Board Policy Manual

New Hampshire Electric Co-op

October 2026

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
Board of Directors
Policy Manual

Policy Number	Title	Current Revision or Reaffirmed Date	Committee Responsibility
B-1	Statement of Purpose, Vision, Mission & Values	March 31, 2026	Executive
B-2	Board Committees	July 28, 2026	Executive
	Attachment A – Executive	July 28, 2026	Executive
	Attachment B – Budget, Finance & Rates	March 31, 2026	Budget, Finance & Rates
	Attachment C – Engineering & Operations	April 21, 2026	E & O
	Attachment D - Audit	July 28, 2026	Audit
B-3	Functions and Authorities of the Board of Directors	March 31, 2026	Executive
	Attachment A – Nomination, Functions, Authorities & Responsibilities of the Officers of the Board of Directors	March 31, 2026	Executive
	Attachment B – Board Access to Information	March 31, 2026	Executive
B-4	Functions and Authorities of the President/CEO	August 25, 2026	Executive
B-5	General Counsel Functions	December 3, 2025	Executive
B-6	Board and Staff Expenses and Board Stipends	March 31, 2026	Executive
B-7	Membership Dues and Contribution Policy	July 28, 2026	Executive
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B-9	Default Service Power Procurement & Risk Policy	March 31, 2026	Budget, Finance & Rates
B-10	Audit Policy	April 21, 2026	Audit
B-11	Code of Ethical Conduct, Anti-Discrimination, Anti-Harassment, Whistleblower, and Complaint Procedure	August 25, 2026	Executive
B-12	Capital Credits	March 31, 2026	Budget, Finance & Rates
B-13	Equity Management	March 31, 2026	Budget, Finance & Rates
B-14	Record Retention and Destruction Policy	October 27, 2026	Audit
B-15	President Succession	August 25, 2026	Executive
B-16	Safeguarding Member Information	April 21, 2026	Audit
B-17	Director Electric Accounts	July 28, 2026	Executive
B-18	Member Electrical Usage and Generation Data	July 28, 2026	Executive
B-19	Nominating Committee	August 25, 2026	Executive
B-20	Project Justification and Approval Guidelines	July 28, 2026	Executive

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
BOARD OF DIRECTORS
Board Policy No. B-1

TITLE: Statement of Purpose, Mission, Vision & Values

ORIGINATION DATE: May 1, 1986

CURRENT REVISION DATE:

REAFFIRMED:
March 31, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. PURPOSE

To serve our Members.

II. MISSION

Our mission is to deliver affordable and reliable electric and broadband services to its members.

III. VISION

Empowering our members to thrive through our cooperative commitment to serving their needs.

IV. VALUES

These are our core values. We will hold ourselves to them without compromise in everything we do and will encourage others to do so as well.

Member-Focused—Our sole purpose is to serve our members. We consistently focus on how we can best meet their needs.

Safety—Is of paramount importance for electric cooperatives, given the nature of our operations in delivering electricity to communities.

Integrity—We are consistently and reliably honest and ethical in everything we do, keeping our commitments to each other, our members and others we deal with.

V. RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-2

TITLE: Board Committees

ORIGINATION DATE: August 30, 1988

CURRENT REVISION DATE: July 28, 2026 **REAFFIRMED:**

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

To provide for the establishment of committees and to ensure that their functions are clearly defined and reviewed periodically.

II OBJECTIVES

A. The Board of Directors may establish or abolish such executive, standing or special committees as it deems desirable.

B. Each committee shall have such powers and duties as may be delegated to it by the Board of Directors. Functions of the committees shall be defined in a written Statement of Functions that shall be reviewed annually to determine if revisions are needed or if the committee is still required, and an appropriate recommendation shall be made to the Board of Directors.

C. The President/CEO, or that person's designee, shall attend each committee meeting to provide staff advice, assistance and support.

D. There shall be an Executive Committee consisting of the Chair of the Board and the President/CEO as an ex-officio non-voting member, with the Chair of the Board also serving as Executive Committee Chair. The other Directors on this Committee shall be the Board Treasurer, the Board Secretary, the Vice Chair of the Board, the Board Assistant Treasurer, and one member-at-large. The member-at-large shall be appointed by the Board Chair and will be a director who the Chair believes to have board experience and expertise that would be helpful in making Executive Committee decisions.

E. The Chair of the Board shall annually appoint members of the standing committees for a one-year term. The Chair of the Board and President/CEO shall serve as ex-officio members of all standing or special committees, with the President/CEO being a non-voting member and the Chair a voting member. Each member of the

Board of Directors shall serve on one or more standing committees. The Chair of each of the standing committees shall be appointed by the Chair of the Board

F. The Committee Chair may convene a meeting of the committee with dates of the meeting coordinated with the staff member assigned to the committee. A majority of the committee may also call a meeting of the committee. All meetings shall be noticed and open to all Directors.

G. The President/CEO shall provide staff support to keep minutes of each committee meeting. Minutes of each committee meeting will be provided to all members of the Board of Directors. A report shall be made by the Committee Chair to the Board of Directors at the next regularly scheduled Board of Directors meeting.

H. Standing committees of the Board of Directors shall consist of at least three directors and may, at the determination of the Board Chair, consist of all directors. The standing committees shall be:

   1. Executive
   2. Budget, Finance & Rates
   3. Engineering and Operations
   4. Audit

I. The Attachments appended hereto shall contain the functions and authorities of the committees. Unless otherwise designated, the committees shall be advisory to the Board of Directors and Management.

III RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

Attachments A-D

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-2, Attachment A

TITLE: Executive Committee

ORIGINATION DATE: October 25, 1988

CURRENT REVISION DATE: July 28, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I PURPOSE

The purpose of the Executive Committee is to provide leadership to the Board of Directors, to oversee issues related to NHEC's member services, and to act on issues between meetings of the full Board of Directors.

A. GOALS

To clearly define the functions and authorities of the Executive Committee.

II FUNCTIONS AND AUTHORITIES:

1. The Executive Committee meets on a quarterly, or more frequent basis, as needed. In addition to the quarterly meetings, the Executive Committee may act on behalf of the Board of Directors under unusual or emergency situations.
2. The Executive Committee is responsible for conducting research of proposals/issues referred to the Committee by the Board, thoroughly discuss the benefits and/or ramifications of the proposals/issues to New Hampshire Electric Cooperative (NHEC) and bring recommendations to the Board of Directors.
3. The Executive Committee members are responsible to have reviewed the Executive Committee agenda, complete any necessary research and come to the meetings prepared to discuss the issues and the benefits and/or ramifications to NHEC.
4. Conduct the annual performance review of the President/CEO, with the Vice Chair of the Board as lead, and establish that person's salary and benefits, and bring recommendations to the Board of Directors. The addendum to this policy shall be used as a guideline to conduct this review.
5. The Executive Committee will fulfill its duties with regards to President/CEO Succession Planning and President/CEO replacement and transition as set forth in Board Policy No. B-15, President/CEO Succession.

6. Oversee NHEC's service offerings and make recommendations regarding any appropriate changes to the Board of Directors, including, without limitation, the following:
   A. Conservation and load management programs subject to regulation by the New Hampshire Public Utilities Commission, and the integration of those programs with NHEC's portfolio of unregulated energy solutions offerings.
   B. NHEC's public relations programs.
   C. NHEC's Voice of the Member platform.
   D. Member forums and events, including the annual meeting.
   E. Programs concerning economic development.
   F. Other functions affiliated with member relations and with energy solutions.
   G. Periodically review donation reports.
7. Review the NHEC Bylaws, on or before December 31st of each year, and make appropriate recommendations to the Board of Directors.
8. Review all policies, for which it is responsible, annually and make appropriate recommendations to the Board of Directors.
9. Review, with the President/CEO, major or significant changes in NHEC/NHB organizational structure, wage and salary plan, union contract, and employee benefits, and make appropriate recommendations to the Board of Directors. Annual salary increases submitted as part of the Board approved budget and addendums to the union contract providing clarification would not be considered significant according to this policy.
10. Review, with the President/CEO, NHEC's processes for strategic planning and strategy development and provide oversight and guidance on continuous improvement of NHEC's strategic planning processes and framework.
11. Review annually and make appropriate recommendations to the Board of Directors on current best governance practices and trends in corporate governance; a set of Governance Guidelines; and standards by which the Board can annually review its own performance.

III RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-2, Attachment B

TITLE: Budget, Finance & Rates Committee

ORIGINATION DATE: October 25, 1988

CURRENT REVISION DATE: March 31, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I STATEMENT OF FUNCTIONS AND AUTHORITIES

The Budget, Finance & Rates Committee shall:

1. Recommend a Statement of Functions and Authorities of the Committee to the full Board for approval and review the Statement annually recommending to the Board any changes deemed appropriate.
2. Review NHEC's short and long-range plans with respect to financial operations with the support of management for recommendation to the full Board to provide the best possible service to members and maintain a sound financial structure for the future.
3. Consider the necessity of conducting a Depreciation Study every five years based on recommendation from management.
4. Annually review with the support of management the operating budget, construction work plan (as reviewed by the E&O Committee) and other capital expenditure budgets for recommendation to the full Board for approval.
5. Biennially review with the support of management a schedule of fees and make recommendation to the full Board for approval.
6. Periodically review rates and rate design, as well as substantive changes to the Terms & Conditions, with the support of management and recommend any changes deemed appropriate to the full Board.
7. Annually review NHEC's Signatory Authority listing and recommend appropriate changes to the full Board.
8. Annually review and discuss the miscellaneous and accounts receivable write-offs proposal and make recommendations to the full Board.
9. Annually review and discuss the results of the Annual Physical Inventory and inventory adjustments proposal and make recommendations to the full Board.
10. At least biennially review the Equity Management Plan and recommend appropriate changes to the full Board.
11. Review annually and report to the Board of Directors strategies for providing NHEC's members with:

a. Retail electricity options through resale of NHEC-owned and/or purchased wholesale electricity resources, including distributed resources, and related environmental products, and

b. Transmission and other products and services necessary or related to providing electricity options and retail access to the members.

12. Review annually and report to the Board of Directors risk management issues and policy related to NHEC's activities in providing for wholesale electricity supply options and related environmental products, and retail access.

13. Review annually and report to the Board of Directors, estimates of capital requirements and operating costs related to wholesale electricity supply options and related environmental products, and retail access for use in preparing the capital and operating budgets.

14. Review and report to the Board of Directors developments and trends in wholesale electricity markets, including related renewable credits and environmental attributes markets, and retail access strategies and technologies.

15. Review and report to the Board of Directors regional wholesale electricity and related renewable products markets and retail access issues which may affect, or be of interest to, NHEC and members.

16. Review and report to the Board of Directors on opportunities from linkages between wholesale electricity supply and load management programs.

II RESPONSIBILITY

The Budget, Finance & Rates Committee is responsible for the annual review of this policy and making recommendations to the full Board.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-2, Attachment C

TITLE: Engineering & Operations Committee

ORIGINATION DATE: August 30, 1988

CURRENT REVISION DATE: April 21, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I STATEMENT OF FUNCTIONS AND AUTHORITIES

The Engineering & Operations Committee may:

1. Recommend a Statement of Functions and Authorities of the Committee to the full Board for approval and review the Statement annually recommending to the Board any changes deemed appropriate.
2. Periodically review the Cooperative's plans for its distribution and real property assets to ensure alignment with strategic initiatives.
3. Annually review the Cooperative's Construction Work Plan and related distribution asset strategy and ascertain their conformance with the strategic plan. Review as required the need for construction, operations, and maintenance of cooperative office facilities.
4. Annually review distribution services quality to members and evaluate consistency with established industry standards, governmental regulations, and the objectives and goals of the Cooperative.
5. Periodically review the trends of the distribution system, compare them to the objectives and goals of the Cooperative, and recommend strategic plans, operational directives and BSC initiatives.
6. Annually review with support of management and recommend to the Board the Capital Construction Budget.

II RESPONSIBILITY

The Engineering & Operations Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-2, Attachment D

TITLE: Audit Committee

ORIGINATION DATE: March 30, 2004

REAFFIRMED:

CURRENT REVISION DATE: July 28, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. STATEMENT OF FUNCTIONS AND AUTHORITIES

The primary function of the standing Audit Committee is to serve as an independent and objective party to assist the Board in fulfilling its oversight responsibilities for the financial statements, reports and record keeping of New Hampshire Electric Cooperative. This includes oversight of annual independent financial audits, the Information Systems Security Program, policies on member information and record keeping, the NHEC Internal Audit Program, regular Enterprise Risk Management assessments, and the management and oversight of Cooperative reserve funds, including but not limited to the Post-Retirement Benefits Fund and the Storm Damage Reserve Fund. In all its activities, the Committee members shall be guided by their fiduciary duties and the Cooperative's best interests.

The Audit Committee shall:

1. Be appointed annually by the Board Chairperson and shall consist of the Board Treasurer, Assistant Treasurer, and two or more members, one of whom shall be designated as the Chairperson of the committee.
2. Review and reassess at least once annually the adequacy of the Board's Audit Committee Policy, B-10, plus this policy section B-2 Attachment D, as well as B-14 Record Retention and Destruction Policy and B-16 Safeguarding Member Information.
3. Conduct an annual financial audit to provide an independent, objective review of financial reports and to identify any risks associated with the system of internal controls.
4. Ensure the independence of the Financial Auditors and the two cyber security audits (SOC services including EDR and log analysis and retention, and advisory services and incident response).
5. After the completion of the annual independent financial audit, or as needed throughout the year, discuss with management and the independent accountants the financial statements and related footnotes, significant findings and

recommendations, significant difficulties or disputes with management, and other issues that may be of significance.

6. If the Committee deems it necessary or appropriate to arrange independent legal, accounting or other advisors, the Committee Chairperson shall bring the request to the Board in executive session.
7. Review and approve annually or semi-annually and recommend to the Board of Directors the Enterprise Risk Management assessment. Cyber Security and Information Systems Security reporting (as presented by Senior staff and contractors) will be reviewed annually.
8. Review annual internal audits of system compliance and procedural/program updates and determine next steps.
9. Determine the investment firms to be the custodians of the Cooperative reserve funds.
10. Determine the investment policy for each reserve fund and the composition of investments in each fund consistent with that policy.
11. Determine the criteria for withdrawal or transfer of funds from each reserve fund and make such withdrawals or transfers from the funds.
12. Report to the Board of Directors on its investment policies, fund management criteria, and any withdrawals or transfers of funds that it has authorized.
13. Recommend to the Board revisions to the Plan Document of the New Hampshire Electric Cooperative Retiree Welfare Benefit Plan.

