



National Hydropower Association Conflict of Interest Policy

Board members should avoid any situation which involves or may involve a conflict between their personal interest and the interest of the Association. As in all other facets of their duties, Board members dealing with customers, suppliers, contractors, competitors or any person doing or seeking to do business with the Association are to act in the best interest of the Association.

Each Board member shall make a prompt and full disclosure in writing to the President/CEO and the voting members of the NHA Board of Directors of any potential situation which may involve a conflict of interest. Such conflicts may include, but are not limited to:

- 1) Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise which does or is seeking to do business with or is a competitor of the Association.
- 2) Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the Association's or its interests.
- 3) Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the Board member from acting in the best interest of the Association.

While NHA seeks to discourage any situation which involves or may involve a conflict between a current Board member's personal interest and the interest of the Association, NHA may enter into a business transaction with a current Board member¹ only if:

- 1) the transaction and terms are fair and reasonable to the Association and are fully disclosed and transmitted in writing to the President/CEO and NHA Board of Directors in a manner which can be reasonably understood by both;
- 2) the transaction was competitively bid in compliance with the Association's procurement policies;
- 3) the NHA Board of Directors is given a reasonable opportunity to seek the advice of the General Counsel and/or independent counsel in the transaction;
- 4) the Association, by a majority of the voting members of the NHA Board of Directors², consents in writing.

¹ A "current Board member" includes those persons, who at the time of the transaction, are: voting Board members; Advisory Board members; Committee chairs; past Chairmans (for the previous three years); and the General Counsel.

² The Board member with whom the Association is considering a business transaction shall recuse himself/herself from voting on the matter.