

EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
POLICY BULLETIN NO. 403

SUBJECT: BOARD OF DIRECTORS/EXECUTIVE VICE PRESIDENT/GENERAL MANAGER INTER-RELATIONSHIP

POLICY:

1. OBJECTIVE

To establish the policy governing the basic relationship between the Board of Directors and the Executive Vice-President/General Manager, including the principles involving the delegation of authority.

2. POLICY CONTENT

In recognition of the fact that good management is the most important factor in the success of Egyptian Electric Cooperative Association, the Board of Directors hereby establishes the following guidelines for its relationship with the Executive Vice-President/General Manager:

- a. The Board of Directors reserves its responsibility to establish policies, approve plans and programs, and delegate authority to the EVP/GM, except those that are by Law, the Articles of Incorporation and By-laws of Egyptian Electric Cooperative Association conferred specifically upon the Board or reserved to the member-owners.
- b. The Board recognizes the need, and its responsibility, to establish policies, approve plans and programs, and delegate authority to the EVP/GM to carry out its plans, programs and policies. Recognizing the fact that situations will arise from time to time, the EVP/GM is authorized and expected to use his independent judgment in interpreting and executing Board policy. The EVP/GM shall, among other things, have authority to hire personnel, train and supervise them, and when necessary, replace them.
- c. All policies of the Board of Directors shall be considered and promulgated at regular and special meetings of the Board.
- d. It shall be the policy of the Board to refrain, as individuals, from discussing management problems with the personnel, other than the EVP/GM of the cooperative, except in cases where the Board and/or the EVP/GM may deem it necessary or desirable to confer with personnel at regular or special meetings of the Board.
- e. It shall be distinctly understood that the "flow" of authority for the management of the Cooperative shall pass through the EVP/GM, and the EVP/GM shall be the connecting link between the Board and the employed personnel. The Board shall require full and complete information from the EVP/GM concerning all matters in connection with the management of the Cooperative as set forth in Board policies.
- f. The Board recognizes its responsibility for the employment of a EVP/GM, and further, recognizes the additional responsibility for a systematic appraisal of the EVP/GM's performance of responsibilities in order that growth, development, and effective improvement are encouraged. The Board shall review the EVP/GM's salary annually and consider the EVP/GM's salary relative to other Illinois electric cooperatives as provided by the AIEC annual salary survey. The Board may also consider other sources of data as they deem necessary. The Board may, at its discretion, enter into a contract for the services of the EVP/GM.

3. RESPONSIBILITY

The President of the Board of Directors shall be responsible for inviting the attention of Board members to non-adherence to this policy.

Adopted: 10/28/69
Reviewed: 08/24/2004
Revised: 3/26/2013

Attested: R. M. Bahn, Secretary
Attested: Gilbert Kroening, Secretary
Attested: Ken Jarrett, Secretary