II. RESPONSIBILITIES

The Audit Committee is responsible for the annual review of this policy attachment, as well as policies B-10, B-14, and B-16 as detailed above, and for carrying out the reserve fund oversight responsibilities incorporated into this policy.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-3

TITLE: Functions and Authorities of the Board of Directors

ORIGINATION DATE: May 1, 1986

CURRENT REVISION DATE:

REAFFIRMED: March 31, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. PURPOSE

The purpose of the Board is to provide oversight over the activities of New Hampshire Electric Cooperative (NHEC) and to act as a fiduciary on behalf of the members ensuring that the needs of the membership are met.

A director shall meet his or her fiduciary duties as a director, including his or her duties as a member of a committee, so long as he or she undertakes the following duties of Care, Loyalty and Obedience:[1]

1. Each member of the board, when discharging the duties of a director, shall act: (i) in good faith, and (ii) in a manner the director reasonably believes to be in the best interests of the NHEC.[2] *(Duty of Care)*
2. Directors shall discharge their duties with the care that an ordinarily prudent person in a like position would exercise in similar circumstances. [2] *(Duty of Loyalty)*
3. Directors shall ensure that the NHEC is operating in furtherance of its stated purposes (as set forth in its governing documents) and is operating in compliance with the law. *(Duty of Obedience)*

II. GOALS

To clearly define the functions and authorities of the Board of Directors.

III. OBJECTIVES

A. The Board of Directors shall:

1. Be responsible for policy development. Policies shall be developed when desirable through any appropriate committees of the Board of Directors and presented to the Board of Directors for consideration and approval. Unless specifically stated otherwise, it is understood that the President/CEO will carry out established policies.

[1] Director Fiduciary Duties, 2005, NRECA Legal Reporting Service, Volume 41, Number 10
[2] Director FAQ: Fiduciary Duties, 2017, National Association of Corporate Directors

2. Be responsible for development of a Strategic Plan in conjunction with NHEC Management.
3. Select the President/CEO and determine salary and salary adjustments. The Board of Directors may, at its discretion, enter into a contract for the services of a President/CEO, such contract to be the employment agreement or a supplement to the conditions of employment.
4. Be responsible for succession planning with regard to the President/CEO to ensure continuity of management.
5. Authorize the execution of union contracts and certain specific contracts and instruments concerning the disposition and acquisition of property and membership in other organizations, as required by Articles X and XII of NHEC's Bylaws.
6. Authorize the execution of union contracts and certain specific contracts and instruments concerning the disposition and acquisition of property and membership in other organizations, as required by Articles X and XII of NHEC's Bylaws.
7. See that budgets are prepared by management. The Board of Directors shall review, modify, if necessary, and approve the annual budgets.
8. Ensure that rates are just and reasonable and designed, set and implemented commensurate with member**,** financial, and business needs.
9. Obtain from the President/CEO information concerning the operation of NHEC and potential issues consistent with Board Policy B-3, Attachment B.
10. Establish standing committees and ad hoc committees as needed, to enable Board of Directors meetings to operate efficiently. Committee members shall be appointed by the Chair of the Board. Each member of the Board of Directors shall serve on at least one standing committee.
11. Plan and conduct membership meetings with a view to inform members, receive their ideas and suggestions, and promote their understanding and acceptance of NHEC's goals, policies and programs.
12. Authorize the Chair of the Board, or in his/her absence the Vice Chair of the Board, to be the official spokesperson for the Board of Directors in matters relating to policy.
13. Receive the annual performance review and annual salary and benefits of the President/CEO as presented and recommended by the Executive Committee, and, if they are acceptable to the Board, either with or without amendments, approve the performance review and annual salary and benefits as presented or amended.
14. Conduct an annual review of Board Performance, with the Executive Committee being responsible for its accomplishment.
15. Annually review the bylaws and board policies with the President/CEO and General Counsel and consider any revisions.
16. Interact with the staff mainly through the President/CEO, at Board meetings, with staff assigned to Board committees, and where otherwise

appropriate and consistent with the President/CEO's responsibility to manage staff.

17. Be encouraged to take advantage of director training, which will be supported financially within the budget.
18. Appoint or elect representatives to other Boards or Committees and in the case of these person(s) not being Directors, set fair compensation for their activities. Examples include Nominating Committee, NRECA Committees, etc.
19. Have access to all NHEC contracts and documents, as provided in Board Policy B-3, Attachment B.

B. Officers of the Board of Directors have additional responsibilities as outlined in Article VI of NHEC's Bylaws and described in Attachment A to this policy.

IV. RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-3, Attachment A

TITLE: Nomination, Functions, Authorities and Responsibilities of the Officers of the Board of Directors

ORIGINATION DATE: December 19, 2017

CURRENT REVISION DATE: March 31, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. GOALS

To define the nomination, functions, authorities and responsibilities of the Officers of the NHEC Board of Directors.

II. OFFICER NOMINATIONS

Nomination of new officer candidates shall be made at the May meeting of the Board of Directors. Directors, including newly elected Directors, may also nominate officer candidates during the period up to and including the meeting held to elect officers.

III. FUNCTIONS, AUTHORITIES AND RESPONSIBILITIES

A. Chair of the Board

The Chair is responsible to the membership of NHEC. The principal role of the Chair is to provide leadership to the Board of Directors of NHEC. The Chair is the principal liaison between the Board and the management of NHEC, through its President/CEO. The specific responsibilities of the Chair are detailed as follows:

1. The Chair has a critical responsibility to maintain an effective relationship with the President/CEO. One that supports, advises, challenges and engages the President/CEO in the accomplishment of the goals and objectives set by the Board.
2. The Chair is tasked with the responsibility to prepare the Board in its oversight capacity, to consider risks and threats to NHEC's business. The Chair in reviewing management's assessment of risks and threats and its plans for avoidance, mitigation, remediation or insurance guides the Board in its oversight of management. The Chair also defines, in concert with the President/CEO, the Board's own role in communicating with members about said issues.
3. The Chair also leads the Board in its oversight and approval responsibilities of the President and for Strategic Planning, Capital and Operating Budgets.

4. The Chair is authorized to revise policies, except in such cases otherwise authorized by the Board of Directors.
5. The Chair shall:
    a) Plan meeting agendas with the President/CEO so that decisional topics are covered and relevant data is presented for discussion and analysis.
    b) Preside at meetings. Concurrent with this responsibility, the Chair will maintain order and act as a facilitator so that all sides of the discussion are heard and all participants are treated with civility and respect.
    c) Appoint Committee Chairs and members as needed and or when conflicts of interest arise and certain responsibilities normally held by one director must be temporarily delegated to another. The Chair guides the Committee Chairperson to align committee work with the organization's vision and goals and serves as an ex-officio and voting member of all committees.
    d) Recommend, in concert with the President, an annual schedule of dates, times and location of meetings, and shall have the power to call special meetings.
    e) May sign, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by NHEC's Code of Bylaws to some other officer or agent of the NHEC, or shall be required by law to be otherwise signed or executed.
6. An effective Board Chair sets a positive, energized tone for board meetings. By modeling, articulating, and upholding the rules of conduct that are outlined in the by-laws, the Board Chair sets a high standard for board conduct. The Board Chair addresses issues regarding confidentiality, conflict of interest, and other pertinent board policies.

B. **Vice Chair of the Board**

1. In the absence of the Chair of the Board, or in the event of the Chair's inability or refusal to act, the Vice Chair of the Board shall perform the duties of the Chair of the Board, and when so acting, shall have the powers of and be subject to all the restrictions upon the Chair of the Board and shall perform such other duties as from time to time may be assigned to the Vice Chair by the Board of Directors.
2. The Vice Chair is responsible for the oversight and administration of a process to select, monitor, appraise and compensate the President/CEO of NHEC and to ensure long term management succession plans are in place in order to provide continuity in the quality and depth of management required to meet NHEC's objectives. The Board may appoint other board members, as deemed necessary, to assist the Vice Chair in the performance of this responsibility.

C. **Board Secretary**

1. Acting as the clerk of the NHEC.
2. Seeing that the meeting minutes of the members and the Board of Directors are kept.
3. Seeing that all notices are duly given in accordance with the Code of Bylaws or as required by law.
4. Being custodian of the corporate records and of the seal of the NHEC and seeing that the seal of the NHEC is affixed to all necessary documents, the execution of which on behalf of the NHEC under its seal is duly authorized in accordance with the provisions of the Code of Bylaws.
5. Seeing that a register of contact information of each member is kept. Contact information includes mailing address, phone number, and may also include e-mail address.
6. Having general charge of the records of the NHEC in which memberships are recorded.
7. Seeing that a complete copy of the Code of Bylaws of the NHEC containing all amendments thereto is kept on file, which copy shall always be open to the inspection by any member, and at the expense of the NHEC, seeing that a copy of the Code of Bylaws is provided to each new member.
8. Overseeing the preparation of the ballot by which the membership votes. The Board Chair will delegate this responsibility to another Board member in the year the Secretary is up for election.
9. Performing all duties incident to the office of secretary, including the signing of board resolutions and other documents typically executed by the secretary, those duties set forth in the bylaws, and such other duties as from time to time may be assigned to him/her by the Board of Directors.

D. **Treasurer**

1. Serve as a member of the Budget, Finance & Rates Committee and Audit Committee.
2. Having charge and custody of all funds and securities of the NHEC.
3. Having oversight of the Chief Financial Officer (CFO) or his/her designee, who shall provide receipts for moneys due and payable to the NHEC from any source whatsoever, and depositing all such moneys in the name of the NHEC in such bank or banks as shall be selected in accordance with the provisions of the Code of Bylaws. The Treasurer shall be responsible for:
    a) Approving the NHEC funds disbursement by check and Automated Clearing House (ACH) weekly in accordance with NHEC procedures.
    b) Each month the Treasurer will review and approve the summary of the previous month's Electronic Wire Transfers.
    c) The Treasurer may request more information from staff about any disbursement in question while performing the weekly approval of check/ACH disbursements.

d) The Treasurer may review the details of checks and supporting documentation at this/her sole discretion.

e) All Board Directors participating in the approvals and authorization of funds disbursement will be provided in a copy of this document and properly trained.

4. Ensuring, along with NHEC's external auditors, that NHEC's assets and financial records are managed ethically and with integrity.

5. In general performing all the duties incident to the office of Treasurer, including those duties set forth in the bylaws, and such other duties as from time to time may be assigned to him/her by the Board of Directors.

E. **Assistant Treasurer**

1. Assisting the Treasurer, as requested, in the performance of the Treasurer's duties.

2. In the absence of the Treasurer, or in the event of the Treasurer's inability or refusal to act, the Assistant Treasurer shall perform the duties of the Treasurer, and when so acting, shall have the powers of and be subject to all the restrictions upon the Treasurer.

3. Perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

IV. RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy attachment with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
BOARD OF DIRECTORS

BOARD POLICY NO. B-3, ATTACHMENT B

TITLE: Board Access to Information

ORIGINATION DATE: February 27, 2018 **REAFFIRMED**: March 31, 2026

CURRENT REVISION DATE:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. PURPOSE

This Board policy is intended to provide guidance to the Board of Directors and management of NHEC on the Board of Directors' access to information.

II. INFORMATION ACCESS

A. Information Requests to Management
A director may request through the President/CEO any existing document, record or other readily available information, which shall be promptly provided to the director. When a director is seeking detailed information that requires staff work to generate new data or reports, the President/CEO will produce the information in a reasonable time depending upon competing staff priorities. The requested information may be provided to the full Board. Any President/CEO objections to the provision of specific information or the timeliness of providing the information shall be resolved by the President/CEO, Board Chair, and General Counsel.

B. Information/Data Repository
NHEC shall maintain an electronic information and document repository accessible only by the Board Directors, the President/CEO, the Executive Services Administrator, and Vice Presidents, currently called OnBoard. The content and rules for the use of OnBoard shall be established by the Board Executive Committee. Certain information included in OnBoard shall, at the direction of the Board Chair, be accessible only by the Board of Directors.

III. RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy attachment with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
BOARD OF DIRECTORS
Board Policy No. B-4

TITLE: Functions and Authorities of the President/Chief Executive Officer (CEO)

ORIGINATION DATE: May 1, 1986

CURRENT REVISION DATE: August 25, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. GOALS

To define the authority, responsibilities, limitations, and reporting expectations of the President/CEO in carrying out the strategic direction, policies, and delegated authority of the Board of Directors.

II. OBJECTIVES

The President/CEO shall:

A. GENERAL AUTHORITY

1. Have the authority to administer the day-to-day operation of NHEC, using judgment in executing the policies of the Board of Directors.
2. Furnish the Board of Directors with information on the operation of NHEC and potential problems.
3. Consult and coordinate with NHEC's General Counsel as needed to identify, evaluate, analyze, and/or resolve legal issues that arise in the course of business of NHEC and/or its affiliates and subsidiaries.
4. Ensure the continual operation, development, and improvement of appropriate safety programs.
5. Annually review the bylaws with the Board of Directors and General Counsel and recommend any needed revisions.
6. Formulate recommendations for policies to be adopted by the Board of Directors and provide input on policies proposed by the Board of Directors.
7. Advise and assist the Board of Directors in the formulation and implementation of realistic and meaningful controls and control information in all areas not specifically covered elsewhere.
8. Inform employees, members, and the public about NHEC issues and operations. Provide advance notice to the Board members of significant member-wide communications involving governance matters, major strategic issues, material controversies, or matters likely to generate

significant member or public concern.

9. Oversee enterprise risk management, including operational, financial, legal, regulatory, cybersecurity, safety, reputational, and business continuity risks, and report material risks and mitigation plans to the Board.
10. Keep current with legislative issues, both state and federal, and make recommendations to the Board Executive Committee for positions to be taken regarding pending legislation.
11. Develop, in collaboration with the Board of Directors and senior staff, a strategic plan that advances the Board's strategic direction, and oversee the execution, monitoring, and reporting of progress against that plan.

B. PERSONNEL MANAGEMENT

12. Select, appoint, transfer, promote, and release all employed personnel as needed. He shall also designate employee officers of the corporation, subject to approval of the Board of Directors.
13. Review periodically all activities of NHEC and determine with staff the organizational structure best suited to carry out NHEC's overall objectives, including the need for additional positions or transfer, reassignment, or elimination of existing positions, and to effect such changes provided they are within the limitations of the approved budget.
14. Administer and amend the compensation plan for employees outside the union within the approved budget and Board of Director policy.
15. Identify and develop skills of individuals for consideration in succession planning.
16. Negotiate with the union as required and administer the approved union contract.
17. Delegate appropriate authority to immediate staff; authorize further delegation of authority to any level of management, with full recognition that the President/CEO cannot be relieved of his overall responsibility or any portion of his accountability.
18. See that employees are trained in accordance with the qualifications and requirements of their positions.

