

COLUMBIAGRID
Conflict of Interest Policy

1. Applicability. This policy applies to all ColumbiaGrid personnel, including directors, officers, employees, and independent contractors ("Personnel").

2. Definitions.

2.1 Market Participant has the meaning provided section 1.1.14 of the current version of the ColumbiaGrid Bylaws as amended.

2.2 Member has the meaning provided in section 1.1.15 of the current version of the ColumbiaGrid Bylaws as amended.

2.3 Qualified Non-Member Party has the meaning provided in section 1.1.21 of the current version of the ColumbiaGrid Bylaws as amended.

2.4 Transmission Provider. "Transmission Provider" has the same meaning as defined in 18 C.F.R. § 358.3.

3. Conflict of Interest.

3.1 Definition. For purposes of this policy, "Conflict of Interest" means any situation in which any Personnel has, or may be reasonably construed to have, a direct or indirect personal or financial interest in any entity conducting business with ColumbiaGrid, (i) whether related to a proposed contract or transaction to which ColumbiaGrid may be a party, or in which ColumbiaGrid may be interested, or that is under consideration, or (ii) whether purely conceptual because of a similarity of business interests or affairs.

3.2 Policy Statement. All Personnel have an obligation to seek to avoid actual Conflicts of Interest and the appearance of Conflicts of Interest with ColumbiaGrid. ColumbiaGrid recognizes that different types of Personnel have different roles in the provision of ColumbiaGrid's services. This policy intends to accommodate these differences and is not intended in any way to hinder Personnel from acting in their roles with ColumbiaGrid.

3.3 Directors.

3.3.1 Prohibited Individuals. Individuals who are prohibited from serving as directors are described in section 6.2.3 of the current version of the ColumbiaGrid Bylaws as amended.

3.3.2 Conflict of Interest Arising During Service on Board of Directors. If a Conflict of Interest arises during an individual's service on the board of directors concerning any matter that is before the board of directors, the affected director must promptly disclose the existence of that Conflict of Interest to the board of directors, whether or not the conflict has been previously disclosed in an annual report (described below).

Full disclosure of the nature and details concerning the conflict is encouraged but not required, so long as the existence of the conflict itself is disclosed. Any such disclosure will be duly recorded in the minutes. If the director makes full disclosure of the nature and details of the Conflict of Interest, the director may thereafter engage in any discussion on the matter and may vote, unless the board of directors believes that the nature and extent of the conflict warrants the director's exclusion from either or both of the discussion and vote. If the director does not make full disclosure, he or she thereafter must leave the meeting room during any discussion or vote on the matter.

3.3.3 Continuing Restrictions on Former Directors. Directors have restrictions imposed upon their post-member activities as described in the current version of the ColumbiaGrid Bylaws as amended.

3.4 Officers.

3.4.1 Prohibited Individuals. Individuals that are prohibited from acting as an officer are described in the current version of the ColumbiaGrid Bylaws as amended.

3.4.2 Conflicts of Interest Arising During Service as Officer. If a Conflict of Interest arises during an individual's employment as an officer, the affected officer must promptly disclose the existence of that Conflict of Interest to the board of directors, whether or not the conflict has been previously disclosed in an annual report (described below). Full disclosure of the nature and details concerning the conflict is encouraged but not required, so long as the existence of the conflict itself is disclosed. If the officer makes full disclosure of the nature and details of the Conflict of Interest, the officer may thereafter participate in any decision-making on a matter related to the conflict, unless the board of directors believes that the nature and extent of the conflict warrants the officer's exclusion from the decision-making process. If the officer does not make full disclosure, he or she thereafter must refrain from participating in any decision-making on the matter.

3.5 Employees and Contractors. On or before the effective date of any employment agreement or contract between ColumbiaGrid and an employee or contractor, or on or before the first day on which the individual performs services for ColumbiaGrid, the employee or contractor must disclose all Conflicts of Interest that he or she may have with ColumbiaGrid. Thereafter, the employee or contractor must promptly inform ColumbiaGrid in writing of any Conflicts of Interest with ColumbiaGrid that become apparent during the term of the employment agreement or contract.

