

## **KIUC BOARD POLICY NO. 4**

### **BOARD COMMITTEES**

#### **PURPOSE OF POLICY:**

The purpose of this policy is to describe and establish procedures for the management of the committees of the Board.

#### **POLICY CONTENT:**

##### **I. Standing Committees**

The Board has the following standing committees. Charters for each committee are attachments to this policy.

1. Executive
2. Finance and Audit
3. Government Relations / Legislative Affairs
4. International
5. Member Relations
6. Policy
7. Strategic Planning
8. Loan Review

The Board Chair shall be an *ex officio* member of each standing committee, with the right to vote on matters considered by each committee.

##### **II. Ad Hoc Committees**

The Bylaws provide for the annual establishment of one ad hoc committee, the Nominating Committee. A charter for that ad hoc committee is attached to this policy.

The Board may establish additional ad hoc committees to investigate, report, and propose recommendations to the Board for a specific purpose. Upon fulfillment of its purpose, that ad hoc committee shall be dissolved.

The Board shall establish each ad hoc committee, appoint its members, and appoint a Director as its chair. Typically, the Board Chair shall provide a proposed slate of members for the Board's vote.

##### **III. Procedures for Standing Committees**


- A. Voting.** All committee members except those who are KIUC employees shall have a vote on committee business.

- B. Minutes.** Minutes of each meeting shall be taken and distributed promptly after each meeting to all committee members. Typically a KIUC employee will take the minutes. However, if there is no employee to do so, the Committee Chair shall appoint another individual to take and distribute minutes.
- C. Reports to the Board.** After each meeting of a committee, that Committee Chair shall report to the Board, usually at the next Board meeting, to recount that committee's activities, findings, and recommendations.
- D. Attendance.** Committee Chairs may allow non-members of their committee, such as subject matter experts, to attend, including Directors. The attendance of any non-member Director shall not entitle the non-member to be paid a stipend for such attendance, except as otherwise provided in the relevant KIUC policy. When possible, to ensure there are adequate materials and space available at all meetings of committees where non-member Directors will be in attendance, at least 24 hour's notice of such attendance will be given to the Committee Chair by the non-committee member Director desiring to attend. Otherwise, materials or seats may not be available to non-members.
- E. Timing of Appointments to Committees.** While membership in Board committees may be changed at any time, membership in the standing committees are typically reconsidered once a year during the annual meeting of the Board. During that meeting, the Board Chair typically proposes a full slate of members for each standing committee, for consideration by the Board. The Board then votes to appoint members to the standing committees. Members of the Nominating Committee are typically appointed during the third or fourth quarter of the year.

#### **IV. Confidentiality Requirement for NonDirector Committee Members**

Committee members who are not Directors shall refrain from disclosing non-public, confidential, or proprietary information concerning KIUC to individuals outside of KIUC. Before they become a member of a KIUC committee, each non-Director member shall sign an appropriate nondisclosure and confidentiality agreement in substantially the same form as is signed by new Directors.

Adopted on this 28<sup>th</sup> day of January, 2021.

  
Calvin Murashige  
Secretary

Revised: 01/28/2021  
Revised: 11/23/2020  
Reviewed: 10/30/2018  
Reviewed: 12/13/2016  
Reviewed: 01/27/2015  
Reviewed: 06/26/2012  
Revised: 05/31/2011  
Revised: 04/27/2010  
Revised: 02/24/2009  
Revised: 11/26/2005  
Revised: 08/25/2004  
Original Adoption: 2003



ATTACHMENT 1 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE EXECUTIVE COMMITTEE**

**I. MEMBERSHIP**

The Executive Committee (“Committee”) shall be comprised of:

- The Board Chair,
- The Board Vice Chair,
- The Board Secretary, and
- The Board Treasurer.

The Committee Chair shall be the Board Chair or the designee of the Board Chair.

**II. RESPONSIBILITIES**

The purpose of the Committee is to act for the Board in emergencies, to oversee performance of the CEO, to take confidential reports from legal counsel, and to consider such other issues as the Board or the Committee Chair may direct. The powers of the Committee are those granted it by the Board, subject to limitations on its authority listed in KIUC’s Bylaws.

