POLICY BULLETIN NO. 107

SUBJECT: Conflict Of Interest Policy

I. OBJECTIVE:

To ensure that Grand Valley Rural Power Lines, Inc. (the "Cooperative") has clear guidelines for handling conflicting interest transactions that arise between the Cooperative and its directors and officers.

II. DEFINITIONS:

A "conflicting interest transaction" is a contract, transaction, or other financial relationship between the Cooperative and a director of the Cooperative, an officer of the Cooperative, a party related to a director or officer of the Cooperative or an entity in which a director or officer of the Cooperative is also a director or officer or has a financial interest.

A "director" is a member of the Cooperative's Board of Directors.

A "disqualifying conflict of interest" is a relationship that exists when a director is engaged in a business or employed by or materially affiliated with any individual or entity:

1. Regularly, directly, and substantially competing with the Cooperative or a Cooperative Subsidiary;
2. Regularly selling goods or services to the Cooperative or a Cooperative Subsidiary; or
3. Otherwise possessing a substantive conflict of interest with the Cooperative or a Cooperative Subsidiary.

An "officer" is the Cooperative's President, Vice President, Secretary, Treasurer, CEO or Assistant Secretary.

A "party related to a director or officer" shall mean spouse, significant other, descendent, ancestor, sibling, or descendent of a sibling, or an estate or trust in which the director, officer or party related to the director or officer has a beneficial interest.

III. DUTIES:

A director or officer must immediately disclose to the Board of Directors his/her relationship or interest as to a conflicting interest transaction.

In addition, a director must complete a Conflict of Interest Disclosure Form annually, attached in form hereto as Exhibit A (the "Disclosure Form"). Directors are required to update the Disclosure Form if circumstances change and a conflict arises during the year.

A director with a relationship that is a disqualifying conflict of interest is not qualified to serve as a director under the Cooperative's Bylaws and should immediately (1) terminate the relationship which gives rise to such disqualification or (2) resign from the Cooperative's Board of Directors.

IV. PROCESS:

After a director or officer has disclosed his/her relationship or interest as to a conflicting interest transaction, the disinterested directors will then vote on whether or not to approve the conflicting interest transaction. The conflicting interest transaction may be approved by a vote of the majority of disinterested directors. Such a vote is permissible even if the disinterested directors are less than a quorum.

V. EXCEPTIONS:

A conflicting interest transaction is not void or voidable nor does it give rise to sanctions if:

1. The Board of Directors is aware of the material facts of the conflicting interest transaction and in good faith authorizes, approves or ratifies it by a vote of a majority of the disinterested directors; or
2. The members of the Cooperative are aware of the material facts of the conflicting interest transaction and the conflicting interest transaction is authorized, approved or ratified in good faith by a vote of the members entitled to vote; or
3. The conflicting interest transaction is fair to the Cooperative.

VI. NO LOANS:

The Cooperative shall not make any loans to its directors, officers or a party related to a director or officer. Any director or officer who assents to or participates in the making of such loan shall be liable to the Cooperative for the amount of such loan.

VII. RESPONSIBILITY:

A. It shall be the responsibility of the Board of Directors to administer the provisions of this policy.

B. It shall be the responsibility of the Board of Directors to determine the adequacy and approve amendments or terminations of this policy.

C. It shall be the responsibility of the Board Secretary, or a person appointed by the Board Secretary, to obtain and retain director signed Disclosure Forms.

Date Adopted: February 18, 2009
Date Revised: January 20, 2021
Date Reviewed: September 15,2021
Date Reviewed: October 19, 2022
Date Revised: December 17, 2025

Attest: __Kyle Coltrinari ______
Secretary/ Treasurer

EXHIBIT A

CONFLICT OF INTEREST DISCLOSURE FORM

I _________________________, do hereby affirm as follows:

I. GENERAL INFORMATION

As a member of the Board of Directors of Grand Valley Rural Power Lines, Inc. (the "Cooperative"), I have a duty to disclose potential conflicts of interest in accordance with the Cooperative's Policy Bulletin No. 107, "Conflict of Interest Policy" (the "Policy"). The purpose of this form is to identify any financial, personal, or other interests that may present a conflict with my duties to the Cooperative.

By checking the box next to each statement, I affirm:

- ☐ I have received and read a copy of the Policy.
- ☐ Unless otherwise indicated below and to the best of my knowledge, I am in compliance with the Policy as of the latest date indicated below and agree to continue to comply with the Policy.

II. INTERESTS AND DISCLOSURES

A. Conflicting Interest Transaction: Are you aware of a contract, transaction, or other financial relationship between the Cooperative and:
   - You,
   - A party related to you,[1] or
   - An entity in which you are also a director or have a financial interest?

   If yes, please describe:

   ____

   ____

   ____

B. Disqualifying Conflict of Interest: Are you engaged in a business, employed by or materially affiliated with any individual or entity that:
   - Regularly, directly, and substantially competes with the Cooperative;
   - Regularly sells goods or services to the Cooperative; or
   - Otherwise possesses a substantive conflict of interest with the Cooperative?

   If yes, please describe:

[1] A "party related to a director" means a spouse, significant other, descendant, ancestor, sibling, or descendent of a sibling, or an estate or trust in which the director or party related to the director has a beneficial interest.

____

____

____

C. <u>Other Potential Conflicts</u>: Are there any other personal, professional, or financial interests that might create a perception of a conflict of interest in your role with the Cooperative? If yes, please describe:

____

____

____

I certify that the information provided above is true and complete to the best of my knowledge.

____
Signature

____
Date