

The National Hydropower Association

Employee Manual

January 2023

This National Hydropower Association Employee Handbook is not a contract of employment nor is it intended to create contractual obligations for the National Hydropower Association of any kind.

National Hydropower Association
200 Massachusetts Ave NW, Suite 320
Washington, DC 20001

Welcome to The National Hydropower Association

Dear NHA Team Member:

We're very happy to welcome you to the National Hydropower Association. Thank you for joining us! We want you to feel that your Association with us will be a mutually beneficial and pleasant one.

You have joined an organization that has an outstanding reputation for quality services. Credit for this goes to every one of our employees. We hope you, too, will find satisfaction and take pride in your work here.

This Manual provides answers to most of the questions you may have about the National Hydropower Association's benefit programs, as well as the policies and procedures we abide by - our responsibilities to you and your responsibilities to the National Hydropower Association. If you have any questions, please don't hesitate to discuss them with me. We at NHA are committed to open communication. We are dedicated to the nurturing of a high-performance team. We want you to be successful at NHA. The procedures and policies outlined in this Employee Manual provide a road-map for success

Compensation and personal satisfaction gained from doing a job well are only some of the reasons most people work. Most likely, many other factors count among your reasons for working -- pleasant relationships and working conditions, career development and promotion opportunities, and health benefits are just a few. The National Hydropower Association is committed to doing its part to assure you of a satisfying work experience.

From time to time, the information included in our Employee Manual may change. Every effort will be made to keep you informed through discussions at staff meetings, postings on the Association's bulletin Boards and/or notices.

I extend to you my personal best wishes for your success and happiness at the National Hydropower Association and stand ready to work with you as you launch this exciting new phase of your career.

You're Part of Our Team...

As a member of the National Hydropower Association's team, you are expected to contribute your talents and energies to improve the environment and quality of the Association, as well as its services. In return, you will be given opportunities to grow and advance in your career.

The National Hydropower Association is dedicated to two standards:

1. To provide our members with the best quality service, at the best price.
2. To provide you with competitive wages and benefits.

At the National Hydropower Association, we put safety first. We believe it is our duty to provide you with as safe a workplace as we possibly can.

The things we require for continued employment, compensation, advancement, and benefits are high performance and a good team attitude. No one will be denied opportunities or benefits on the basis of age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions; nor will anyone receive special treatment for those reasons.

This manual is not intended to create, nor does it constitute, a contract between NHA and its employees. The Company, in its sole discretion, reserves the right at any time to amend, modify, alter or terminate any statements or policies in this manual as well as any employee benefits. The application and interpretation of these policies rests exclusively with NHA at all times.

Purpose of This Manual

This Manual informs you about the National Hydropower Association's history, philosophy, employment practices, and policies. It also explains the benefits provided to you as a valued employee and what is expected of you.

No employee manual can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is through our person-to-person conversations that we can better know each other, express our views, and work together harmoniously.

We hope this Manual will help you feel comfortable with us. We depend on you -- your success is our success. Please do not hesitate to ask questions. We believe you will enjoy your work and your fellow employees and colleagues. We believe you will find the National Hydropower Association a good place to work.

We ask that you read this Manual carefully and refer to it whenever questions arise.

Your Benefits with the National Hydropower Association

NHA employee benefits add considerably to the basic wages or salary you earn.

Listed below are the benefits the National Hydropower Association provides for eligible employees each year:

- Dental Insurance
- Education Assistance
- Funeral (Bereavement) Leave (up to 3 days)
- Group Term Life Insurance
- Health Care/Hospitalization Insurance
- Short and Long Term Disability Insurance
- Paid Holidays
- Paid Vacations
- Retirement Plan
- Sick Leave
- Social Security
- Unemployment Compensation Insurance
- Workers' Compensation Insurance

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Handbook on Policies and Procedures
Procurement Policy
Travel Policy

An Overview of the National Hydropower Association

About the National Hydropower Association

National Hydropower Association Organization Chart

National Hydropower Association Membership

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Relatives

Seeking Your Ideas

The National Hydropower Association

A History Grounded in Renewable Technology

In the early 1970's, spurred by the oil embargo and the strong belief that the United States needed to develop a diversified, domestic energy base, Congress considered a number of proposals to spur the growth of domestic sources of renewable energy. Key policy-makers were convinced that hydropower offered much to this energy strategy. Though it required considerable capital investment, hydroelectric generation was a clean, domestic energy source. There was already a significant investment in hydropower in this country through the federal system. Building on that base made sense. New energy could be brought on line, to help secure the nation's energy future. As such, Congress considered incentives to spur development. The most important of which was a tax package.

As Congress debated a hydropower tax credit plan, a provision within the Crude Oil Windfall Profits Tax Act, several independent power producers developed a coalition to lobby Congress in support of hydro. The coalition included EG&G and Allis Chalmers, now Voith Hydro, Inc. With the successful passage of the Act, the coalition began to plan a strategy to ensure that the U. S. Treasury Department's implementation of the tax credit provisions were workable and met industry needs. The coalition decided to form a non-profit organization to monitor the development of the evolving regulations program. NHA's predecessor, the National Alliance for Hydro-Electric Energy (NAHEE), was born. NAHEE's goals were simple: prevent the repeal of the tax credits program and protect and further hydro's interest in other Reagan Administration tax proposals.

In 1981, it became clear that the organization needed to grow in order to build its political influence. New energy organizations joined and NAHEE was reborn as the National Hydropower Association (NHA). Lee Goodwin, an energy attorney associated with the Renewable Energy Institute, served as the Association's part-time Executive Director. After several years, Mr. Goodwin turned the helm over to Tom Gray, the Executive Director of the American Wind Energy Association. Mr. Gray administered both organizations. There was a continued need to broaden the Association's political base and increase its membership.

In 1985, it became clear that NHA needed a full-time Executive Director dedicated exclusively to hydro. Elaine Evans, a small hydro project owner from New Hampshire, was hired. Ms. Evans understood the importance of engaging more utilities in the organization. She developed a plan to reach out to utilities, co-ops, municipalities and public power participants. The organization grew significantly. Two additional staff came on Board, including the first Legislative Director.

In 1991, Linda Church Ciocci assumed the Executive Director position to usher NHA through its next phase of growth. Her job was to establish this young Association as a credible and politically influential energy trade Association. Ms. Ciocci, formerly with the American Public Power Association, understood the importance of leveraging NHA's membership with other energy trade Associations. She spearheaded the development of two significant coalitions: the Hydro Industry Coalition and the Associations for Renewable Energy. The first coalition brought NHA, EEI, APPA and the NRECA together to focus exclusively on issues of common

concern to increase hydropower's political clout on Capitol Hill. The second coalition joined together the renewable energy Associations, including hydro, solar, wind, geothermal, and biomass, housed in a single home as the Associations for Renewable Energy. This second coalition focuses primarily on public affairs, public education, and international export development. Ms.Ciucci, after nearly 3 decades of dedicated service to NHA Staff, the Board of Directors and the industry at large, turned over the reigns to Malcolm Woolf in July of 2019.

Woolf came to NHA after decades of experience in the energy and environment field. He was a Senior VP with the Advanced Energy Economy and has extensive markets experience. He served in a cabinet level position for Maryland Governor Martin O'Malley where he worked to promote affordable, reliable clean energy, and he also led energy policy for the National Governors Association.

Malcolm has experience in both the executive branch and Capitol Hill having served at the Environmental Protection Agency (EPA) and as a Congressional committee staff member.

Today, NHA is on a firm foundation. Its membership consists of more than 228 companies, including generators as well as product and service providers. The organization has orchestrated several significant legislative victories, obtained a level of influence in the regulatory community, and provides significant leadership and support to industry efforts. The Association is supported primarily by member dues. Through conservative management and growing industry support, the Association is financially sound.

NHA remains committed to provide a strong legislative and regulatory program for its members. Public affairs, promoting the growth of hydroelectric energy, and supporting industry in achieving operational excellence are also priorities. Through an aggressive public affairs program to promote the many benefits of hydroelectric energy and the value it plays in a restructured marketplace, NHA is intent on ushering the industry into a new era of vitality as the nation moves to address its need for clean, domestic, affordable sources of energy.

The Hydropower Technical Community (formerly the Hydraulic Power Committee) became affiliated with NHA in 2001, but the Committee has existed for about 70 years and is the nation's oldest on-going hydro generation industry organization. The HTC began its NHA affiliation because NHA is the only organization that exclusively represents the hydroelectric industry. The committee believes that consolidating and focusing its efforts within the NHA best serves the industry for the future.

The Marine Energy Council collaborates with NHA's membership committees to focus attention on the potential growth opportunities of new technologies, to share information among industry members and to provide a forum to discuss the challenges facing ocean, tidal, hydrokinetic and emerging water technologies.

The Pumped Storage Development Council, created in 2009, (PSDC) serves as a resource on pumped storage information; providing support to NHA staff in responding to member companies, industry members, media and the general public on matters regarding pumped storage. PSDC also assists in the development of educational information on the importance of pumped storage and the growing need for this technology as the country grows its variable renewable resources and provides advice on matters of regarding incentives to spur further development.

Created in 2009, the CEO Council is charged to serve as forum to bring hydropower executives together to share information about industry challenges, brainstorm on strategy, and offer potential solutions. The Council enhances the voice NHA and the hydro industry with Congress, the Administration and the general public by engaging in NHA's advocacy work; and serves as a key initiative leader to identify particular projects that would strengthen the Association's advocacy work and leverage resources to successfully implement strategy. The CEO Council provides advice to the NHA Board on NHA strategic direction.

The Small Hydro Council, established in 2009, is charged to serve as forum for the exchange of information on conventional small hydropower development, share best practices, keep staff apprised of new developments; provide focus and leadership on the issue; and provide advice and counsel to the Association on matters dealing with policy issues effecting development.

NHA's Small Hydro Council promotes the development of small hydro projects with a focus on development of non-powered dams, irrigation power, and conduit power. Through working groups focused on regulatory issues, dam safety and operational issues, R&D and new technology, and funding and finance, the Council develops strategies to facilitate development and expansion of small hydropower. The Council coordinates closely with all of NHA's other committees ensuring small hydro representation in all of NHA's work.

The Water Innovation Council is responsible for identifying industry needs and developing recommendations to promote focused technological and environmental research, development and demonstration (RD&D) that will serve to strengthen the waterpower industry. It will track and evaluate major RD&D currently underway at national laboratory, government agencies, academia and other entities in the waterpower sector and share information with industry. The Council helps reduce duplication of effort and identify synergies of ongoing research. The will works with NHA Councils to reach out externally to advocate for external funding to maintain a strong waterpower programs within the U. S. Department of Energy and other agencies.

Vision and Mission

Vision: **Hydropower, in all of its forms, is valued as America's first, and most flexible renewable energy resource to achieve a sustainable, clean, and secure electric system in North America.**

Mission: **Champion waterpower as America's premier carbon-free renewable energy resource.**

Today, hydropower is America's largest renewable carbon-free electric resource. The existing hydropower system represents 6 percent of our national electricity production powering 3 million households -- and eliminates approximately 200 million metric tons of carbon emissions per year.

America can double its hydroelectric power generation capacity to 192,000 megawatts (MWs) – by enhancing the existing system and through new development. In doing so, the U.S. hydropower industry will provide significant economic opportunities to localities across the nation, including

75,000 new jobs. According to the Department of Energy's 2016 Hydropower Vision Report, U.S. hydropower could grow from 101,000 MW to nearly 150,000 MW by 2050.

This growth can be achieved through:

- efficiency improvements to existing hydropower facilities;
- adding hydropower to existing non-power dams and canals;
- development of new stream reaches;
- deploying new hydropower generating technologies, such as marine energy; and
- expanding pumped hydropower storage for grid reliability.

Tremendous untapped potential remains.

Just 3 percent of our country's 80,000 existing dams are utilized to generate electricity. Many of these non-power dams can be fitted with new and efficient generating capabilities that can also create environmental benefits.

To capitalize on this potential, improvements in the siting and licensing process as well as technology advancements to reduce costs must be pursued.

New hydropower technologies, such as marine energy, are just beginning to become viable and need support in research and development to advance the technology to achieve goals to significantly increase hydro's contribution to customers. These resources create different siting, permitting, and licensing challenges that need to be understood and addressed.

Potential exists to stimulate an entire new segment of the industry with the evolution of new stream reach hydro development. Investments in establishing a new image for these sources, research in energy producing technologies, cost reductions technologies or methods for installations, and standardizing siting and licensing requirements to enable responsible development of these stream reach projects must be a priority. These projects can also benefit the river ecosystems and need to be recognized for those attributes.

The current fleet of hydro assets are undervalued in their contributions to the electric grid, and environmental attributes created by these existing assets go largely unrecognized. While there have been impacts in the river ecosystems the benefits of improved and restored wildlife habitat, creation of new fisheries and supporting habitat, recreational opportunities and the industry that those support are not included when benefits of these projects are considered. The image of these existing projects must be changed to allow for existing projects to apply improved and new technologies to fully capture all benefits that can be achieved at existing sites.

Finally, efforts need to be undertaken to continually maintain and manage all assets for the benefits of their owners and ultimately the energy consumers. Developing best practices, sharing that information, working to achieve consistent policies, enacting responsible and favorable legislation, and the ability to mobilize new and existing members to address issues and concerns is critical to success in this well-established, yet, dynamic and evolving industry.

Economic conditions and social priorities will continue to change over time, but America has an urgent need for new jobs and new sources of sustainable carbon-free energy – and hydropower can deliver both on a significant scale. Hydropower is a proven energy technology that is **available, reliable, affordable** and **sustainable**.

Description of Strategic Goals and Key Strategic Actions

NHA will achieve its Vision and Mission by focusing on the four Strategic Goals described below. Strategic Actions to achieve each goal are described in both short-term (1-2 years) and long-term (3-5 years) timelines. The NHA Board of Directors provides overall policy direction. The Chairs of NHA's Committees, Councils, and Task Forces will champion implementation of these Strategic Actions under the direction of the NHA Board of Directors and in coordination with NHA staff. The focus will be on Priority Actions identified by the Board.

Strategic Goal 1: *Advocate* to preserve, enhance, and expand the use of waterpower generation to advance a 21st century clean energy.

Strategic Goal 2: *Connect* member organizations and their employees with other waterpower professionals to build relationships, exchange knowledge, and facilitate business. 2023 priorities include

Strategic Goal 3: *INFORM* members, the industry, policy makers, and stakeholders about timely industry-related policy and technical developments and how those developments will affect the industry, and the many public benefits provided by waterpower.

