

Corporate Governance Guidelines

Introduction

The Omaha Public Power District (OPPD or Company) was created in 1946 as a public corporation and political subdivision of the state of Nebraska. OPPD is one of the largest publicly owned electric utilities in the United States and serves customers in 13 counties in southeast Nebraska.

The management of OPPD is under the direction of its President and Chief Executive Officer with oversight from an eight-member Board of Directors elected by the people within the OPPD service territory. Sound principles of corporate governance and oversight are necessary for OPPD to achieve its strategic objectives and to continue providing value for its customer-owners. This document defines the roles and obligations of OPPD's Board of Directors and its Committees in leading OPPD and advancing the interests of all customer-owners and employees.

Board of Directors

Roles, Duties, and Powers of Board Officers

The corporate powers of the Company are vested in the Board of Directors and are to be exercised in such manner as to confer upon OPPD's customers the benefits of a successful and profitable operation and conduct of its business. The key governance documents for OPPD are the statutory Enabling Act, codified in Chapter 70, Article 6 of the Nebraska Revised Statutes, OPPD's corporate Charter, as amended, the OPPD Bylaws adopted by the Board, and the charters for each of the Board's committees.

The Chairman or Chairwoman of the Board, the Vice Chairman or Vice Chairwoman of the Board, the Secretary and the Treasurer of the Board are elected by the Board, from among its members, at its regular January meeting. Such officers serve for a term of one year and until the election of their successors, and may be removed from office during such term only by the affirmative vote of five Directors at a regular meeting of the Board or a special meeting called for that purpose.

The Chairman or Chairwoman of the Board is the presiding officer of the Board, a member ex officio of all committees, and is the spokesperson of the Board in public announcements pertaining to its conduct of the Company's affairs. In the event of the disability or absence of the Chairman or Chairwoman of the Board, his or her duties are assumed by the Vice Chairman or Vice Chairwoman of the Board. The Secretary and the Treasurer may perform any of the customary duties of such offices.

Elections and Board Composition

OPPD is governed by eight (8) Directors who each represent an election subdivision of substantially equal population within the OPPD service territory. Directors are elected for six (6) year terms. The elections are staggered so that no more than three (3) Director positions are subject to election in any given election year.

Board Orientation

Board orientation is provided to new directors on OPPD operations, Board responsibilities, and applicable Nebraska State Statutes. This enables new directors to become familiar with the Company's vision, strategic direction, financial matters, corporate governance standards, and key policies and practices.

Committees

The following standing committees of the Board of Directors, each consist of two or more members of the Board appointed by the Chairman or Chairwoman of the Board, with the concurrence of the Board: (i) the Finance, Insurance, and Audit Committee, (ii) the Nuclear Oversight Committee, (iii) the Governance Committee, (iv) the Public Information Committee, and (v) the System Management Committee.

In addition to the foregoing standing committees, the Chairman or Chairwoman of the Board may, with the concurrence of the Board, from time to time appoint such special committees as may be deemed appropriate to investigate, report on and make recommendations regarding any aspect of the operation and conduct of the Company's business.

These committees operate as fact-finding agencies whose duty it is to investigate questions within the natural scope of the function indicated by their titles, and report the facts, together with their recommendations to the Board for action. No committee has the power to act on matters requiring Board approval without advance specific authorization from the Board.

Access to Management/Advisors

The Board has full and open access to Senior Management and other employees to ask questions and receive all information necessary to perform their duties. The Board and its committees have the right at any time to retain and determine the terms of engagement of independent outside financial, legal or other advisors for purposes related to the duties of the Board or the Board committees.

Assessing Board Performance

The Governance Committee is empowered to review Board practices, which influence the effectiveness of the Board, including conflict of interest and Board effectiveness evaluations. The Governance Committee develops and recommends evaluation processes for use by the committees of the Board in conducting their annual self-evaluations.

The Governance Committee conducts an annual self-assessment of the performance and effectiveness of the Board and its standing committees. An annual report must be submitted by the Board regarding the evaluation and confirming that all responsibilities described in the Governance Committee Charter have been fulfilled.