C. FINANCIAL MANAGEMENT

19. Have the authority to enter into contracts within the amount of the approved budgets and consistent with Board of Director policy, provided that any new contract, renewal, or amendment thereof that commits NHEC to the expenditure of over $1 million shall not be executed until the Board Chair is provided a copy. The Board Chair may either approve the contract or refer the matter to the appropriate committee or the full Board for approval.
20. Energy supply and transmission contracts and invoices are exempt from the restrictions mentioned in the previous paragraph. These contracts will be governed by Board Policy B-11.
21. Have the authority to approve additions or deletions to NHEC's electric service territory, provided that any service territory modification that increases capital costs by over $500,000 or increases or decreases annual

revenues or expenses by $250,000, shall get the prior approval of the Executive Committee, who may refer the matter to other Committees or the full Board.

22. Have the authority to engage outside consultants and legal counsel, as necessary and within the approved budget, provided that the Board Chair and General Counsel are informed before retaining outside legal counsel. The Board shall employ and evaluate the General Counsel.
23. Have the authority to move funds as needed in the capital construction and general plant budgets to achieve NHEC's objectives. Prior notification of the action to be taken will be provided to the Board Chair.
24. Have the authority to increase the capital construction budget by up to 5% in any given year as long as it appears that targeted margins for the year will be achieved. Prior notification of the action taken will be provided to the Board Chair if the amount of the increased budget exceeds $1 million.
25. Have the authority to increase distribution total operations and maintenance expense budget by up to 5% in any given year if targeted margins for the year will be achieved. Prior notification of the proposed actions will be provided to the Board Chair if the increase in expenses exceeds $1 million.
26. Formulate with staff an annual work program and budgets to be recommended to the Board of Directors for approval.
27. Periodically study and analyze NHEC's rates and billing and collection regulations to make sure they support current operating budgets and strategies.
28. Formulate cost-saving strategies and measures and implement them after consultation with the appropriate Board Committee.

III. RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-5

TITLE: General Counsel Functions

ORIGINATION DATE: February 28, 1989

CURRENT REVISION DATE: December 3, 2025 **REAFFIRMED:**

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

A. To clearly define the functions and authorities of NHEC's General Counsel.

B. To recognize the need for continuing legal guidance and counsel in the ordinary and special activities of NHEC to ensure maximum protection of the legal rights of NHEC and to maintain operations within the limits prescribed by law.

C. To ensure that NHEC's General Counsel is involved sufficiently in NHEC's business, governance, regulatory, and fiscal operations to have and maintain the requisite context and institutional knowledge to provide sound legal guidance.

II OBJECTIVES

A. The Board of Directors shall provide for the engagement of an attorney or law firm of its choosing to serve as General Counsel. When requested, or upon General Counsel's recommendation and agreement from the Board or its Chair, the General Counsel shall:

1. Assist the Board of Directors with the calling and holding of regular and special meetings of directors and members, interpretation of the Certificate of Organization and the bylaws, and amendment of the Certificate of Organization and the bylaws.

2. Attend regular and special meetings of the Board of Directors, as requested, where he or she will review and render advice on current and potential legal issues that may be inherent in present or proposed bylaws, policies, and actions.

3. Participate, as requested, in planning annual membership meetings relative to notices or other legal technicalities, and attend the meetings, as requested, to advise the Board of Directors on matters related to the legal entity of NHEC.

4. Assist and advise the CEO and senior management as needed to identify, evaluate, analyze, and/or resolve legal issues that arise in the course of NHEC's business.
5. Participate, as requested, in the development and implementation of Enterprise Risk Management and Strategic Planning initiatives and programs.
6. If requested, review recurring contractual relationships to render advice on any changes in the wording of documents that could result in future legal issues, provide legal advice on reports and statements required by regulatory bodies.
7. If requested, review matters of insurance policy interpretation and applicable coverage and assist in any manner that might prove helpful in areas relating to rates charged for coverage furnished.
8. If requested, draft routine contracts, documents, and writings.
9. Review the title of all real estate purchases and sales by NHEC and the documents involved in the granting of easements when necessary.
10. Review procedures necessary to the borrowing of money by NHEC to determine that all actions and documents are supplied and are legally correct and represent NHEC with respect to all financings, refinancings or other instances where NHEC borrows money to ensure that NHEC's interests are protected and that such borrowing is validly authorized and supported by necessary opinions of General Counsel.
11. If requested, represent NHEC before commissions and courts and the Legislature in the State of New Hampshire. In connection with these activities, he/she shall be responsible for the preparation of witnesses, presentation of testimony, and general legal research.
12. When requested, defend NHEC against suits or claims.
13. When requested, prosecute NHEC's claims against others.
14. Act in consultation with the President and the Board of Directors Chair when special services are required.
15. Include provisions in the engagement letter regarding the retention and safeguarding of NHEC documents and information.

B. The Board of Directors shall conduct an annual review of the General Counsel's performance with input from the President/CEO and Senior Leadership Team.

C. The Board of Directors Chair, in consultation with the President and NHEC's General Counsel, may also retain other or special counsel when it seems appropriate for the provision of legal services or to avoid conflicts of interest. The General Counsel shall facilitate and coordinate the work of other attorneys representing NHEC and shall keep the Board of Directors Chair informed concerning such work.

D. The Board of Directors shall provide General Counsel the background and context needed on NHEC's business, governance, regulations, and finances to provide sound legal advice. The Board understands that General Counsel may need to attend certain meetings to stay informed and will work with General Counsel to identify which meetings are important. The goal is to keep General Counsel up to date on key NHEC matters where legal input or strategic guidance may be required.

III RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-6

TITLE: Board and Staff Expenses and Board Stipends

ORIGINATION DATE: May 1, 1986

CURRENT REVISION DATE:

REAFFIRMED DATE: March 31, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

A. To establish standards for director and staff expenses.

B. To partially defray directors' personal expenses and to partially compensate them for the risks assumed, the time given, and the wisdom applied in the exercise of their official duties.

C. To enable each director to choose the training seminars or conferences he/she wishes to attend.

D. To inform all Director Candidates of this policy.

II OBJECTIVES

A. Limitations on Expenses Charged to NHEC

1. Directors and employees are expected to limit their reimbursable expenses to those that are necessary, prudent and business-related.

2. Director and employee expenses that are not considered business-related and therefore not reimbursable include:
   a) 1st class airfare
   b) Travel for companions
   c) Tax indemnification and gross up payments
   d) Housing allowance or personal residence payments, except those provided by employment contracts
   e) Health/social/golf club dues or fees
   f) Personal services (e.g. maid, chauffeur, chef, spa/salon services, etc.) and alcohol
   g) Personal amusement (e.g., movies, shows, etc.)

3. NHEC does not make personal loans outside of defined member programs to current or former directors or employees.

4. Director and employee discretionary spending accounts are not authorized.

5. Director and employee personal charges on the corporate credit card(s) are prohibited.

B. Director Stipends and Expenses

1. Each director will receive a monthly stipend of $900 payable in a check run shortly after each regular monthly Board meeting that the director held the office of director.
2. Each director will receive $450 for attendance at the regular monthly Board of Directors meeting, special meetings, Board organizational meeting and Annual Meeting. The meeting fee will not be paid for more than two meetings in a day.
3. Each director will receive $250 for each Board Committee meeting attended if the director is a member of the committee. Directors can attend if they are not a member of the Committee but will not receive any compensation. New Directors to the Board that attend Committee meetings for the first year will receive $150.The meeting fee will not be paid for more than two meetings in a day. In the case of any given Board Committee, the meeting fee shall not be paid for more than three meetings per week.
4. Each director who has been appointed as a special committee member by the Board Chair will receive $250 for attendance of special Board committee meetings. Special Board committees include Ad Hoc Committee, Steering Committee, Subcommittee, and Subgroup which are organized for a specific purpose. The meeting fee will not be paid for more than two meetings in a day. In the case of any given Board Committee, the meeting fee shall not be paid for more than three meetings per week.
5. Each director shall be paid $250 for each day required to attend the following functions, including no more than two days for travel:

   Formal new director orientation meetings hosted by NHEC,

   As a Board elected meeting delegate,

   For a Board Chair approved meeting, facility tour or other official business taking over two hours of director time,

   As a Board seminar or conference representative and,
   Training, seminars and conferences related to NHEC business

6. The Board Chair is authorized to reduce stipends for special meetings, continued meetings, committee meetings, and other meetings described in Sections 2 through 5, that are attended via video conference, do not require travel, are short in duration, or require little or no preparation time.

7. In addition to the stipend described in paragraph A, the Chair of the Board shall receive an additional $600 each month, the Treasurer shall receive an additional $550 each month, the Vice Chair of the Board and Secretary shall each receive an additional $250 each month, the Assistant Treasurer shall receive an additional $200 each month, and other Directors serving as Committee Chairs shall receive an additional $100 each month.
8. Mileage for each director shall be paid at a rate mirrored after the IRS rate for distance traveled in his/her own car, based on NHEC electric account location or actual mileage, whichever is less, to and from regular and special directors' meetings, committee meetings, or other official meetings relating directly to NHEC business.
9. For travel to conferences and on other NHEC-related business, directors shall be reimbursed for travel by car at the IRS rate or for airfare or other means of travel, except that such reimbursement shall not exceed the cost of economy class air travel (plus the reasonable cost of airport parking and travel to and from the airport) if travel is to a destination outside the New England/New York region.
10. Each director will submit an itemized expense statement, on a form furnished by NHEC, monthly, for meeting attendance other than regular or special board meetings or committee meetings.
11. Directors may receive cash advances from NHEC to cover expenses when attending meetings in item E above.
12. Directors traveling on NHEC business shall be reimbursed the actual expense for travel, lodging and meals as follows:

    a. The actual costs of commercial carrier (airline, rental car, bus & taxi) - receipt required

    b. The actual cost of tolls - no receipt is required

    c. The actual cost of motel/hotel - credit card or hotel receipt required

    d. The actual cost of meals - receipt required. When meals involve two or more persons, directors must list the full names and purpose of the meeting on the Expense Report.
13. Since all money spent by NHEC is members' money, travel and meal expenses should be kept at a reasonable cost. Expenses for upgrades from basic economy travel should generally not be incurred, except for Early Bird Check-in programs with airlines.
14. In an effort to have a Board that is well trained in the electric utility industry, and in cooperative principles in particular, each director will be allotted a sum of money, amount to be determined each year through the budget process, to be used for registration fees and travel related expenses (airfare, rooms, meals, etc.) for training, seminars or conferences they wish to attend. Directors are expected to check with the

Chair for approval to attend training, seminars and conferences not sponsored by NRECA or related electric cooperative/public power entities such as CFC, NEPPA, etc.

C. Director Candidates

A copy of this policy will be provided to all Director Candidates.

III RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors and for an annual review of director and officer compensation using the most currently available information from other similar-sized cooperatives and other relevant third party sources.

NEW HAMPSHIRE ELECTRIC NHEC, INC.

BOARD OF DIRECTORS

Board Policy No. B-7

TITLE: Membership Dues and Contributions Policy

ORIGINATION DATE: February 25, 1992

CURRENT REVISION DATE: July 28, 2026 **REAFFIRMED:**

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

A. Membership dues and equipment donations

1. To provide a process by which NHEC maintains organizational and professional memberships in organizations that benefit NHEC and a process for donating surplus equipment.

II OBJECTIVES

It is the policy of NHEC to:

A. Maintain memberships in national, state and regional electric power organizations and any other organization that may benefit NHEC in accordance with Article XII of the Bylaws.

1. The President/CEO or designee shall review such memberships and report annually to the Board of Directors and get the prior approval of the Executive Committee for membership in or support of any new organizations.

2. NHEC, in its discretion, shall reimburse its employees and Directors for any professional association dues reasonably required to maintain that individual's professional standing within the field; (e.g. National Society of Engineers, American Institute of Certified Public Accountants (AICPA), Electric Cooperative Bar Association, etc.)

B. If equipment becomes available for donation, NHEC will first determine whether its employees are interested in purchasing the equipment for an appropriate value as set by the President/CEO, guided by industry standards. If equipment remains available after the employee offering, it may be donated to local, regional, national, or international nonprofit organizations or programs supported by NRECA, provided that the

donation is consistent with applicable law, NHEC's cooperative status, and any internal procedures for asset disposition.

III RESPONSIBILITY

A. The President/CEO is responsible for ensuring the provisions of this policy are carried out, including maintaining appropriate documentation of memberships, dues, professional association reimbursements, and surplus equipment donations.

B. The Executive Committee is responsible for the annual review of this policy with the Board of Directors and for reviewing any new organizational memberships or support requiring prior approval under this policy.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-8

TITLE: Disclosure of NHEC Information and the Open Conduct of Meetings of the Board of Directors and its Committees

ORIGINATION DATE: January 28, 1992

CURRENT REVISION DATE:

REAFFIRMED: May 27, 2025

AUTHORIZED:

Jeffrey W. Morrill

Secretary, Board of Directors

I GOALS

A. Disclosure of NHEC Information

1. To provide a process by which NHEC will respond to information requests made by members.

2. To provide members access to important information on NHEC's website.

3. To provide a process by which NHEC will respond to information requests made by non-members; including courts, governmental offices, agencies, or representatives and parties participating in proceedings before such courts, offices, agencies or representatives ("the Government").

B. Conduct of Board and Committee Meetings

1. To provide for the open and orderly conduct of meetings of the Board of Directors and its committees.
2. To provide a process by which NHEC will respond to requests made by persons wishing to attend, or make presentations at, meetings of the Board of Directors and its committees.

II OBJECTIVES

It is the policy of NHEC to:

A. Share and safeguard information to keep members informed of the operations of NHEC, while protecting NHEC's legal interests and member, employee and third-party privacy rights. The Board of Directors recognizes NHEC's responsibilities to respect contractual confidentiality and non-disclosure obligations, and to control the scope, manner and timing of any release of confidential or commercially

sensitive information. Recognizing these responsibilities, the Board of Directors establishes the following process that allows NHEC to respond timely and meaningfully to information requests made by members, government agencies and others.

1. All requests for information shall be handled by the President/CEO or the President/CEO's designated representative.

2. Subject to the limited exceptions listed below, requests for billing, credit or other personal information of any member account will not be released without prior consent of the member. Whenever information is disclosed pursuant to the exceptions listed below, NHEC will take reasonable measures to limit the amount and scope of such disclosure. The following are exceptions to this disclosure restriction:

    a. The sharing of billing information with a group consisting of other utility-type organizations for the purpose of establishing and maintaining a common database of billing/credit history and made available to the group exclusively for such purposes and subject to confidentiality and non-disclosure agreements.;

    b. The disclosure of such information to, or pursuant to an order from, the government agencies, where NHEC believes that the government agencies may lawfully require such disclosure, regardless of whether or not the government agency has pursued or exhausted all avenues to compel such disclosure. Whenever practical, NHEC shall consult with legal counsel in connection with such disclosures; and,

    c. The disclosure of such information to the extent reasonably necessary to establish a claim or defense on behalf of NHEC in a civil, criminal or other public controversy between NHEC and the member. Whenever practical, NHEC shall consult with legal counsel in connection with such disclosures.

