

THE OKLAHOMA BUSINESS ETHICS CONSORTIUM



2012 Compass Awards



OK ETHICS™

SEVEN YEARS OF CELEBRATING OKLAHOMA VALUES

*Featuring keynote speaker Stephen M. R. Covey and
Executive Pilot Award Recipient Larry Nichols of Devon Energy*

PROMOTING INTEGRITY AT WORK
WWW.OKETHICS.ORG



The OK Ethics Story

Who Knew? Certainly not the handful of people who started a small discussion group in the fall of 2003. That little group grew by word-of-mouth to nearly double attendance at every meeting for the first few months. The Oklahoma Business Ethics Consortium has grown to nearly 800 members representing over 200 companies. And, this was all accomplished through the efforts of dedicated volunteers.

What started in Oklahoma City as a grassroots effort, kicked into high gear during the summer of 2004, when business leaders and educators from Tulsa and Oklahoma City gathered for a strategic planning session in Stroud, Oklahoma. By then, we figured we were “onto something big” and decided to formalize into what has become known as “OK Ethics.” The purpose became clear: to help one another in reinforcing standards of ethical behavior while remaining true to our humble roots.

Now We Know! Most business leaders truly care about integrity in the workplace. In addition to the Consortium’s regular monthly forums on ethical issues, OK Ethics hosts an annual Compass Awards program to share best practices in business ethics. In past years, attendance has climbed steadily to over 400 individuals who come together to honor highly ethical companies in our business community.

OK Ethics sponsors several university and college chapters through the work of its Foundation. The purpose of the Foundation is to mentor students by reinforcing the importance of ethical behavior in the workplace. Today, there are many student chapters. Additionally, OK Ethics involves students in statewide ethics challenge events and initiatives on many campuses across the state. (See page 15 for more details.)

Why Join OK Ethics?

- Shared values with other Oklahoma business leaders help reinforce a solid foundation
- Monthly luncheon programs inspire ongoing commitment to ethical behavior
- Gaining knowledge through the shared experiences and insights of other business leaders
- Opportunity for interactive discussions having real-life workplace impact
- Support student ethics initiatives on Oklahoma campuses
- Best practices shared by those who have developed strong ethical processes in their companies
- It’s the right thing to do...for you....for your employees....for your company....for our economy.

The Oklahoma Business Ethics Consortium is a non-profit organization for business leaders dedicated to promoting Oklahoma values of integrity in the workplace. For more information, visit www.OKEthics.org.

Thank You

To our Navigator and Star members for your leadership and support in promoting integrity at work.

Navigator Members - \$7,500



Since the 1960s, the Bama Companies, Inc. has been an innovator of wholesome bakery products that cater to the needs of the biggest restaurant chains worldwide.

Today, the company serves customers in more than 20 countries. They achieve this through vision, leadership, integrity, strategic focus and a single mission of "People Helping People Be Successful." The Bama Companies were honored for high ethical standards when they received the 2007 Compass Award for the large business sector.



Chesapeake Energy Corporation and its more than 8,500 employees are committed to high standards of conduct and professionalism. Chesapeake believes strict adherence to their Code of Ethics and Business Conduct is something owed to each other, their shareholders, and to every community in which they do business. In 2009, Chesapeake received the Compass Award for the large company category.



Devon Energy was the first organization in Oklahoma to become a Navigator member. It is, one of the world's leading independent oil and gas producers. The company builds value for shareholders by creating an atmosphere of optimism,

teamwork, creativity, resourcefulness and by dealing with everyone in an honest and ethical manner. Congratulations to OK Ethics' 2011 Compass Award recipient!



For over 40 years, Oklahoma City-based Hobby Lobby Stores, Inc., has served the arts, crafts and home accents industry to become the leading retailer of its kind in America. Since its modest beginnings, Hobby Lobby has grown into 478 stores

in 39 states and employs over 20,000 people. From its 4.5 million square foot manufacturing, distribution and corporate headquarters, Hobby Lobby serves its employees and their families by establishing a work environment and company policies that build character, strengthen the individual, and nurture families. Hobby Lobby is the place to shop with Super Selection, Super Savings...Everyday!



Kimray is an Oklahoma City-based manufacturer of control valves and related equipment for oil and gas producing companies worldwide.

Kimray strongly believes its greatest asset is its employees. With more nearly 700 employees throughout the world, Kimray prides itself on offering a positive work environment with first-class benefits and pay. In 2010, Kimray received the OK Ethics Compass Award in the mid-sized company category. At the same time, Kimray's Chairman, Tom Hill, was honored as OK Ethics first Pilot Award recipient for his outstanding commitment to promoting Oklahoma values of integrity at work.



Originally founded in 1906 as an intrastate natural gas pipeline business in Oklahoma, today ONEOK is one of the nation's premier energy companies

involved in the natural gas and natural gas liquids businesses. Its business segments provide safe, reliable energy and services to their diverse customers. ONEOK's success is driven by its more than 4,800 employees who strive to better not only their company but also the communities in which they live.



SandRidge Energy, Inc. is an active participant in the transformation of downtown Oklahoma City. SandRidge also participates in the transformation

of lives through both financial investment and employee engagement. Ethics and moral obligation drive the company's mission to make a tangible difference in the communities where their employees work and live.



