

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

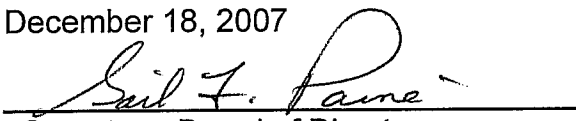
**BOARD OF DIRECTORS**

**Board Policy No. B-29**

**TITLE:** Statement on Ethics

**ORIGINATION DATE:** May 24, 2005

**CURRENT REVISION DATE:** December 18, 2007

**AUTHORIZED:**   
Secretary, Board of Directors

Since New Hampshire Electric Cooperative, Inc. ("NHEC") was established in 1939, its employees and directors have had a consistent history of fair, honest and ethical conduct for all activities conducted on behalf of NHEC.

The Board of Directors and Management of NHEC believe that high ethical standards are achieved not just through the publication and dissemination of policies, but through open and on-going discussion about ethical issues related to the business and activities of NHEC. Further, this open climate is only achieved when employees and directors understand that they can openly raise questions and concerns without fear of retaliation.

Employees and directors are expected to uphold the values of NHEC and to report any situation where the individual reasonably suspects any activity which may be in violation of these values, law, and Board policies. Employees and Directors are to be sensitive to situations in which there may be conflicts of interests or appearance of conflicts of interest. A conflict of interest exists when any director or employee is called upon to make or is involved in any NHEC decision in which the employee or director has a personal interest that could be affected by that decision. Whenever a director shall have an indirect or direct conflict of interest, the situation shall be reported immediately and resolved by the Board of Directors.

Taking unfair advantage of members, suppliers or other third parties through manipulation, concealment, and abuse of privileged information or any unfair-dealing practice is prohibited.

Every employee and director is responsible for ensuring that violations of high ethical standards are immediately reported and addressed promptly. Reports of suspected violations may be made in person or in writing, confidentially or anonymously, to the Human Resources Manager, the President/CEO, the Chair of the Board Audit Committee, or by use of "MySafeWorkplace" either via the internet ([www. MySafeWorkplace.com](http://www.MySafeWorkplace.com)) or by telephone (800-461-9330). All such reports will be promptly investigated and appropriate corrective action will be taken as necessary. Any employee or director who makes a report in good faith and on reasonable belief may do so without fear of harassment, retaliation or retribution.

Confidential information will not be disclosed. Confidential information includes technical or financial information about current or future projects, business plans, personnel information, and other information that, if disclosed, might be of use to competitors or potentially harmful to NHEC and its members.

The Audit Committee of the Board will review this policy at least once annually and recommend appropriate modifications. The President/CEO is charged with the responsibility of articulating and monitoring standards for employees regarding ethical business behavior.