

RELATIONSHIP BETWEEN THE BOARD OF DIRECTORS AND
THE PRESIDENT & CHIEF EXECUTIVE OFFICER

I. OBJECTIVE

To establish a policy governing the basic relationship between the Board and the President & CEO of GVEA, including the ground rules for delegations of authority.

II. POLICY

The Board recognizes, establishes and will adhere to the following guidelines in its relationship with the President & CEO:

- A. It is recognized that good management is a very important factor in the success of GVEA. Good management requires a strong and effective Board, President & CEO and dedicated, capable employees. In exercising its responsibilities, the Board reserves the authority to exercise all powers except those that are by law, the Articles of Incorporation or the Bylaws conferred upon or reserved to the members.
- B. The Board recognizes the responsibility and need to establish policies, approve plans and programs, appraise results achieved and delegate authority to the President & CEO to execute and carry out plans, programs and policies. The President & CEO will, among other things, be responsible for the hiring of capable personnel, determining compensation within the approved wage and salary plan and policy, training, supervising, and terminating, if necessary.
- C. All policies of the Board will be adopted by the Board at regular or special meetings.
- D. The Board recognizes that if a director makes or attempts to make commitments for the Board, without the authority of the Board to do so, that director has committed a serious breach of policy. A director will be subject to reprimand by fellow Board members should the director attempt to make commitments unofficially for the Board.
- E. The Chairman, or in the Chairman's absence, the Vice Chairman, will be the spokesperson for the Board, except in those cases previously authorized by the Board.
- F. It will be the policy of the Board to refrain as individuals from discussing management and personnel matters with personnel of GVEA. The Board, in consultation with the President & CEO, may confer with key personnel at regular

or special meetings of the Board. Any Board member request for information from GVEA personnel outside of a regular or special Board meeting will be initiated through the Executive office.

- G. The "flow" of authority for the management of GVEA is through the Board to the President & CEO. The Board will have full and complete information from the President & CEO concerning the management of GVEA as set forth in Board policies.
- H. The Board recognizes that efficient management of GVEA can exist only if there is mutual understanding and complete cooperation between the Board and the President & CEO. The President & CEO is expected to produce results and to account to the Board for the President & CEO's stewardship. The President & CEO's performance cannot be the best unless the President & CEO has latitude to exercise independent judgment in executing policies of the Board. The Board extends that latitude to the President & CEO.
- I. The Board recognizes its responsibilities for the employment of the President & CEO and for a systematic, annual performance appraisal of the President & CEO's performance in order that growth, development and effective improvements are encouraged. The Board will hold a special meeting to conduct such appraisal and any compensation adjustments for the President & CEO will be accomplished at that meeting.

III. RESPONSIBILITY

- A. The Chairman of the Board will be responsible for directing the attention of Board members to violations of this policy.
- B. The Chairman of the Board will see that the performance of the President & CEO is appraised at least once each year by the Board at a special Board meeting with the results discussed with the President & CEO.

ADOPTED: April 15, 1987

AMENDED: June 26, 2017