

DIRECTORS' FEES, EXPENSES AND TRANSPORTATION

I. OBJECTIVE

To provide for fair equitable payments to directors for attendance at board, committee, member and other approved meetings and conferences.

II. POLICY

A. Attendance Fees:

1. Regular Board Meetings

Each director will receive \$600 per day for attendance at regular board meetings.

2. Special Meetings (Board, Committee, Other)

Each director will receive \$300 for special meetings, committee meetings, or other meetings of the board of four hours or less; \$400 for meetings of six hours or less but in excess of four hours, and \$500 for meetings in excess of six hours. Each director will receive \$400 per day for meetings outside the service territory and travel days to and from the service territory, regardless of the length of the meeting.

When two or more meetings are held on the same day, each director will be paid a meeting fee according to the total number of hours of those meetings.

Payment for attendance at committee meetings may be made only to those persons assigned to the committee, unless otherwise decided by the board.

3. Meeting Fees for the Chairman of the Board and Administrative and Finance Audit & Rate (FAR) Committee Chairs

The Chairman of the Board is authorized to receive two additional meeting fees per month.

The Chairman of each of the board's Administrative and FAR Committees may receive \$200 in addition to the normal meeting fee earned for meetings of those committees.

4. Other Meetings/Conferences

While attending other meetings and conferences as specifically authorized by the board, which will automatically include election to related other organizations, boards or selection as members of related board committees, either standing or special, each director attending will receive attendance fees as outlined in Section II, A, 2 above for activities within

GVEA's service area and \$400 per day when traveling and attending meetings or conferences outside the service area, unless reimbursed by the other organization. Directors traveling in their own vehicles or aircraft will be reimbursed only for those travel days that would normally be required if the director had traveled via commercial airfare.

B. Transportation:

1. If a director furnishes his own transportation, the director will be compensated for the expenses of transportation at the federal standard mileage rate then in effect. Payment will be calculated from his home to the meeting place and return, within the state of Alaska only. At the option of a director, the director may be paid the actual expense of such transportation if the transportation is by means other than automobile, at the rate described above. Transportation compensation will not exceed the cost of full coach airfare.

A director, provided the director has at least 500 hours Alaska flight time, is currently qualified medically under FAA rules, has a current biannual flight review and is rated for and current to perform the type of flight anticipated, may fly his own aircraft, provided it has a current annual inspection, to attend meetings or while on GVEA business within the state of Alaska. Reimbursement for travel will be at the same rate as for vehicle travel for each road mile between destinations, but in no case will exceed the cost of full coach airfare.

No more than two directors and no more than two key staff may travel aboard an aircraft provided by a director.

Directors will be reimbursed for travel to and from the state of Alaska in an amount equivalent to the cost of commercial airfare. Necessary taxi, limousine and car rental expenses are also reimbursable. Normally, reimbursement for travel by air will be at coach fare unless the board approves first-class fare for special circumstances.

Directors may use their personal airline miles for tickets and be reimbursed the value of the ticket, provided that the travel is coordinated with staff in advance of the ticketing and the reimbursement amount will not exceed the lowest fare obtained by any other director or staff for the same travel. The payment for such mileage use will be treated as compensation and will be reported on the director's 1099.

C. Expenses:

1. Directors will be reimbursed for actual expenses incurred for authorized travel transportation and lodging as supported by an expense voucher, which will be submitted on a timely basis. Meals and incidental expenses

will be reimbursed under a plan as adopted by management and outlined in Administrative Manual 4.1, Guidelines for Employee Travel and Business Expenses.

2. A quarterly report of expenses incurred by directors will be submitted to the board for review.
3. Directors and the President & CEO are encouraged to bring their spouses to annual and regional meetings of the National Rural Electrification Cooperative Association (NRECA) and Alaska Power Association (APA) so that they may participate in official activities of such meetings. GVEA will not reimburse directors or the President & CEO for travel or meal expenses incurred by their spouses in connection with such meetings.
4. Alcohol expenses will not be reimbursed by GVEA.
5. Directors will receive reimbursement for the actual monthly recurring expenses for high speed internet access to their residence as supported by a receipt.

D. Health Insurance:

Beginning July 1, 2016, directors will be entitled to be covered under GVEA's health insurance plan as it is provided to all GVEA regular employees. Directors will be responsible to reimburse GVEA for 100 percent of the health insurance premium incurred by GVEA for the director.

E. Gifts to Directors:

At the discretion of the board, each retiring director may be given a gift in appreciation for past services. The value of the gift will not exceed \$50 for each year served.

III. RESPONSIBILITY

- A. It is the responsibility of each director to comply with the provisions of this policy.
- B. It is the responsibility of the President & CEO to ensure quarterly reporting of directors' expenses.

ADOPTED: April 15, 1987
AMENDED: May 29, 2018