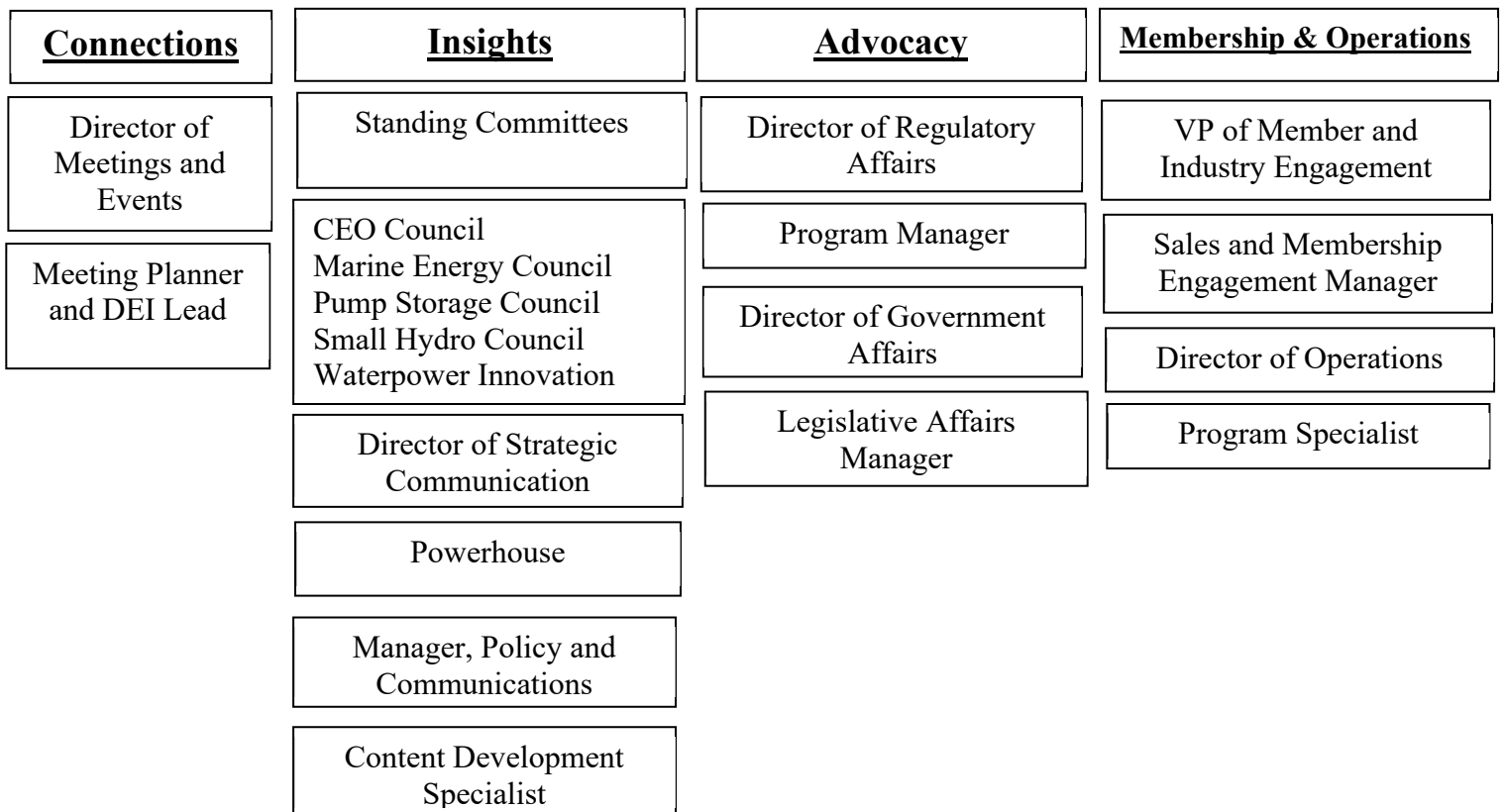
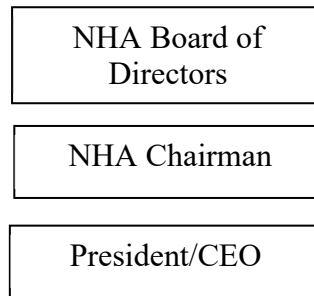
Strategic Goal 4: *IMPLEMENT* internal operational practices to ensure a high-performing, effective organization.

The National Hydropower Association Organization Chart

The Board of Directors of the National Hydropower Association is responsible for setting policies for its employees. The President/CEO manages the employees, implementing policies approved by the Board. The National Hydropower Association’s employees are ultimately accountable to the President/CEO, through whom all communication to the Board is channeled.

All employees are encouraged to provide suggestions concerning the overall operation and programs of the National Hydropower Association, following the proper channels of communication. The National Hydropower Association operates in an “open-door” manner. All employee concerns and suggestions are considered and can be presented without fear of personal recrimination on the employee or his or her position.

The chart below represents the desired organization chart. The actual organization may vary from time to time.



The National Hydropower Association Committee/Council Structure

NHA is committed to ensure that the Association remains responsive to its membership. To ensure that the Association's actions are driven by member interest and needs, NHA established a committee system several years ago. These standing committees make policy recommendations to the Board of Directors. Working with the Board and the President/CEO, the committees set direction for the Association. The committees are open to all NHA members. The committee leadership is named each year by the incoming Chairman.

STANDING COMMITTEES:

Legislative Affairs Committee. The Legislative Affairs Committee advises the Board on the development and implementation of NHA legislative policy. It develops recommendations on positions regarding legislation before the Congress, and advises on strategy to seek legislative change designed to improve or strengthen the industry as a whole. It seeks consensus of the Association's position on federal legislation under consideration that affects the hydropower industry and promotes the Association's position on legislative proposals with Congress and the Administration. The Committee also coordinates the Association's policy and legislative positions with other organizations.

Public Affairs Committee. The Public Affairs Committee develops recommended strategies in promoting hydropower, its potential for growth, the important role it plays in our energy mix, and its many benefits. The Committee is responsible to implement a national public affairs/communication strategy in furthering the Association's policy goals.

Regulatory Affairs Committee. The Regulatory Affairs Committee develops policy recommendations and devises strategies on matters dealing with regulatory policies or procedures set by federal regulatory agencies affecting the hydropower industry. The Committee seeks consensus on its recommended positions on federal regulations that affect the hydropower industry and promotes that position. This Committee is the primary communication vehicle with the federal regulatory agencies governing hydro operations, licensing and relicensing.

Hydropower Technical Community. The Hydropower Technical Community (HTC) includes the following major functions within its scope: (a) Coordinate the collection and sharing of technical and operational information, best practices, and lessons learned to support operational excellence throughout the industry, (b) Provide forums for the membership to exchange technical information related to license implementation and compliance, engineering, operations, construction, maintenance, environmental performance, and safety (dam, employee, and public) of hydroelectric facilities and (C) Serve as the liaison between NHA and other industry technical groups and Associations, and federal entities, particularly FERC's Division of Dam Safety and Inspections (D2SI), and the Department of Homeland Security's Dam Sector Coordinating Council, among others.

Markets Committee. The Markets Committee is dedicated in obtaining greater value recognition for both the environment and reliability benefits that hydropower provides to the electric grid. The committee monitors developments in wholesale markets and regional and state governments and engages on issues to the benefit of the hydropower industry as a whole.

Regional Meetings Committee. Established in 2008, the Regional Meetings Committee schedules, plans, and executes regional outreach meetings (NHA Regional Meetings) on behalf of the Association. Committee leadership helps identify locations and possible hosts and sponsor. Leadership participates in planning calls to shape regionally focused agendas and reaches out to industry experts to moderate and populate panels.

Board Committees (Jurisdiction Descriptions)

Revenue Committee

The Revenue Committee focuses on three main areas:

- 1) Fiscally sound practices which keep the organization financially healthy,
- 2) Membership recruitment and retention which helps maintain a financial base for the organization to carry out its programs; and
- 3) Development of non-dues revenue which promotes products and services that help bring our members closer to their goals as well as to help ease the dues burden on members.

The following are the key tasks the Revenue Committee will be responsible for:

- 1) Provide feedback on development of the annual budget. Membership should include the current and prior year's treasurer to maintain consistency.
- 2) Assist in identifying market opportunities and provide support in the development of marketing materials for potential members. Coordinate with the Public Affairs Committee in preparing this marketing material.
- 3) Provide insight for the revenue diversification plan through creative methods, and investigate and propose a variety of different non-dues revenue programs that may be viable for NHA.
- 4) Provide input in the development the Association's annual budget that is approved by the Board at the fall meeting. The budget provides budgetary guidance for the Board and staff for the year, however the President/CEO has the authority to move up to \$10,000 between the charts of accounts without prior approval from the Board while keeping the Treasurer informed.

Leadership of the Revenue Committee consists of the Chair, who also acts as liaison to the Board and a Vice Chair. The Chair is appointed by the NHA Chairman.

The Revenue Committee is supported by the administration staff, the Vice President Operations and Member Services, and the President/CEO.

The Association has an Accounting Manual which delineates the Association's accounting procedures. These procedures are regularly updated and strictly adhered to.

Compensation Committee

The Compensation Committee is composed of 3-5 Board members or previous Board members who have the responsibility to benchmark NHA salaries on a regular basis and report recommendations to the Board regarding compensation market issues, including NHA's overall benefits program.

Councils (Jurisdiction Descriptions)

The Board has the authority under the Bylaws to create special task forces and committees. Under that authority, the Board has created several Councils. These councils are open to NHA members and generally focus on a specific theme. All policy recommendations furthered by the councils are to be referred to the standing committees for finalization and recommendation to the NHA Board of Directors.

With the exception of Marine Energy Council (MEC), the leadership consists of the chair(s), who also acts as liaison to the Board of Directors, and the vice chair(s). The chair (co-chairs) and vice chair(s) positions are appointed by the Chairman. The chair(s) participate in Board strategic discussion on policy matters on an advisory capacity basis. The chair(s) also participate in Extended Executive Committee calls. The subcommittee chairs are appointed by the chair.

Marine Energy Council

NHA's Marine Energy Council (MEC) focuses on wave, current (ocean, tidal, river) and ocean thermal energy conversion energy technologies.

The Council was formed by industry to be the unified voice of the marine energy industry. The Council collaborates with NHA's membership, leadership, and Board to provide a forum to discuss, direct, and implement actions to overcome the challenges facing marine energy technologies.

Areas of focus include:

- Advocating for Department of Energy funding and providing input to the DOE on how best to leverage available funds to further the marine energy industry.
- Supporting legislative efforts to secure the long-term inclusion of marine energy technologies in tax incentives for renewable energy including the Production Tax Credit, the Clean Renewable Energy Bonds (CREBs) program and others.
- Recognizing these new technologies in clean energy programs, such as a Renewable Portfolio Standard.
- Developing a smart and expeditious permitting scheme
- Creating or increasing research, demonstration and development programs at other federal agencies that provide funding and support for these emerging technologies
- Promoting the important role emerging technologies can play in meeting increased demand for clean energy

The Council leadership consists of the Chair and Vice Chair both elected by members of the MEC. The Chair of the Council serves as the official liaison to the Board. Additional leadership positions are determined and elected by current members of the MEC.

Membership in the Marine Energy Council is open to all Association members in good standing.

Pumped Storage Development Council

The Pumped Storage Development Council (PSDC) serves as a resource on pumped storage information; providing support to NHA staff in responding to member companies, industry members, media and the general public on matters regarding pumped storage. PSDC also assists in the development of educational information on the importance of pumped storage and the growing need for this technology as the country grows its variable renewable resources.

The Council is staffed by the policy staff and is responsible to provide leadership, advice and counsel to the standing committees on appropriate and relevant issues.

CEO Council

The CEO Council is charged to serve as forum to bring hydropower senior executives together to share information about industry challenges, brainstorm on strategy, and offer potential solutions. The Council enhances the voice NHA and the hydro industry with Congress, the Administration and the general public by engaging in NHA's advocacy work; and serves as a key initiative leader to identify particular projects that would strengthen the Association's advocacy work and leverage resources to successfully implement strategy.

The CEO Council is composed of NHA member companies in the Leadership Categories. Membership is open to senior level executives only, including the Chief executive and Vice Presidents of member companies within the leadership category. The Council is led by a Chair, or Co-chairs, named by the NHA Chairman. Similar to the HTC, the Chairman seeks a recommendation from the Council before naming its leadership. The Council is staffed by NHA's President/CEO and his/her executive assistant, and in close working relationship with the NHA Chairman. The work of the Council is closely coordinated with the standing committees to avoid conflict or duplication.

Small Hydro Council

The Small Hydro Council is charged to serve as forum for the exchange of information on conventional small hydropower development, share best practices, keep staff apprised of new developments; provide focus and leadership on the issue; and provide advice and counsel to the Association on matters dealing with policy issues effecting development.

The Chair(s) are supported by policy staff and the Chairs are responsible to provide leadership, advice and counsel to the standing committees on appropriate and relevant issues.

Water Innovation Council

This Council is responsible for identifying industry needs and developing recommendations to promote focused technological and environmental research, development and demonstration (RD&D) that will serve to strengthen the waterpower industry.

It will track and evaluate major RD&D currently underway at national laboratories, government agencies, academia or other entities (e.g. EPRI, CEATI, etc.) in the water power area, and disseminate this information to industry.

The Council can help reduce duplication of effort and identify synergies of ongoing research.

The Council will work with other NHA Councils to reach out externally to advocate for external funding in order maintain a strong waterpower program within the DOE and other agencies.

Membership in the Water Innovation Council is open to any NHA member in good standing.

8.0 Special Task Forces

The Board has the authority to establish special task forces to carry out specific objectives. For the most part, these task forces are temporary with a specific task and are disbanded once the task is completed. However, the Association has several special task forces that are permanent.

The National Hydropower Association Membership

The National Hydropower Association's membership spans the industry. Members include investor owned utilities, municipal utilities, public power and independent power producers, equipment, engineering, legal and consulting firms, and individuals who work on behalf of hydropower. As a full service membership Association, The National Hydropower Association is dedicated to a high standard of quality. To that end, it commits its staff and resources to provide the best services for its members.

What You Can Expect **From the National Hydropower Association**

The National Hydropower Association's established employee relations policy is to:

1. Operate an economically successful business so that a consistent level of work is available.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions.
3. Pay all employees according to their contribution to the success of our endeavors.
4. Continually review wages, benefits and working conditions with the objective of providing maximum possible benefits in these areas, consistent with sound business practices.
5. Provide paid vacations and holidays to all eligible employees.
6. Provide a work environment that fosters a team approach.
7. Provide eligible employees with medical and other benefits.
8. Dedicate ourselves to the promotion and improvement of the hydroelectric industry, and constantly strive to improve our own abilities toward that end.
9. Develop competent people who understand and meet our objectives; and who accept with an open mind: the ideas, suggestions and constructive criticisms of fellow employees.
10. Respect individual rights, and treat all employees with courtesy and consideration.
11. Maintain mutual respect in our working relationship.
12. Provide buildings and offices that are comfortable, orderly and safe.
13. Promote employees on the basis of their ability and merit.
14. Keep all employees informed of the progress of the National Hydropower Association, as well as the Association's overall aims and objectives.
15. Do all these things in a spirit of friendliness and cooperation.

What the National Hydropower Association Expects From You

You are expected to cooperate with management and your fellow employees and commit yourself to the success of the team. Your dedication to your fellow co-workers is as important as your dedication to your own individual duties. The success of the NHA team is the success of each of us individually. How you interact with fellow employees and those whom the National Hydropower Association serves, affects the success of your program. In turn, the performance of one program can significantly affect the services offered by the National Hydropower Association. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability. The result will be better performance for the Association overall, and personal satisfaction for you.

You are encouraged to grasp opportunities for personal development. This Manual offers insight on how you can positively perform, to the best of your ability, to meet and exceed the National Hydropower Association expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making the National Hydropower Association an Association where you can approach the President/CEO to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of the National Hydropower Association. (Please take a look at the section describing the submission of Suggestions.)

The National Hydropower Association counts on you in making each working day enjoyable and rewarding for you and your teammates.

How You Were Selected

We carefully select our employees through resume, personal interview, and reference checks. After all available information was carefully considered, you were selected to become a member of our team.

This careful selection process helps the National Hydropower Association to find and employ people who are concerned with their own personal success and the success of the NHA; people who want to do a job well and who can carry on their work with skill and ability; and who can work well with our team.

