



CODE OF ETHICS AND CONFLICT OF INTEREST ANNUAL AFFIRMATION STATEMENT

INTRODUCTION

GENERAL POLICIES AND GUIDELINES ON LEGAL AND ETHICAL STANDARDS

The maintenance of extremely high standards of honesty and integrity, impartiality and conduct is essential to assure the proper performance of Northwest Business Development Association (NWBD A) (the "Company") business and the maintenance of the public's trust. The preservation of that trust and the Company's reputation requires close observance of these standards on the part of the Company's Directors, Loan Committee Members, Officers, employees and agents.

The Company requires that all of its Directors, Loan Committee Members, Officers, employees and agents avoid possible misconduct and conflicts of interest through informed judgment and careful regard for the standards of conduct and responsibilities set forth in the policy statement that follows. In all situations, including those where there are no applicable legal principles or the law is unclear or in conflict, all such Company representatives are expected to conduct themselves in a manner that can be supported by management and to exercise good judgment in the discharge of their responsibilities.

Compliance with the Code of Ethics will be the responsibility of every representative of the Company. Northwest Business Development Association will aggressively and fairly pursue internal investigation and cooperate with any external investigation or audit concerning violations of this Code of Ethics or any of the Company's policies, regulations or compliance issues. All directors, loan committee members, officers, employees and agents are required to direct any questions or information, without fear of reprisal, of suspected illegal or unethical activities, misuse of the Company's property or facilities, or misconduct to any senior management officer or Board member. The Company's senior management officers and Board members have the responsibility to investigate and correct abuses of improper or unethical activities of Company employees. Violations of the Code of Ethics may result in the immediate termination of employment, directorship or membership.

CONFIDENTIAL INFORMATION

The use of confidential information obtained through or as a consequence of employment/directorship/membership with NWBD A or its subsidiaries must be limited to the proper conduct of the Company's business. Neither the Company nor any of its representatives may use or permit others to use such confidential information for the purpose of furthering a private interest or as a means of making a profit. The welfare of the Company depends upon the conduct, honesty and fair play of the employees/directors/members and the trust and confidence of the public. Our customers rightly expect honesty, security, fairness and confidentiality in their accounts and business. Each director, loan committee member, officer, employee and agent must:

- Not disclose unauthorized information relative to the accounts or business of this Company or its relations with others, and discuss no matters of a confidential nature relating to the Company's affairs unless such discussion is in the necessary course of Company business and in accordance with Company policy; and,
- Inform management or the Board, without delay, of any fraud, false entry, substantial error, embezzlement, or any transaction or matter that seems irregular or damaging to the Company.

A violation of this pledge of responsibility and confidentiality is a violation of the Company's trust and may result in termination of employment/directorship/membership.

CONFLICT OF INTEREST

CORPORATE POLICY

It is the policy of NWBDA that all directors, loan committee members, officers, employees and agents must avoid potential conflicts of interest. A potential conflict may exist whenever a representative of the Company has an outside interest (direct or indirect) which conflicts with the individual duty to the Company or adversely affects the individual judgment in the discharge of his or her responsibilities at the Company. Potential conflicts of interest include, but are not limited to, those in which a Company representative has been inadvertently placed because of business or personal relationships with customers, suppliers, business associates or competitors of the Company, and may include employment conflicts should employees accept an additional job while employed by NWBDA. The appearance of a conflict of interest may be just as damaging to the Company's reputation as though it were real.

All directors, loan committee members, officers, employees and agents are expected to objectively consider their actions and question whether or not a reasonable, disinterested observer (a customer, a supplier, a shareholder, a federal/state regulator, an acquaintance, or a government official) would have any grounds to believe:

- The confidential nature of account relationships has been breached.
- Fiduciary responsibilities are handled in a less than prudent manner.
- Business is done with the Company only on the basis of friendships, family ties, gift receiving or giving, or to curry favors with special interest groups or leverage the Company's customer base to one's own arbitrary and exclusive financial advantage.
- The Company's name is used as leverage by the directors, loan committee members, officers, employees, agents, attorneys or their family members to enhance their own opportunities when dealing with others in their political or personal activities.
- The needs of the public are not considered in making business decisions.

In the event a potential conflict of interest arises involving a directors, loan committee member, officers, employees or agent of the Company, its nature and extent shall be fully disclosed in writing immediately to the President or Chairman of the Board, who will make a thorough review of the circumstances and determine the appropriate action to be taken.

CORPORATE DIRECTORSHIPS, PUBLIC OFFICES AND COMMISSIONS

Directors, loan committee members, officers and employees must be constantly concerned when considering election or appointment to corporate boards, public offices, commissions or service as an officer or director of a nonprofit organization, that serving in such capacity will not place them in a position where a potential conflict of interest may arise or exist. Any questions concerning the propriety of participation in such activities should be brought to the attention of the President. Unless specifically approved in writing by the President and/or Executive Committee, no director, loan committee member, officer or employee shall serve on the board of directors of any nonprofit entity which:

- Competes with the Company; or
- Is in substantial default to the Company on any loan contract or other obligation; or
- Is involved in a substantial controversy or litigation with the Company.

ADMINISTRATION OF THE CODE OF ETHICS

The Board of Directors has adopted this Code of Ethics and delegated the responsibility for its administration to its Board of Directors and the President. The Board of Directors and the President understand their responsibilities for the administration of the Code of Ethics and will consider appropriate recommendations for on-going training and awareness; document any exceptions to this Code of Ethics should they become aware of them; maintain consistent standards for investigation of suspected or reported violations of this Code of Ethics; and periodically review the Code of Ethics to ensure that it is comprehensive, judicious, and reflects the current organizational structure and business practices of NWBDA.

It is the responsibility of each Company representative to be familiar with the Code of Ethics and to abide by the letter and spirit of its provisions at all times. All directors, loan committee members, officers and employees will be provided with a copy of the Code of Ethics at the time of their orientation. All representatives must acknowledge the Code of Ethics in writing as well as any future material changes made to it. Periodically, officers and other personnel in the administrative or otherwise sensitive positions may be required to submit a statement of personal interest as evidence of their continued compliance with the Code of Ethics. The Board of Directors, management and supervisors are expected to make every effort to ensure compliance with the provisions of the Code of Ethics.

This Code of Ethics has been approved and adopted by the Board of Directors of Northwest Business Development Association at a regular board meeting held on September 14, 2009.

ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING:

I hereby acknowledge receipt of a copy of Northwest Business Development Code of Ethics policy. I understand that adherence to the Code of Ethics policy is a condition of my employment/directorship/membership.

I have read the above excerpts and certify by my signature that I do not currently have a conflict of interest as I serve on the Loan Committee and or Board Member and or Employee for NWBDA, and, furthermore, in the event a potential conflict of interest arises, its nature and extent shall be fully disclosed in writing immediately to the President or Chairman of the Board, who will make a thorough review of the circumstances and determine the appropriate action to be taken.

Employee/Director/Member

Date