Williams, through its subsidiaries, finds, produces, gathers, processes and transports natural gas. Williams' headquarters are in Tulsa, Oklahoma with operations concentrated in the Pacific Northwest,

Rocky Mountains, Gulf Coast, and Eastern Seaboard.



WPX Energy, headquartered in Tulsa, Okla., is one of the nation's 10 largest natural gas producers. With nearly three decades of experience in the industry,

WPX has received dozens of honors and awards. Today, WPX produces enough natural gas to meet the energy needs of 6 million homes per day.

Star Members - \$5,000



A charter member of OK Ethics, Enterprise Rent-A-Car is the largest rental car company in North America. It operates more than 815,000 Rental and Fleet Services vehicles worldwide and has annual revenues of \$9 billion.



With over 550 offices internationally, Oklahoma City-based Express Employment Professionals client base extends through four countries and employs over 300,000

people annually. Express provides expertise in temporary staffing/evaluation and direct hire; contract and executive recruiting and placement; and customized human resource services. This year, Express is being honored with a Compass Award for the large company category.



Valir Health is a comprehensive healthcare organization specializing in a full range of rehabilitative and long term care services. Based in Oklahoma and created by professionals who desired to establish a higher standard in patient care, Valir Health endeavors to provide an unsurpassed level of service

to each patient and client they serve. Valir was honored as a Compass Award recipient in 2006.

Promote Integrity at Work.

For More Information About Becoming a Member of OK Ethics visit www.OKEthics.org.

A Special Thank You

to our Oklahoma Business Ethics Consortium Board of Directors...

The OK Ethics Board of Directors is comprised of leaders from Oklahoma City and Tulsa who meet monthly to oversee the policies and practices of this professional organization(501(c)6).



GARYL GEIST
President,
Consortium Board
*Oklahoma Allergy and
Asthma Clinic*



MICHAEL OONK
President, Tulsa Chapter
*American Bank and
Trust Co.*



LYNN FLINN
Founder, Tulsa Chapter
*The Rowland Group of
Staffing Companies*



MYRNA SCHACK LATHAM
General Counsel
& Founding Member
McAfee & Tajt Law Firm



DAVID MAYFIELD
Treasurer
Progressive Resources



SHANNON WARREN
Founder, Oklahoma
Business Ethics Consortium
Warren Consulting LLC

OK ETHICS FOUNDATION BOARD



SHANNON HIEBERT
President & Founding Member
& Director OK Ethics Consortium
Enterprise Rent-A Car



PAM FOUNTAIN
Past President
Principal Technologies



Joy LaBar
Treasurer
SandRidge Energy



TONY BLASIER
Director
Chesapeake Energy



BOB BYRNE
Director &
Consortium Chief Diplomat
Boeing (Retired)



ROB MARTINEK
Vice President of Risk
Management & Spirituality
The Bama Companies



KELLIAN SCHNEIDER
Vice President,
Public Relations
*FullForce Marketing
& Branding*



LYNDA MOBLEY
Director
ONEOK/ONG



TODD LISLE
Director
BKD, Inc.



VALERIE FRIED
Director Emeritus
*Capitol Abstract
& Title Company*



JANICE DOBBS
Director Emeritus
*Devon Energy Corporation
(Retired)*



KEVIN KENNEMER
Director
The People Group



RANDY THURMAN
Director
*Retirement Investment
Advisors*

*The Foundation
Board is a 501(c)3
dedicated to sponsoring
ethics initiatives on
Oklahoma campuses.*

Want to get involved?

OK Ethics is a volunteer-driven organization. If you would like to join other like-minded business leaders in promoting integrity at work, we invite you to call (405) 858-2233 for opportunities.



Larry Nichols

OK ETHICS PILOT AWARD



2012



Larry Nichols

Since OK Ethics began in 2003, Devon Energy has supported the initiatives in a number of ways, especially through membership and consistently high participation in monthly meetings. Mr. Larry Nichols has generously donated his time by speaking to the group on several occasions and reinforcing Oklahoma values of integrity at work. Last year, it was no surprise that Devon Energy was honored with the annual Compass Award for the large company category.

Selected by the OK Ethics Board of Directors, Mr. Nichols is being recognized for going above and beyond to promote ethical standards in the various professions, our community and the nation. As an honoree, Mr. Nichols is humble in the knowledge that no one is perfect, but everyone can serve as an inspiration to those aspiring to do the right thing. It is with great respect that OK Ethics is privileged to honor a long-time supporter of our ideals and values.

Larry Nichols is co-founder and Executive Chairman of Devon Energy Corporation, one of the nation's largest independent natural gas and oil producers. The company's proved reserves total 2.9 billion equivalent barrels, which are focused entirely onshore in North America. Devon is also one of the largest independent processors of natural gas and natural gas liquids in North America. Devon is included in the S&P 500 Index and its common shares are traded on the New York Stock Exchange under the ticker symbol DVN. It has been ranked on Fortune magazine's list of the "100 Best Companies to Work For" in America for four consecutive years. In addition, the company is consistently included on Fortune's "World's Most Admired Companies" list. In 2010, Devon ranked first in its sector in areas of innovation, social responsibility and long-term investment. Mr. Nichols was named one of Oklahoma's Most Admired CEO's in 2010.