Introductory Period

Your first six months of employment at the National Hydropower Association are considered an Introductory Period. This Introductory Period will be a time for getting to know your fellow

employees, the President/CEO, and the tasks involved in your job position, as well as becoming familiar with the National Hydropower Association's services. The President/CEO, or your direct supervisor, will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a trial time for both you, as an employee, and the National Hydropower Association, as an employer. During this Introductory Period, the National Hydropower Association will evaluate your suitability for employment, and you can evaluate The National Hydropower Association as well. At any time during these six months, you may resign without any detriment to your record. If, during this period, your work habits, attitude, attendance or performance do not measure up to our standards, we may release you. If you take approved time off in excess of five workdays during the Introductory Period, the Introductory Period may be extended by that length of time.

This introductory period allows the new employee's supervisor to evaluate on-the-job work performance, guide the new employee in making needed improvements, and reach an informed decision at the end of the review term regarding the employee's suitability for continued employment. This review will be much the same as the normal job performance review that is held for regular full-time or part-time employees on an annual basis. During the course of the discussion, you are encouraged to give your comments and ideas as well.

Please understand that completion of the Introductory Period does not guarantee continued employment for any specified period of time, nor does it require that an employee be discharged only for "cause." Continued employment is, of course, dependent upon continuing a satisfactory job performance and is in no case guaranteed.

Job Descriptions

We maintain a written job description for each position in the National Hydropower Association. When your duties and responsibilities are changed, your job description will be updated. If you wish to see your job description, please ask the President/CEO.

A job description must contain the following elements: title, summary of job duties, performance requirements, definition of the essential functions of the position, qualifications (education, experience, other), attributes and immediate supervisor.

Knowledge of The National Hydropower Association

After having learned to competently perform your own duties, your next step is to familiarize yourself with other National Hydropower Association activities. This can prove valuable to you, our members and the National Hydropower Association as well. The National Hydropower Association may provide additional "cross-training." Knowledge of all of the services of the National Hydropower Association will help you avoid the "I don't know" syndrome. Our members' confidence in you increases as you are able to answer their basic questions. If you are unsure of the correct information, refer the inquiry to your supervisor, or to a person more qualified to respond.

Membership Relations

The success of the National Hydropower Association depends upon the quality of the relationships between the National Hydropower Association, our employees, our members, our suppliers and the general public. Our members' impression of the National Hydropower Association and their interest and willingness to join and participate is greatly formed by the people who serve them. In a sense, regardless of your position, you are the National Hydropower Association's ambassador. The more goodwill you promote, the more our members will respect and appreciate you, the National Hydropower Association and the National Hydropower Association's services.

Here are several things you can do to help give members a good impression of the National Hydropower Association:

1. Act competently and deal with members in a courteous and respectful manner.
2. Communicate pleasantly and respectfully with other employees at all times.
3. Instill the continued team commitment toward the membership.
4. Respond to members' request promptly with valued services of the highest quality.
5. Take great pride in your work and enjoy doing your very best.

These are the building blocks for our continued success. Thank you for adding your support.

Outside Employment

What you do on your free time is your own business. However, if you are employed by the National Hydropower Association in a full-time position, the National Hydropower Association will expect that your position here is your primary employment. Any outside activity must not interfere with your ability to properly perform your job duties at the National Hydropower Association.

If you are thinking of taking on a second job, notify the President/CEO immediately. He or she will thoroughly discuss this opportunity with you to make sure that it will not interfere with your job at the National Hydropower Association, nor pose a conflict of interest.

Proof of U. S. Citizenship and/or Right to Work

The Immigration Reform & Control Act (IRCA) affects all employees (including U. S. citizens) hired after November 6, 1986. Federal regulations require that 1) before becoming employed, all applicants must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and 2) all applicants who are hired need to present documents of identity and eligibility to work in the U. S.

Relatives

If you and members of your immediate family are employed by the National Hydropower Association, one may not directly supervise the other nor may they work in the same program area. This supervision includes a prohibition on any family member having authorization on approval of time sheets, rate of pay, salary increases, or promotions or performance appraisals. If the employees are unable to develop a workable solution, the President/CEO, and/or the Executive Committee will decide which employee may be transferred. For purposes of this section, your immediate family includes your spouse, children, siblings, parents, grandparents, and your spouse's children, siblings, parents and grandparents.

Should two present employees that work together, or supervise each other enter into a personal, non-work related relationship, one or both employees may have to be transferred.

The managing staff for finance, administration or procurement, or bookkeeper may not be related to permanent employees working outside that department. Related persons will not be involved in evaluating each other's job performance, or in making recommendations for salary adjustments, promotions, or other budget decisions.

Seeking Your Ideas

Ask any of our employees who have worked with us for a long time and they will probably tell you of the many changes and improvements that have come about in their program areas since they first joined us. We believe the person doing the job is in the best position to think of ways of doing it more easily, more efficiently, and more effectively. If you think of a better way of doing your job or the job of a fellow employee, discuss it with the President/CEO, who will welcome your suggestions and ideas.¹

Remember, there may be areas in the National Hydropower Association's operation that can be improved. These could be in service, equipment, communications, safety, and reduction in cost, losses, and/or waste, or other improvements. Please give us the benefit of your unique experience and thoughts. Also, make sure to document your innovations and money-saving efforts and have them placed in your personnel file (include dates, detailed descriptions of your contributions, estimates regarding cost savings or profits generated, etc.) as these may favorably affect your wage, salary or promotion reviews.

¹ See "Suggestions" in the "Other Policies" section of this Manual for specific instructions on submitting suggestions.

1 Employment

Personnel Administration

Your Personnel File

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"Non-Exempt" and "Exempt" Employees

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Personnel Administration

Personnel records are maintained by the President/CEO, or his/her designated personnel officer. The information contained in these records is confidential. The employee is responsible for reporting to the Director of Operations the following changes in writing: name, address, telephone number, person to notify in case of emergency, marital status, and number of dependents. Questions regarding insurance, and interpretation of policies may also be directed to the Director of Operations. Questions regarding wages are to be directed to your immediate supervisor.

Your Personnel File

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the following items, please be sure to notify the President/CEO or the Director of Operations as soon as possible:

1. Legal name
2. Home address
3. Home telephone number
4. Cell phone number
5. Person to call in case of emergency
6. Number of dependents
7. Marital status
8. Change of beneficiary
9. Military or draft status if applicable
10. Exemptions on your W-4 tax form

Coverage or benefits that you and your family may receive under the National Hydropower Association's benefits package could be negatively affected if the information in your personnel file is incorrect.

Since the National Hydropower Association refers to your personnel file when we need to make decisions in connection with promotions, transfers, layoffs and recalls, it's to your benefit to be sure your personnel file includes information about completion of educational or training courses, outside civic activities, and areas of interest and skills that may not be part of your current position here.

You may see information that is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. Please ask to make arrangements with the President/CEO, or his/her designated personnel officer.

Employment Classifications

Full-Time Employees

At the time you are hired, you are classified as full-time, part-time or temporary and are also told whether you qualify for overtime pay. Unless otherwise specified, the benefits described in this Manual apply only to full-time employees. All other policies described in this Manual and communicated by the National Hydropower Association apply to all employees, with the exception of certain wage, salary and time off limitations applying only to "non-exempt" (see the definition that follows) employees. If you are unsure of which job classification your position fits into, please ask the President/CEO or the Director of Operations.

An employee who has successfully completed the Introductory Period (see the Employment Policies section for definition) of employment and who works at least thirty-two (32) hours per week is considered a full-time employee.

If you were a full-time employee and were laid off, you will be considered a full-time employee upon return to work, provided that you were not on layoff for longer than one (1) year.

If you were a full-time employee and have been on an approved leave of absence, upon return you will be considered a full-time employee, provided you return to work as agreed in the provisions of your leave.

Part-Time Employees

An employee who works less than a regular thirty-two (32) hour work week is considered a part-time employee. If you are a part-time employee, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws.

Temporary Employees

From time to time, the National Hydropower Association may hire employees for specific periods of time or for the completion of a specific project. An employee hired under these conditions will be considered a temporary employee. The job assignment, work schedule and duration of the position will be determined on an individual basis.

Normally, a temporary position will not exceed six (6) months in duration, unless specifically extended by a written agreement. Summer employees are considered temporary employees.

If you are a temporary employee, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws. Those temporary employees classified as "non-exempt" (see the definition that follows) who work more than eight (8) hours in one day or more than thirty-two (32) hours during any work week will receive overtime pay.

"Non-Exempt" and "Exempt" Employees

At the time you are hired, all employees are classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of eight (8) hours per day or forty hours (40) per work week. These employees are referred to as "non-exempt" in this Manual. This means that they are not exempt from (and therefore should receive) overtime pay.²

Exempt employees are managers, executives, professional staff, technical staff, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred or promoted.

Employment Policies

Affirmative Action

The National Hydropower Association provides equal employment opportunity to all persons without regard to race, color, religion, disability, creed, citizenship, ancestry, marital status, sex, age, national origin, veteran or draft status, and promotes the full realization of this policy through a positive, continuing program of affirmative action. We are committed to equal opportunity for all applicants and employees in personnel matters, including recruitment and hiring, benefits, training, promotion, compensation, transfer and layoff or termination. We strive for a staff that reflects diversity.

We will attempt to achieve and maintain a diverse staff. These steps may include, but are not limited to, the following:

- Pursuing our affirmative action program along with regular review by the Board of Directors.
- Ensuring that this policy regarding equal employment opportunity is communicated to all employees.
- Ensuring that hiring, promotion and salary administration practices are fair and consistent with the policies of the National Hydropower Association.
- Reporting to the Board of Directors on all activities and efforts to implement this policy of equal employment opportunities.

Each supervisor and member of the management staff must provide equal employment opportunity for all employees with regard to work assignments, training, transfer, advancement and other conditions and privileges of employment, and to work to assure a continuation of this policy of equal employment opportunity.

² See "Wage & Salary Policies" in the "Compensation & Performance" section of this Manual for a full description of overtime payment policies.

Anniversary Date

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Manual.

Aptitude & Ability Tests

If you have a disability that will affect your ability to take such a test, it is important that you advise the President/CEO of this so that a reasonable accommodation can be arranged. Requested accommodations may include accessible testing sites, modified testing conditions, and accessible testing formats. The National Hydropower Association reserves the right to require medical documentation concerning the need for the accommodation.

At Will Employment

All employment and compensation with the National Hydropower Association is "at will" which means that your employment can be terminated with or without cause, and with or without notice, at any time, at the option of either the National Hydropower Association or yourself, except as otherwise provided by law. No agreement to the contrary will be recognized unless such agreement is in writing and signed by the President/CEO.

Bonding Requirement

Under certain circumstances, the National Hydropower Association may require that you be bonded. It is your responsibility to assure that you are bondable. The National Hydropower Association will pay the cost of bonding. Should you fail to maintain these qualifications, you will be subject to transfer to another position, if available, or dismissal.

Business Hours

Our regular operating hours are 9 A.M. to 5:30 P.M. Monday through Friday.

Your particular hours of work and the scheduling of your lunch period will be determined between you and the President/CEO or your direct supervisor. Most employees are assigned to work a forty (40) hour work week. You are required to take a one half hour unpaid lunch period daily.

Confidential Information

Our members and suppliers entrust the National Hydropower Association with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, the National Hydropower Association earns the respect and further trust of its members and suppliers.

Your employment with the National Hydropower Association assumes an obligation to maintain confidentiality, even after you leave our employ.

Any violation of confidentiality may seriously injure the National Hydropower Association's reputation and effectiveness. Therefore, please do not discuss the National Hydropower Association business with anyone who does not work for us, and never discuss business transactions with anyone who does not have a direct Association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop the personal discipline necessary to maintain confidentiality.

If someone outside the Association questions you and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer, and that we do not wish you to do so. Instead, as politely as possible, refer the request to the President/CEO.

No one is permitted to remove or make copies of any of the National Hydropower Association records, reports or documents without prior management approval.

Because of its seriousness, disclosure of confidential information could lead to dismissal.

Equal Employment Opportunity

The National Hydropower Association has a long standing record of nondiscrimination in employment and opportunity because of race, color, religion, creed, national origin, ancestry, disability, sex, age, citizenship, or non-job-related factors in hiring, promoting, demoting, training, benefits, transfers, layoffs, termination, recommendations, rates of pay, or other form of compensation. Opportunity is provided to all employees based on qualifications and job requirements.

The President/CEO has issued the following policy stating the Association's views in this matter:

It is the policy of the National Hydropower Association to:

- * strictly follow personnel procedures that will ensure equal opportunity for all people without regard to race, color, religion, creed, national origin, sex, age, ancestry, marital status, disability, citizenship, veteran or draft status;
- * comply with all the relevant and applicable provisions of the Americans with Disabilities Act ("ADA"). The National Hydropower Association will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.
- * make reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant difficulty or expense.
- * achieve understanding and acceptance of the National Hydropower Association's policy on Equal Employment Opportunity by all employees and by the communities in which the Association operates;

- * investigate instances of alleged discrimination and take corrective action if warranted;
- * be continually alert to identify and correct any practices by individuals that are at variance with the intent of the Equal Employment Opportunity Policy.

At this time, the National Hydropower Association would like to call upon all personnel to effectively pursue the policy as stated.

Please check the employee information bulletin Board for all related equal opportunity and job announcements.

Any employees, including managers, involved in discriminatory practices will be subject to discharge.

Throughout this Employee Manual, masculine pronouns such as he, his, or him shall be construed so as to include both sexes.

Harassment Policy

The National Hydropower Association intends to provide a work environment that is pleasant, healthful, comfortable, and free from intimidation, hostility or other offenses that might interfere with work performance. Harassment of any sort - verbal, physical, or visual - will not be tolerated.

What Is Harassment?

Harassment can take many forms. It may be, but is not limited to: words, signs, jokes, pranks, intimidation, physical contact, or violence. Harassment is not necessarily sexual in nature.

Sexually harassing conduct may include unwelcome sexual advances, requests for sexual favors, or any other verbal or physical contact of a sexual nature that prevents an individual from effectively performing the duties of their position or creates an intimidating, hostile or offensive working environment, or when such conduct is made a condition of employment or compensation, either implicitly or explicitly.

Responsibility

All the National Hydropower Association employees have a responsibility for keeping our work environment free of harassment. Any employee, who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor or any management representative with whom they feel comfortable. When management becomes aware that harassment might exist, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the Association to do so.

Reporting

Any incidents of harassment must be immediately reported to a manager or other management representative. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee

found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action or possible discharge. The National Hydropower Association will also take any additional action necessary to appropriately remedy the situation. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

The National Hydropower Association accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. The National Hydropower Association will not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

Standards of Conduct

Whenever people gather together to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. At the National Hydropower Association, we hold ourselves to a high standard of quality where the rules of conduct simply assure that quality is maintained.

By accepting employment with us, you have a responsibility to the National Hydropower Association and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what is expected. When each person is confident that he or she can fully depend upon fellow workers, then our organization will be a better place to work for everyone.

Supervisors are expected to communicate requirements for performance and conduct to their employees. When unsatisfactory performance or inappropriate conduct occurs, the supervisor has the responsibility to inform the employee. All substantive criticisms should be in writing and the employee should acknowledge receipt by signing the personnel file copy. The employee may also append a written comment to the file copy.

If unsatisfactory performance or inappropriate conduct continues, the supervisor may recommend that the employee be demoted or dismissed. Recommendations for such action must be approved by the President/CEO and in accordance with the procedures established by the Association's personnel policies and practices.

