

FOUNDATION OR SUBSIDIARY GOVERNANCE

I. OBJECTIVE

- A. To provide the framework within which the Board of Directors or Trustees of any GVEA Foundation or subsidiary will be guided in the execution of their fiduciary duties as a director or trustee of the GVEA Foundation or subsidiary.
- B. To provide the framework within which a GVEA Board member will be guided in the execution of their fiduciary duties as a shareholder and/or director of a GVEA Foundation or subsidiary.

II. POLICY

- A. All corporate authority and affairs of a GVEA Foundation/Subsidiary will be managed by a Board of Directors or Board of Trustees (Directors/Trustees).
- B. Directors/Trustees will be appointed annually or as otherwise determined by the GVEA Board of Directors.
- C. Each Director/Trustee will exercise their prescribed role and commitment in a manner consistent with all relevant law and with the following fiduciary duties:
 - 1. Duty of Care: Each Director/Trustee is obligated to exercise the proper level of care in the decision-making process, by acting (a) in "good faith" (*i.e.*, in the absence of any personal benefit or self-dealing); (b) with that level of care that an ordinary prudent person would exercise in like circumstances (*e.g.*, the obligations to be informed and to exercise reasonable inquiry); and (c) in a manner the Director/Trustee reasonably believes is in the best interests of the Foundation/Subsidiary.
 - 2. Duty of Loyalty. Each Director/Trustee is obligated to exercise their obligations and powers in the best interests of the Foundation/Subsidiary and its mission, not in their own interest or in the interest or another entity (regardless of nature, including GVEA) or person. Each Director/Trustee is obligated to affirmatively protect the interests of the Foundation/Subsidiary, and to refrain from doing anything that would deprive it of profit or advantage, which the Director/Trustee's skill or ability might bring to it, or enable it to make in the reasonable and lawful exercise of their powers. Each Director/Trustee is obligated to exercise an undivided and unselfish loyalty to the Foundation/Subsidiary and, in doing so, not to allow any conflict between duty and self-interest.
 - 3. Obedience to Purpose. Each Director/Trustee is charged with the obligation to further the mission of the Foundation/Subsidiary as set forth in their Articles of

Incorporation and Bylaws, to be faithful to their articulated purposes and goals, and to act in conformity with all laws affecting the Foundation/Subsidiary.

- D. Directors/Trustees will exercise their governance obligations in a manner that emphasizes: external vision rather than an internal preoccupation; encouragement of diversity in viewpoints; strategic leadership and administrative detail; clear distinction of Board and management roles; collective and not individual decisions; future rather than past; and proactivity rather than reactivity. More specifically, the Board will:
1. Operate in all ways mindful of their legal obligation to administer and govern the Foundation/Subsidiary in the best interests of the Foundation/Subsidiary and for the purposes expressed in the Articles of Incorporation. It will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling this commitment.
 2. Enforce upon themselves whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, policymaking principles, respect of roles, preparedness, and ensuring the continuity of governance capability. Discipline will also apply to ensuring that the Board or individual Directors/Trustees will not be engaged in the day-to-day management of the Foundation/Subsidiary, which is the responsibility of the Foundation/Subsidiary President/CEO. Continual redevelopment will include annual education of members in the Board's governance process and periodic Board discussion of process development.
 3. Direct, control and inspire the Foundation/Subsidiary through the careful establishment of organizational policies reflecting the Foundation/Subsidiary's mission, values, and perspectives. A major focus will be on the Board of Directors/Trustees' strategic planning and the intended outcomes and potential impacts of these plans, as well as on the administrative means of executing these plans.
 4. Cultivate a sense of group responsibility. The Board of Directors/Trustees (not the staff) will be responsible for excellence in governing. The Board of Directors/Trustees will be an initiator of policy, not merely a reactor to staff initiatives. The Board of Directors/Trustees will use the expertise of individual members to enhance the ability of the Board of Directors/Trustees as a body, rather than to substitute their individual judgments for the Board's values.
 5. Monitor and discuss the Board's process and performance at least annually.
 6. Conduct themselves in a manner which complies with all relevant laws and regulations. The Board of Directors/Trustees will fulfill all of their legal and fiduciary responsibilities as required by state and federal statutes and regulations, and the Articles of Incorporation and Bylaws of the Foundation/Subsidiary, as interpreted on their behalf by General Counsel of the Foundation/Subsidiary or such outside counsel as may be retained to advise the Foundation/Subsidiary.

7. Keep adequately informed about relevant issues and developments affecting their mission.

III. FUNCTIONS OF THE GVEA BOARD IN FOUNDATION/SUBSIDIARY GOVERNANCE

- A. Decide when a Foundation/Subsidiary may be created, purchased, sold, or dissolved.
- B. Represent GVEA's interests as the Shareholder/Member as determined by a majority vote of the GVEA Board.
- C. Approve and maintain the Articles of Incorporation, Bylaws, and other governing documents of the Foundation/Subsidiary.
- D. Select, appoint, and review Foundation/Subsidiary Director/Trustees in consultation with the Foundation/Subsidiary Chairperson.
- E. Indemnify GVEA employees serving as a Foundation/Subsidiary's Director/Trustee or officer.
- F. Distribute, reinvest, or allocate annual Foundation/Subsidiary profits/margins.
- G. Approve major contracts such as loan agreements or other financial contracts when the full faith and credit of GVEA is required.
- H. Approve shareholder/member meeting minutes.

IV. GOVERNANCE FUNCTIONS OF THE FOUNDATION/SUBSIDIARY BOARD

- A. To maintain a legal entity charged with:
 1. Ensuring that the Foundation/Subsidiary 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 lending agencies.
 - c. The rules, regulations and legal requirements imposed by federal, state and local tax and regulatory agencies and commissions having jurisdiction over the Foundation/Subsidiary.
 2. Study, consider and recommend amendments to the Bylaws and Articles of Incorporation to the GVEA Board for approval.
 3. Review and approve major contracts such as loan agreements, labor contracts and large construction or consulting contracts.

4. Develop and analyze studies and similar information to make informed decisions that will ensure the profitability or charitable purpose of the Foundation/Subsidiary.
5. Ensure that complete and accurate minutes of the Board, the annual shareholder/member and other meetings are prepared, approved, and maintained.
6. To act as a fiduciary of the shareholder/member's interests with respect to:
 - a. Conducting well-planned shareholder/member meetings which promote understanding of the Foundation/Subsidiary's objectives, goals, policies, plans and programs and provide opportunities for soliciting shareholder/member ideas and comments.
 - b. Ensuring that the shareholder/member is informed of the results of the Foundation/Subsidiary's operations through periodic publications, reports, shareholder/member meetings and other communications.
 - c. Complying with the Articles of Incorporation, Bylaws and Foundation/Subsidiary policies.
 - d. Appointing a President/CEO.
 - e. Making and adopting such rules, regulations and policies, not inconsistent with law, as it may deem advisable for the management of the business and affairs of the Foundation/Subsidiary.

V. RESPONSIBILITY

It will be the responsibility of each Board and specifically the Chairperson of each Board to ensure that the foregoing policy and functions are carried out.

ADOPTED: November 28, 2011

AMENDED: March 27, 2017