Mr. Nichols graduated from Princeton University with a bachelor's degree in geology. He completed his juris doctorate at the University of Michigan in 1967, where he was a member of the Order of Coif and a comment editor of Law Review. Nichols served as law clerk to Chief Justice Earl Warren and Justice Tom Clark of the U.S. Supreme Court from 1967 to 1968. He then served as special assistant to Assistant Attorney General William Rehnquist in the U.S. Department of Justice in Washington, D.C.

A leader in the industry, Nichols is former chairman and a current director of the American Petroleum Institute and American Exploration & Production Council. He is on the board of the Business Industry Political Action Committee and National Association of Manufacturers in Washington, D.C. He is a director of the Oklahoma Independent Petroleum Association and is a member of the All American Wildcatters. Nichols serves on the board of Baker Hughes Incorporated, a New York Stock Exchange company, and Sonic Corp. He is a member of the Board and past chairman of the Greater Oklahoma City Chamber of Commerce and was co-chairman for United Way's 2007 campaign. He is on the board and past chairman of the Oklahoma Nature Conservancy.

Honoring PREVIOUS PILOT AWARD RECIPIENTS



TED STREULI
The Journal Record
2011 OK ETHICS
PILOT AWARD



TOM HILL
Kimray, Inc.
2010 OK ETHICS
PILOT AWARD

"Integrity is Devon's most important core value. It means we will always do the right thing, even when no one is looking. While it takes many years to build a reputation, it only takes moments to destroy it."

Meet the PREVIOUS HONOREES

2011
Coppermark
BANK

Two Time Compass Award Recipient

devon

2010

Express
EMPLOYMENT PROFESSIONALS

KIMRAY
INC.

RETIREMENT
INVESTMENT ADVISORS, INC.

2009

Chesapeake
ENERGY

LCI

2008

BKD
CPAs & Advisors

IDEAL HOMES

PRINCIPAL
TECHNOLOGIES INC.

2007

Bama Companies
PEOPLE HELPING PEOPLE BE SUCCESSFUL

BOEING
Coppermark
BANK

nextep
Professional Employer Services

2006

EideBailly
CPA & BUSINESS ADVISORS

VALIR
Health

About the Compass Awards

Selection Process, Criteria & Outcomes

The OK Ethics Compass Awards Program was implemented in 2006 to encourage companies in their efforts to reinforce integrity in the workplace. Each year, nominees are asked to share their processes with others. The application process, which is open to OK Ethics members and non-members, is a useful tool in assisting companies to objectively evaluate their approaches. Many companies have strengthened their efforts by simply investing time in this endeavor.

The criteria and scoring process are based on the Malcolm Baldrige Quality Award standards. Ratings are assigned according to how well the companies' policies and actions support on-going and systemic behavior in each organization. Companies are asked to demonstrate the effectiveness of their ethics programs through independent data.

In evaluating the company's practices for each specific area defined by the criteria, the selection teams are always mindful of some basic questions:

- Can the processes be replicated by other companies?
- Have measurable outcomes demonstrated success in enabling the company's efforts to reinforce ethical behavior?
- Is there a clear indication of a culture with the heart for doing the right thing?

There are a number of great Oklahoma businesses that demonstrate an outstanding commitment to ethical behavior, but only a few may be selected to receive the annual honors.

OK Ethics' mission is to support businesses' efforts through a mentoring process and to assist each company as it humbly strives for continual improvement. For that reason, previous recipients of the award may be asked to work one-on-one with other business leaders who wish to apply for the award. Honorees may also be invited to serve on the selection team in the following year's process and provide feedback to Compass Award candidates with the intent of fostering Oklahoma values of integrity at work. (Recipient companies are discouraged from submitting applications for three years so that they may serve as advisers, or as members of the Selection Team.)

Each member of the selection team is asked to sign a conflict of interest statement. OK Ethics requests that participants recuse themselves if they have any interest, or if their families have any control or interest, in the nominees companies. Likewise, they may not serve on a team that is involved in evaluating a competitor. The Selection Team acts independently to the extent that they do not report their findings to the OK Ethics Board or seek the Board's approval of selected finalists. Applications from recipients are posted on the OK Ethics' website.

Want to reinforce ethical behavior in your organization?
Visit www.OKEthics.org (Compass Award applications)
for hundreds of proven techniques.



OKLAHOMA BUSINESS ETHICS CONSORTIUM

Guiding Principles

VISION
TO BE RECOGNIZED AS A STATEWIDE AND NATIONAL FORUM FOR PROMOTING BUSINESS ETHICS.

I. Responsibility to Self and Others:

Service:

- Passion for promoting ethics and integrity
- Encouraging the promotion of ethical behavior through personal actions and sharing ideas and resources
- Responsibility and accountability for fulfilling the mission of the Consortium.

Collaboration:

- Achievement of common goals through the promotion of ethical, mutually beneficial relationships
- Service to the Consortium over promotion of self-interest
- Cooperation emphasized over competition in promoting ethical business conduct
- Members collaborate by being constructively engaged in discussions regarding ethics
- Seeking consensus in interactive discussions regarding ethical matters.

Respect:

- Members may become aware of confidential information shared by others in an effort to determine an ethical course of action. We ask members to be sensitive in recognizing and respecting the efforts made toward achieving ethical behavior. In that vein, public disclosure of this information is discouraged.
- We respect other members and the process by:
 - Exhibiting listening skills and actively listening to discussions
 - Being open to other points of view and outcomes
- We are an inclusive organization and demonstrate this by welcoming members who are in different stages of learning as applied to ethical behavior.