Disciplinary Issues

Unacceptable Activities

Generally speaking, we expect each person to act in a mature, professional and responsible way at all times. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see the President/CEO for an explanation.

Occurrences of any of the following violations, because of their seriousness and the danger they pose to the NHA team, may result in immediate dismissal without warning:

- * Any act of harassment, sexual, racial or other; telling sexist or racial-type jokes; making racial or ethnic slurs.
- * Negligence or any careless action that endangers the life or safety of another person.
- * Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
- * Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
- * Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on company premises or when representing the National Hydropower Association; fighting, or provoking a fight on company property, or negligent damage of property.
- * Threatening, intimidating or coercing fellow employees on or off the premises -- at any time, for any purpose.
- * Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow employees, members, suppliers, or visitors in any manner.
- * Theft of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management.
- * Dishonesty; willful falsification or misrepresentation on your application for employment or other work records including time sheets.
- * Violating the non-disclosure agreement; giving confidential or proprietary information to other organizations or to unauthorized employees or individuals; working for a competing business while as a National Hydropower Association employee; breach of confidentiality of personnel information.
- * Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same while employed at the Association.
- * Immoral conduct or indecency on company property.
- * Conducting a lottery or gambling on company premises.

In addition, to create a positive work environment for the entire NHA team, the Association expects all employees to:

- * Treat fellow NHA staff members, NHA members and non-members with respect.
- * Produce an excellent work product; meet production or quality standards as explained to you by the President/CEO; ask questions, when necessary, to assure adequate instructions are understood and followed appropriately.
- * Use care when operating company equipment or property; refrain from using company equipment and property for personal reasons or for profit.
- * Act like a professional -- producing NHA work products and keeping personal business confined to personal time.
- * Smoke only in restricted areas.
- * Cooperate with co-workers and work closely with the President/CEO to meet your departmental goals and that of the Association.
- * Maintain sanitary conditions.
- * Refrain from posting, removing or altering notices on any bulletin Board on the Association's property without permission of the President/CEO.

- * Obey security or safety rules and observe safety rules or the National Hydropower Association safety practices.
- * Report damage to, or an accident involving Association equipment immediately.
- * Refrain from soliciting during working hours.

Disciplinary Actions

This policy pertains to matters of conduct as well as the employee's competence. However, an employee who does not display satisfactory performance and accomplishment on the job may be dismissed, in certain cases, without resorting to the steps set forth in this policy.

Under normal circumstances, managers are expected to follow the three-step procedure outlined below. There may be particular situations, however, in which the seriousness of the offense justifies the omission of one or more of the steps in the procedure. Likewise, there may be times when the Association may decide to repeat a disciplinary step.

To ensure that the National Hydropower Association business is conducted properly and efficiently, all employees are expected to conform to certain standards of attendance, conduct, work performance and other work rules and regulations.

When a problem in these areas does arise, the President/CEO will coach and counsel you in mutually developing an effective solution. The National Hydropower Association is committed to working with employees to resolve problems or issues that may arise. If, however, an employee fails to respond to coaching or counseling, or an incident occurs requiring formal discipline, the following procedures will occur.

Step One: Oral Reminder

The President/CEO or your supervisor will meet with you to discuss the problem, making sure that you understand the nature of the violation and the expected remedy. The purpose of this conversation is to remind you of exactly what the rule or performance expectation is and also remind you that it is your responsibility to meet that expectation.

You will be informed that the Oral Reminder is the first step of the discipline procedure. The President/CEO or your supervisor will fully document the Oral Reminder, which will remain in effect for 12 months. Documentation of the incident will remain in the program area files and will not be placed in your permanent record, unless another disciplinary transaction occurs.

Step Two: Written Reminder

If your performance does not improve within a 4 month period, or if you are again in violation of the National Hydropower Association practices, rules or standards of conduct, the President/CEO and your supervisor, after reviewing the situation, will discuss the problem with you, emphasizing the seriousness of the problem and the need for you to immediately remedy the problem.

Following the conversation, the President/CEO and your supervisor will write a memo to you summarizing the discussion. The original memo will go to you and a copy will be routed to the

Human Resources department. The Human Resources copy of the memo will be placed in your file.

The Written Reminder will remain in effect for 12 months.

Step Three: Decision-Making Leave

If your performance does not improve within the 4 month period following a Written Reminder, or if you are again in violation of the National Hydropower Association practices, rules or standards of conduct, you will be placed on Decision Making Leave. The Decision Making Leave is the final step of the National Hydropower Association's disciplinary system.

Decision Making Leave is a paid, one-day disciplinary suspension. Employees on Decision Making Leave will spend the following day away from work deciding whether to correct the immediate problem and conform to all of the Association's practices, rules and standards of conduct, or to quit and terminate their employment with the National Hydropower Association.

If your decision following the Decision Making Leave is to return to work and abide by the National Hydropower Association practices, rules and standards of conduct, the President/CEO will write a letter to you explaining our expectations and your commitment and the consequences of failing to meet this commitment. You will be required to sign the letter to acknowledge receipt. A copy of the letter will be routed to the Executive Committee of the Board of Directors at the next Board meeting. A copy will be placed in your personnel file.

You will be allowed to return to work with the understanding that if a positive change in behavior does not occur, or if another disciplinary problem occurs within the next 12 months, you will be terminated.

If you are unwilling to make such a commitment, you may be terminated.

Crisis Suspension

If you commit any of the actions listed below, or any other action not specified but similarly serious, you will be suspended without pay pending the investigation of the situation. Following the investigation you may be terminated without any previous disciplinary action having been taken.

1. Theft
2. Falsification of Company records
3. Failure to follow safety practices
4. Conflict of interest
5. Threat of, or the act of, doing bodily harm
6. Willful or negligent destruction of property
7. Use and/or possession of intoxicants, drugs or narcotics
8. Neglect of duty

Discipline Deactivation

Step 1 of the procedure (Oral Reminder) will be in effect for 12 months.

Step 2 (Written Reminder) will be in effect for 12 months.

Step 3 (Decision Making Leave) will be in effect for 12 months.

If no further performance problems occur during the active period, the discipline procedure will be formally deactivated at the end of the appropriate time period. The President/CEO will initiate a memo advising you of the inactive status of discipline and, when appropriate, commend you for performance improvement.

Dismissal

Employment and compensation with the National Hydropower Association is "at will" in that they can be terminated with or without cause, and with or without notice, at any time, at the option of either the National Hydropower Association or yourself, except as otherwise provided by law.

If your performance is unsatisfactory, you will be notified of the problem. If satisfactory change does occur, your employment with the Association will continue. The Association reserves the right however, in the case of serious incidents to initiate immediate dismissal of offending employee.

Discharge may occur at any time. Written notice of discharge should be prepared by the supervisor and reviewed by the President/CEO, or his/her designated personnel officer, before the supervisor discusses it with the employee. If the President/CEO agrees with the supervisor's decision, he/she shall consult the Executive Committee and then the employee will be served notice. Procedures for return of property of the National Hydropower Association, as outlined, shall be carefully followed.

Only the President/CEO can approve discharge of any employee. The discharge of the President/CEO will be approved by the Board of Directors. All discharges shall be conducted in accordance with the National Hydropower Association's personnel procedures and in consultation with the Association's Chairman and Executive Committee.

2 Compensation & Performance

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Wage & Salary Policies

It is the National Hydropower Association's desire to pay wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable, variable with individual and Association performance and in compliance with all applicable statutory requirements.

You are employed by the National Hydropower Association and will be carried directly on our payroll. No person may be paid directly out of petty cash or any other such fund for work performed. The only exception to this policy is where a contract relationship exists with a bona fide contractor.

Application

The National Hydropower Association applies the same principles of fairness and external comparability to all employees, regardless of organizational level, sex, religion, national origin, age or race.

Basis for Determining Pay

Your pay is influenced by four factors:

1. The nature and scope of the job
2. Current employment wages
3. Individual performance
4. Time on the job

Individual Pay

An individual's pay will depend on both the financial status of the organization and the individual's sustained performance over time. Each year, every employee will have a performance review. During that review, significant performance events that occurred throughout the year will be discussed.

The overall performance rating will influence the wage/salary adjustment. Through individual performance and by increasing job responsibilities and moving to higher level jobs, you have significant impact on your pay.

Computing Pay

Should you be one of our "salaried" employees whose pay is not based on an hourly rate, there may be times when it is necessary to use a daily or hourly rate of pay for whatever reason. When this is necessary, the National Hydropower Association will compute your time on the basis of a forty (40) hour work week.

Deductions From Paycheck (Mandatory)

The National Hydropower Association is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes

and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions may depend on your earnings and on the information you furnish on your W-4 form regarding the number of dependents/exemptions you claim. Any change in name, address, telephone number, marital status or number of exemptions must be reported to the President/CEO, or his/her designated personnel officer immediately, to ensure proper credit for tax purposes. The W-2 form you receive for each year indicates precisely how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered attachments, will be explained whenever the National Hydropower Association is ordered to make such deductions. Some states may require other payroll deductions.³

Deductions (Other)/Direct Deposit

It may be possible for you to authorize the National Hydropower Association to make additional deductions from your paycheck, such as for 401(k), Christmas Clubs, credit union loan payments, payroll savings plans, etc., or to deposit your paycheck directly into your savings or checking account at a participating bank. Contact the President/CEO, or his/her designated personnel officer for details and the necessary authorization forms.

Repayment of Payroll Advance

Funds you owe to the National Hydropower Association may be deducted from current wages according to the terms and conditions agreed upon at the time of your advance from the National Hydropower Association.⁴

Error In Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell the President/CEO, or his/her designated personnel officer immediately. He or she will take the necessary steps to research the problem and to assure that any necessary correction is made properly and promptly.

Overtime Pay

All overtime pay must be authorized in advance by the President/CEO. Only non-exempt staff are eligible for overtime pay.

Work Performed on Company Holidays

Full-time "non-exempt" employees who work on a Company holiday will be deemed to have worked overtime on that day and will be paid their double-time rate for hours worked regardless of the number of hours they work that work week.⁵

³ See "Wage Assignments (Garnishments)" later on in this section for further information.

⁴ See "Payroll Advances" in the "Other Policies" section of this Manual for further information.

⁵ See "Holiday Policies" in the "Benefits" section of this manual for further information

Pay Period & Hours

Our payroll work week begins on Sunday at 12:01 a.m. and ends on Saturday at 12:00 midnight.

Pay Cycle

Calendar Pay Period/Semi-Monthly:

(26 pay periods per year) Payday is normally every other Friday or biweekly for services performed for the period ending since the last day of the last pay period. Whenever payday falls on a weekend or holiday, pay will be distributed on the workday just prior to the weekend or holiday.

Paycheck Distribution & Cashing Procedures

Paychecks are directly deposited to the checking or savings account you specify, and paystubs are available to be downloaded from the Payroll Network website. Each individual employee will have their own secure log-in.

Reporting Time Pay -- Inclement Weather & "Acts of God"

In the event that inclement weather, power/utility failure, fire, flood or some other "Act of God" keeps us from operating, you will receive your regular pay for up to a maximum of three workdays, provided the National Hydropower Association officially declares that it is closed for that time. Every effort will be made to provide you with advance notice in the event we will be closed.⁶

Termination & Severance Pay

The National Hydropower Association hopes and expects that you will give at least two weeks' notice in the event you intend to leave our employ. The National Hydropower Association does not pay severance pay. When you leave the National Hydropower Association, you will be paid for actual time worked, plus any accrued but unused vacation time. On the last day of employment, the employee must return any corporate credit cards, telephone card, and all other cards issued during employment and belonging to the Association, entry cards and keys. Return of these items, together with all other property of the National Hydropower Association in possession of the employee, must precede issuance of a final paycheck, including payment of any owed vacation leave.

Time Sheets/Records

By law, we are obligated to keep accurate records of the time worked by all employees. This is done through a semi-monthly time sheet prepared by the employee in the NHA's online payroll service and approved by the appropriate manager. All leave is to be requested and approved through the online service.

All employees are required to keep the office advised of their departures from and returns to the premises during the work day.

⁶ See "Closure After Starting Time" in the "Work Schedule" section of this manual for further information

Wage Assignments (Garnishments)

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage assignment or garnishment against your wages. However, whenever court-ordered deductions are to be taken from your paycheck, you will be notified that we have received the order and when said garnishment will commence.

According to the Federal Wage Garnishment Act, three (3) or more garnishments may be cause for dismissal.⁷

⁷ See "Deductions From Paycheck (Mandatory)" earlier in this section for further information.

Performance & Compensation Reviews

Performance Reviews

The President/CEO is continuously evaluating your job performance. Day-to-day interaction between you and the President/CEO should give you a sense of how the President/CEO perceives your performance.

However, to avoid haphazard or incomplete evaluations, the National Hydropower Association conducts a formal review once a year for each employee.

An annual performance review is conducted between November 15 and December 31st. New employees may be reviewed more frequently. Informal reviews are conducted quarterly throughout the year to provide important feedback. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

The National Hydropower Association conducts compensation reviews annually, following the annual performance review. Any wage or salary increases will appear in the pay period ending after January. Wage and salary increases may be retroactive in the case of late reviews, at the discretion of the President/CEO. Wage and salary increases are based on merit alone, not length-of-service or the cost-of-living. Having your compensation reviewed does not necessarily mean that you will be given an increase.

During formal performance reviews, the President/CEO will consider the following, among others:

- * Attendance, initiative and effort
- * Knowledge of your work
- * Attitude and willingness
- * The quality and quantity of your work
- * Performance on implementation of strategic goals
- * Association and fiscal health and performance

The process includes a discussion between the employee and the supervisor concerning an evaluation of the employee's performance in relation to the job description and any performance standards, and goals, previously agreed upon by the supervisor and employee during their last review.

A written evaluation form is completed by the supervisor concerning his/her evaluation of the employee's performance. This form is presented to the employee who may make written comments on the evaluation, or submit separate comments, before signing the evaluation form indicating that the evaluation was completed. A signature does not necessarily mean agreement with the evaluation. A copy of the signed evaluation is provided to the employee and another is maintained in the employee's personnel file. The President/CEO shares these reviews with the Executive Committee when making any salary adjustments.

The primary reason for performance reviews is to identify your strengths and weaknesses in order to reinforce your good habits and develop ways to improve in your weaker areas. This

review also serves to make you aware of and to document how your job performance compares to the goals and description of your job. This is a good time to discuss your interests and future goals. The President/CEO is interested in helping you to progress and grow in order to achieve personal as well as work-related goals—perhaps he or she can recommend further training or additional opportunities for you.

A performance evaluation can be reviewed by the Grievance Committee at the request of the employee and notification of the President/CEO. The request must be made in writing and must follow the Association’s grievance procedure.

The evaluation process to review the performance of the President/CEO shall be established by the Board.

In addition to individual job performance reviews, the National Hydropower Association periodically conducts a review of job descriptions to insure that we are fully aware of any changes in the duties and responsibilities of each position, and that changes are recognized and adequately compensated.

Work Schedule

The normal work week consists of five (5) days, eight (8) hours long, Monday through Friday. Normal working hours are 9:00 AM to 5:30 PM Monday through Friday with one-half hour for lunch. Employees may begin work earlier or later, with the prior approval of the President/CEO, so long as a full 8 hour day is observed. Employee shall keep time records. You will be notified promptly whenever a change is necessary. Should you have any questions concerning your work schedule, please ask the President/CEO.

