



## Board Director Requirements and Expectations

### Purpose:

- The purpose of this document is to outline the requirements and expectations of serving on the Board of Directors (“Board” or “Directors”) of Choptank Electric Cooperative, Inc. (“Choptank” or “the Cooperative”).
- Choptank’s Board of Directors collectively establishes policy, and provides guidance and oversight to the President and CEO. Directors do not individually or collectively participate in the day to day management of the Cooperative. A background in basic business principles and knowledge of finance is extremely helpful.
- Choptank Directors represent the member/owners in providing input and advice to management. Directors need to be prepared to speak directly with members regarding their electric service and to carry their concerns back to the President and CEO.

### Director Education:

- Basic director certification known as the Credentialed Cooperative Director (CCD) is required within the first 3 years of becoming a member of the Board. The Credentialed Cooperative Director curriculum consists of five courses designed to provide basic knowledge and skills required of cooperative directors. Directors have several opportunities to attend courses, including the National Rural Electric Cooperative Association’s (NRECA’s) Pre-Annual Meeting, Pre-Annual Directors’ Conference, Summer Schools, Pre-Regional Meeting, statewide association sponsored programs, and on-site training.
- Course work and travel expenses required for the certifications are reimbursed by the Cooperative; hence the Cooperative invests a significant amount of money into this and other Director training. The time commitment from the Director and the training expense incurred by the Cooperative should be taken into account by prospective Directors.



### Meetings/Attendance:

- There are 12 monthly Board meetings, usually on the 4th Tuesday of the month, these start at 9:30 am and usually end between noon and 1 pm. Absence from three board meetings in a year could result in removal from the Board. Attendance of monthly **Board meetings** by telephone is permitted on a limited basis. Additionally there is an annual member meeting and an annual Board meeting in April, and usually a two day strategic planning session or informational session in January, at which attendance is required.
- There are approximately 12 to 24 days a year that involve non-monthly Choptank Electric related meetings. Attendance at these meetings is necessary in order for a Director to perform his or her share of the Board's work, to be prepared for the monthly board meetings, and to have an understanding of the cooperative system and the electric utility business.
- The amount of time devoted to preparation for and participation in Board, committee, and other meeting and Director duties will depend on many factors, including offices held, the committee assignments and educational activities of a specific Director.
- Choptank is a member of the Virginia, Maryland, and Delaware Association of Electric Cooperatives and the Old Dominion Electric Cooperative (ODEC), which holds a joint 3 day annual business and informational meeting in July, usually in Virginia.
- One member of the Board is selected to represent Choptank on the VMD Association board and one member is selected to represent Choptank on the ODEC board.
- Choptank is a member of the National Rural Electric Cooperative Association (NRECA). NRECA holds an annual national convention at locations across the country, held from a Sunday through Wednesday in February or March.

- NRECA offers a two day directors educational conference annually usually in late March.
- New Directors are required to attend a half-day orientation at the Cooperative's Headquarters office.
- Dress code for Board meetings is business casual throughout the year unless more formal attire is needed. Notification of formal attire will be provided prior to the Board meeting. Formal attire for men includes suits, or sports jackets with ties that are typical of business formal attire at work. For women, business attire includes pant and skirt suits and sports jackets appropriate to formal business attire.
- Meetings follow Robert's Rules of Order.

#### Compensation:

- Compensation is paid by the Cooperative to its Directors on a per diem basis, intended to cover a reasonable amount of time to prepare for the meetings that a Director attends. Reasonable travel expenses of the Director are reimbursed.

#### Other:

- The Bylaws include requirements with regard to prospective board member candidates and Directors while they are serving. Applicable Bylaw sections should be reviewed by prospective Board candidates. The Cooperative bylaws are posted on the Cooperative's website. See especially bylaws 4.03, 4.04 and 4.07.
- The Board has adopted a set of policies which include certain expectations of Directors. Elected Board members must adhere to these policies.
- Each Director is provided with an iPad and secure internet account. Communications between the CEO and the Board, and distribution of all information and materials necessary for Director preparation for upcoming board or committee meetings, is via the internet to the Director's iPads. Internet reception at his/her home, via a nearby cell tower or internet service to his/her home, and the ability of a Director to operate the iPad and to communicate by

email is essential.

- Many matters considered by the Board are confidential. Examples of this are personnel matters, and contemplated land acquisitions that would result in increased acquisition costs if divulged to the public. It is the duty of each Director to maintain confidentiality until such time they are no longer considered confidential.
- It is the duty of each Director to be loyal to the Cooperative. This includes the duty of a Director to immediately disclose all matters involving the Cooperative in which that Director has the appearance of a conflict of interest or an actual conflict of interest with the Cooperative. Each year each Director is required to sign and file with the Cooperative a form disclosing the circumstances of actual and appearances of conflicts of interest in which he/she is involved.

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