II. Lead with Integrity

Dependability:

- Members are asked to demonstrate their support of this initiative by consistently attending meetings.

Initiative:

- Recruiting other members who have demonstrated a desire to promote ethical behavior in their organizations.
- Recognizing what needs to be done to help promote the Mission of the Consortium and taking action to assist in that effort.

Honor:

- Members are asked to honor the Consortium through the practice of integrity and ethical behavior in their business dealings.
- We express gratefulness to our hosts, sponsors, speakers and to those whose volunteer service makes OK Ethics a stronger organization.
- Realizing that each of us is in a mode of continual learning, we demonstrate humility, care and compassion when sharing our thoughts and knowledge.

Courage:

- Speak the truth with confidence and encourage others to do the same.

III. Inspire Trust

- We serve and promote the cause of truth with integrity, objectivity and fairness to all persons.
- We hold ourselves accountable by consistently honoring our word.
- We extend trust abundantly to those who have earned it.
- Trust, once earned, will not be taken for granted, manipulated or abused.

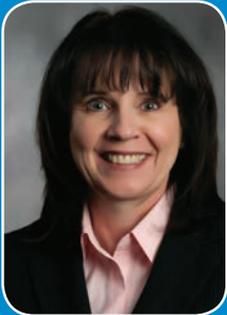
2012

Compass Award Selection Team



DR. JAMES BRANSCUM

This will be the superintendent at Metro Technology Centers third year as a member of the OK Ethics Compass Award Selection Team. Dr. James Branscum has also served as the Vice President of Business Affairs at Rose State College in Midwest City and the Executive Vice President at Eastern Oklahoma State College in Wilburton. His work experiences have provided him with the opportunity to be a North Central evaluator for colleges and universities for six years. Additionally, Dr. Branscum is uniquely qualified to assist OK Ethics because of his extensive training as an Oklahoma Quality Award Foundation examiner and a Malcolm Baldrige National Quality Award Program examiner.



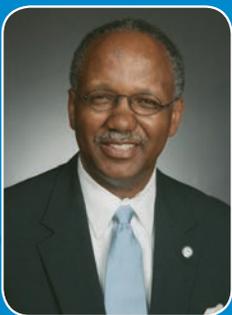
CARLA D. BROCKMAN

Carla Brockman is Vice President Corporate Governance and Secretary of Devon Energy Corporation. Devon is a Founding Member of the OK Ethics Consortium and was honored in 2011 as the OK Ethics Compass Award recipient for the large-sized company category. Prior to joining Devon, Carla spent 29 years with OGE Energy Corporation, most recently as Vice President of Administration and Corporate Secretary. Carla serves on the Governor's Council for Workforce and Economic Development and is a member of the Board of Advocates for the OU Stephenson Oklahoma Cancer Center. She is a graduate of Southern Nazarene University and holds a bachelor's degree in human resources management and a master's degree in management.



DR. JOHN FOUST

We are pleased to welcome Dr. John Foust, Executive Director of the Oklahoma State Board of Pharmacy, for his second year on the OK Ethics Selection Team. Dr. Foust, who previously served as Director of Pharmacy for Integris-Grove, has experience with other award selection processes and has also served as a consultant in JCAHO Compliance mock-surveys. We appreciate the analytical expertise that he brings to the table. Dr. Foust has served the community in a number of capacities, including as a scoutmaster for the National Jamboree. He earned his Doctor of Pharmacy Degree from the University of Oklahoma and serves as a pharmacy law lecturer, as an adjunct professor for OU and has served on the rules writing committees for the Oklahoma Board of Pharmacy.



OSCAR JACKSON

Oscar Jackson is a charter member of the OK Ethics Compass Award Selection Panel, serving since its inception in 2006. OK Ethics is honored to have Mr. Jackson's wise counsel and dedication. Mr. Jackson is a Past-President of the National Association of State Personnel Executives (NASPE); and the International Public Management Association for Human Resources (IPMA-HR). In June, 1991, Governor David Walters appointed Jackson as Administrator of the State of Oklahoma Office of Personnel Management and Cabinet Secretary of Human Resources and Administration, and he was subsequently reappointed to both positions in January 1995 by Governor Frank Keating; Governor Brad Henry in January 2003; and Governor Mary Fallin in January 2011. Mr. Jackson retired from the State of Oklahoma on November 1, 2011, with 41 years state service, which also included employment with the University of Oklahoma and the Oklahoma Department of Human Services.



MIKE STRONG

OK Ethics Compass Awards Co-Chairperson

Mr. Strong is the “Chief Architect” of the OK Ethics Compass Awards and has served as Chairperson for the Selection Panel since 2006. Mr. Strong recently retired as Executive Director of the Oklahoma Quality Award Foundation, an organization that recognizes organizational excellence as a competitive edge. His knowledge of Malcolm Baldrige standards was essential in the development of the Compass Awards program. Mr. Strong’s personal principles are reflected in the award process, which is designed to support best practices in business ethics by sharing knowledge that can be replicated by others. Mr. Strong is a retired US Air Force Colonel and began work with the Oklahoma Quality Award Foundation, Inc. in 1994. In his former role as Executive Director, he has trained over 550 examiners and evaluated over 170 organizations. Mr. Strong is a graduate of the University of Oklahoma and has a M.A. in Public Administration from Ball State University in Muncie, Indiana.