Telecommuting

For a variety of reasons and with varying degrees of frequency staff may undertake part of their work away from their normal place of work at the Association premises. Management recognizes that there will be circumstances under a variety of reasons where it is mutually beneficial for staff members to telecommute.

The purpose of these Guidelines is to bring clarity and consistency to arrangements for working away from the Association while maintaining a certain degree of flexibility and discretion. This new policy to telecommute from work is being set with the understanding that it can be revisited at a later date pending on its successful implementation and the Association’s continued ability to meet its strategic goals and mission. It is up to the entire team to ensure that a work from home policy is effective and facilitates our continued success, facilitates communication within the team, and ensures the effective and timely deployment of our work product

➤ Principles for work away from NHA Offices:

- is not a right but is based on an underlying management philosophy of trust and mutual benefit;
- it is voluntary;

- staff are expected to be available during the 8 hours of their telecommute day as they would be if they were physically located at their NHA office; staff should be available for calls, conference calls, etc. Communication is key in the successful implementation of this new policy. The responsibility of maintaining strong communications rests on the entire team, but it essentially remains the primary responsibility of the staff member who elects to take advantage of this opportunity. Staff exercising the telecommute opportunity should keep the Association fully informed if the need arises that they become unavailable during that 8 hour work period.
- It is not a substitute for addressing family care or other non-work responsibilities (NHA makes every effort to be flexible to meet any specific care needs that may arise for any of its staff members. The Association has specific leave policies to address parental, emergency and special care needs, and other forms of absences arising from unexpected or unplanned circumstances. A work from home policy established in these Guidelines may not normally be substituted for these purposes);
- does not change terms and conditions of employment;

Working away from the Association should be discussed and agreed in advance with the appropriate Manager/ Director. This is so that the appropriate manager is aware of the schedule and can plan accordingly for the scheduling of meetings and any interaction that is required of that staff member and with the full team, or NHA member companies and external audiences. As long as the request to telecommute falls within these guidelines, managers will work with the individual employee and not unduly deny such requests. In addition, the scheduling of the days on which the staff member selects to telecommute must be consistently applied for planning purposes

Finally, should an important meeting be set in which the staff must be present, it is expected that the staff member will reselect another day temporarily as one their “telecommute” day in order to participate in the meeting. In other words, management is asking that staff agree to some flexibility, once again accommodating the fact that the office staff is small with little backup opportunities.

Management reserves the right to revisit, revise or withdraw the policy guideline in the future. Nothing in this new guideline provides a new right for employees to work from home.

Absence or Lateness

From time to time, it may be necessary for you to be absent from work. The National Hydropower Association is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Sick days and personal days have been provided for this purpose.

If you are unable to report to work, or if you will arrive late, please contact the President/CEO, your immediate supervisor and/or designated personnel officer, immediately. Give him or her as much time as possible to arrange for someone else to cover your position until you arrive. If you know in advance that you will need to be absent, you are required to request this time off through the online payroll system.

Call and/or email your manager to inform of an unexpected absence or late arrival. For late arrivals, please indicate when you expect to arrive for work. If you are unable to call and/or

email yourself because of an illness, emergency or for some other reason, be sure to have someone call on your behalf.

Absence from work for three (3) consecutive days without notifying the President/CEO or the personnel administrator can be considered a cause for termination of employment. A certified letter will be sent to the employee; if no response is received by the deadline specified in the letter, the absence will be considered “job abandonment”.

Closure after Starting Time

For non-exempt employees, if severe weather conditions exist and the President/CEO (or designated representative) decides to close the National Hydropower Association for the remainder of the day, you will be notified as soon as possible by the Director of Operations. If you are sent home before having worked two (2) hours, you will be paid for two (2) hours of work. If you are sent home after having worked two (2) hours, you will be paid for the time that you actually worked.

For non-exempt employees, if the President/CEO asks that you remain at work after the National Hydropower Association has closed because of severe weather conditions, you will be paid at time and a half for the remaining hours that you work beyond the announced closing time.

The National Hydropower Association will adhere to the policy of the federal government for inclement weather. Tune in to local news reports for announcements of federal government closings or “liberal leave” rulings.

Closure Prior to Starting Time

For non-exempt employees, if you report to work and find that, due to severe weather conditions, the National Hydropower Association will unexpectedly be closed for business, you will be paid for two (2) hours of work for that day only.

Excessive Absenteeism or Lateness

In general, a consistent pattern of absence will be considered excessive, and the reasons for the absences may come under question. Tardiness or leaving early is as detrimental to the National Hydropower Association as an absence as it reduces the level of service received by our members. Be aware that excessive absenteeism, lateness or leaving early may lead to disciplinary action.

Lunch Period

For non-exempt employees, if you work longer than four (4) hours, you will be given an unpaid lunch period. The time when lunch periods are scheduled varies among program areas, depending on the needs of each program area.

Record of Absence or Lateness

If you are absent because of illness for three (3) or more successive days, the President/CEO may request that you submit written documentation from your doctor. If you are absent five (5) or more days because of illness, you may be required to provide written documentation from a doctor that you are able to resume normal work duties before you will be allowed to return to work. You will be responsible for any charges made by your doctor for this documentation.

The President/CEO will make a note of any absence or lateness, and the reason, in your personnel file. Your attendance record will be considered when evaluating requests for promotions, leaves of absence, and approved time off, as well as scheduling layoffs, etc.

3 Benefits

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Personal Leave of Absence

Accepting Other Employment or Going into Business

While on Leave of Absence

Insurance Premium Payment during Leaves of Absence

Insurance Coverage

Group Insurance
Health/Dental Insurance
Life Insurance
Termination of Insurance

Government Required Coverage

Workers' Compensation
Unemployment Compensation
Social Security

Retirement Plan

Other Benefits

Education Assistance
Education/Training (Attending Seminars/Training Sessions)

The Benefits Package

In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits that will enhance your job satisfaction. We are certain that you will agree that the benefits program described in this Manual represents a very large investment by the National Hydropower Association, as a fellow team member. We are confident that you will responsibly manage your use of these benefits.

A good benefits program is a solid investment in the National Hydropower Association and its employees. It not only insures the loyalty of long-time capable employees, it also helps to attract talented newcomers who can help the National Hydropower Association grow. The National Hydropower Association will periodically review the benefits program and will make modifications as appropriate to the Association's condition.

Eligibility for Benefits

If you are a full-time employee, you will enjoy all of the benefits described in this manual as soon as you meet the eligibility requirements for each particular benefit.

If you are a part-time employee, you will enjoy only those benefits that are required by law to be afforded to you, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

Benefits are not available to you during your Introductory Period, except as otherwise provided by law, however you will accrue benefits during this period.⁸

Temporary employees are not eligible for benefits.

Paid Leaves of Absence

Time off for any reason during a working day will count first against your allotted sick days, as appropriate, in hourly, quarter day, half day or full day increments. Once you have used all of your earned sick days, the time will be counted against your earned vacation time. Thereafter, unless provided with a specific exception, any time off will be without pay.

Holidays

Only full-time employees are eligible for holiday pay.

Employees are not eligible to receive holiday pay during their Introductory Period. A part-time employee or a temporary employee does not receive holiday pay.

⁸ See "Introductory Period" in the "Employment" section of this Manual for further information.

Recognized Holidays

The following holidays are recognized by the National Hydropower Association as paid holidays:

New Year's Day (January 1st)

Martin Luther King Jr.'s Birthday (3rd Monday in January)

President's Day (3rd Monday in February)

Memorial Day (4th Monday in May)

Juneteenth (June 19th)

Independence Day (July 4th)

Labor Day (1st Monday in September - except September 1st)

Columbus Day (2nd Monday in October) – Floating Holiday

Veteran's Day (November 11th)

Thanksgiving Day (4th Thursday in November) and the Friday after Thanksgiving Day in lieu of
Veteran's Day

Christmas Day (December 25th)

The week between Christmas and New Year's Day

Holiday Policies

You may take time off to observe your religious holidays. If available, a full day of unused sick leave or a vacation day may be used for this purpose, otherwise the time off is without pay. You must notify the President/CEO at least ten business days in advance.

We schedule all national holidays on the day designated by common business practice.

In the case of inclement weather, the National Hydropower Association follows the Federal government policy of late openings or closings.

If a holiday occurs during your scheduled vacation, you are permitted to take an extra day of vacation.

You are not eligible to receive holiday pay when you are on a leave of absence.

Vacations

Vacation is a time for you to rest, relax, and pursue special interests. The National Hydropower Association has provided paid vacation as one of the many ways in which we show our appreciation for your loyalty and continued service.

Only regular full-time employees are eligible for paid vacation. You are not eligible for paid vacation during your Introductory Period. Nor are you eligible for paid vacation if you are a part-time or temporary employee.

Amount of Vacation

Full-time employees accrue vacation hours from the first date of employment but are not eligible to take leave until completion of their Introductory Period. Vacation received is based upon your length of employment, as follows:

<u>Years of Employment*</u>	<u>Monthly Accrual Rate (In Hours)</u>	<u>Total Accrual Per Year (In Days)</u>
Fewer than five (5)	10.00	15
Five (5) to ten (10)	13.33	20
More than ten (10)	16.66	25

*Based on employment anniversary date

Vacation Policies

Every effort will be made to grant you your vacation at the time you desire. However, vacations cannot interfere with your Association's operation and therefore must be approved by the President/CEO at least one (1) month in advance. If any conflicts arise in requests for vacation time, preference will be given to the employee who requests the vacation first or, if the requests are received simultaneously, the employee with the most seniority.

You may not receive advance vacation pay (for vacation time taken in excess of your vacation balance) without written authorization from the President/CEO. Such authorization is at the discretion of the President/CEO and must be granted in advance of your vacation. Any amount of advanced vacation paid but not yet earned at the time of termination of employment will be deducted from your final paycheck.

If you are eligible for three (3) or four (4) weeks of vacation, you may take only two (2) weeks at one time unless you receive written approval from the President/CEO and senior management at least six (6) weeks in advance. The request will be granted as long as your absence will not seriously affect the National Hydropower Association's operations.

If you are on an approved leave of absence for less than thirty (30) days, your vacation eligibility will not be affected; should the leave extend beyond thirty (30) days, vacation time will not continue to accrue.

Accumulation Rights

Unused annual/vacation time may be carried over and accumulated in subsequent calendar years to a maximum of 10 days carried over. Exceptions to this policy may be made in unusual circumstances, each case to be considered separately by management.

Payment in Lieu of Vacation

The purpose of a vacation is to provide you with a time to rest and relax; therefore, no additional wages or salary will be paid to you in lieu of a vacation unless advance approval in writing is

granted by management. If payment in lieu of vacation is approved, one (1) week of vacation is equivalent to a regular scheduled work week at your basic straight time hourly rate. In the case of termination, whether voluntary or involuntary, the National Hydropower Association will pay for any accrued but unused vacation time as specified in Section 2, Compensation and Performance, subsection titled Termination and Severance Pay.⁹

Other Paid Leave

Employees must obtain approval from their supervisor to take annual leave. Request to take leave should be made in writing. Employees are responsible to provide notice of their intent to take leave in a timely fashion so as not to disrupt the office or harm the Association's performance.

The National Hydropower Association maintains leave records on all employees.

Compensatory Time and Overtime

The National Hydropower Association recognizes that overtime is sometimes required. As a general rule, compensation time is not applicable. However, the President/CEO has the flexibility to grant compensation time. Compensatory time is granted only when an employee shows extraordinary effort and should not be considered automatic. Compensatory and overtime is not granted for work during staff trips out of town (such as meetings, foreign or domestic.)

Travel time may not be considered tradable time for compensatory time. However, mandatory work required by the President/CEO may be traded on a one-to-one basis for compensatory time at times approved by the President/CEO. If the employee is required to work on the weekends, compensatory time may be allowed – up to a five-day maximum per calendar year.

Overtime pay for professional or non-clerical staff will not be paid. While it is not the National Hydropower Association's policy to ask clerical employees to work overtime, it may from time to time be necessary to do so because of an unusual workload. Overtime pay for clerical (non-exempt) staff shall be paid but must be approved in advance, on a case-by-case basis, by the employee's supervisor as described under "Employment Classifications". Overtime pay normally cannot exceed time-and-a-half. The only exception is double time, which will be paid for work performed on company holidays in accordance with the guidelines contained in Section 2, Compensation and Performance, subsection titled Overtime Pay, sub-subsection titled Work Performed on Company Holidays.

Funeral (Bereavement) Leave

You are entitled to take up to three (3) workdays with pay to attend the funeral and take care of personal matters related to the death of a member of your immediate family (parent, spouse, spouse's parent, child, spouse's child by a former marriage, brother or sister). One (1) day of paid funeral leave will be granted in the case of the death of a grandparent, your spouse's grandparent or sibling, or any member of your extended family living in your home. Only

⁹ See "Other Paid Leaves" in the "Benefits" section of this manual for further information

regular full-time employees are eligible for paid funeral leave. Acknowledging that the make-up of a family today is not traditional, the President/CEO reserves the right to make allowances for special circumstances.

With the President/CEO's approval, you may take up to one full day without pay to attend funerals of other relatives and friends. If you prefer, unused sick leave or a day of earned vacation may be used for this purpose.

Paid time under this policy is given over and above any time allowed and earned under our Personal Leave policy.

Pay for funeral leave will be made for actual time lost from work. If the death occurs at a time when work is not scheduled, payment will not be made. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive holiday or vacation pay in addition to paid funeral leave.

An excused absence for family death may not be retroactive or postponed.

Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, we will permit you to take the necessary time off and we wish to help you avoid any financial loss because of such service. If you have completed your Introductory Period, the National Hydropower Association will reimburse you for the difference between your jury pay and your regular pay, not to exceed eight (8) hours per day, for a maximum of ten (10) business days.

You must notify the President/CEO within forty-eight (48) hours of receipt of the jury summons.

On any day or half-day you are not required to serve, you will be expected to return to work. In order to receive jury duty pay, you must present a statement of jury service and pay to the President/CEO. This document is issued by the court.

Leave of Absence

A leave of absence must be request in writing for a time of no more than 30 days.

This personal leave policy does not apply to "non-exempt" employees on our payroll. It also does not apply if personal leave is needed as a result of self-inflicted injury, illegal activities, conditions not covered by the Americans with Disabilities Act, or illness or injury incurred while in the act of committing a felony.

In the event of an illness or injury that is covered by workers' compensation insurance, this personal leave policy will not apply.

Sick Leave

To qualify for sick leave you must be a full-time employee. If you must be absent from work because of a personal illness, you will be eligible to receive your regular straight time pay, eight (8) hours per day, for up to ten (10) days per calendar year. Please advise the President/CEO as soon as possible that you will be absent from work due to illness. Sick leave hours accrue from the first date of employment but are not eligible to be taken until completion of the Introductory Period.

Sick leave may be used for the purpose of visiting doctors, dentists or other practitioners in their offices. This time may also be used for tending to a serious illness suffered by a member of your immediate family, in the event the illness requires your personal time and attention. For purposes of this section, immediate family includes spouse, child, parent, or sibling living in your home. If another person can attend to the needs of an ill family member, you are expected to fulfill your duties as an employee of the National Hydropower Association.

You may not receive advance sick pay (for sick leave taken in excess of your balance or before the Introductory Period is completed) without authorization from the President/CEO. Any amount of advanced sick leave paid but not yet earned at the time of termination of employment will be deducted from your final paycheck.

If you are required to take a disability leave of absence, any accrued sick leave will be paid at the time the leave commences; should the leave extend beyond thirty (30) days, sick leave will not continue to accrue.