4. Programs to Monitor Compliance.

4.1 Annual Report. Annually, each director, officer, employee, and independent contractor of ColumbiaGrid must disclose on forms provided by ColumbiaGrid the existence of any relationship that may be deemed Conflict of Interest with ColumbiaGrid. The Secretary will review reports submitted by employees and independent contractors. The Board Chair will review reports submitted by directors and officers.

4.2 Annual Affidavit. Each director, officer, employee, and independent contractor of

ColumbiaGrid must file with ColumbiaGrid's Secretary an annual affidavit stating compliance with ColumbiaGrid's Conflict of Interest policy .

5. Payment to Directors and Officers.

5.1 Loans Prohibited. Under Section 6.10 of the Bylaws and Revised Code of Washington Section 24.03.140, ColumbiaGrid will not make any loan of money or property to, or guarantee the obligation of, any director or officer, or any spouse, parents (including stepparents and parents in-law), children (including stepchildren) and their spouses, and siblings (including stepsiblings) and their spouses, of any director or officer; provided however that ColumbiaGrid may advance money to a director or officer for expenses reasonably anticipated to be incurred in performance of the duties of the director or officer so long as the director or officer would be entitled to reimbursement for those expenses without the advance.

5.2 Reasonable Compensation. Under Revised Code of Washington Section 24.03.030, ColumbiaGrid may pay compensation in a reasonable amount to its directors and officers for services rendered to ColumbiaGrid.

6. Gifts.

6.1 Gifts Prohibited. During the period of service to or employment with ColumbiaGrid, and for three months thereafter, no Personnel or their spouses, children, stepchildren, spouses of children or stepchildren, or grandchildren ("Relatives") will knowingly accept: any gratuitous payment, gift, or entertainment exceeding \$100; forgiveness of debt; free service or discount for services not generally available to the same class of customers as Personnel; trip (except as may be required and appropriate in the performance of duties to ColumbiaGrid); or any other item of value from any Member, former Member, Qualified Non-Member Party, or Market Participant or any other entity with an interest in ColumbiaGrid matters.

6.2 Acceptance of Reimbursement. Personnel may accept reimbursement for actual, reasonable out-of-pocket expenses from outside third parties for their own travel-related expenses (including travel, hotel, and meals) when those expenses are related to a conference, meeting, or seminar that is open to the general public for free or upon payment of a tuition or registration fee at which Personnel are speaking, presenting, organizing or otherwise actively participating on behalf of ColumbiaGrid. Personnel will get prior approval from the President of ColumbiaGrid before accepting such speaking or presenting engagements for which they anticipate being reimbursed for travel-related expenses in excess of \$100, when the reimbursement will be made (directly or indirectly, including through membership dues or sponsorships) by a Member, former Member, Qualified Non-Member Party, or Market Participant or any combination thereof.

6.3 Disclosure Prior to Employment or Service. Prior to employment a candidate for such employment must disclose to the board of directors, or President if delegated by the board of directors, or prior to service on the board of directors a candidate for such service must disclose to the Members, any receipt within the immediately preceding twelve months by the candidate or his or her Relatives of anything of value which would violate this Section 6 if received during the term of the candidate's employment with or service to ColumbiaGrid.

6.3.1 Employee and Contractor Disclosure. The board of directors, or President if delegated by the board of directors, will consider the substance of a candidate's disclosure under this Section 6.3 in determining whether ColumbiaGrid should enter into an employment agreement or contract with the candidate. Because of the prohibition against the receipt of gifts by a current employee or contractor under Section 6.1 of this policy, this disclosure is not required for an candidate who is a party to an employment agreement or contract with ColumbiaGrid, the term of which ends immediately before the term of the contemplated agreement or contract begins, without any break between the terms.

6.3.2 Director Disclosure. The Members will consider the substance of a candidate's disclosure under this Section 6.3 in determining whether to add the candidate's name to the slate of nominees presented for election to the board of directors under Section 6.3.2 of the Bylaws. Because of the prohibition against the receipt of gifts by a current director under Section 6.1 of this policy, this disclosure is not required for individuals who have served on the board of directors in an immediately preceding term.

6.4 Aggregated Gifts. For purposes of this Section 6, all gifts or entertainment, excluding meals, received during any 30-calendar day period will be aggregated and treated as a single gift subject to the \$100 limitation described above.

Amended, then Adopted and Approved by the ColumbiaGrid Board of Directors
February 17, 2016