3. The membership list shall not be made available to any person(s) or any political or business organization for solicitation purposes unless specifically authorized by the Board of Directors.

4. Subject to the preceding disclosure restrictions, NHEC shall respond timely to the information requests of members to the same extent as public agencies in the state are required to respond to information requests.

5. Whenever commercial, financial or personnel information is disclosed, NHEC will take reasonable measures to limit the amount and scope of such disclosure. Where such information has been acquired by NHEC subject to a confidentiality or non-disclosure agreement, NHEC may

condition its disclosure, if any, upon the receiving party's execution of an appropriate confidentiality or non-disclosure agreement.

6. To ensure consistent and accurate information is made available to the public or news media all releases shall be made by the President/CEO or the President/CEO's designated representative, subject to the provisions of Board Policy No. B-3, Attachment A, Section III, 4.

B. Transparency

NHEC is dedicated to providing information to its membership about its operations and will publish on its website:

1. Annual IRS Form 990 filing
2. Annual audited financials
3. Bylaws and Board Policies
4. The Annual Report to the members
5. The monthly newsletter
6. Public session Board minutes

C. Conduct Meetings of the Board of Directors and its Committees that are open to NHEC's members:

1. All meetings of the Board of Directors and its committees shall be noticed at least 24 hours prior to the meetings and shall be open to the public, except for those portions conducted in executive session.

2. Requests to make presentations at, or otherwise actively participate in, meetings of the Board or its committees shall be made in advance by contacting the Chair of the Board or the President/CEO.

3. The Chair of the Board of Directors and its committees may limit such participation to members only.

4. In order to ensure the prompt and orderly conduct of the meeting, the Chair of the Board of Directors and the Chair of its committees may restrict the manner and time of participation by anyone other than Directors and the President/CEO.

5. The Board of Directors and its committees reserve the right to meet in executive session on items requiring such sessions.

a. All motions for executive session must identify one of the following as the basis of the executive session:

i. Private Member-Specific Information

ii. Confidential Contract Negotiations and/or Confidential Commercial/Financial Information

iii. Confidential Personnel Matters

iv. Confidential Physical and Cyber Security, Emergency Preparedness/Response Information

v. Confidential Discussion of Legal Claims or Litigation

vi. Attorney/Client Consultations

vii. Confidential Negotiations Concerning the Acquisition of Real or Personal Property

viii. Private Information Concerning a Specific Individual, that Likely Would Damage Reputation

b. All discussions and decisions made in executive session shall be confined to the matters covered by the motion for executive session.

c. Subject to confidentiality and non-disclosure restrictions, minutes must be recorded for all executive sessions, and such minutes must be reviewed and approved confidentially. Executive session minutes shall be preserved and shall be considered sealed, unless and until the board determines otherwise.

d. Executive session minutes which may include privileged attorney/client communications shall only be unsealed after consultation with NHEC's General Counsel.

IV RESPONSIBILITY

A. The Chair of the Board, together with the President/CEO or a designated representative, is responsible for ensuring this policy is followed.

B. The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
BOARD OF DIRECTORS
Board Policy No. B-9

TITLE: Default Service Power Procurement & Risk Policy

ORIGINATION DATE: July 30, 2002

CURRENT REVISION DATE: March 31, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. GOAL

To assure that NHEC can and does provide members with:

1. Reliable default supply retail electricity supply options, through NHEC's ownership and/or purchases at wholesale of capacity, energy, ancillary services and related renewable energy credits and other environmental attributes, in accordance with legal requirements, and

2. Reliable, effective access to retail electricity supply options offered by state-qualified competitive retail suppliers, and

3. Proper risk management through prudent oversight, appropriate mitigation of risks, suitable controls and procedures, and delegation of purchasing authority to the CEO.

II. OBJECTIVES

A. To provide policy and guidance with respect to the conduct of NHEC's activities related to procurement of wholesale energy, related environmental products, and retail access services.

   1. It is the policy, and a core function of NHEC, to provide all of its members with competitive retail electricity supply options.

   2. NHEC will fulfill its core function of providing reliable retail electricity supply options and provision of Retail Access services in a manner that demonstrates the highest standards of ethical business conduct and fully complies with all laws, regulations, and NHEC policies, and demands the same of trading partners, consultants, and contractors.

B. To provide proper risk management strategies to provide reasonable value supply options to members. Risk governance will follow a top-down approach whereby the Board of Directors identifies the risk management objects and provides risk management oversight. Risk management objectives should support NHEC's business model, risk tolerance, and power supply objectives. The risk management priorities will be communicated to the CEO so staff can best prepare a procurement strategy for upcoming rate periods consistent with the board's risk tolerance. Managing energy risks will serve the following objectives:

    1. To maintain risk with desired tolerances for a defined period in the future;

    2. To moderate price volatility to the members;

    3. To enhance value of assets/resources;

    4. To leverage opportunities to increase the value to members;

    5. To participate in energy markets for hedging and not speculative purposes.

C. To approve no less than annually a resolution of the energy supply goals and risk tolerance guidelines around such goals. These goals and risk tolerance guidelines shall be consistent with the Board's desired risk management objectives. The overall strategy of power purchasing will be proposed by staff and approved by the Board as necessary for each rate period. The authority delegated to the CEO is outlined below:

    1. The CEO will have authority to enter into internal bilateral transaction contracts (IBTs) consistent with the Board's approval for the rate period. All internal bilateral transactions that exceed the terms delegated by the board will require additional board approval.

    2. Power purchase agreements (PPAs) and transactions that exceed the next rate period will require board approval for each contract or transaction.

    3. The CEO is authorized to enter into agreements for Renewable Energy Certificates (RECs) without prior board approval, provided that the REC costs are less than the Alternative Compliance Payment (ACP) as outlined by the New Hampshire Department of Energy.

    4. Individual transmission or capacity contracts in advance of the obligation will require board approval unless addressed as part of a procurement strategy for the rate period.

D. To define parameters required for energy transactions.

1. Counterparties must meet an investment grade, minimum acceptable credit rating of BBB- (S&P/Fitch) or Baa3 (Moody's) or higher. Counterparties that do not meet the investment grade rating will be required to provide a guaranty from an associated entity with an investment grade rating that shall guarantee the obligations of the Counterparty to NHEC. Board approval must be obtained before entering into an agreement with a Counterparty that does not have an investment grade rating or such guaranty.

2. No sleeving transactions for contract purposes shall be executed. Contract sleeving is an arrangement where a more financially reputable entity acts as an intermediary for a smaller undercapitalized entity in the execution of a transaction.

3. All bilateral trades must be executed via a recorded communication method such as a voice recorded communication line or email.

E. To define the minimum information necessary for the Board to determine default energy risks and rates for each rate period. The following information should be included for each rate period in order to properly delegate purchasing authority to the CEO:

1. Historical data on ISO-NE day ahead Locational Marginal Pricing (LMP) vs. IBT contract costs for the same timeframe

2. Comparison of NHEC and NH regulated utilities, including a past rate comparison and comparison of current regulated procurement strategies.

3. Historical volatility of day ahead LMP for the rate period.

4. A breakdown of currently hedged energy, proposed hedging, and spot market purchases for the upcoming rate period.

5. Projected costs and rates for the upcoming rate period based on the proposed hedging strategy.

F. To define the authority of the CEO to enter into rate period contracts, the board, upon recommendation of the CEO, shall determine the percentage allocation of load between six-month rate period, longer-term, and spot market contracts and purchases.

III. RESPONSIBILITIES

The Budget, Finance & Rates Committee is responsible for the annual review of this policy and making recommendations to the full Board.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-10

TITLE: Audit Policy

ORIGINATION DATE: October 28, 2003

CURRENT REVISION DATE: April 21, 2026 **REAFFIRMED:**

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. INTRODUCTION

This policy provides the audit policy and procedures for New Hampshire Electric Cooperative, Inc. ("NHEC").

NHEC Management is responsible for adopting sound accounting policies, maintaining an effective accounting system, safeguarding assets, devising an adequate system of internal controls/procedures, and establishing systems designed to ensure compliance with all policies, plans, and applicable laws and regulations. Towards this, NHEC Management with oversight by the Board is responsible for:

a. Designing and maintaining an effective system of internal controls over financial reporting consistent and compliant with United States Generally Accepted Auditing Standards (“GAAS”).
b. Ensuring all transactions are properly recorded and material information is available to the Board and management when required.
c. Ensuring that NHEC records and documents are properly retained and secured; management procedures are up to date and complied with; and risk to the enterprise is assessed and mitigated.

The Board is ultimately responsible for determining that all audits and assessments satisfy statutory and regulatory requirements. The Board is also responsible for providing ultimate direction and oversight on these to the Chief Financial Officer (CFO) and the Chief Administrative Officer (CAO) of NHEC for audits and system compliance.

The Board of Directors (“Board”) of NHEC has determined that an Audit Committee of the Board shall assist the Board in fulfilling specific responsibilities that include: scrutiny of NHEC’s financial reporting process, systems of internal accounting and financial controls, engagement of internal and external independent auditors, record retention and information security procedures, policies and reviews. It includes oversight of the information systems security program to secure access to all of

NHEC's technology systems, including information systems, communications systems, and control systems, also known as cybersecurity, as well as the confidentiality, integrity, and availability of all corporate and member data/information. Responsibilities also include Enterprise Risk Management ("ERM") assessments and plans, and such other functions as the Board may delegate to the Committee. All audit assessment reports and plans will be made available to the Board and Audit Committee members.

Although the Sarbanes-Oxley Act of 2002, as it may be amended, revised and interpreted, is not applicable to NHEC, the Board and the Committee may choose to adhere to selected components of its provisions.

II. GENERAL STATEMENT OF PURPOSE

The primary function of the Audit Committee is to serve as an independent and objective party to assist the Board in overseeing and monitoring:

a. The quality and objectivity of annual financial reports and audits provided by NHEC to members and the public.
b. NHEC's system of internal controls and internal audits regarding financial reporting, finance and accounting.
c. The NHEC's system of internal controls, procedures and compliance assessments including ensuring both the physical and logical security of all NHEC's information, communications, and control systems.
d. The independence and performance of NHEC's Auditors.
e. The assessment of internal and external risks posed to NHEC, including through participating in, and recommending Board approval of, an annual Enterprise Risk Assessment and plan.

III. INDEPENDENT FINANCIAL AUDIT

1. The Auditors

Independent Financial Auditors are selected by the Board of Directors of NHEC. At least every 5 years, the Audit Committee will recommend the lead auditors (e.g., partner, principal, director, etc.) to the Board. The Audit Committee will select the independent auditor after issuing and reviewing requests for proposals ("RFP"s).

The selected independent auditor must participate in a peer review consistent with the American Institute of Certified Public Accountants (AICPA) standards. The Committee will verify that the independent audit firm has met the general qualifications and the terms in accordance with AICPA standards prior to contracting the independent audit.

The independent auditor must be qualified to perform the annual audit in accordance with GAAS, which includes the requirement that the independent auditor plan and

perform the financial audit and review in a manner that reasonably ensures the financial statements are free of material misstatements, whether due to fraud or error.

The independence of the financial auditor is vital. Therefore, the following provisions have been adopted by NHEC to ensure that the auditor's independence is not impaired:

a. NHEC will not extend unsecured credit to the independent auditor's firm or to individuals employed by that firm.
b. All contact with the independent auditor will be on a contract basis.
c. At no time will the independent auditor make management decisions.
d. NHEC and the independent auditing firm will not share any of the same directors or employees.

Periodically and as may be necessary, the independent auditing firm will provide NHEC with disclosures regarding the auditor's independence as set forth in the Independence Standards Board Standard No.1 and will discuss its independence with the Audit Committee.

2. The Financial Audit Process

It is the Audit Committee’s responsibility to inform the Auditors that they are accountable to the Audit Committee and that they will provide the Committee with timely communications regarding significant financial reporting and internal control issues. The Auditors are expected to coordinate through NHEC Management for day-to-day work during the annual audit process. The auditors should convey any concerns directly to the appointed Chairperson of the Audit Committee if any arise.

The independent financial audit commences each year with an annual engagement letter describing the terms and responsibilities of the annual audit and enabling the independent auditor to audit NHEC's annual financial statements and to render opinions on NHEC's annual financial statements.

Overall, the Chief Executive Officer (CEO) and CFO take lead management responsibility for ensuring the design and maintenance of an effective system of internal controls over financial reporting. In accordance with the United States Generally Accepted Auditing Standards (GAAS), the independent auditor will be required to obtain an understanding of these internal controls and report to the Audit Committee.

The independent auditor will also report on any matters encountered during the audit of which NHEC's Board or the Committee should be informed. The Board may request that the independent auditor report on other findings related to internal controls, and/or be engaged from time to time in addressing and evaluating specific areas of internal control.

In general, the Audit Committee shall maintain open communications with the Auditors, NHEC Management and the Board. The Committee will ensure the independence of the Auditors by having the Auditors deliver to the Committee annually a formal written statement delineating all relationships between the Auditors and NHEC and addressing at least the matters set forth in the Independent Standards Board Standard No. 1 and actively engaging in dialogue with the Auditors about disclosures in the statement that may have impact.

After each annual audit is performed, the independent auditor is required to issue an opinion as to whether the financial statements are fairly presented, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles (GAAP) or to disclaim an opinion thereon.

NHEC is dedicated to providing information to its membership about its operations, and to responding to information requests, including information requests and publishing on its website, the annual IRS Form 990 filing, and the Annual Audited Financials.

IV. INFORMATION SYSTEMS SECURITY PROGRAM and ENTERPRISE RISK MANAGEMENT ASSESSMENT

The Audit Committee is responsible for reviewing and providing direction for:

1. INFORMATION SYSTEMS SECURITY which involves The Chief Administrative Officer (CAO), along with the Director of IT, shall be primarily responsible for the day-to-day management of this system including responsibility for:

    a. Developing and maintaining the Information Security Program.
    b. Identifying the appropriate Cybersecurity framework and security controls.
    c. Developing and coordinating a cybersecurity audit program consisting of both internal and external annual audits and assessments to ensure compliance with the Cybersecurity Program.
    d. Providing regular cybersecurity status reports to the Audit Committee, including the results of annual independent assessments.
    e. After the completion of the agreed annual system assessments, or as needed throughout the year, the Audit Committee should discuss with management and the Auditors any significant findings and recommendations made to improve:
        i. The security of NHEC’s information system; and
        ii. The security of corporate and member data/information.