If you are on an approved leave of absence for less than thirty (30) days, your sick leave eligibility will not be affected; should the leave extend beyond thirty (30) calendar days, sick leave time will not continue to accrue.

This sick leave policy does not apply if sick leave is needed as a result of self-inflicted injury, illegal activities, conditions not covered by the Americans with Disabilities Act or illness or injury incurred while in the act of committing a felony.

In the event of an illness or injury covered by workers' compensation, this sick leave policy will not apply, but will defer to state statutes.

Sick days may *not* be carried over from year to year. In the case of termination, whether voluntary or involuntary, the National Hydropower Association will not compensate any employee for unused sick leave. If you have unused sick days available at the end of the calendar year, or upon the termination of your employment with the National Hydropower Association, you will not be paid for that time.

Unpaid Leaves of Absence

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with the National Hydropower Association, but may not wish to submit your resignation. Under certain circumstances, you may be eligible for an unpaid leave of absence.

There are several types of unpaid leave that you may be eligible for.

Advance Leave

Requests for advance leave will be dealt with by the President/CEO on a case by case basis.

Family/Medical Leave of Absence

DC workers can now apply for paid family leave from the District of Columbia. The Paid Leave Act provides up to:

- 12 weeks to bond with a new child
- 12 weeks to care for a family member with a serious health condition
- 12 weeks to care for your own serious health condition

For the most update information regarding the Paid Family Leave program, please contact the Office of Paid Family Leave at does.opfl@dc.gov or visit their website dcpaidfamilyleave.dc.gov.

In general, a leave of absence is an official authorization to be absent from work **without pay** for a specified period of time. Eligible employees may be entitled to job-protected family or medical leaves of absence if they are unable to come to work due to pressing family or medical concerns as described under the following Family/Medical Leave Policy, which shall be administered in accordance with applicable State and Federal laws:

- 1) Employees are eligible if they have been actively employed for 12 months, and worked at least 1,250 hours (an average of 25 hours per week) during those 12 months. Salary continuation during any leave period shall depend upon the employee's qualifying for disability pay under our Disability Leave Policy.
- 2) Under the circumstances set forth below, each eligible employee shall have up to a total of 12 weeks leave during any one year period.
- 3) A family leave shall be granted upon the birth or adoption of a child of the employee, or upon the serious illness of the employee's child, spouse, or parent.
- 4) A medical leave shall be granted upon the employee's own serious illness.
- 5) Whenever possible, and subject to your health care provider's approval, absences for planned medical treatment should be scheduled so as not to unduly disrupt the Association's operations.
- 6) In appropriate circumstances, we may require you to be examined by a physician designated by the Association at the Association's expense.
- 7) In the event of a serious illness to the employee or his/her child, spouse, or parent, creating a need for unforeseeable family or medical leave, the employee should provide us with notice, as soon as practicable, of any needed time off, and a written doctor's certificate indicating the expected duration and nature of the illness, particularly as it relates to the

employee's ability to come to work or the need for that employee's presence at home to care for a seriously ill family member.

- 8) Employees shall be required to give 30 days' advance notice in the event of a foreseeable medical treatment. To assist us in arranging work assignments during your absence, we ask that you give us prior notice, to the extent possible, of an expected birth or adoption, as well as an indication, to the extent known, of your expected return date. To facilitate your return to work, we also ask that you provide us with two weeks advance notification of your intended return date. Failure to do so may delay your return date.
- 9) For purposes of this policy, a child is defined as a natural, adopted, or foster child, a stepchild or a legal ward. If the child is over 18 he/she must be unable to care for himself/herself due to a serious illness.
- 10) A parent is defined as the employee's or his/her spouse's natural, adoptive, or foster parent, stepparent, or legal guardian.
- 11) A serious illness is defined as a disabling physical or mental illness, injury, impairment, or condition involving (1) inpatient care in a hospital, nursing home, or hospice; or (2) outpatient care requiring continuing treatment or supervision from a health care professional.
- 12) Leave of absence rights available to you under other sections of our policy shall be counted towards the total time off available under this section.
- 13) Upon completion of a leave granted under this section, you shall be reinstated to your original position, or an equivalent one.
- 14) If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to alternate suitable work, if available.
- 15) While on a leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as prior to your leave, for up to a maximum of 12 weeks leave time during any one year period. If your leave extends beyond 12 weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules.
- 16) Other accumulated fringe benefits such as seniority, retirement, service credits, sick pay, vacation pay, etc., shall be preserved at the level earned as of commencement of the leave, but shall not accrue further during any such leave period.
- 17) The pay allowances while on disability leave are based on an employee's length of service, as well as the state in which he/she is employed. Disability laws will be in compliance with the applicable current state law.
- 18) Should you require an extended leave beyond the period of time described in this policy, we will seek to return you to a suitable position, but cannot guarantee that one will be available.

- 19) Should you seek a Leave of Absence for reasons other than described above, we will evaluate such a request based on particular circumstances present at that time, including but not limited to your current and anticipated work responsibilities, performance, company needs, etc. The National Hydropower Association reserves the right to refuse such a request at its sole discretion.¹⁰

Educational Leave of Absence

An educational leave of absence may be approved if the desired curriculum is of mutual benefit to you and to the National Hydropower Association. Apply in the same manner as you would for a personal leave of absence.

Election Day

We encourage you to exercise your voting privileges in local, state, and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours. If it should be necessary, you may take up to two hours leave from work to vote in a governmental election or referendum. You will be expected to notify the President/CEO at least one week in advance. You will be paid for such time.

Military Leave of Absence

If you are a full-time employee and are inducted into the U. S. Armed Forces, you will be eligible for re-employment after completing military service, provided:

1. You show your orders to the President/CEO as soon as you receive them.
2. You satisfactorily complete your active duty service.
3. You enter the military service directly from your employment with the National Hydropower Association.
4. You apply for and are available for re-employment within ninety (90) days after discharge from active duty. If you are returning from up to six (6) months active duty for training, you must apply within a reasonable time (usually thirty [30] days) after discharge.

Military Reserves or National Guard Leave of Absence

¹⁰ See "Disability Insurance" under "Insurance Coverage" later on in this section for further information

Employees who serve in U. S. military organizations or state militia groups may take the necessary time off without pay to fulfill this obligation, and will retain all of their legal rights for continued employment under existing laws. These employees may apply accrued earned vacation time to the leave if they wish; however, they are not obliged to do so.

You are expected to notify the President/CEO as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during this absence.

Personal Leave of Absence

In very extraordinary circumstances, the National Hydropower Association may grant a leave for a personal reason, but never for taking employment elsewhere or going into business for yourself. You should request an unpaid personal leave of absence from the President/CEO. A personal leave of absence must not interfere with the operations of your program area or the National Hydropower Association. The President/CEO will submit your request to the appropriate member of management for final approval.

A personal leave of absence may be granted for up to thirty (30) days. Vacation and other benefits do not continue to accrue during this period. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will result in termination of employment.

Accepting Other Employment or Going Into Business While on Leave of Absence

If you accept any employment or go into business while on a leave of absence from the National Hydropower Association, you will be considered to have voluntarily resigned from employment with the National Hydropower Association as of the day on which you began your leave of absence.

Insurance Premium Payment During Leaves of Absence

The National Hydropower Association will continue to pay our share of insurance premiums for employee coverage and dependent coverage for a maximum of three (3) months while you are on a disability leave of absence. While you are on any other type of unpaid leave of absence from the National Hydropower Association, you will be responsible for paying the total premiums for your coverage and that of your dependents while on leave. Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to allow your coverage to be reinstated.

Insurance Coverage

Group Insurance

The National Hydropower Association is interested in your health and well-being, and we provide a comprehensive health and life insurance program. NHA offers group insurance underwritten by a national insurance carrier. Coverage becomes effective on your first day of employment after acceptance by the insurance carrier. You may choose to accept the insurance coverage, or not.

The following benefits are provided, as defined and limited in the literature provided by our insurance company:

- * Group Term Life Insurance
- * Accidental Death & Dismemberment Insurance
- * Dental Care Coverage
- * Medical Health Care Coverage
- * Dependents' Health Care Coverage
- * Short and Long Term Disability Insurance

If you choose insurance coverage, our insurance company provides a booklet describing your benefits; a copy of this will be given to you when you join the program.

Employees pay 25% of the premium for insurance for their coverage. Employees pay 30% of the premiums for insurance coverage of your eligible dependents (spouse, children, and domestic partners) through payroll deduction.

In the event of your termination of employment with the National Hydropower Association or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your or their own expense. (This does not affect the conversion privilege as stated in the insurance policy.) Consult the Director of Operations for details.

Health/Dental Insurance

We have selected the plan we feel provides the best coverage for our employees at a reasonable premium. Refer to the literature provided by our insurance company for details on your health/dental coverage.

Life Insurance

If you are a regular full-time employee of the National Hydropower Association, you are eligible to be covered by our Group Life Insurance. This insurance is payable in the event of your death, as specified under the terms of the policy. Payment will be made in a lump-sum or in installments to the beneficiary, as designated by you. You may change your beneficiary whenever you wish by submitting the appropriate documents to the personnel officer. Refer to the literature provided by our insurance company for details on your life insurance coverage.

Long-Term Disability

NHA offers eligible employees (i.e., regular full-time employees who are regularly scheduled to work a minimum of 30 hours per week) a non-contributory Long-Term Disability (LTD) base plan. This non-contributory base plan provides for monthly earnings to a maximum benefit of \$1,000 per month, less any other offsets. Eligible employees are automatically enrolled as of the first day of the calendar month on or following their date of hire.

Long-term disability coverage terminates on the last day of employment.

Short-Term Disability

NHA short-term disability plans is a benefit that provides partial pay (one-half of weekly wages up to a maximum benefit as determined by state law) for employees who are unable to work due to non-work related illness, injury, or disability, after an absence of more than 7 consecutive calendar days. Benefits begin on the 8th day of disability and continue for related absences up to a maximum of 26 weeks. If the employee returns to work and the disability recurs within 90 days, the employee does not have to wait the 7 days; disability benefits will begin immediately.

Any FMLA leave to which an employee may be entitled runs concurrently with time off granted under this policy. In other words, an employee cannot take his/her full short-term disability benefits, and then take three months off under the FMLA; any time spent on short-term disability counts as part of an employee's FMLA leave.

NHA will attempt to return an employee who is returning from a short-term disability leave to the same or similar job, at the same salary that the employee held prior to the leave. Under some circumstances, however, permanent replacement during a leave may be required, or in some instances, staffing requirements may change. Therefore, unless an employee is entitled to return to the same or an equivalent position under the Family and Medical Leave Act, a job cannot be guaranteed when the employee is ready to return work from a short-term disability leave. In the event the employee is not entitled to return to the same or an equivalent position under the Family and Medical Leave Act and a position is not available or if the employee chooses not to return to work, upon the expiration of the disability leave, the employee will be terminated. If an employee does not return to work from a short-term disability leave, the termination date is the last day that the employee was authorized to return or the date the employee notifies his/her supervisor that he/she is not returning, whichever is sooner. Such employees may be considered for reemployment. An employee who returns to work following a short-term disability leave will be considered as having continuous service.

Termination of Insurance

Your insurance will terminate when the insurance policy terminates, when you fail to make an agreed contribution to the premium when due, when you cease to be eligible for coverage under the terms of our group insurance program, or when you cease to be employed as a regular full-time employee eligible for the insurance. The National Hydropower Association may, by continuing to pay the premium, keep your insurance in effect for a brief period if you cease to be an eligible employee for any reason other than resignation, dismissal, or failure to meet the terms of eligibility of our group insurance program.

Government Required Coverage

Workers' Compensation

National Hydropower Association employees are protected by D. C. Workers' Compensation Laws. Any work-related injury or illness should be reported immediately to the supervisor and/or the President/CEO. This law was designed to provide you with benefits for any injury that you may suffer in connection with your employment. Under the provisions of the law, if you are injured while at work, you are eligible to apply for Workers' Compensation. In the event of an employee's death due to occupational injury or illness, death benefits from worker's compensation are payable to the dependent survivors as defined under the law. The National Hydropower Association assumes the entire cost of this program.

What Is Workers' Compensation?

Before Workers' Compensation, an injured worker had to sue his employer to recover medical costs and lost wages. Lawsuits took months and sometimes years. Juries and judges had to decide who was at fault and how much, if anything, would be paid. In most cases, the injured worker got nothing. It was a costly, time-consuming and unfair system.

Today, if you're unable to work because of a job injury, the National Hydropower Association and our Workers' Compensation Insurance carrier work together to take care of your medical expenses and pay you money to live on until you're able to come back to work—automatically, without delay or red tape.

Who Is Covered?

Every National Hydropower Association employee is protected by Workers' Compensation.

What Is Covered?

Any injury is covered if it's caused by your job—not just serious accidents, but even first-aid type injuries. Illnesses may also be covered, if they're related to your job. For example, common colds and flu are not covered, but if you caught tuberculosis while working at a TB hospital, that's covered. The main question is if the injury or illness is the result of the performance of your job.

When Am I Covered?

Coverage begins the first minute you're on the job and continues anytime you're working for the National Hydropower Association. You don't have to work a certain length of time, and there's no need to earn any minimum amount of wages before you're protected.

Unemployment Compensation

The National Hydropower Association pays a percentage of its payroll to the Unemployment Compensation Fund according to the National Hydropower Association's employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible.

The National Hydropower Association pays the entire cost of this insurance.

Social Security

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, the National Hydropower Association is required to deduct this amount from each paycheck you receive. In addition, the National Hydropower Association matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Retirement Plan

Retirement Plan

The National Hydropower Association provides a 401(k) plan for full-time employees with six months of full-time service. NHA will contribute 6% to each employee's 401k.

Other Benefits

Education Assistance

We feel an individual who possesses a desire to continue their education, in addition to performing their full-time job, shows a commitment to improving themselves and their position within the Association. To encourage and reward these individuals, the National Hydropower Association offers an Education Assistance benefit.

Full-time employees may continue their education in a related field and the National Hydropower Association may reimburse all or part of the registration and tuition costs up to a maximum of \$1,000 per year for all undergraduate and graduate level courses. Up to five hundred dollars will be paid during the first six months of the year and the remaining amount paid in the second half of the year. All courses must be job related and pre-approved by the President/CEO. Once the course is completed, submit a certified transcript of grades, with receipts for expenses. The National Hydropower Association will reimburse you as described

below for the portion of the registration and tuition that was pre-approved. Incentives have been established to reward better than average performance.

Reminder: If you are taking a pre-approved seminar that offers continuing education credit, be sure to give the President/CEO a copy of the Continuing Education Credit Certificate (or other document) to include in your personnel file.

In order to qualify for this Education Assistance benefit you must:

1. Advise the President/CEO, prior to enrolling for the class, that you intend to take a particular course. Provide a course description and submit request in writing. The President/CEO will advise you whether the course is of a nature that the National Hydropower Association will approve for partial or total reimbursement of tuition and fees.
2. The course must be job-oriented and offered by an approved educational institution.
3. You must receive a grade of "B" or better.
4. You must have at least one (1) full year of service with the National Hydropower Association.
5. If you are eligible to receive educational benefits from other sources, such as the Veterans Administration, the National Hydropower Association will not reimburse your educational expenses.