EDITH STEELE

OK Ethics Compass Awards Co-Chairperson

A charter member of the Selection Panel, Mrs. Steele helped develop the Compass Award six years ago and has served as a member of the Selection Team ever since that time. Hired by the Oklahoma Accountancy Board in 1970, she has worked as a CPE Coordinator and served as Deputy Director. In 2001, the Board added the assigned duties of the Executive Director to Mrs. Steele’s responsibilities. She was officially appointed as Executive Director in November 2002 where she remained Director until her retirement on March 1, 2010. She has served as Chairman of the National Association of State Boards of Accountancy’s Executive Director Committee as well as Vice Chairman of the Oklahoma Financial Manager’s Association, Co-Chair of a United Way Investment Committee and various local, state and national committees.

GREGG KOEHN

Gregg Koehn is the President and Chief Executive Officer of the Oklahoma Foundation for Medical Quality (OFMQ), a non-profit healthcare consulting organization dedicated to improving healthcare and improving lives. Having served as Chief Financial Officer for the organization, Koehn has strong business and financial expertise, as well as 18 years’ experience with OFMQ’s operations. He is a Certified Public Accountant and holds a bachelor’s degree in accounting from Northeastern State University in Tahlequah. Koehn is a member of the American Institute of CPAs and the Oklahoma Society of Certified Public Accountants, serving on the board for the OSCPA OKC Chapter.



THOMAS LEGAN

We are pleased to welcome Thomas Legan, President and Chief Executive Officer of Coppermark Bank and Coppermark Bancshares, Inc. where he has served for over 33 years. In 2011, Coppermark Bank received the Compass Award for Mid-Sized Companies – the only two-time winner in the award’s history. That same year, Legan was named Oklahoma’s Most Admired CEO by The Journal Record. Coppermark Bank has been named one of the Best Places to work in Oklahoma for the past five years.



CONFLICT OF INTEREST PROCESS

To ensure the integrity of the award process, the Selection Team members are assigned to two different teams. As part of that process, judges do not view applications from companies that pose a conflict of interest, such as competitors, former employers or significant customers. Careful discernment is used in determining whether or not a judge may be permitted to comment on their clients’ applications. (Some candidates may have a large number of customers and only have minimal contact with each one. In those cases, a customer/supplier relationship is not a determining factor, e.g. utility companies or banks.)



OGE ENERGY CORP. (OGE), WITH HEADQUARTERS IN OKLAHOMA CITY, IS THE PARENT COMPANY OF OKLAHOMA GAS AND ELECTRIC COMPANY, A REGULATED ELECTRIC UTILITY, AND ENOGEX HOLDINGS LLC, A MIDSTREAM NATURAL GAS PIPELINE BUSINESS. OGE ENERGY CORP. AND ITS SUBSIDIARIES HAVE 3,445 MEMBERS. BELOW ARE EXCERPTS FROM THEIR APPLICATION; FOR MORE DETAILS GO TO OKETHICS.ORG.

OGE Energy Corp.'s Core Values:

Individual Safety and Well-being – We advocate attitudes and actions that promote individual safety, health and success.

Transparency – We operate our business openly and communicate in a clear, candid and timely manner.

Teamwork – We work together to achieve shared goals and objectives.

Respect – We treat others justly and consider their views in the decisions we make.

Integrity – We conduct ourselves in an honest, fair and trustworthy manner.

Public Service – We give our time and energy to better the communities where we live and work.

Leaders are expected to set the right tone for ethical behavior to flourish ...

At OGE Energy Corp., we encourage every employee to lead with integrity, from the CEO to the man or woman on the line serving our customers. At OGE we refer to our employees as Members since there is a genuine feeling of accomplishing our goals together as a Team. For over 100 years OGE has worked hard at listening and responding to members with dignity and respect. The following represent ways we hold managers accountable:

Accountability Training

All managers are encouraged to understand and take ownership of their roles as part of the company's required Accountability Training workshop. Launched in 2009, the interactive workshop focuses on developing the skills, attitudes and tools to help participants achieve results with integrity by constantly asking, "What else can I do?" to meet deadlines, overcome obstacles and avoid the blame game. Managers learn that they are responsible for helping to develop the right experiences for employees so that they can "Achieve Together."

Performance Evaluations

The concept of modeling OGE Energy's Values & Beliefs, including the value of Integrity, is included as a measurement on all employee performance evaluations through a Performance Dimension called Living OGE Values. This measurement is particularly important for managers, who serve as examples for all other members.

What indicators do you use to determine the effectiveness of management's endeavors to promote ethical behavior?

Monitoring the effectiveness of the Ethics Program is an ongoing journey. In addition to analyzing our reports, we look to credible, outside sources to help benchmark our efforts to shape our ethics program and our culture. Over the past few years, OGE Energy has participated in the *Great Places To Work (GPTW) Survey* as part of that benchmarking and improvement process.

Compliance and Ethics Leadership Council (CELC) Surveys

Besides the analysis of actual reports, OGE Energy joined the Compliance and Ethics Leadership Council (CELC) in 2007 in order to gain more insight into the Ethics Program. CELC administers employee ethics surveys and compares the results to those of other participating companies. CELC launched ethics surveys to all members in 2007, 2010 and will again in April 2012. OGE Energy used feedback from each survey to adjust the Ethics Program.

Please describe any codes, principles or values that are inherent in your organization.