2. ENTERPRISE RISK MANAGEMENT assessments: ERM assessments shall ensure the identification and mitigation of risks that can impact NHEC's ability to successfully fulfill its mission. The Audit Committee will review with management such risks and exposures and steps to mitigate their impact.

The Audit Committee is responsible for recommending the ERM assessments and plan to the Board.

The CAO, who shall report to the President/CEO and to the Audit Committee on ERM, shall be responsible for coordinating the ERM process which should include:

- identification of Risk Categories, Types, and Rankings (from both staff and Board members)
- identification of Roles & Responsibilities
- identification of appropriate Risk Assessment Models
- scheduling of regular Enterprise Risk Management Assessments and plan to the Audit Committee

V. SUMMARY OF RESPONSIBILITIES

1. NHEC's management will prepare financial statements in accordance with GAAP for submission to the independent external auditor annually. Management is responsible for adopting sound accounting policies, maintaining an effective system of accounting, safeguarding assets, devising an adequate system for internal controls, and establishing a system designed to ensure compliance with policies, plans, procedures and all applicable laws and regulations. Management shall inform the Committee when the annual review of NHEC's procedures has been completed.

2. The Board and management of NHEC take responsibility for the financial statements of New Hampshire Electric Cooperative, Inc. These are prepared and then recommended through the Audit Committee.

3. The Board reviews and approves the IRS Form 990 for annual submittal. NHEC Management is responsible for the 990 Form preparation in consultation with the external auditors. The completed Form 990 will be signed by the Chair of the Audit Committee or the NHEC Treasurer on behalf of NHEC.

4. The Board and NHEC management take responsibility for annual Enterprise Risk Management Assessments and plan. These are prepared annually and presented through the Audit Committee to the Board for approval.

5. The Audit Committee has oversight responsibility for the security of all cyber security systems and data/information including annual audits and assessments both internal and external. The Chief Administrative Officer (CAO) and the Chief Financial Officer (CFO) will take action as appropriate.

6. The Audit Committee is responsible for the annual review of this policy, along with Policies B-2 Attachment D, B-14 (Record Retention) and B-16 (Safeguarding Member Information).

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.
BOARD OF DIRECTORS
Board Policy No. B-11

TITLE: Code of Ethical Conduct, Anti-Discrimination, Anti-Harassment, Whistleblower and Complaint Procedure

ORIGINATION DATE: October 28, 2024

CURRENT REVISION DATE: August 25, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. INTRODUCTION

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. To maintain that record, this Policy provides for standards of ethical conduct and a complaint procedure for remedying violations of these standards that protects those who complain of violations from retaliation.

II. STANDARDS OF CONDUCT

Standards of ethical conduct include:

A. NHEC, its employees, and Directors shall comply with all local, state, and federal laws, rules, and regulations applicable to the activities of NHEC.

B. Directors and employees shall not engage in Intimidation, harassment, offensive conduct, or discrimination based on race, marital status, sex, sexual orientation, age, color, religion, national origin, gender identity and expression, veteran's status or handicap physical or mental disability, whistleblower status, or any other class protected by state or federal law.

C. Directors and employees are expected to deal honestly with members, regulators, suppliers and others having dealings with NHEC.

D. Directors and employees are prohibited from offering or receiving bribes, kickbacks or other forms of improper payment, direct or indirect, to or from

any representative of government, labor union, member, supplier, or others having dealings with NHEC, to obtain a contract, personal or commercial benefit, government action, or for any other purpose or reason.

E. Directors and employees are prohibited from taking unfair advantage of consumers, suppliers, or other third parties through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

F. Directors and employees shall not ask for or accept anything worth $100 or more from any person with whom they have official dealings. Plaques or similar gifts of appreciation/recognition for service may be accepted, regardless of value.

G. Directors and employees shall not ask for or accept anything (regardless of its value) if it is offered in exchange for an agreement to perform or not perform an official act on behalf of NHEC.

H. Directors and employees shall not accept honoraria (money or something of value) for a speech that is in any way related to that person's official duties for NHEC.

I. Directors and employees shall not use their official position(s) to obtain unwarranted privileges or any type of special treatment for themselves or for anyone else.

J. No director or employee shall make, authorize, or approve the contribution or expenditure of NHEC funds, directly or indirectly, in connection with the support of any political party or for the election of any person to any political office, Federal, State, or local (including party conventions, primary elections, and general elections).

K. No director or employee shall make statements that appear to be on behalf of NHEC to influence member votes for or against director candidates or ballot questions, and all NHEC official election communications and the election ballot shall be accurate, unbiased, and provide members a fair opportunity to understand the issues before voting.

L. No employee or director shall have a conflict of interest, which may include but is not limited to:

1. Directors, employees, or their family members having a financial interest in any entity with which NHEC has done, does or may do business with NHEC that create or give the appearance of a conflict of interest; and/or

2. Directors, employees, or their family members being a director, officer, employee or other affiliate position, whether full or part time or

per diem, of any other corporation, enterprise, business, or public or private entity of any nature doing business with NHEC or when such position or relationship create or give the appearance of a conflict of interest.

M. Directors and employees shall use confidential information only for NHEC's legitimate business purposes and may not:

1. use NHEC information, property or resources for any personal gain or for the gain of others, or

2. discuss confidential information with or in the presence of any unauthorized persons.

N. Directors agree to promptly inform the Board of Directors and General Counsel if they no longer satisfy all director qualifications required by Article IV Section 2 of the Bylaws or if it may be reasonably perceived that they no longer satisfy all director qualifications.

O. No individual director other than the Board Chair may represent the Board of Directors or NHEC, or to act on behalf of the Board of Directors or NHEC without authorization of the Board of Directors. This provision does not prevent directors from communicating with members or identifying themselves as directors in such communications and public statements.

P. Directors shall not publicly disagree with a policy or action adopted by a majority vote of the Board of Directors unless the context makes clear that they are speaking only for themselves and not on behalf of NHEC or its Board of Directors.

Q. Directors' social media postings and websites shall not reveal confidential Board discussions or proprietary NHEC information and shall not give the impression that they are speaking on behalf of NHEC. This does not preclude a director’s use of words or phrases indicating the substance of their posting or the website name concerns NHEC issues.

R. Directors and employees shall not engage in misleading or deceptive practices, including questionable accounting, financial reporting or auditing practices either by or affecting NHEC.

S. Directors and employees shall not engage in conduct potentially damaging to NHEC, its employees or business associates, its members, or the general public, including unsafe work practices, environmental damage, health risks, or wasting of company resources.

T. Directors and employees may not engage in conduct that Is likely to cause financial loss to NHEC, damage its reputation, or be otherwise detrimental to NHEC.

U. Directors and employees are prohibited from knowingly making a bad faith allegation of violations of this policy.

V. Directors and employees shall cooperate with the evaluation and investigation of alleged violations of this policy.

VI. Directors and employees shall not obstruct, interfere with, or attempt to improperly influence any report, complaint, review, or investigation under this Policy. Prohibited conduct includes, but is not limited to, destroying, altering, concealing, or withholding relevant records or information; discouraging or pressuring any person from making a report or participating in an investigation; attempting to influence witness statements; or otherwise interfering with NHEC's ability to conduct a fair and complete review.

III. REPORTING VIOLATIONS

Every employee and director is responsible for ensuring that violations of this Policy are immediately reported. Complaints of suspected violations may be made in person or in writing, confidentially or anonymously, to your supervisor, the President/CEO, the Board's General Counsel, the Chair of the Board, or the Audit Committee Chair.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the problem. No employee or director in this organization is exempt from this Policy.

If, at any point in the process, a complaining employee or director is dissatisfied with the investigation being conducted, it should be brought to the attention of an official listed above.

Members and third parties may also file reports of alleged violations with the General Counsel. All reports of violations filed with other NHEC officials authorized to receive complaints will be copied to the General Counsel.

IV. INVESTIGATION OF ALLEGED VIOLATIONS

When a report of a violation of this policy is received, it will be promptly investigated. Complaints will be kept confidential to the extent consistent with NHEC's obligation to investigate and remedy any violations. For most matters, the investigation will include an interview with the person filing the report, the alleged victim (if they are not also the complainant), an interview with the person alleged to have committed the violation, and to the extent necessary, interviews with co-employees or other witnesses. All employees and directors are expected to be truthful, forthcoming, and cooperative in connection with a complaint investigation. NHEC will endeavor to take prompt and appropriate action consistent with the nature of the allegations after consultation with the appropriate NHEC officials and counsel.

NHEC will assign responsibility for investigating reports or complaints to individuals who are reasonably independent of the allegations and the parties involved. If the nature of the matter, the individuals involved, or the need to preserve confidence in the process warrants additional independence, NHEC may retain outside counsel, an independent investigator, or other appropriate outside resources to assist with or conduct the investigation.

Reports or complaints of employees concerning the conduct of other employees, except the President/ CEO and Senior Leadership Team, shall normally be referred to the President/ CEO and processed under the standards and procedures of the Employee Handbook, including the Anti-Harassment, Anti-Discrimination, Anti-Retaliation, and Whistleblower Policies in the Employee Handbook Reports or complaints regarding accounting, internal accounting controls, or audit matters shall be investigated after consultation with the Chair of the Audit Committee.

Once the investigation is complete, to the greatest extent possible, the person filing the complaint and the person alleged to have committed the violation will be informed of whether the allegations were substantiated or not. In the case of serious violations or those involving a Director, the Board of Directors may also be informed of the investigation results. The General Counsel shall record all reports and complaints and their resolution.

There may be instances when, depending upon the nature of the allegations, that an alleged wrongdoer may be placed on paid administrative leave, pending investigation. This should not be considered as a conclusion of any wrongdoing.

V. DISCIPLINARY ACTIONS

If it is determined that inappropriate conduct occurred, NHEC will promptly eliminate the offending conduct and, where appropriate, take disciplinary action. Depending upon the nature of the complaint, the alleged violator, and the investigatory findings, the discipline may be imposed by either the CEO or the Board of Directors.

NHEC will not condone, permit or tolerate unlawful harassment or discrimination in any manner whatsoever. Any employee found to have engaged in harassment or discrimination contrary to this policy will be subject to disciplinary action, up to and including suspension or termination, depending, among other things, on the nature of the conduct. Our sexual and anti-harassment and discrimination policy is not designed or intended to limit NHEC's authority to discipline or take remedial action for unacceptable workplace conduct, regardless of whether that conduct satisfies the definition of illegal sexual harassment or discrimination.

Where the violation of this policy is committed by a Director, the Board of Directors may take remedial or disciplinary actions, including but not limited to: a direction to cease the violation and/or apologize for the transgression; impose counseling or training obligations; a reduction in Board Committee assignments; removal from positions of authority; a vote to censure the Director; or initiation of removal procedures under Article IV, Section 4 of NHEC's Bylaws.

VI. RETALIATION

This policy also prohibits any form of retaliation against any employee or director for filing a good faith complaint under this policy or for assisting in an investigation. Anyone found to have engaged in such retaliation against a person who has filed a complaint

under this policy or retaliated against anyone for assisting in the investigation will be subject to disciplinary action up to and including suspension or termination. In the case of such a violation by a director, the Board may take any of the actions enumerated in the prior section. Any employee who believes that he or she is being retaliated against should bring it to the attention of the President/CEO, General Counsel, Board Chair, or Chair of the Audit Committee.

VII. POLICY REVIEW

The Executive Committee of the Board will review this Policy at least once annually and recommend appropriate modifications.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-12

TITLE: Capital Credits

ORIGINATION DATE: February 19, 2008

CURRENT REVISION DATE: **REAFFIRMED**: March 31, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I OVERVIEW

Pursuant to state law, federal tax laws applicable to cooperatives and NHEC's Bylaws, New Hampshire Electric Cooperative, Inc. ("NHEC") operates on a non-profit, at cost basis with respect to the furnishing of electric service and other goods and services to its Patrons. To operate on a non-profit, at cost basis, each year NHEC allocates any annual net margins derived from and related to its patronage business activities with its Patrons in a fair and equitable manner on the basis of patronage and then credits amounts so allocated to the individual capital account of each Patron ("capital credit(s)"). Through this capital credits allocation process, Patrons contribute equity that is used by NHEC to create an allocated reserve for meeting its reasonable business needs for, among other things: (1) operation and maintenance of its facilities, (2) annual principal and interest obligations, (3) construction and acquisition of new facilities, and (4) working capital. When, and to the extent that, the NHEC Board of Directors ("the Board") determines, in its sole discretion, that a portion of capital credits may be retired and paid in cash or other property to its current and former Patrons without adversely impacting NHEC's ability to meet its reasonable business needs, capital credits may be retired.

II OBJECTIVE

The objective of this Capital Credits Policy ("Policy") is to state NHEC's policies and principles and establish NHEC's accounting and implementation procedures ("Procedures") for allocating and retiring capital credits.

III POLICY GOALS

NHEC shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to NHEC's Patrons and former Patrons; (4) provides NHEC with sufficient equity and total capital to operate effectively and efficiently; and (5) protects NHEC's financial condition. Subject to applicable law, mortgage and contract covenants, and NHEC's Articles of Incorporation and Bylaws, the allocation and retirement of capital credits, with respect to timing, method and amount, shall be at the sole discretion of NHEC's Board of Directors ("Board").

IV POLICY PRINCIPLES

A. **Allocations.** NHEC shall allocate capital credits according to the manner provided for in Article VIII, Section 2 of NHEC's Bylaws and according to the timing, amount, and method approved by the Board, as detailed in Attachment A to this policy.

B. **Retirements.** NHEC shall retire capital credits according to the manner provided for in Article VIII, Section 2 of NHEC's Bylaws and according to the timing, amount and method approved by the Board, as detailed in Attachments B and C to this policy for general and special retirements, respectively.

C. **Patrons.** Pursuant to Article VIII of the Bylaws, the term "Patron" refers to any member and non-member alike with regard to the furnishing by NHEC of electric service and other goods and services.

D. **No Forfeiture of Capital Credits.** NHEC shall not require any Patron or former Patron to forfeit the right to the allocation or retirement of capital credits. Likewise, NHEC shall not enter contracts through which a Patron or former Patron forfeits the right to the allocation or retirement of capital credits.

E. **Adverse Financial Impact.** NHEC shall not retire any capital credits unless the Board first determines the retirement will not adversely impact NHEC's financial condition. Such retirements shall also be subject to any applicable restrictions contained in NHEC's mortgages or loan covenants with the National Rural Utilities Cooperative Finance Corporation (CFC) or any other lender to NHEC and any other contracts to which NHEC is a party.

