polite behavior towards the physical or legal persons who cooperate with the Regulator;
- 3.9. kindness and readiness to assist external associates, as well as the junior staff;
- 3.10. avoidance of lending the prestige of office in the Regulator to advance the private interests as well as prohibition of conveyance of the impression on the third parties that they are in a special position.
- 3.11. Obligation that Commissioners of Regulator and those employees within Regulator charged with conducting hearings must maintain order and decorum on the Regulator's hearings.
- 3.12 Commissioners of Regulator will apply high standards of management and facilitate the performance of other Regulator Commissioners and staff officials.

4. Commissioners and Staff of the Regulator shall be obligated to:

- 4.1. constantly strive to improve their competence in forming and applying regulatory principles;
- 4.2. maintain the confidentiality of information representing national and business interests, as required by the Law and general acts of Regulator;

4.3. During Regulator's presentations in Bosnia and Herzegovina, in foreign states, and international organizations, Regulator Commissioners and Staff are required to represent the Regulator's position. When expressing personal (non-official) opinions, the Commissioners and the Staff of the Regulator shall be obliged to state that such opinions are their personal points of view;

4.4. not to be influenced by the advocates of certain interests, unproved or exaggerated complaints or fear of unsupported criticism;

4.5. to apply and behave in accordance with the laws, in a manner which shall result in an increase of public confidence.

5. Commissioners and the Staff of the Regulator must obey the work discipline, accuracy and work schedule they are given, and behave in accordance with the provisions of *kucni red*. The afore-mentioned shall include:

5.1. promptness in job performance;

5.2. attentiveness and diligence in discharging duties;

5.3. adequate and precise handling of documentation, and its proper filing, especially documentation that have been labeled as "confidential";

5.4. polite and correct relation with superiors and inferiors;

5.5. accuracy when arriving and leaving work;

5.6. non-disturbance of colleagues by various explanations and discussions;

5.7. avoidance of loud speaking, laughing, noise and yelling;

5.8. regular presence with the view of increasing a good work reputation, that is, reporting to the immediate supervisor in case of absence or being late;

5.9. appropriate clothing;

5.10. absence from work shall be arranged directly with the supervisor (shall be treated as unpaid hours, counting towards the annual leave or shall be compensated after the regular working hours, etc.)

5.11. longer absence from work must be approved (paid or unpaid leave), which shall mean that the written approval shall be requested;

5.12. reducing of the private visits to as few as possible.

Commissioners and Staff of the Regulator shall be obliged to avoid unacceptable behavior, which shall include:

5.13. forgery of personal and/or other documents that belong to the Regulator;

5.14. playing games of chance, carrying of fire-arms or explosive and aggressive behavior during working time;

5.15. fighting, throwing things and playing serious practical jokes or games, which cannot be allowed at one's working place;

5.16. threatening, intimidating, rude and ill-mannered language;

5.17. disobedience, refusal to work or non-performance of work tasks;

5.18. usage of materials, time and equipment for the private purposes;

- 5.19. damaging or ruining of the Regulator's property by accidental or intentional activities;
- 5.20. making the staff do some of the aforementioned activities;
- 5.21. usage, ownership, sale, carrying or purchase of alcoholic beverages while at work;

6. In instances of discovering any justified doubts of the violations of provisions of this Code by the Commissioners or Staff of the Regulator, a Regulator internal meeting shall be called, in which the problem will be discussed and a suitable decision will be made.

6.1. Violation of this Code of Ethics may be grounds for initiation of the procedure for removal of a Commissioner of the Regulator according to Law, or for initiation of disciplinary procedure according to the provisions of the general acts of the Regulator, which regulates work, rights, obligations and responsibilities and which are in regard with activities of Regulator.

7. This Code of Ethics shall come into force after its publishing in the Official Gazette of RS.

Number: 01/4-VS-03-3/04

Date: May, 12 2004

President

Milenko Cokorilo