

VALLEY ELECTRIC ASSOCIATION, INC.

Board Policy #109

Subject: DIRECTOR NEPOTISM POLICY

Dated: September 26, 2014

Supersedes Date: March 30, 2012

I. PURPOSE

The purpose of this policy is to set forth the Association's policy with respect to nepotism.

II. POLICY

The Association permits the employment of qualified relatives and close friends of Directors as long as such employment does not, in the opinion of the Chief Executive Officer, create actual or perceived conflicts of interest.

III. RESPONSIBILITY

The Board of Directors is responsible for the administration of this policy.