Education/Training (Attending Seminars/Training Sessions)

From time to time, the National Hydropower Association may arrange to have both formal and informal training programs to enable you to progress in your technical knowledge of our business. Several times a year, employees are selected to attend workshops, or training programs. You will receive a normal paycheck while attending these workshops. All, or a portion of the expenses, for off-premises training will be paid for by the National Hydropower Association, depending on the nature of the course. Check with the personnel officer for details.

Also, during any slow periods of work, you should use the time to learn more about the National Hydropower Association, and its services. You may progress as you become more knowledgeable about your job and the jobs of the people around you. You are encouraged to ask questions about any aspect of the National Hydropower Association that is of interest or unclear.

If you become aware of a particular seminar that you believe is appropriate for enhancing your skills (and/or those of other employees), please bring it to the attention of the President/CEO. Since these seminars are usually offered only at specified times in a geographical area, please be sure to notify the President/CEO as far in advance as possible. This way, he or she can attempt to schedule workloads to accommodate your (and/or other employees') desire to attend the seminar.

4 Other Policies

Authorization for Purchase / Centralized System
Bulletin Boards
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Conversion Privileges
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Layoff & Recall
Life-Threatening Illnesses
Managers/Chairman/CEO
Meetings
Open Door Policy & Counseling
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Personal Phone Calls & Mail
Personal Property
Personal Use of Company Property
Photocopying
Promotion Policy
Property & Equipment Care
Receipt of Policy Manual
Recycling, Waste Prevention & Conservation
References
Reinstatement
Resignation
Return of Company Property
Safety Rules
Safety Rules When Operating Machines & Equipment
Security
Seniority
Smoking
Solicitations & Distributions
Substance Abuse
Suggestions
Transfers
Travel & Job Expenses
Violations of Policies

List of Additional Policies Not Included in This Manual

Accounting Procedures
Bylaws to be read and understood by employee
Handbook on Policies and Procedures
Procurement Policy
Standard Operating Procedures
Travel Policy
Updates to Standard Operating Procedures

Other Policies

Authorization for Purchase/Centralized System

In an effort to centralize responsibility for office supplies while at the same time, make it more efficient and economic, NHA stocks standard office supplies. If you desire additional or special supplies that are not available, speak with the Director of Operations. Requests for special or additional supplies should be made through standard procedures. The purchase order request process must be used for any purchase including purchase of airline tickets, publications and materials, attendance of training courses, printing, outside contract work, and purchase of meals or catering.

Code of Ethics

Code of Ethics: By signing a copy of this code of ethics, I, as an employee of the National Hydropower Association, affirm that:

I will maintain a professional attitude that upholds confidentiality towards individuals, colleagues, companies, the National Hydropower Association employees, trade members, and show respect for the confidences of my co-workers.

I will respect the rights and views of my colleagues, and treat them with fairness, courtesy, and good faith.

I will extend respect and cooperation to colleagues of all professions.

I have total commitment to provide the highest quality of service to those who seek my professional assistance.

I will strive to become and remain proficient in professional practice and the performance of professional functions.

I will act in accordance with standards of professional integrity.

I will not advise on problems outside the bounds of my competence.

I have total commitment and dedication to working as a team.

I will seek assistance for any problems that impair my performance.

Employee's Signature

Date

Communications

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all the National Hydropower Association methods of communication, including this Employee Manual, bulletin Boards, discussions with the President/CEO, memoranda, staff meetings, newsletters, training sessions, etc.

You will receive other information booklets, such as your insurance booklets, from time to time.

Computer Software (Unauthorized Copying)

The National Hydropower Association does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U. S. Code states that "it is illegal to make or distribute copies of copyrighted material without authorization" (Section 106). The only exception is the users' right to make a backup copy for archival purposes (Section 117).

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless the manufacturer does not provide a backup copy. Unauthorized duplication of software is a Federal crime. Penalties include fines of as much as \$250,000, and jail terms of up to five years.

1. The National Hydropower Association owns its software and its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it.
2. With regard to use on local area networks or on multiple machines, the National Hydropower Association employees shall use the software only in accordance with the license agreement.
3. The National Hydropower Association employees learning of any misuse of software or related documentation within the Association shall notify the department manager or the National Hydropower Association legal counsel.
4. According to the U. S. Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment. The National Hydropower Association employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include dismissal.

Internet & E-mail: The Internet is a far-reaching explosive vehicle with tremendous potential for repeating stored messages long after the sender has moved on to another focus. Personal matters, internal gossip, trade secrets, and defamatory statements have no place on the Internet or company e-mail. Employees are also cautioned that the Internet and e-mail can carry viruses that

could infect not only the user's computer and files but the main server and all other computers hooked up to it.

Conversion Privileges

At your exit interview or upon dismissal, you will learn how you can continue your insurance coverage and any other benefits you currently enjoy as an employee who is eligible for continuation.

Dress Code/Personal Appearance

A neat, tasteful appearance contributes to the positive impression you make on our members. You are expected to be suitably attired and groomed during working hours or when representing the National Hydropower Association.

Employee Referral

You are encouraged to recommend and refer qualified candidates for employment with the National Hydropower Association. If you know of someone who would like to work here, we will be glad to consider them for appropriate openings. Notify the President/CEO and be sure the individual mentions your name when contacting the National Hydropower Association.

Employee Roles

Lobbying: The National Hydropower Association expects all employees, as part of their acceptance of employment, to comply with all lobbying laws, regulations and policies.

Exit Interviews

In instances where an employee voluntarily leaves our employ, the National Hydropower Association management would like to discuss your reasons for leaving and any other impressions that you may have about the National Hydropower Association. If you decide to leave, you will be asked to grant us the privilege of an exit interview. During the exit interview, you can express yourself freely. It is hoped that this exit interview will help us part friends, as well as provide insights into possible improvements we can make. All information will be kept strictly confidential and will in no way affect any reference information that the National Hydropower Association management will provide another employer about you.

Expense Reimbursement

You must have the President/CEO's written authorization prior to incurring an expense on behalf of the National Hydropower Association. To be reimbursed for all authorized expenses, you must submit an expense report/voucher accompanied by receipts and approved by the President/CEO. Please submit your expense report/voucher each week, as you incur authorized reimbursable expenses.

If you are asked to conduct company business using your personal vehicle, you will be reimbursed at a rate consistent with current Internal Revenue Service (IRS) policy. Please submit this expense on your weekly expense report/voucher.

Fire Drills

In the case of fire or other emergencies, the building staff provides notice to all employees and tenants. Employees are urged to pay attention to announcements of the building staff and security officers and respond accordingly. NHA has an emergency evacuation procedure. Employees are expected to familiarize themselves with this procedure and strictly adhere to it.

The Association bears no responsibility for staff who ignore or refuse to respond to a drill, or for staff who fail to follow the Association's safety procedures. When signing receipt of this manual, the employee releases the Association of any such responsibility.

First Aid

Federal law ("OSHA") requires that we keep records of all illnesses and accidents that occur during the workday. The District of Columbia Workers' Compensation Act also requires that you report any illness or injury on the job, no matter how slight. If you hurt yourself or become ill, please contact the President/CEO for assistance. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards that might be present on the job.

Gifts

Advance approval from management is required before an employee may accept or solicit a gift of any kind from a member, supplier or vendor representative. Employees are not permitted to give gifts to members or suppliers, except for certain promotional "premiums" (T-shirts, coffee mugs, pens, key chains, etc.) imprinted with the National Hydropower Association logo or information.

Grievances

Formal Process

Should an employee feel it is necessary to enter into a formal Grievance with the Association, the Association's Chairman shall select five members of the Board of Directors to serve on a Compensation Review and Grievance Committee. This Committee shall make recommendations to the Executive Committee regarding any employee's grievance as it relates to the Association's affirmative action programs, performance review and/or salary adjustments. An employee who wishes to file a grievance regarding his/her performance evaluation, compensation rates or complaints regarding sexual harassment or violation of the Association's EEOP, shall notify the Association Chairman that he/she is requesting that the Committee hear his/her complaint. The complaint must be in writing and copies must be provided to the President/CEO and Association's General Counsel. The Committee will use its best efforts to hear the employee's grievance within 30 days of the filing and provide its recommendation to the President/CEO.

Informal Grievance Procedure

NHA has a formal grievance procedure available to employees who believe that they have experienced discrimination, sexual harassment, or other workplace situations that may be illegal under state, federal, or local law. NHA recognizes, however, that there may be times when employees would like assistance with other employment-related issues. In such cases, the following procedure will apply.

Employees who need help resolving employment-related issues are expected to first discuss the matter with the President/CEO. NHA maintains an open-door policy, and believes that most concerns can be resolved simply through honest, face-to-face discussion.

Should the employee and President/CEO believe that additional help is needed, the President/CEO will convene an informal mediation committee involving at a minimum, the Chairman of NHA.

The mediation committee will then meet with the individuals involved, and will offer suggestions on ways that the matter can be resolved so as to foster a positive working environment and enhance employee morale. All discussions will be treated as confidential.

In the event that the NHA Chairman believes that additional assistance is required, he or she can, at their discretion, ask the Executive Committee to offer additional advice on a confidential basis.

Housekeeping

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times -- it is a required safety precaution.

Please report anything that needs repairing or replacing to the President/CEO immediately.

Labor Unions

Our employees are not represented by a labor union; however the National Hydropower Association's policy is to provide wages and benefits that compare favorably with those at other companies in our region and industry. We also strive to provide the safest and best possible working conditions for you.

One of the National Hydropower Association's primary goals is to successfully meet its responsibilities to you, our employee, both as an individual, and as a contributing member of the National Hydropower Association. This is accomplished by managing the National Hydropower Association in such a way that you will always be treated with respect and dignity. We believe every person deserves to be treated in this manner, in any situation. We also believe this principle helps make the National Hydropower Association successful. And, in this environment, we can work together to solve any problems that may arise.

Layoff & Recall

In the unlikely event of a reduction in workforce, employees will be laid off based on skills and abilities as well as seniority. Please understand that if the skills and abilities of two employees are equal, seniority will be the determining factor in the layoff decision.

If you leave the area, plan to leave the area, or you are unreachable for a period of time, please feel free to contact the President/CEO or the Director of Operations to let us know you are interested in returning to work.

Life-Threatening Illnesses

The National Hydropower Association recognizes that employees with a life-threatening illness, including, but not limited to, cancer, heart disease, and HIV/AIDS, may wish to continue to engage in as many of their normal pursuits as their condition allows, including work. These employees must be able to meet acceptable performance standards. Performing normal job functions must not exacerbate their condition. Medical evidence must indicate that their condition is not a threat to other workers.

Managers need to be sensitive to the employee's condition and ensure that the employee is treated consistently with other employees. The National Hydropower Association seeks to provide a safe work environment for all employees and members. Therefore, precautions should be taken to ensure that any employee's condition does not present a health and/or safety threat to other employees or members.

Managers / President-CEO

Your immediate manager is the person on the management team who is closest to you and your work. He/she is listed on your job description. Your day-to-day contact with the President/CEO gives you a chance to receive guidance and counsel regarding your assignments and the progress you make on your job. The President/CEO can show you how your work fits into the overall picture, teach you how to do things, explain the "hows" and "whys," and encourage you when things look a little tough.

The President/CEO is in complete charge of the day-to-day operations of the Association. He or she is responsible for the efficient operation of NHA. The President/CEO has authority to assign work, recommend pay increases, to transfer or promote in accordance to the policies set forth in this manual.

Remember, the President/CEO knows most of the answers, and, if not, knows where to get them. The President/CEO wants you to succeed. Please get to know the President/CEO, and when you need help or have questions, complaints, problems or suggestions, contact the President/CEO first. He or she is interested in your success, the success of every member of your program area, and the overall success of the National Hydropower Association.

The President/CEO is human, has many responsibilities, and needs your cooperation, assistance, and loyalty. He or she wants to help you - that's their job - so please ask, and please be willing to

meet the President/CEO half way. If he or she cannot help you or answer your question, your question will be referred to someone who can. You can expect to be treated fairly and with respect. Like the National Hydropower Association, the President/CEO has a direct interest in you. He or she wants you to consider him or her as your advisor, friend and mentor. Go to the President/CEO for information about your job, your pay, or other matters concerning the policies of the Association.

Please don't overburden the President/CEO with questions that can be answered by reading this manual or by checking bulletin Boards. Do feel free to ask for clarification of regulations or responsibilities. Any problem that hinders the efficient completion of your responsibilities should be taken up with the President/CEO.

Meetings

On occasion, we may request that you attend a meeting sponsored by NHA. If this is scheduled during your regular working hours, your attendance is required. If it is held during your non-working hours and you decide to attend, you will be paid for the time you spend traveling to and from the meeting as well as for time spent at the meeting, but only if you are one of our "non-exempt" employees. (If you are qualified for overtime pay by virtue of working more than forty hours that same work week, then you will receive your overtime rate.)

If you are a "non-exempt" employee, you are under no obligation to attend a company meeting that is held outside of regular working hours. No one in management is permitted to exert any degree of pressure on you to attend.

Open Door Policy & Counseling

Whenever you need to speak with the President/CEO, the National Hydropower Association maintains an open door policy. The Association feels that if you care enough to discuss your problem with us, we should reciprocate with a receptive ear and coaching to assist you the best way we can. Normally, you will be expected to use the Grievance Procedure outlined earlier in this Manual to resolve a problem. However, if the problem or complaint is of a personal nature, or a very delicate matter, you may meet first with any member of management, including the President/CEO, to discuss it. He or she will decide if you should first discuss the problem with your immediate manager. If so, you will be directed to use the Grievance Procedure. If the complaint, suggestion, or question is of such a nature that the Grievance Procedure would hamper resolution, the management person you contact will take the appropriate action.

Payroll Advances

It is not the policy of the National Hydropower Association to advance or loan money to employees. In the event of a rare or dire circumstance, the Association may advance no more than two (2) weeks salary. In the event you must borrow against your paycheck, you must first discuss your situation with the President/CEO. If he or she feels that your request is justified, an "Employee I.O.U." form will be provided for you to fill out and sign. Advances require the approval of the President/CEO.¹¹

¹¹ See "Deductions (Other)/Direct Deposit" in the "Compensation & Performance" section for further information.

Personal Phone Calls & Mail

Please keep personal phone calls to a minimum—they must not interfere with your work. This policy also applies to personal cell phone usage. You are permitted to make limited local area calls on company telephones for essential personal business. Please do not abuse this privilege. Emergency calls regarding illness or injury to family members, changed family plans, or calls for similar reasons may be made at any time. Incoming urgent calls will be directed to you.

Mail is distributed by the Director of Operations.

Please do not use the National Hydropower Association as a personal mailing address, and do not put personal mail in the stacks that are to be run through the postage meter.

Personal Property

Due to the strict liability guidelines of our insurance carrier, under no circumstances are you allowed to keep personal property on the National Hydropower Association property where damage or fire could result. Please understand that the National Hydropower Association cannot assume any responsibility for loss or damage to personal property of any employee.

Personal Use of Company Property

In some instances, employees may be allowed to borrow certain Association tools or equipment for their own personal use while on our premises. In no instance may this be done off our premises, or without prior management approval. You understand and agree that the National Hydropower Association is not liable for personal injury incurred during the use of company property for personal projects. As a National Hydropower Association employee, you accept full responsibility for any and all liabilities for injuries or losses that occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects.

Photocopying

A photocopy machine is available for general employee use. In order to charge the appropriate cost center, staff must use the appropriate code numbers for all duplicating. Staff is encouraged to use in-house resources prior to contracting for such work with an outside vendor. Employees should plan ahead in order to use the most cost efficient method and to ensure that appropriate supplies are on hand.