OGE Energy's Code of Ethics is a set of reader-friendly guidelines for business conduct that instructs employees to go beyond regular compliance by striving to avoid the appearance of impropriety. Not only does the code outline the expectations and regulations surrounding business practices, but it also includes steps to ethical decision-making and illustrates those steps with hypothetical situations. The code covers topics like how to report suspected unethical behavior and OGE Energy's expectations for employees to speak up on ethics issues.

Corpedia, an ethics and compliance education resource company, performed a free review of our Code of Ethics and gave an overall grade of A-. We are proud of this ranking, since our objective was to develop a user-friendly tool for our members.

What are other processes that ensure an ethical culture is consistently reinforced?

Training has been a main focus in our efforts to cultivate an ethical culture. When developing the initial training, the Ethics Team had a vision of delivering a high-impact message that OGE Energy's reputation is valued, something the team felt could only be accomplished through face-to-face training. Although many companies use computers to deliver ethics training, we offer in-person, quality ethics training because we believe OGE Energy's reputation is worth the extra effort.



See OGE Energy's Application
Online at www.OKEthics.org





Former Vice President Dick Cheney (left) presenting the 2006 Malcolm Baldrige Award to Terry May, CEO of MESA (right).



A FORMER MALCOLM BALDRIGE RECIPIENT, TULSA-BASED MESA™ IS A LEADING SUPPLIER OF CATHODIC PROTECTION SYSTEMS AND PIPELINE INTEGRITY SOLUTIONS PROVIDING MATERIALS, ENGINEERING, INTEGRITY, AND INSTALLATION SERVICES TAILORED TO CLIENTS' NEEDS. BELOW ARE EXCERPTS FROM THEIR APPLICATION; FOR MORE DETAILS GO TO OKETHICS.ORG.

With nationwide offices, engineers and technicians are capable of handling customized projects in ground-bed design, installation, repair, fabrication of impressed current and sacrificial anodes, ECDA, ICDA, DCVG, ACVG, AC Mitigation, CIS, bell-hole inspection and stray current analysis. MESA™ offers services in a wide variety of applications, including pipelines, distribution systems, above-ground tanks, underground tanks, refineries and offshore applications. MESA™ is the only full-service Cathodic Protection firm in the United States certified to ISO 9001: 2008 standards.

MESA™ is committed to providing exceptional service that exceeds the expectations of our customers. In order to achieve this level of service, MESA™ employees work together in a collaborative team environment conducive to providing the best service possible. Our guiding principles and core values lie in the MESA™ Vision, Mission, Values, and Code of Conduct.

MESA'S culture has developed over their 33-year history and is based on a few very basic and simple principles.

- We value all our stakeholders including our customers, our people, our suppliers, and our community.
- We want to excel, reaching world-class performance in all aspects
- We operate our business honestly.
- We create great relationships based on respect, integrity, and mutual benefit.
- We do the right thing.

In a continuing effort to monitor the effectiveness of their ethics initiatives, MESA™ uses a comprehensive set of indicators and listening mechanisms with our key stakeholder groups. Some of these include:

Customers:

Customer Satisfaction Survey – Conducted by a third-party survey firm with a different set of MESA™ customers each quarter, we obtain feedback on the manner in which we conduct business.

Non-Conformance Report (NCR) Process – We capture customer complaints and incidences that may impact customer satisfaction through an NCR, which is embedded in our ISO 9001 Quality System.

Employees:

Employee Satisfaction Survey – Through an annual, anonymous survey available to all MESA™ employees, conducted by a third-party survey firm, we obtain satisfaction on a variety of indicators, with specific questions related to ethics and integrity. Employees can also provide additional comments to elaborate on issues they feel strongly about. We also participate in the *Great Places to Work Survey* annually, providing another opportunity for all MESA™ employees to participate and to provide feedback on a variety of issues, to include ethics and integrity. MESA has received extremely high marks, with employees appreciating the honesty and openness in communications – a whopping 92% satisfaction level versus a 63% national average. Additionally, 92% of their employees have confidence in MESA's leadership, compared to 70% for an average company.

Quarterly Performance Appraisals – Discussion between employees and their immediate supervisor occur formally every three months, providing a forum for discussing issues of concern.

Suppliers:

MESA commissions *The Business Research Lab* to conduct an **Annual Supplier Satisfaction Survey**. Results from the 2010 survey revealed that 90% gave MESA™ a rating of fair, ethical and reasonable in their working relationships.

Clearly, MESA™ is a company that has integrated Oklahoma values of integrity at work in all facets of their operations, from their Vision and Mission to their daily actions.



Honorable Mention

See the Detailed Applications Online at www.OKEthics.org



Hogan Taylor LLP is a public accounting firm serving numerous clients regionally and throughout the United States. They have taken deliverable steps to foster an ethical culture through initiatives such as the Values "P.R.I.Z.E." (e.g. an acronym for Profitable, Relationships Built on Respect, Founded on Integrity, Zealous in our Commitment and Passion for Excellence). The firm's commitment to continuous improvement has been demonstrated through the implementation of two ethics based questions to their exit interview process as an additional measure of the effectiveness of their ethical endeavors. Additionally, in 2011, ten employees were honored at a Firm meeting, in part for their demonstration of integrity. Finally, in last year's Best Places to Work competition, 90% of their employees responded that they trust their firm. HoganTaylor has a commendable record, achieving Honorable Mention for two consecutive years.



