

AUTHORITY AND FUNCTIONS OF DIRECTORS

I. OBJECTIVE

To describe the authority and major functions of the Board.

II. POLICY

- A. **The business and affairs of GVEA will be managed by a Board of seven (7) directors which will exercise all of the powers of GVEA, except such as are by law, the Articles of Incorporation or these Bylaws, conferred upon or reserved to the members.**
- B. **The Board will appoint a President & Chief Executive Officer who may be, but who will not be required to be, a member of GVEA. No member of the Board may serve as President & CEO until one (1) year after discontinuing service as a director. The President & CEO will perform such duties and will exercise such authority as the Board may, from time to time, vest in the President & CEO.**
- C. Except as otherwise provided by the Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of GVEA, and authority may be general or confined to specific instances.
- D. The Board will have the power to make and adopt such rules, regulations and policies, not inconsistent with law, the Articles of Incorporation or the Bylaws, as it may deem advisable for the governance of the business and affairs of GVEA.
- E. Following actions by the Board, the Board will act and speak as one: being a united voice for GVEA. The Chair, or in the Chair's absence, the Vice Chair, will be the spokesperson for the Board, except in those cases previously authorized by the Board or as designated by the Board Chair. Board members must act with unconflicted loyalty to the interests of GVEA. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups. The interest of GVEA shall supersede the personal interest of any Board member acting as a consumer of GVEA's services.

III. FUNCTIONS

- A. To maintain a legal entity charged with:

1. Ensuring that GVEA complies with all applicable legal requirements, including, but not necessarily limited to:
 - a. All federal, state and local statutes and ordinances.
 - b. The rules, regulations and legal requirements imposed by the Rural Utilities Service and other GVEA lending institutions.
 - c. The rules, regulations and legal requirements imposed by federal, state and local tax and regulatory agencies and commissions having jurisdiction over GVEA.
2. Selecting, appointing and reviewing annually the Vice President & General Counsel in consultation with the President & CEO.
3. Studying, considering and approving amendments to the Bylaws and Articles of Incorporation to be recommended to members.
4. Reviewing and approving Cost of Service Studies and Rate Designs.
5. Reviewing and approving loan agreements, wholesale power agreements, labor contracts, and unbudgeted contracts in excess of \$500,000 and budgeted contracts in excess of \$5,000,000.
6. Reviewing power requirement studies and similar information as necessary to make power generation decisions that will ensure sufficient and reliable electricity for GVEA's current and projected members.
7. Ensuring that complete and accurate minutes of the Board, the annual membership and other member meetings are prepared, approved and maintained.
8. Acting as trustee of the members' interests with respect to:
 - a. Conducting well-planned membership meetings, which promote understanding of GVEA's objectives, goals, policies, plans and programs and provide opportunities for soliciting member ideas and comments.
 - b. Being well-informed about changing member expectations and how GVEA might assist in meeting those expectations.
 - c. Ensuring that the members are informed of the results of GVEA operations through periodic publications, annual reports, membership

meetings and other communications, including the use of email social media.

- d. Complying with the Articles of Incorporation, Bylaws and Board policies.
- e. Remaining informed and aware of the ideals and objectives of GVEA in order to understand and contribute to the development of policies and plans, and to address issues and concerns.
- f. Arranging for an annual appraisal of Board performance, an outside consultant at least every five years; developing a systematic program to keep the Board current in its abilities and understanding.
- g. Assisting new directors to develop a greater understanding of GVEA and their responsibilities and authority. An orientation will be arranged for new directors.
- h. Ensuring that a continuous program of member, public and governmental relations is carried out to obtain understanding and support for GVEA.
- i. Ensuring that Board members are fully informed of their collective responsibilities for:
 - i. Selecting, hiring, evaluating and terminating the President & Chief Executive Officer.
 - ii. Providing stewardship of the planning process through active participation in strategic planning and budgets.
 - iii. Monitoring and evaluating organizational performance.
 - iv. Identifying principal risks to GVEA and ensuring effective systems are in place to manage risks.
 - v. Ensuring there is an orderly transition of the Board and executive management.
 - vi. Developing and reviewing policies to guide the cooperative and its management.
 - vii. Reviewing the adequacy and integrity of internal control and management information systems.

viii. Establishing policies, processes and procedures for the structure, operation and evaluation of the Board.

j. To act as trustee of the members' interests with respect to voting at subsidiary corporation shareholder/member meetings or other organizations collectively in the best interests of GVEA with the majority votes of directors present constituting the vote of the shareholder or member.

IV. RESPONSIBILITY

- A. The Board may delegate any or all of these responsibilities to an officer or committee of the Board or the President & CEO, so long as such action is consistent with the Bylaws and other legal requirements.
- B. It will be the responsibility of the Chair of the Board to ensure that the foregoing functions are carried out.

ADOPTED: April 15, 1987
AMENDED: March 27, 2017