

GLACIER ELECTRIC COOPERATIVE, INC.

POLICY NO. 106

CONFLICT OF INTEREST

I. OBJECTIVE

It is important that trustees and employees of GEC avoid conflict of interest in their relationship with firms or persons, which have business dealings with or compete with the cooperative. It is also important that the appearance of conflict of interest be avoided.

II. POLICY

To implement this policy the following procedure will be adhered to:

- A. If trustees of GEC serve on boards, or have financial interest in firms which furnish supplies or services to GEC, the trustee or trustees involved will abstain from any negotiations, discussions, or votes relating to GEC's dealings with the firms in question.
- B. In so far as possible, supplies or services will be obtained on a competitive basis considering all available suppliers both within and outside the cooperative's service area. If there is no price or service advantage between two or more competing local firms, the cooperative should consider rotating or sharing the business equally.
- C. Annually, the full board may review the status and volume of business being done with firms in which any trustee has interest. This review will be directed towards determining whether those firms received any preference in dealings with the cooperative.
- D. The nominating committee will be provided with a copy of this policy each year. The committee will be asked to avoid nominating persons for board positions where a conflict of interest could result.
- E. Any trustees who have financial interest in or serves on boards of firms dealing with or competing with the cooperative will make full disclosure of their position and interest, and this information will be recorded in the board minutes.
- F. No person shall be eligible to become or remain a trustee or to hold any position of trust in the cooperative who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the cooperative, or a business primarily interested engaged in selling electric appliances, fixtures or supplies to the members of the cooperative.

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- G. The cooperative's general manager and all department heads are subject to the applicable sections of this policy.

III. RESPONSIBILITY

It shall be the responsibility of the president to see that this policy is adhered to.

11/16/04

Date

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Signature

President

Title