IDEAL HOMES®

A Compass Award winner in 2008, this outstanding organization has continued their impressive efforts in promoting Oklahoma values of integrity at work. As our state's largest home builder, their focus has always been on affordability and unmatched energy efficiency. They have received virtually every major national award their industry has to offer. Employees are hired and evaluated, not only on core competencies, but on their demonstration of ethical behavior. Heavy emphasis on employee development is a hallmark of Ideal Homes' philosophy and they build trust through their "Ideal Homes University" as well as teaching the *Seven Habits of Highly Effective People*, using the *Franklin Covey 360° Review Process* to monitor progress. A consistent presence in monthly OK Ethics events, Ideal Homes is a strong proponent of community service. Their presence in the annual Statewide Student Ethics Challenge reinforces the importance of ethical standards for university students.



Pelco Products, Inc. is an Oklahoma-based company founded on the belief that employees, vendors and customers should be treated like family. Founded in 1985, Pelco has enjoyed a steady growth rate of 5% to 7% per year to become the largest manufacturer of traffic signal hardware in the United States. Since being recognized as an Honorable Mention last year, Pelco has embraced the *Character First* approach to employee development and are making a significant investment in fostering strong ethical and moral standards in its workforce. To that end, characteristic-based performance reviews are given twice a year. Additionally, they have implemented a continuous improvement process that encourages employees to speak freely in offering criticism and suggestions toward positive change.

Community Impact Award



ONEOK

ONEOK is the recipient of the first-ever Community Impact Award. This special honor is being bestowed as acknowledgement of ONEOK's outstanding initiatives in promoting ethical standards that impact the community, particularly future leaders. An example of this is ONEOK's endowment of a \$1 million Professorship in Business Ethics in the College of Business at the University of Tulsa. This entails an annual lectureship series focused on business ethics. Not only that, but ONEOK was heavily involved in the OK Ethics Foundation's Statewide Student Ethics Challenge, supporting students as they progressed through the Regional Ethics Bowl in San Antonio and even judging the National Ethics Bowl in Cincinnati. Additionally, their CEO has made himself available for presentations at the University of Tulsa, University of Kansas and Oral Roberts University. Such efforts serve to promote Oklahoma values of integrity at work and are worthy of recognition.

Oklahoma Students

Shine in Ethics Bowls



OU: Members of the University of Oklahoma Ethics Team Dr. Steve Ellis, Evan DeFilippis, Breaa Bacon, Adriene Jablonski, Jerod Coker and Guss Keyes, from left, pose for a photo with their state and regional trophies on Friday, Dec. 2, 2011 in Norman, Okla. The team has qualified to compete in the national ethics bowl for the second year in a row.

Photo by Chris Landsberger,
The Oklahoman

The mission of the Oklahoma Business Ethics Foundation 501c3 is to support initiatives on various campuses throughout the state toward promoting ethical behavior. One of the biggest events of the year is the annual Statewide Student Ethics Challenge which involves undergraduate university students who present arguments on a variety of ethical issues. The day-long event requires weeks of preparation and provides an opportunity for students to crystallize their thinking on dilemmas involving personal integrity. Ultimately, this helps prepare them for difficult issues they may encounter in the workplace.

Winners are selected by a team of prominent business and community leaders. The students receive an opportunity to compete in the Regional Ethics Bowl in San Antonio and, if successful there, in the National Ethics Bowl in Cincinnati. Funding is provided through a portion of Navigator and Star members' dues, as well as private gifts. In 2011, both Chesapeake Energy and Enterprise Holdings gave grants and OK Ethics Board member, Bob Byrne, made a particularly generous personal donation in memory of his late wife, Jeanne Byrne.

This year, the University of Oklahoma won first place in both the Oklahoma and Regional Ethics Bowl competitions. They went on to be the first Oklahoma team to place near the top of the scale in the national competition. We are very proud of their efforts, as well as other schools that conscientiously strive to promote integrity on their campuses. These include:

Student Chapters*

East Central University
Oklahoma City University
Southern Nazarene University
University of Central Oklahoma
University of Oklahoma

** Formally organized chapters with ongoing events held on campus*

Student Initiatives*

Cameron University
Metro Technology Centers
Oklahoma Baptist University
Oklahoma Christian University
Oklahoma State University
Oral Roberts University
University of Tulsa

** Student participation in OK Ethics events and/or Statewide Competition*



Best Practices from PREVIOUS HONOREES

2011



Devon Energy Corp. goes to great lengths to promote their values, including a simple yet powerful definition of what integrity means to their organization. Officers and employees embrace honesty and integrity by “sticking by their word” and doing the right thing “even when no one is watching.” The company invests in extensive ongoing coaching to promote open, forthright relationships and a strong sense of accountability.



Coppermark Bank is OK Ethics' only two-time recipient of the Compass Award. Employees are encouraged to evaluate decisions on three basic premises:

1. Is it legal and within regulatory guidelines?
2. Is it the right and fair thing to do?
3. Is it ethical?

2010



Express has held a historically strong commitment to ethical business practices, dating back to the inception of the company. They use third-party surveys to measure the company's ability to integrate people, culture, ethics and work into their corporate model.