Promotion Policy

By utilizing all opportunities for education and performing your job excellently, you may become qualified to fill a position of greater skill, responsibility and value at the National Hydropower Association. The National Hydropower Association will always continue to look outside the Association for potential employees as well.

Whenever you are learning a new job, or if your abilities are unknown in a particular job, you will be classified as a trainee during the time necessary for you to gain experience to do the job. The length of training time for any given job is governed by the experience required for that job and your learning ability.

Property & Equipment Care

It is your responsibility to understand the machines you need to use to perform your duties. Good care of any machine that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and the National Hydropower Association. If you find that a machine is not working properly or in any way appears unsafe notify the Director of Operations immediately so that repairs or adjustments may be made. Under no circumstances should you start or operate a machine you deem unsafe, nor should you adjust or modify the safeguards provided.

Receipt of Policy Manual

Employees, upon receipt of their copy of the personnel policies manual affecting their employment or any addendum thereto, must sign a “Receipt of Policy Manual” form indicating they have read and understand the National Hydropower Association’s policies and agree to abide by them. Employees also acknowledge their understanding that no part of this manual shall be construed as being an employment contract – either implied or expressed – between the employee and the National Hydropower Association.

This Manual has been prepared for the information and guidance of employees working at the organization. It is intended to cover the procedures, rules, and policies most often applied to day-to-day work activities. Some of the information will change from time to time since our policies are under constant review and are revised when appropriate. Such changes will be communicated to you in writing, in advance of their implementation. There is no guarantee of employment made to any employee in this Manual.

The Employee Manual is an important document intended to help you become acquainted with the National Hydropower Association. This Manual will serve as a guide; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the general business atmosphere of the National Hydropower Association and economic conditions are always changing the contents of this Manual may be changed at any time at the discretion of the National Hydropower Association Board. No changes in any benefit, policy or rule will be made without due consideration of the mutual advantages, disadvantages, benefits and responsibilities such changes will have on you as an employee and on the National Hydropower Association.

References

The National Hydropower Association does not respond to oral requests for references. All requests must be in writing and on company letterhead. In the event you leave the employ of the National Hydropower Association, we may be able to provide references to potential employers, depending upon the circumstances, your employment history, etc. However, you must first sign a “reference release” waiver, allowing us to release reference information beyond merely confirming that you worked at the National Hydropower Association for a specific period of time and your position.

As an employee, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, and you receive a request for a reference, you should forward the request to the President/CEO for a response.

Reinstatement

See "Former Employees" in the "Employment" section for information on reinstatement.

Resignation

While we hope both you and the National Hydropower Association will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with the National Hydropower Association. If you anticipate having to resign your position with the National Hydropower Association, you are asked to notify the President/CEO at least two (2) weeks in advance of the date that you must leave. On the last day of employment, the employee must return cell phone, any corporate credit cards, entry cards, keys and all other cards issued during employment and belonging to the National Hydropower Association. Return of these items, together with all other property of the National Hydropower Association in possession of the employee, must precede issuance of a final paycheck, including payment of any unused vacation leave.

Return of Company Property

Any of the National Hydropower Association property issued to you, such as keys, card key, credit card, laptop and cell phone must be returned to the National Hydropower Association at the time of your dismissal or resignation, or whenever it is requested by the President/CEO or a member of management. You are responsible to pay for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization for this purpose.

Safety Rules

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all the National Hydropower Association activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Please report all injuries (no matter how slight) to the President/CEO immediately, as well as anything that needs repair or is a safety hazard. Below are some general safety rules. The President/CEO may post other safety procedures in your department or work area.

Staff is expected to follow safety instructions for all emergencies, fire and other evacuations.

Safety Rules When Operating Machines & Equipment

We will continue to provide a clean, safe and healthy place to work and we will provide the best equipment possible. You are expected to work safely, to observe all safety rules and to keep the premises clean and neat. Remember that carelessly endangering yourself or others may lead to disciplinary action, including possible dismissal.

Security

Maintaining the security of the National Hydropower Association buildings, equipment and offices is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- * Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- * When you leave the National Hydropower Association's premises make sure that all entrances are properly locked and secured.

For the safety of all staff, their property and the National Hydropower Association's property, the suite doors should be kept locked during non-office hours. A key is provided to gain access to the suite and all employees are provided security cards to gain access to the building. Employees are to report any lost keys or building access cards immediately upon their loss. Employees should report any peculiar behavior to the building security. Employees are asked to ensure that this policy is maintained.

Seniority

Many of your benefits, like vacations, are determined by seniority. Also, seniority is one of the factors recognized when making promotions. Therefore, seniority is very important to you as an employee.

You must complete an Introductory Period when you are hired. During this period, you carry no seniority rights. If you are retained after the Introductory Period, you will be credited with seniority. Your seniority will reflect your length of employment beginning on the date on which you began work (anniversary date).

Smoking

The National Hydropower Association is a smoke-free workplace. All employees are expected to abide by this policy while at work.

Solicitations & Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job and does not apply to break periods and meal times. Working areas do not include the kitchen or the parking areas. Solicitation during authorized meal and break periods is permitted so long as it is not conducted in working areas. However, employees are not permitted to sell chances, merchandise or otherwise solicit money or contributions without management approval.

Persons not employed by the National Hydropower Association are prohibited from soliciting or distributing literature on company property.

Substance Abuse

The following drug and alcohol policy states NHA's prohibition against the presence of illegal drugs and unauthorized alcohol in our offices. We intend to do our part to help reverse the adverse effects drug and alcohol abuse have on society, in general, and potentially on NHA members and employees. While we will continue to seek to understand difficult personal problems, our rules of conduct must be clear. NHA's policy is that the following activities will not be tolerated:

- (a) Possession or use of illegal drugs;
- (b) Abuse of alcohol or drugs (legal or illegal), or misuse of substances to obtain a similar effect;
- (c) Use of alcohol on NHA premises (other than in moderate amounts at NHA-sponsored functions) unless the use is authorized by the President/CEO; and
- (d) Being at work under the influence of alcohol or drugs (legal or illegal) in a condition adversely affecting conduct or job performance.

Disciplinary action up to and including discharge may result from any of these activities. Although appropriate use of legal over-the-counter drugs and of prescription drugs, as directed by a doctor, is not covered by this policy, abuse of such drugs is covered. In addition, if you believe your use of prescribed or over-the-counter drugs may adversely affect your conduct or job performance, to avoid embarrassment you may wish to consult with the President/CEO. In some cases, NHA may request a statement from your doctor.

This policy applies to conduct on NHA's premises or while on NHA business. It also applies to off-duty conduct if the conduct has a reasonable possibility of causing harm to the NHA's reputation. (Selling/trafficking in illegal drugs/substances, wherever conducted, is absolutely

prohibited.) Moreover, the policy applies without regard to whether the use or involvement is occasional, recreational, or habitual.

Alcohol

1. Should there be a reasonable basis for determining that an NHA employee has violated NHA's policy on alcohol and/or that an NHA employee's abuse of alcohol may have an adverse effect on his/her conduct or job performance, a mandatory treatment program for such individual may be directed by the President/CEO. Refusal to participate in such a program or failure to complete same satisfactorily shall be grounds for dismissal. The treatment program may include testing. Following completion of the program, there shall be a probationary period of six (6) months during which testing may continue.
2. A second violation of the NHA's alcohol abuse policy shall be grounds for dismissal should the President/CEO so determine. In the event that the President/CEO should determine that the violator warrants another chance, the President/CEO may direct that another mandatory treatment program and probationary period take place. The President/CEO may, in his/her discretion, attach such further conditions and requirements as he/she deems appropriate or necessary.
3. In the event of a third violation, dismissal shall be automatic and immediate.
4. Reports and other information concerning violation or alleged violation of the NHA's alcohol abuse policy shall be restricted on a "need-to-know" basis. Generally, such reports and information shall be made available only to the Chairman and the President/CEO. Nothing herein shall limit the discretion of the President/CEO to consult with anyone concerning his/her responsibility to enforce the NHA's alcohol abuse policy.

Illegal Drugs/Substances

Because the possession/use of illegal drugs/substances constitutes a violation of the criminal code, the NHA has the following policy regarding same:

1. Use of illegal drugs/substances on the NHA's premises will result in immediate dismissal. Selling/trafficking in illegal drugs/substances will result in immediate dismissal.
2. Except for those violations described in paragraph 1 above requiring immediate dismissal, should there be a reasonable basis for determining that an NHA employee has violated the NHA's policy on illegal drugs/substances, a mandatory treatment program for the violator shall be required. Refusal to participate in such a program or failure to complete same satisfactorily shall result in automatic dismissal. The treatment program may include testing. Following completion of the program, there shall be a probationary period of six (6) months. Said probationary period may include testing.
3. A second violation of the NHA's illegal drugs/substances policy will result in dismissal, unless the individual demonstrates, to the sole satisfaction of the President/CEO, that said individual warrants another chance. In that event, mandatory treatment and probation as set forth in paragraph 2 above shall take place. The President/CEO may, in his/her discretion, attach such further conditions and requirements as he/she deems appropriate or necessary.

4. In the event of a third violation, dismissal shall be automatic and immediate.
5. Reports and other information concerning violation or alleged violation of the NHA's illegal drugs/substances policy shall be restricted on a "need-to-know" basis. Generally, such reports and information shall be made available only to the Chairman and the President/CEO. Nothing herein shall limit the discretion of the President/CEO to consult with anyone concerning his/her responsibility to enforce the NHA's illegal drugs/substances policy.

The National Hydropower Association recognizes that alcoholism/drug abuse is a form of illness that is treatable in nature. The company shall not discriminate against employees based on the nature of their illness. No employees shall have their job security threatened by their seeking of assistance for a substance abuse problem. The same consideration for referral and treatment that is afforded to other employees having non-drug/alcohol related illnesses shall extend to them.

- * Every effort shall be made to provide an early identification of a substance abuser, to work with and assist the employee in seeking and obtaining treatment without undue delay.
- * Early identification of the substance abuser shall be based upon job performance and related criteria, as well as resulting impairment on the job from the job activities. The manager of the employee shall bring such information to the attention of the designated representative for further evaluation. An employee who voluntarily seeks treatment for a substance abuse problem that requires a leave of absence for treatment shall be granted such leave of absence and further shall be eligible for benefits under the specifications of the existing insurance policy.

Nothing in this policy is construed to prohibit the corporation from its responsibility to maintain a safe and secure work environment for its employees or from invoking such disciplinary actions as may be deemed appropriate for actions of misconduct by virtue of their having arisen out of the use or abuse of alcohol or drugs or both.

Suggestions

We encourage all employees to bring forward their suggestions and good ideas about how the National Hydropower Association can be made a better place to work and our service to members enhanced. When you see an opportunity for improvement, please talk it over with your immediate manager. He or she can help you bring our idea to the attention of the people in the Association who will be responsible for possibly implementing it.

All suggestions are valued and listened to. When a suggestion from an employee has particular merit, we provide for special recognition of the individual(s) who had the idea.

Transfers

Transfer from one position to another may be required or requested from time to time. Such transfers (up, down, or laterally) will be made with a possible adjustment in pay. Transfers for more than thirty (30) days will be considered permanent transfers.

In the unlikely event that you are permanently transferred for the National Hydropower Association's benefit to a lower position, your wage may need to be adjusted to suit the new position. If you are permanently transferred to a lower position because there is no work in your program area, your wage must be reduced to suit the job to which you are transferred.

Travel and Job Expense

Employees are encouraged to follow office procedures in arranging for travel accommodations. All travel is to be pre-approved by the employee's supervisor through standard office procedures. (See Travel Policy.) Staff shall use the lowest rates possible for air and ground transportation and hotel accommodations. Travel arrangements should be made through the Director of Operations, or his/her designated representative. Employees should use Association credit cards and file a full expense report immediately upon conclusion of the business trip. Reimbursement for travel expenses shall be made only after submission of an expense report approved by the President/CEO and supported by appropriate receipts. Under no circumstances should Association credit cards be used for personal use. All travel is to be approved in advance by the President/CEO.

It should be noted that reimbursed business expenses are subject to the examination by the Internal Revenue Service and such expense could be disallowed by the IRS as "business expenses" if they are not properly accounted for or are extravagant in nature. Such expenses could be considered "compensation" to the employee. As such, the IRS could assess income tax.

Violations of Policies

You are expected to abide by the policies in this Manual. Failure to do so will lead to appropriate disciplinary action. A written record of policy violations is maintained in each individual's personnel file.

A partial list of causes for possible disciplinary action ("Unacceptable Activities") is presented under "Standards of Conduct" in the "Employment" section of this Manual. This list is not to be considered all-inclusive.

Notice

The policies in this Manual are to be considered as guidelines. The National Hydropower Association, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Manual at any time without prior notice as business, employment legislation and economic conditions dictate. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer and employee. No changes in any benefit, policy or rule will be made without due consideration of the mutual advantages, disadvantages, benefits and responsibilities such changes will have on you as an

employee and on the National Hydropower Association. If and when provisions are changed, you will be given replacement pages for those that have become outdated. A copy will also be placed on our bulletin Board.

Employees may not accrue eligibility for monetary benefits that they have not earned through actual time spent at work. Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked. No one other than the President/CEO of the National Hydropower Association may alter or modify any of the policies in this Manual. No statement or promise by a supervisor or manager may be interpreted as a change in policy nor will it constitute an agreement with an employee.

This Employee Manual is an important document intended to help you become acquainted with the National Hydropower Association. This Manual will serve as a guide; it is not the final word in all cases. Individual circumstances may call for individual attention.

Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but only the subject provision.

This manual replaces (supersedes) all other previous manuals for the National Hydropower Association as of September 2020. This manual may be amended at any time.

Receipt & Acknowledgment **of The National Hydropower Association Employee Manual**

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Please read the following statements and sign below to indicate your receipt and acknowledgment of the National Hydropower Association Employee Manual.

- * I have received and read a copy of the National Hydropower Association Employee Manual. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of the National Hydropower Association at any time. I understand that this manual replaces (supersedes) all other previous manuals for the National Hydropower Association as of January 2022.
- * I further understand that my employment is terminable at will, either by myself or the National Hydropower Association, regardless of the length of my employment or the granting of benefits of any kind, including but not limited to any profit sharing benefits which provide for vesting based upon length of employment.
- * I understand that no contract of employment other than "at will" has been expressed or implied, and that no circumstances arising out of my employment will alter my "at will" employment relationship unless expressed in writing, with the understanding specifically set forth and signed by myself and the President/CEO of the National Hydropower Association.
- * I am aware that during the course of my employment confidential information will be made available to me, i.e., product designs, marketing and legislative strategies, customer lists, pricing policies and other related information. I understand that this information is critical to the success of the National Hydropower Association and must not be shared outside of the National Hydropower Association's premises or with non-National Hydropower Association employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.
- * I understand that, should the content be changed in any way, the National Hydropower Association may require an additional signature from me to indicate that I am aware of and understand any new policies.
- * I understand that my signature below indicates that I have read and understand the above statements and have received a copy of the National Hydropower Association Employee Manual.

Receipt & Acknowledgment
of The National Hydropower Association Employee Manual

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Employee's Printed Name

Position

Employee's Signature

Date

President/CEO's Signature

Date

The signed original copy of this agreement should be given to the President/CEO -- it will be filed in your personnel file.

List of Additional Policies Not Included in This Manual

Employees are responsible for reading and understanding the following policies.

Accounting Procedures

NHA Bylaws

Handbook on Policies and Procedures