F. **Separate Allocations and Retirements of Third-Party Capital Credits.** NHEC may separately identify, allocate, retire, and pay to the Patrons any capital credits and similar amounts allocated to NHEC by an entity in which NHEC is a member, Patron, or owner. If NHEC elects to adopt such sperate allocations and retirements, Attachments A and B shall be revised accordingly.

G. **Patron Classes.** NHEC may allocate or retire capital credits to various classes of similarly situated Patrons or former Patrons according to different methods, timing, and amounts, in such manner as the Board of Directors from time to time determines to be reasonable and fair, provided that as to the implementation of each such separate, periodic determination, NHEC shall treat then similarly situated Patrons and former Patrons within the same class in a uniform manner.

H. **Assignment**. Allocated and unretired capital credits of each Patron or former Patron may be assigned only in accordance with the following. Any such assignment shall be binding on NHEC only if NHEC is notified pursuant to written instructions from the assignor and only if such assignment is to (1) successors in interest or (2) successors in occupancy in all or part of premises served by NHEC which received the service that was the basis for accrual of the relevant capital credits.

I. **Recoupment.** After retiring and before paying capital credits allocated to a Patron or former Patron, NHEC may be paid in whole or in part by recoupment or offset of any amount owed to NHEC by the Patron or former Patron by reducing the amount of retired capital credits paid to the Patron or former Patron by the amount owed.

J. **Unclaimed Capital Credits.** If a Patron or former Patron fails to claim the retired capital credits amount within five (5) years after that capital credit amount was retired, then NHEC shall send a notice via 1st class mail to the Patron or former Patron's most current address listed on NHEC's records and publish notice in a newspaper of general circulation in NHEC's primary location. NHEC shall take any other action required by law, and may use and/or pay over the amount as permitted under RSA 301-A:28-a.

V POLICY IMPLEMENTATION PROCESS

A. **Annual Review and Approval by Board.** At least once each Fiscal Year the Board shall: (1) review, discuss, and evaluate that year's recommendations of the President/CEO regarding the manner, method, timing and amount of any allocation and/or retirement of capital credits; (2) approve the manner, method, timing and amount of that year's allocation and/or retirement of capital credits, if any; (3) review, discuss, and evaluate this Policy and its attachments; (4) review, discuss, and evaluate the President/CEO's recommendations for revising this Policy and its attachments, if any; and (5) revise this Policy and its attachments as the Board determines are in the best interest of NHEC and its Patrons and former Patrons.

B. **Recommendations to Board.** At least once each Fiscal Year the President/CEO shall, consistent with the procedures outlined in Attachments A, B and C: (1) recommend to the Board the manner, method, timing, and amount of that year's allocation and/or retirement of capital credits, if any; and (2) recommend to the Board any revisions to this Policy and its attachments, when such revisions are in the best interest of NHEC and its Patrons and former Patrons.

C. **Implementation of Policy.** The President/CEO is responsible for implementing this Policy and its attachments and for developing the business systems and practices necessary to allocate and retire capital credits according to this Policy and its attachments.

D. **Fiscal Year.** The Fiscal Year is NHEC's twelve-month accounting and tax period beginning January 1st and ending December 31st.

Policy No. B-12, Attachment A
Procedures for Capital Credit Allocation

E. **Nonprofit Operation Obligation**. NHEC recognizes its pre-existing legal obligation under Article VIII "Nonprofit Operation" of the Bylaws to furnish electric service and other goods or services to its Patrons on a patronage basis as follows:

1. Electric Service Margins. NHEC shall equitably allocate to each Patron the net earnings (i.e. revenue, income and gains in excess of operating costs, expenses and losses) from and directly related to the retail sale and distribution of electric energy (hereinafter referred to as "Patronage Earnings from Electric Utility Business") for each Fiscal Year. Such equitable allocation shall be made in proportion to the value of such goods and services purchased by the Patron from the Electric Utility Business during the Fiscal Year.

2. Other Goods or Services Margins. In the event that NHEC engages in the business of furnishing goods or services other than electric service, NHEC recognizes its pre-existing legal obligation to provide such other goods or services on a patronage basis to Patrons. Therefore, with respect to the sale and provision of other goods and services, NHEC shall allocate to each Patron net earnings from and directly related to the sale and provision of these other goods and services (hereinafter referred to as "Patronage Earnings from Other Utility Business") for each Fiscal Year in proportion to the value of such other goods and services purchased by the Patron.

F. **Patronage Allocation Units**. For purposes of determining patronage and to recognize differences among patronage business activity types, NHEC shall equitably allocate patronage earnings in two or more separate allocation units – Electric Utility Business and Other Utility Business.

1. Electric Utility Business Allocation Unit. Patronage Earnings from Electric Utility Business is defined as the sum total of (a) the operating margin, (b) capital credits from other cooperatives, (c) any non-operating income or loss derived from or directly related to the furnishing of electric service, and (d) other sources of non-operating margins as may be required by the Bylaws and, if not required by the Bylaws, approved by the Board.

   a. Consistent with NHEC's rate structure, Patronage Earnings from Electric Utility Business shall be apportioned pro rata to the Patrons based on the distribution revenue billed for each Patron divided by the total distribution revenue billed for all Patrons and allocated as a credit to the individual capital account of Patrons.

   b. To the extent NHEC furnishes the retail sale and distribution of electric energy during the year to large commercial Patrons at a special rate and/or through separate contract, NHEC may use a cost of service study

or other reasonable method for determining the net margin contribution produced by each special rate or contract. If NHEC makes this reasonable determination, the net margin contribution shall then be allocated as a credit to the individual capital account of such Patrons. Patronage Earnings from Electric Utility Business remaining are then allocated to all other Patrons in accordance with paragraph B.1.a.

2. Other Utility Business Allocation Unit. For each separate other utility business, Patronage Earnings from Other Utility Business is the sum total of (a) the operating margins, (b) capital credits from other cooperatives, and (c) any portion of non-operating margins from or directly related to the furnishing of such goods or services, and (d) other sources of non-operating margins as may be required by the Bylaws and, if not required by the Bylaws, approved by the Board.

a. For each other utility business, the patronage earnings shall be allocated as a credit to the individual capital account of Patrons in proportion to the revenue billed each Patron or group of similar Patrons billed for the other utility business over the total revenue billed all Patrons for such business.

b. To the extent the other utility business is furnished during the year through a special contract with a different net margin contribution from other Patrons, NHEC may reasonably determine the net margin contribution. If NHEC makes this reasonable determination, the net margin contribution shall then be allocated as a credit to the individual capital account of such Patron. Patronage Earnings from Other Utility Business remaining are then allocated as a credit to the individual capital account of Patrons in accordance with paragraph B.2.a.

G. **Notice of Allocation.** Generally, by May 15th, but not later than September 15th each year, NHEC shall notify each Patron in writing of the amount of capital credits allocated to the Patron for the preceding Fiscal Year through a written notice stating the dollar amount allocated. Allocations for each allocation unit, if more than one, shall also be separately stated.

H. **Patronage Losses**. In the event of a net loss from NHEC's patronage business activities and allocation units, such net loss shall be recovered by NHEC as an offset to any unallocated retained capital, including current and future sources of non-patronage earnings.

I. **Non-patronage Earnings and Losses**. Non-patronage earnings from all sources shall be first used to offset any accumulated or current patronage and non-patronage losses. Any excess non-patronage earnings shall be equitably allocated to each Patron in a manner consistent with the Electric Utility Business Allocation Unit provisions of section B.1. above. Non-patronage losses shall offset any current non-patronage earnings. After such offsets are accounted for, any excess non-patronage losses shall be accumulated and offset by future non-patronage earnings.

Policy B-12, Attachment B
Procedures for Capital Credit General Retirements

A. **General Retirements Goals**. NHEC shall generally retire capital credits with the goals of:

1. Maintaining an Equity Percentage in the range of 30% to 50%. "Equity Percentage" measures the portion of NHEC's total assets that are financed primarily by the Patrons' contributions to capital through the allocation and retirement of capital credits and through generation of unallocated retained capital. This ratio is calculated by dividing (a) Total Equity by (b) Total Assets;

2. Retiring capital credits every year during the month of July;

3. Retiring capital credits on a combination "first-in, first-out" ("FIFO") and "last-in, first out" ("LIFO") basis;

4. Retiring capital credits to achieve a target retirement cycle of 35 years after the initial allocation;

5. Communicating and promoting cooperative principles to Patrons, former Patrons, civic leaders, and the public; and

6. Recognizing and fostering loyalty and support among Patrons, and former Patrons.

B. **General Retirement Cycle Targets**

1. Electric Utility Business Allocation Unit Target. The goal of NHEC is to routinely and annually retire a portion of its capital credits balance to its Patrons and former Patrons. When determining the timing and extent of any retirement, the Board shall take into consideration NHEC's estimated retirement cycle, which is the period of time between when capital credits are allocated and then subsequently retired to the Patrons. For this purpose, the target retirement cycle is a period of thirty-five (35) years, which approximates the average depreciable life of total utility plant in service, which is funded in part by the rates paid by NHEC's Patrons.

    a. Commensurate with the target retirement cycle, general retirements, if any, approved by the Board may approximate 2.85% of NHEC's unretired capital credit balance for the Electric Utility Business Allocation Unit as of the end of the previous Fiscal Year.

        i. In the event the Equity Percentage exceeds the stated goal above, the Board may consider retirements in excess of 2.85% for one or more years in order to maintain this range.

ii. In the event the Equity Percentage is less than the stated goal above, the Board may decrease the amount retired, including not approving a general retirement, for one or more years in order to maintain this range.

2. Other Utility Business Allocation Unit Target. In the event NHEC engages in other utility businesses, the Board will establish the estimated target retirement cycle and other parameters for generally retiring capital credits so allocated and credited to the individual capital account of Patrons. This section of the policy will be modified accordingly at that time.

C. **General Retirement Methodology.** Once the amount of the general retirement is determined and approved, the board in any given year may retire 100% but not less than 70% on a FIFO basis to the oldest year(s) unretired. For those years the FIFO retirement is not 100%, the remaining amount retired will be up to 30% on a LIFO basis to the most recent years of allocated but unretired capital credits.

D. **Payment and Notice of Retirement.** When NHEC retires capital credits allocated to Patrons or former Patrons, NHEC shall pay the retired amount as follows:

1. *Former Patrons* – Subject to the minimum check amount established in E below, a check made payable to the former Patron will be sent to the former Patron's most current address listed on NHEC's records.

2. *Current Patrons* –The retirement amounts shall be posted as a bill credit to the current Patrons' electricity billing statement in the next billing cycle following the date established by the Board for the capital credit retirement, or a check may be sent to the Patron, or a combination of both.

E. **Minimum Check Amount.** NHEC shall not issue a capital credits retirement check in an amount less than ten dollars ($10.00), unless the retirement and payment are for all remaining capital credits allocated to a former Patron. Amounts below the $10 minimum check and retained by NHEC remain payable to the respective former Patrons and shall be paid when the cumulative amount of all Board approved capital credit retirements for such former Patron equals or exceeds $10.

F. **Initial Retirement Exceptions.** NHEC recognizes that implementation of its initial general retirement of capital credits may require deviations from some of the provisions of this procedure in order to address the unique constraints and circumstances of NHEC's first-ever retirement. Accordingly, the manner, timing, method, and amount of the first general retirement may differ from the provisions of sections A(2), A(3), B(1), and C of this procedure, as determined by the Board in its sole discretion, without the need to revisit and revise this procedure.

Policy B-12, Attachment C
Procedures for Capital Credit Special Retirements

G. **Special Retirements**. Special retirements are those which take place on an accelerated basis, earlier than would otherwise occur according to the anticipated schedule for general retirements and which may be triggered only by special circumstances as provided for in sections C, D, and E below. NHEC may specially retire capital credits only: (1) upon the death of an individual Patron or former Patron, that is a natural person, for accounts that are in an inactive status; or (2) for amounts owed to NHEC by a former Patron; or (3) for former patrons, both natural persons and, with certain limitations, non-natural persons as herein provided.

H. **Discounting of Special Retirements.** Because special retirements take place earlier than they otherwise would under the policy and procedures governing general retirements, for special retirements NHEC shall retire and pay the discounted, net present value of the capital credits. Net present value shall be calculated for each year of unretired capital credits using the formula of 1/(1+r)^n, where "r" is the discount rate and "n" is the discount period. The cash payment portion of the retirement is the sum total of the net present value for each year of unretired capital credits. For purposes of this procedure:

1. Discount Period means – The time between the year of the special retirement and the year of the expected general retirement but not to exceed NHEC's target retirement cycle of thirty-five (35) years.

2. Discount rate means – NHEC's Weighted Average Cost of Capital.

3. Weighted Average Cost of Capital ("WACC") means - A formula measuring the cost of NHEC's total capitalization through both equity and long-term debt. The formula for calculating NHEC's WACC is summarized as follows:

   (E x COE) + (D x COD)

   Where:

   E is the percent of equity to total capitalization per NHEC's balance sheet in December of the prior Fiscal Year.

   COE is the Cost of Equity equal to the 5-year average of NHEC's return on equity as measured by dividing NHEC's 5-year average net margin by the average net equity balance,

   D is the percent of long-term debt to total capitalization per NHEC's balance sheet in December of the prior Fiscal Year,

COD is the cost of debt as derived by taking the prior Fiscal Year interest expense on long term-debt divided by the average of the two prior Fiscal Year's December long-term debt balance.

The difference between the cash payment portion of the early retirement and the capital credits account balance retired shall be irrevocably assigned and contributed to the unallocated retained capital of NHEC and shall be subject to the property rights of members.

I. **Estate Special Retirements.** NHEC may specially retire capital credits upon the death of an individual Patron or former Patron. In no event shall the total cash payment portion of all estate special retirements in a given Fiscal Year exceed $50,000. If met, the annual limit may be raised at the discretion of the Board. If the annual limit is not raised, all requests in excess of the annual limit shall be considered, in order of priority by date of receipt, in the subsequent Fiscal Year.

1. To be eligible for an estate special retirement, all accounts held by the deceased shall be transferred or disconnected prior to December 31st of the Fiscal Year preceding the anticipated special retirement payment.

2. A written request for such retirement and payment must be made by the legal representative of the individual estate lawfully entitled to receive such retirement and payment. The written request shall also include proper documentation of the legal representative's authority as determined from time to time by NHEC.