Kimray, Inc. is a privately-held Oklahoma manufacturer of control valves and related equipment for oil and gas producing companies. The company is unique in their core values which state that they will honor the Lord by operating the company in accordance with Biblical principles, serve employees and their families and produce high quality products. They use countless processes to maintain their culture of integrity, including emphasis on job candidates' character and ethics. Once hired, all employees participate in monthly training, including “Character First!” program, a comprehensive ethics education model.



Retirement Investment Advisors, Inc. is a fee-only advisory firm serving clients primarily in the metro Oklahoma City area for the past twenty years. To ensure that they stay true to their core values of integrity, the firm uses processes involving annual compliance meetings, web certifications to prepare employees on how to deal with ethical challenges and client surveys designed to make certain that fiduciary standards are being met.

2009



Formed in 1989, Oklahoma City-based Chesapeake Energy is an independent producer of natural gas and one of the most active drillers of new wells in the United States.

- Strong communication practices are essential to Chesapeake's ability to maintain an ethical culture. Employees are encouraged to discuss workplace dilemmas and they use a number of two-way communication vehicles to build trust and respect. As a result, employees have given high marks to Chesapeake on independent surveys such as the Great Places to Work Trust Index.

- Additionally, Chesapeake's Office of Ethics and Security is dedicated to promoting an understanding of the company's Code of Business Conduct by promoting training and addressing questions that may arise.



Leader Communications, Inc. (LCI) is an information technology and management services firm with customers across the United States, as well as overseas.

- LCI's Core Values are summed up in five important words: Achievement, Commitment, Honesty, Integrity, Accountability and Community. To ensure that each employee understands the importance of these Values, they are included in the performance appraisal system.
- The company's Basic Conduct Guidelines provides a quick reference guide on dealing with ethical issues in the workplace and is posted on their intranet for access by all employees.

The OK Ethics Compass Awards Program was implemented in 2006 to encourage companies in their endeavors to promote integrity in the workplace. Nominees are asked to complete a rigorous application, based on Malcolm Baldrige quality award criteria. Previous recipients unselfishly share their experiences, processes and wisdom to help all of us as we continually seek to strengthen our efforts to reinforce ethical behavior.

2008



BKD, LLP is one of the ten largest CPA firms in the U. S. and provides expertise in consulting, tax, assurance and accounting outsourcing solutions. Two excerpts from this inspiring application include:

- Recognizing that it all starts with tone at the top, BKD LLP was one of the first two CPA firms in the country to develop a Public Interest Council. It is comprised of independent individuals who are knowledgeable about accounting, business law and ethics. This voluntary level of oversight helps executives with the monitoring and assurance of the firm's quality control standards.
- Upon arrival at BKD, new hires are given a very impressive hardbound copy of *The BKD Experience*. Using a straightforward witty approach, the book emphasizes that "integrity trumps economics every time." Phrases sprinkled throughout this book that guide everyday practice include "Put the Moose on the Table" and "Eat your Frog."



IDEAL HOMES

Recognized by virtually every major national award that the industry has to offer, including America's Best Builder in 2007, this Norman-based home builder was honored in the mid-sized company category:

- "Deposits" are a central highlight of monthly staff meetings. Employees publicly thank others in the organization for a job well done. Central to these discussions is the commitment to their company's core values.
- Ideal Homes celebrates positive behavior through an awards program emphasizing *The Fred Factor* – an honor recognizing employees for making a difference.
- The company uses a variety of independent assessment tools to gather feedback from customers, suppliers and employees, and these are used to evaluate senior management's performance. Building on this information, they work as a team to ensure a seamless alignment between good intentions and actions.



Principal Technologies, Inc. is an Oklahoma City-based government solution provider and staffing team specializing in placement of professionals in accounting, engineering and information technology.



Central to their screening process, job applicants are asked to share examples of ethical challenges that they may have encountered in the workplace. Their responses allow the interview team to evaluate each candidate's character. This process ensures that they are recommending a person who is not only technically qualified, but whose values will reflect favorably on the firm.

- Customer feedback is a key component of quality assurance. This company asks their clients to complete a questionnaire assessing performance on a variety of levels. One inquiry relates to the staff's demonstration of ethical behavior. In that area, Principal Technologies, Inc. has maintained a constant rating of "Excellent".

2007



2006



Want to reinforce ethical behavior in your organization?
 Visit www.OKEthics.org (Compass Award applications) for hundreds of proven techniques.

To Our Members... Thank You for Promoting

NAVIGATOR MEMBERS - \$7,500



HORIZON MEMBERS - \$3,000



Citizens of Potawatomi Nation



Oklahoma Foundation for Medical Quality
IMPROVING HEALTH CARE. Improving Lives.



UNIVERSITY OF CENTRAL OKLAHOMA
College of Business Administration

LEADING MEMBERS - \$1,250



TRAILBLAZER MEMBERS - \$500



FRONTIER MEMBERS - \$350



American Cancer Society



Integrity at Work.



STAR MEMBERS - \$5,000

ENTERPRISE HOLDINGS.



MEDIA ALLIES





OK ETHICS™

Mission Statement

Through the efforts of passionate, committed members, the Oklahoma Business Ethics Consortium strives to establish Oklahoma as a state known for high, personal and corporate ethical standards. The consortium provides a forum of support to the Oklahoma business community so that ethical standards and integrity in the workplace can be discussed, defined and reinforced.

Be the difference – Join Now
www.OKEthics.org

Details of each company's application
may be found on the website.

Thank You!

OK Ethics appreciates the support of our co-hosts for this special event!