Board of Directors Meetings

Schedule

Meetings of the Board are typically held at the general offices of the Company in Energy Plaza, Omaha, Nebraska, on the first Thursday after the tenth day of each month at 10:00 a.m. at which the Board reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Special meetings may be held at the call of the Chairman or Chairwoman of the Board or upon the written request of two members of the Board, at such time and place as is designated in the notice. Directors are expected to attend all scheduled Board and committee meetings and to review any materials provided in advance of the meeting.

Written notice of all meetings is to be simultaneously transmitted by mail (or personal delivery) to all members of the Board at their designated addresses, and communicated to the public by notifying the local news media and by displaying a notice of the meeting on the Arcade Level of Energy Plaza. The notice so displayed shall state the time and place of the meeting and shall advise that a copy of the proposed agenda for the meeting is being maintained, on a current basis, and is readily available for public inspection in the office of an Assistant Secretary of the Company, or his or her designee.

When it is necessary to hold an emergency meeting without reasonable advance public notice, the nature of the emergency must be stated in the minutes of the meeting and any formal action taken in such meeting must pertain only to the emergency. Such emergency meetings may be held by means of electronic or telecommunication equipment. As to any emergency meetings, the Secretary must make a reasonable effort to provide advance notification to the news media of the time and place of such meetings, and the subjects to be discussed at the meetings. Complete minutes of such emergency meetings specifying the nature of the emergency and any formal action taken at the meeting shall be made available to the public by no later than the end of the next regular business day.

Agenda and Advance Distribution of Materials

An agenda of matters to be acted upon at any regular meeting of the Board is prepared by an Assistant Secretary, or his or her designee, and (whenever reasonably possible) mailed or delivered to each Director at his or her designated address on the Friday preceding the meeting.

Any matter will be put on the agenda at the request of any member of the Board if made by 10:00 a.m. on the Wednesday preceding the meeting. No new matters shall be acted upon at that meeting without the affirmative vote of four members of the Board. The foregoing shall not foreclose any citizen of the privilege of being heard, at any meetings on any matter relating to the Company's operations, subject to such reasonable time and relevancy limitations as the Chairman or Chairwoman of the Board, with the concurrence of the Board, may set.

All information and data that is relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting, where feasible, should be distributed to the Board in advance of the meeting and Board members should undertake to review such materials in advance of the Board meeting.

Public Participation

It is the policy of OPPD that members of the public are permitted to attend and speak at meetings of the Board. The Board has adopted Guidelines for public participation at Board meetings.

Communications

External Parties

Senior Management (through Corporate Communications) has the primary responsibility to speak for the Company in communications with outside parties, e.g., the media, and industry associates, and to set policies for those communications. Individual board members may, from time to time, with the coordination of the Chief Executive Officer, meet or otherwise communicate with various constituencies of the Company.

Interested Parties

Interested parties may communicate with the full Board of Directors or individual Directors by providing such communications in writing to the Company's Corporate Secretary. Such communications will be reviewed by the Corporate Secretary and forwarded to the Chairman or Chairwoman of the Board, the full Board of Directors or individual Directors, as the Corporate Secretary, in consultation with the Chief Executive Officer or his/her designee, determines is appropriate.

Role of Management

The business of the Company is conducted by its employees and managers under the oversight of the Board of Directors, with the goal of enhancing the long-term value of the Company for its customer-owners while also fulfilling its obligations.

In exercising its oversight over the management of the Company, the Board seeks to ensure that:

1. The Company has a clear and acceptable purpose, strategic and operational direction and plan; and
2. The business of the Company is managed effectively in light of economic circumstances and in accordance with legal and regulatory requirements to achieve such purpose, direction and plan.

Monitoring and Enforcing Corporate Governance

The Chairman or Chairwoman of the Board shall take all reasonable steps to provide that Directors comply with aspects of this policy related to the Board, its Committees and individual Directors. The Corporate Secretary shall take all reasonable steps to provide for compliance with this policy. The Governance Committee assists the Board in overseeing the development and implementation of principles to monitor corporate governance. During the Board's annual evaluation, compliance with the corporate governance guidelines must also be assessed.

Change Control

Corporate Governance Guidelines will be reviewed by the Governance Enterprise Risk Management Working Group (ERMWG) Committee on an annual basis. Changes or updates to the guidelines must be brought to the Governance ERMWG Committee for consideration prior to implementation. The Governance ERMWG Committee will report out to the Executive Enterprise Risk Management Committee annually.