J. **Bad Debt Special Retirements.** As part of NHEC's semi-annual bad debt write-off process, NHEC may specially retire capital credits of former Patrons for recoupment of the amount written off. Any capital credits balance remaining shall be retired and paid through NHEC's general retirement cycle. Any balances of bad debts still owed after recoupment shall be subject to NHEC collections policies.

K. **Former Patrons Special Retirements.** The following provisions become effective for NHEC's fiscal year beginning January 1, 2020.

1. Natural Persons. NHEC may specially retire capital credits of former Patrons when it receives a written request for such retirement and all meters/services of a former Patron have been disconnected, and the Patron's account is in inactive status.

2. Non-natural Patrons. NHEC may specially retire capital credits when it receives a written request for such retirement and proper notification of the dissolution, liquidation or cessation of existence of an entity Patron or former Patron.

3. Waiting Period. Subject to NHEC collections polices, no special retirement and subsequent payment will be made to a former Patron earlier than six (6) months from the date of disconnect and only after capital credits have been allocated for

each Fiscal Year to which the former Patron is entitled, including the year of disconnection.

4. Annual Limit. The total aggregated amounts of the cash portion of all such special retirements paid by NHEC to former Patrons in a given Fiscal Year shall not exceed $600,000. If met, the annual limit may be raised at the discretion of the Board. If the annual limit is not raised, all requests in excess of the annual limit shall be considered, in order of priority by date of receipt, in the subsequent Fiscal Year.

L. **Restrictions on Special Retirements.** Special retirements of capital credits shall not be made:

1. Prior to NHEC's initial general retirement of capital credits;

2. To estates of deceased natural persons who are survived by a widow or widower who continues to be a patron of NHEC;

3. Upon the reorganization, merger, or consolidation of an entity Patron or former Patron;

4. To former Patrons transferring accounts to third parties living within the same household or to an entity under the substantial control of the former Patron. Determinations concerning such transfers shall be at the sole discretion of the Board;

5. To Patrons undergoing bankruptcy proceedings; or

6. To Patrons or former patrons for reason of their reaching a certain age.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-13

TITLE: Equity Management

ORIGINATION DATE: July 30, 2013

CURRENT REVISION DATE: **REAFFIRMED:** March 31, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

To set forth policy relating to management of NHEC's equity, including its role in the long-term financing of facilities, as well as periodic rotation of patronage capital returns.

II OBJECTIVES

A. Equity Management Considerations

i. Development and implementation of this Board's plan to manage NHEC's equity will take into account any relevant economic, strategic, regulatory and other considerations including:

1. NHEC's growth prospects and need for utility plant and fiber asset financing, in addition to other financing as deemed appropriate, and its expected debt service coverage capacity.

2. Reasonableness of its rates; NHEC will strive to maintain a fair and equitable balance between the collection of revenue and incurrence of expenses among all revenue classes and the impact of rates on members. This balance shall be assisted through completion of a Cost of Service Study, completed on a regular basis, but not less frequently than once every five years.

3. Legal, tax, regulatory, and accounting principles.

B. Approval of Equity Management Plan

NHEC management will, at least on a biennial basis, prepare and update its equity management plan, including the following elements:

i. A range of forecasted growth rates in total capitalization of NHEC, based upon expected changes in memberships and revenues.

ii. Estimated debt financing requirements and their blended costs.

iii. Goals for debt service coverage[1] from earnings over the forecast period.

iv. A capital credit rotation cycle.

v. Balance sheet equity goals[2].

C. Monitoring and Correction of Equity Management

Management shall be held accountable for achievement of NHEC's equity management plan, as approved by the Board, and will annually report on performance as compared to objectives, as well as opportunities to improve NHEC's plans and this policy.

III RESPONSIBILITY

The Chief Executive Officer is responsible for the execution of this policy. The Budget, Finance & Rates Committee is responsible for the annual review of this policy and making recommendations to the full Board.

[1] MDSC = $\frac{\text{Pat. Cap \& Oper Margin + Deprec. + Interest on LTD + Oper Margin Interest + Patronage Cash Portion}}{\text{Total Debt Service Payment (Average of the best 2 of 3 years)}}$

[2] Equity to Assets Ratio = $\frac{\text{Total Margins \& Equities}}{\text{Total Assets \& Other Debits}}$

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-14

TITLE: Record Retention and Destruction Policy

ORIGINATION DATE: September 30, 2008

CURRENT REVISION DATE: October 27, 2026 **REAFFIRMED:**

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. PURPOSE AND SCOPE

This Policy establishes the Board's governance expectations for the retention, preservation, protection, accessibility, and secure destruction of NHEC records. It applies to records created, received, maintained, or controlled by NHEC, regardless of format or storage location, including records maintained by third-party service providers on NHEC's behalf.

Management shall maintain an operational Record Retention Policy and Record Retention Guidelines consistent with this Policy and applicable legal, regulatory, contractual, and business requirements.

II. DEFINITIONS

Term	Definition
Record Retention Policy	Management's operational policy and procedures implementing this Policy, including roles and responsibilities, treatment of electronically stored information, storage and media standards, legal hold procedures, and destruction procedures.
Record Retention Guideline	The listing maintained by management, as an appendix to the policy, of record categories, required retention periods, the legal or business basis for each period, responsible custodian, and approved destruction method.

III. GOALS

A. To provide a framework for the proper retention, protection, accessibility, and timely destruction of records created, received, maintained or controlled by New Hampshire Electric Cooperative Inc. ("NHEC"), whether paper or electronic, in accordance with this Policy and NHEC'S Record Retention Policy and Guidelines.

B. To establish principles for determining when electronically stored information constitutes an NHEC business record, including, but not limited to, email, voicemail, text messages and other electronic communications; and information generated or maintained by NHEC systems.

C. To identify the general categories of NHEC records subject to records retention, including records concerning organizational and corporate governance matters; business operations, employment matters, membership matters; accounting, audit, tax and financial matters; and compliance with all applicable federal and state laws, rules, and regulations.

D. To promote the use of appropriate record management technologies and retention strategies to improve operational efficiency and enhance the security and protection of NHEC records.

E. To provide a framework and direction for management's Record Retention Policy and Record Retention Guidelines, which provide for the implementation of the goals, objectives, and requirements of this Policy.

IV. OBJECTIVES

The objectives of this policy include:

Maintain Record Retention Guidelines which meet or exceed the Code of Federal Regulations,18 C.F.R, Part 125 ("CFR)", along with other state and federal laws, rules, and regulations, as applicable. Other records, which are not covered by these guidelines, shall be destroyed in accordance with this Policy and NHEC's Record Retention Guidelines.

A. Define the required retention period or useful life of records (paper or electronic), taking into consideration:

- Records required to be kept by applicable federal and state laws rules and regulations;
- Records necessary to document NHEC compliance with applicable federal, state or local laws, rules and regulations;
- Records related to extraordinary events which should be retained, including, but not limited to, documents relating to litigation or governmental investigation(s); and
- Records critical to the operation of the business or necessary for any reasonable and necessary business objective.

B. Define what electronically stored information qualifies as a record of NHEC and will be necessary or advisable to retain according to NHEC's Record Retention Guidelines, taking into consideration:

- Business communications with external parties, including, but not limited to, potential or current or past members of NHEC; contractors; vendors; regulatory bodies; and business partners; and

- Any information about or to employees concerning: time worked, benefits, pay, safety and security.

C. Ensure the security of electronically stored records and preserve the rights of individuals and the confidentiality of NHEC by establishing defined levels of security, proper safeguards and record access.

D. Maintain an ongoing record that details the destruction of records.

E. Suspend the routine destruction of relevant records when litigation, a governmental investigation, an audit, a claim, a subpoena, a regulatory proceeding, or another legal matter is pending or reasonably anticipated, in accordance with Section VI of this Policy.

F. Amend NHEC's Record Retention Guideline in the event that NHEC becomes aware of requirements which may supersede the established Guideline.

G. Provide reasonable protection for records from damage by fire, floods, and other hazards, including excessive humidity, dryness, or lack of proper ventilation.

H. Select a storage medium that will meet CFR regulations, using the following guidelines:

1. The storage medium shall have a life expectancy at least equal to the applicable retention period provided for in the Guideline, unless there is a quality transfer from one medium to another with no loss of data. Each transfer of data from one medium to another shall be verified for accuracy and documentation.

2. Internal control procedures shall assure reliability of, and ready access to, data stored on a machine-readable medium and reproduced documents will be in a readable form without loss of clarity.

3. Records shall be indexed and retained in such a manner that they are easily accessible in accordance with this Policy and NHEC Record Retention Guideline.

4. Although NHEC discourages the practice of retaining records in multiple media formats, if computer generated records are also printed and stored in hard copy format, then the Records Custodians shall be responsible for ensuring that all duplicative record retention be destroyed after the expiration of the required retention period.

I. Precautions are to be taken to destroy the legibility of records that are confidential and protected by law. Confidential records may include employee payroll and other personnel records, corporate records and correspondence. These records will be destroyed by shredding, burning or other equivalent means.

J. Identify categories of privileged, legally sensitive, or other highly confidential documents and records that should be maintained exclusively with NHEC's legal counsel; provided, however, that documents or records concerning the conduct or potential misconduct of legal counsel shall be maintained under appropriate confidential controls independent of the legal counsel who is the subject of the matter.

V. RESPONSIBILITY

The Board hereby authorizes the President/CEO to delegate authority to the Controller and the Director of IT (the "Records Custodians") to put in place the procedures necessary to effectuate this policy. Questions about the policy should be directed to the President/CEO or Records Custodians.

The Records Custodians shall monitor compliance and periodically review required retention periods and approved destruction methods for applicable record categories.

The Board understands that NHEC's Record Retention Policy and Guideline requires continual review and updates as the applicable laws, rules and regulations, as well as the demands of NHEC change over time. Everyone within and even those outside of NHEC have specific responsibilities with regard to the implementation of this Policy and the associated Guideline. In addition to the authority granted to the Records Custodians, the Records Custodians shall be responsible for monitoring compliance and periodically reviewing the Policy and Guideline for further enhancements or modifications.

VI. COMPLIANCE

NHEC records are the exclusive property of NHEC and not the property of the author or custodian of those records. No employee has any personal or property right to the records of NHEC including those records that the employee helped develop or compile. The intent of this policy is that each employee, officer, director and agent of NHEC is required to comply with the Policy. Should any employee, officer, director or agent of NHEC become aware of information indicating that a person responsible for the retention or destruction of records is not in compliance with this policy, such information shall be promptly reported to the Records Custodians. Issues relating to noncompliance with this Policy, or involving records or information considered trade secrets, privileged information, or otherwise confidential information of NHEC, shall also be reported to the President/CEO, Board Chair, and General Counsel, as appropriate. Failure to comply with the Policy may result in disciplinary action, up to and including termination of employment, whether disciplinary action will be imposed and, if so, to what extent will be determined by NHEC in its sole discretion.

VII. LITIGATION AND OTHER LEGAL HOLDS

Once NHEC or its legal counsel reasonably foresees that litigation will ensue on a matter, the Board hereby directs the Records Custodians to make certain that all sources of potentially relevant information be identified and placed on "hold", so as not to be destroyed. In order to meet NHEC's preservation duties, once NHEC or its legal counsel determines a need for a litigation hold, the Records Custodians

will be informed by legal counsel to cease all destruction procedures relating to relevant documents and information. Until instructed otherwise by legal counsel, all destruction and disposal of relevant NHEC records shall thereafter cease.

All affected directors, officers, employees, agents, contractors, and other persons subject to the hold shall preserve potentially relevant records and information until notified that the hold has been formally released. No potentially relevant record or information may be altered, destroyed, deleted, concealed, or disposed of while the hold remains in effect.

VIII. PRIOR POLICIES/PROCEDURES

This Policy supersedes prior Board policies concerning record retention and destruction. The Record Retention Policy and Record Retention Guidelines adopted to implement this Policy shall remain in effect to the extent they are consistent with this Policy.

This Policy shall be reviewed at least once annually by the Audit Committee for purposes of compliance oversight and to determine whether revisions are necessary.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-15

TITLE: President/CEO Succession

ORIGINATION DATE: December 28, 2010

CURRENT REVISION DATE: August 25, 2026 **REAFFIRMED:**

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

To provide for a smooth transition when the President/CEO signals his/her intent to depart NHEC.

II PLANNED DEPARTURE

A. In the case of a planned departure, the Executive Committee will:

1. Analyze - Identify the most significant challenges NHEC and the rural electric industry are expected to face over the next three to five years, and the skills and experiences the President/CEO will need to lead NHEC past those hurdles; and review the job description and relevant board policies (particularly B-4).
2. Select - Determine an approach to replacing the President/CEO including using an outside executive recruiting firm. Benchmark any candidate against the future needs of the organization and the industry. The top candidates may give presentations to the Board of Directors to describe their qualifications and vision for the next five years. For internal candidates, the evaluation should include assessing the employees' performance, readiness and fit for the role. The full Board of Directors retains final authority for the appointment, compensation, and employment terms of the President/CEO.
3. Transition – Establish a framework for a transition timeline, including assuming responsibilities from the outgoing President/CEO, agreeing on a plan of organizational objectives with the Board of Directors, and developing relationships. The Board Chair and Executive Committee will have frequent meetings with the new President/CEO to assure an understanding of the Board's expectations, policies, and goals.
4. Communicate - Establish a communication plan to use throughout the President/CEO search. Considerations should include identification of key stakeholders: members, employees, NRECA, CFC and national organizations,

etc. Determination of how frequently communication should be made: start of search, periodic updates, identification of successor, etc. Develop a plan for press releases and other required disclosures. Succession deliberations, candidate information, compensation discussions, search materials, and related Board communications shall be treated as confidential unless and until disclosure is authorized by the Executive Committee or Board of Directors.

III. UNPLANNED DEPARTURE

If the President/CEO has departed or is unavailable to serve, the Executive Committee shall appoint an Acting President/CEO as soon as practical, preferably within 24 to 48 hours and no later than 5 days. The Acting President/CEO is intended to provide short-term emergency leadership and continuity of operations.

Within 20 days, the Board of Directors, upon recommendation of the Executive Committee, shall appoint an Interim President/CEO from either internal or external sources and determine the Interim President/CEO's contract terms, compensation, delegated authority, and expected duration of service. The Interim President/CEO is intended to provide formal temporary leadership while the Board conducts the succession process. Thereafter, the Executive Committee and Board will follow the procedures for selection and onboarding the new President/CEO as outlined above in the "Planned Departure" section.

The Executive Committee will be responsible for communicating with key stakeholders regarding actions taken by the Board of Directors in naming an interim President/CEO, approval of press releases and implementing the succession policy.

III RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-16

TITLE: Safeguarding Member Information

ORIGINATION DATE: February 28, 2012

CURRENT REVISION DATE: April 21, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I. INTRODUCTION

A. This policy sets forth the information security policy for New Hampshire Electric Cooperative, Inc. ("NHEC").

The Board of Directors (the "Board") is responsible for setting policies in order to safeguard private information pertaining to members of NHEC.

II. OBJECTIVES

A. The general objective of this policy is to define the specific goals and requirements of an Information Security Program that ensures the confidentiality, integrity, and availability of members' personal and private information, the records of which are owned by NHEC.

III. SPECIFIC GOALS

A. Security of NHEC Information Systems Program shall:

1. Meet or exceed all required regulatory and legal information security standards.

2. Include periodic risk assessments and audits.

3. Include adequate security technologies necessary to protect all information systems.

B. Disclosure of NHEC Information

1. NHEC's Information Security Program documents a process by which NHEC will respond to information requests made by members.

2. NHEC's Information Security Program documents a process by which NHEC will respond to information requests made by non-members; including courts, governmental offices, agencies, or representatives and parties participating in proceedings before such courts, offices, agencies or representatives ("the Government"), in compliance with Federal and State laws.

IV. REQUIREMENTS

A. NHEC Information Security Program shall include, at a minimum, the following security components:

1. Identity and Access Controls
2. Inventory Controls
3. Secure Configuration
4. Incident Response
5. Data Protection Management
6. Network Management
7. Vulnerability Management
8. Training and Testing
9. Log Management
10. Vendor Management

B. NHEC's Information Security Program shall include, at a minimum, the following steps to ensure the confidentiality, integrity, and availability of members' personal and private information:

1. All requests for information shall be handled by the President/CEO or the President's designated representative.

2. Subject to the limited exceptions listed below, requests for billing, credit or other personal information of any member account will not be released without prior consent of the member. Whenever information is disclosed pursuant to the exceptions listed below, NHEC will take reasonable measures to limit the amount and scope of such disclosure. The following are exceptions to this disclosure restriction:

   a. The sharing of such information with a group consisting of other utility type organizations for the purpose of establishing and maintaining a common database of billing history for exclusive sections of those organizations only; and/or

   b. The disclosure of such information to, or pursuant to an order from, the Government, where NHEC believes, after consultation with legal counsel, that the Government may lawfully require such disclosure,

regardless of whether or not the Government has pursued or exhausted all avenues to compel such disclosure.

3. The membership list shall not be made available to any person(s) or any political or business organization for solicitation purposes unless specifically authorized by the Board of Directors.

4. Subject to the preceding disclosure restrictions, NHEC shall respond timely to the information requests of members. Such responses shall take into account NHEC's various responsibilities recognized above, and may reflect limitations on public disclosure consistent with those pertaining to the conduct of executive sessions. NHEC may also take into account the impact upon NHEC's human, financial and technical resources when determining the timing, manner and scope of such responses.

5. Whenever commercial, financial or personal information is disclosed, NHEC will take reasonable measures to limit the amount and scope of such disclosure. Where such information has been acquired by NHEC subject to a confidentiality or non-disclosure agreement, NHEC may condition its disclosure, if any, upon the receiving party's execution of an appropriate confidentiality or non-disclosure agreement.

6. To the extent practical, costs associated with duplicating records and other costs involved in providing information shall be borne by those making the request.

7. To ensure consistent and accurate information is made available to the public or news media, all releases of information shall be approved by the President/CEO, or the President/CEO's designated representative.

8. After legal review, non-specific information in aggregate may be provided.

V. RESPONSIBILITY

A. The President/CEO or a designated representative is responsible for ensuring this policy is followed.

B. The Audit Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-17

TITLE: Director Electric Accounts

ORIGINATION DATE: June 26, 2012

REAFFIRMED:

CURRENT REVISION DATE: July 28, 2026

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

A. To assure compliance with the statutory and bylaw requirement that Directors be chosen, "from the membership".

1. To assure compliance with the bylaw requirement that states, "No member who, during the twelve (12) months preceding nomination or appointment or at any time during incumbency, becomes delinquent in payments owed to NHEC or refuses to fulfill any other membership obligation shall be eligible to become or remain a director."

II OBJECTIVES

A. All Directors, Director candidates, and potential Director candidates under consideration by the Nominating Committee shall certify that they are NHEC members and shall provide to the Board of Directors, NHEC's General Counsel, and the Nominating Committee such information concerning their NHEC accounts, service locations, and the details of their connections to those accounts and service locations as may be requested.

B. All Directors, Director candidates, and potential Director candidates under consideration by the Nominating Committee shall promptly notify the Board of Directors, NHEC's General Counsel, and the Nominating Committee whenever there has been a change in the information in their Director Qualification Certification, candidate questionnaire, or previously provided information concerning their NHEC accounts, service locations, and the details of their connections to those accounts and service locations.

C. Each Director, Director candidate, and potential Director candidate under consideration by the Nominating Committee is required to ensure that they do not become delinquent in payments owed to NHEC at any time within the twelve (12) months preceding appointment or nomination, or at any time during incumbency. For purposes of Director qualification, an account is considered delinquent when the account has an undisputed unpaid balance of one hundred dollars ($100) or more that is sixty (60) days or more past the date billed by NHEC.

D. To ensure that payments are received on time and that inadvertent delinquencies are avoided, Directors, Director candidates, and potential Director candidates under consideration by the Nominating Committee are encouraged to take advantage of the automatic payment option, which is available to all members. Arrangements can be made online or through Member Solutions for deductions to be taken from a checking account or charged to a credit card.

E. Director electric accounts will be monitored by designated staff, in consultation with NHEC's General Counsel as appropriate, to ensure compliance with NHEC's bylaw requirement. Monitoring shall be limited to information reasonably necessary to confirm eligibility, identify potential delinquency issues, or address compliance with this policy.

F. Information obtained under this policy concerning Director, Director candidate, or potential Director candidate accounts shall be treated as confidential and shared only with those who have a need to know for purposes of determining eligibility, addressing a potential compliance issue, or carrying out this policy.

G. If a Director's electric account becomes delinquent, the Director and the Board Chair shall be notified promptly. The matter shall be reviewed with NHEC's General Counsel as appropriate to determine whether the delinquency affects the Director's eligibility under the bylaws and whether any further action is required.

H. A copy of this policy will be provided to all Director candidates and potential Director candidates under consideration by the Nominating Committee.

III. RESPONSIBILITY

A. The Chair of the Board together with the President is responsible for ensuring the provisions of this policy are carried out.

B. The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-18

TITLE: Member Electrical Usage, Generation, and Related Energy Data

ORIGINATION DATE: August 27, 2013

CURRENT REVISION DATE: July 28, 2026

REAFFIRMED:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I GOALS

A. To provide a policy governing the responsible measurement, collection, use, retention, disclosure, analysis, and protection of member-specific electrical usage, generation, and related energy data, including data used to support operations, member programs, planning, reliability, analytics, and emerging technology capabilities.

II OBJECTIVES

A. **Necessary and Authorized Data Uses** - It is the policy of NHEC to create, maintain and operate electric metering, communications and data management facilities and systems so as to provide NHEC with the quality and quantity of timely, accurate and secure data concerning member electrical usage, generation, distributed energy resources, outage response, billing, reliability, member service, analytics, planning, and distribution system performance necessary or appropriate to support NHEC's purpose, vision, mission and values, as expressed in Board Policy B-1.

B. **Member Education and Participation -** It is the policy of NHEC to create, maintain and operate electric metering, communications, analytics, and data management facilities and systems so as to make available to members the quality and quantity of timely, accurate and secure data concerning their own electrical usage, generation, and related energy information which will provide members with information that empowers them to understand and voluntarily participate in the management of that usage.

C. **Safeguarding of Usage Data –** All member-specific electrical usage, generation, and related energy data, including data used for analytics, automation, artificial intelligence, or emerging technology capabilities, shall be subject to NHEC's policy regarding the safeguard of information, as expressed in Board Policy B-16, and shall be handled consistent with applicable law, regulatory requirements, cybersecurity standards, contractual obligations, and NHEC policies and procedures.

D. **Third-Party Access and Disclosure –** NHEC may disclose member-specific electrical usage, generation, and related energy data to vendors, contractors, agents, regulators, market participants, law enforcement, technology providers, analytics providers, or other third parties only for legitimate business, operational, regulatory, legal, member service, member-authorized, or safety-related purposes. Such disclosures shall be limited to the information reasonably necessary for the applicable purpose and shall be subject to appropriate confidentiality, privacy, cybersecurity, and data protection requirements.

III RESPONSIBILITY

A. The President/CEO is responsible for ensuring this policy is followed.

B. The Executive Committee shall review this policy annually.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-19

TITLE:	Nominating Committee	
ORIGINATION DATE:	May 29, 2018	
CURRENT REVISION DATE:	August 25, 2026	**REAFFIRMED**:
AUTHORIZED:	Jeffrey W. Morrill Secretary, Board of Directors	

I GOALS

A. To define the process by which the Nominating Committee is appointed by the Board of Directors.

B. To define the process by which the NHEC provides logistical support to the Nominating Committee.

II OBJECTIVES

A. To effectively recruit, appoint, and provide appropriate information and logistical support to a well-qualified, informed and independent Nominating Committee.

III POLICY

A. The Board of Directors shall annually appoint a Nominating Committee in accordance with the requirements and criteria of Article IV Section 3 of the Bylaws. Members appointed to the Nominating Committee should be independent and free from any actual or apparent conflict of interest that could reasonably call into question their ability to evaluate potential Director candidates fairly and objectively.

B. At least 60 days before the earliest appointment date provided for by the Bylaws, NHEC shall actively encourage members to submit their names for consideration as potential Nominating Committee members through NHEC's newsletter, website and social media platforms.

C. Any Director whose current term expires at the upcoming annual meeting, and is not otherwise disqualified from seeking another term, shall not participate in the appointment of the Nominating Committee and shall not participate in or contribute to the development of the Board's overview provided for in paragraph F of this policy.

D. The participating directors shall use their collective best judgment concerning the selection of Nominating Committee members in an effort to form a well-qualified and independent committee, with equitable representation of the NHEC membership. In addition to any other criteria which the participating directors, in their discretion, may consider, they shall consider the following:

1. The geographic location of applicants' electric service;
2. The rate class of applicants' accounts;
3. The length of applicants' membership;
4. The year-round or seasonal nature of applicants' accounts;
5. The extent of applicants' knowledge and experience dealing with NHEC; and
6. The applicants' involvement in service territory communities.

E. Members of the Nominating Committee shall be compensated for their participation and reimbursed for mileage under terms established by the Board of Directors and reviewed annually prior to the appointment of the Nominating Committee.

F. An administrative assistant of NHEC shall provide logistical support and information to the Nominating Committee. Logistical support shall include coordination of Nominating Committee meetings, candidate interviews, and communications. Information shall include all current Director Qualification Certifications, candidate questionnaires, background materials concerning NHEC's bylaws, history and operations, Nominating Committee duties and past practices, Board Policies, and other NHEC information requested by the Nominating Committee. At the organizational meeting of the Nominating Committee, the President/CEO or President/CEO's designee and the Chair of the Board of Directors, or a Director selected by the Board of Directors if the Chair is a potential candidate, may provide the Nominating Committee with an overview of NHEC and its current challenges, opportunities and needs from their perspective. Any overview provided by the President/CEO, the President/CEO's designee, the Chair of the Board, or another Director shall be informational only and shall not include comments regarding specific candidates, preferred nominees, individual Director performance, or any recommendation intended to influence the Nominating Committee's candidate evaluations or deliberations.

G. Neither the Chair of the Board of Directors, individual Directors, the President/CEO, nor any other individuals other than the NHEC administrative assistant, shall attend the candidate interviews or deliberations of the Nominating Committee, provided the NHEC administrative assistant shall not comment on the candidate presentations nor otherwise seek to influence the decisions of the Nominating Committee.

IV RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

BOARD OF DIRECTORS

Board Policy No. B-20

TITLE: Project Justification and Approval Guidelines

ORIGINATION DATE: October 30, 2018

CURRENT REVISION DATE: July 28, 2026 **REAFFIRMED**:

AUTHORIZED: Jeffrey W. Morrill
Secretary, Board of Directors

I PURPOSE

To establish when Board approval of a capital project is required and provide guidance regarding the information expected by the Board to support the request for approval.

II PROJECTS REQUIRING APPROVAL

In addition to the requirements set forth in Board Policy B-4, a capital project with a total expected project cost of $2,000,000 or greater over the duration of the project shall require prior approval by the Board. The Guidelines should be followed whether the proposal is considered independently or in the context of review of capital or operating budgets.

III PROJECT JUSTIFICATION GUIDELINES

Projects or initiatives that require approval as set forth above, shall be presented for approval by the Board and supported by a comprehensive written feasibility and/or other study or business plan. Management should consider including information such as the following where relevant:

1. Description of the proposed project or initiative.
2. How the project or initiative supports the Strategic Plan and/or ensures conformance with NHEC Bylaws/Board Policies/regulations and other requirements.
3. Identification of potential solutions and alternatives to the project or initiative considered by Management.
4. Evaluate potential solutions and alternatives against pertinent criteria and present a side by side ranking to the extent relevant, including but not limited to the following information where applicable:
   a. Impact to rates and margin.
   b. Capital and O&M costs.

c. Present value.
d. Probability assessment of success.
e. Operational considerations including any expected change in the budgetary interaction between the capital budget and the operational budget, including linking outcomes with savings expected. If the capital budget envisages expenditures in support of reliability, then the expected savings, as a result of reduced line loss, improved reliability, reductions in O&M and other savings should be quantified and a cost/benefit ratio calculated.
f. Assessment of any organizational impacts and NHEC's own internal capability.
g. Assess and rank each potential solution or alternative in terms of its potential to increase Member satisfaction.

5. Analysis and presentation of alternative financing structures considered for the project as well as resulting impacts to our equity management and capital credits policies.
6. How Management will quantitatively and qualitatively measure success of the proposed initiative at the conclusion of the project.
7. Discussion of specific risks and opportunities associated with each potential solution or alternative.
8. Recommended solution or alternative and the specific approval sought from the Board.
9. Management is encouraged to bring any project or initiative that is subject to this policy to the relevant Board Committee prior to presenting it for approval to the full Board.
10. Management shall return to the Board for additional approval if a project subject to this policy materially changes in scope, expected cost, schedule, financing approach, or risk profile after approval.
11. Management should present an annual summary report to the Board on projects under this policy costing over $2 million. This should include achievements, costs to date, projected costs to end of project, material changes in scope or schedule, and, where relevant, revenue to date and next steps/plans.

IV RESPONSIBILITY

The Executive Committee is responsible for the annual review of this policy with the Board of Directors.