One function of the Committee is to act on behalf of the Board in public health, financial, regulatory, weather or other emergencies, and to facilitate KIUC decisions between Board meetings -- that is, to advise the CEO and to authorize actions of KIUC and its leadership during periods when it is not possible or practical to convene the Board. The Committee may only act between meetings of the Board. Its actions must be communicated to the Board within seven (7) days of any action, and ratified at the next meeting of the Board following the Committee meeting at which those actions were taken. The Committee’s emergency actions shall be binding unless reversed by the Board.

The Committee may receive reports to the Board that do not fit neatly into another single committee, and reports that are delivered between Board meetings. All Directors are to be included in these sessions.

**III. PARTICIPATION**

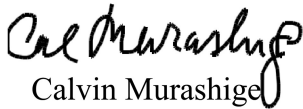
The Committee may invite other Directors and, at its discretion, KIUC employees, contractors, or members of the public, to attend its meetings. There are circumstances in which the Committee may exclude non-Committee members. These might include personnel matters, sessions involving confidential business issues, and other matters. The CEO generally is invited to Committee meetings, unless the meeting specifically involves Board oversight of the CEO, such as salary discussions and performance reviews of the CEO.

If any member of the Committee does not attend a meeting of the Committee, and if a successor to that Board officer has been named, that member's successor may attend and act in the place of the absent member.

#### **IV. EXECUTIVE SESSIONS**

The Committee may convene in executive session for sensitive matters. Non-Directors may be excluded from these meetings, but subject-matter resource individuals may be included. Minutes of these meetings shall be taken by the General Counsel, Secretary, or other Committee designee. Reports from these executive session meetings may need to be reported to the Board in executive session as well.

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
Secretary

Revised: 11/23/2020  
Original Adoption: 04/05/2000 in  
Resolution 08-00

ATTACHMENT 2 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE FINANCE AND AUDIT COMMITTEE**

**I. MEMBERSHIP**

The Finance and Audit Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- KIUC’s Chief Financial Officer, and
- Any other KIUC staff members appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

**A. Budget**

The Committee oversees KIUC's finances and KIUC's budget preparation, submission, and approval processes. The Committee shall recommend action (approval, modification, or rejection) on KIUC’s budget to the Board.

**B. Financial Risk Management**

The Committee shall review and discuss with management KIUC's major financial risk exposures and the steps management has taken to monitor and control those exposures, including KIUC's risk assessment and risk management policies.

**C. Annual External Audit**

1. The Committee shall recommend to the Board a firm to be KIUC’s external auditor.
2. The Committee shall recommend to the Board audit and non-audit services to be provided by the external auditor.
3. The Committee shall meet with the external auditor to discuss the audit, at least once a year. The Committee may meet with the external auditor three times per year: before the start of the audit, during the onsite audit work, and after the conclusion of the audit. The external auditor shall report their findings to the Committee, including any problems or difficulties encountered in the course of the audit work and any significant disagreements with management.
4. If there are significant disagreements between management and the external auditor, the Committee shall report on such disagreements to the Board and shall recommend a course of action to be taken by the Board.
5. Upon the completion of the external audit, the Committee shall report to the Board on the findings of the external auditor and make a recommendation on the approval of the external auditor’s report.

#### **D. Patronage Capital Retirements**

The Committee shall make a recommendation to the Board at least once each year concerning whether or not to retire patronage capital to members. When the Committee recommends a retirement, it shall also recommend an amount to be retired and the allocation year or years from which that amount of patronage capital shall be retired.


#### **E. Other Financial Matters**

The Committee shall also consider any other financial matters referred to it by the Board or the Board Chair.

### **III. ATTENDANCE AND VOTING**

All meetings of the Committee shall be open to other interested Directors and the CEO. The Committee Chair may invite other staff and guests to attend. The Committee Chair may designate part of any meeting to be conducted with only the Committee members that are Directors and the external auditor.

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
Secretary

Revised: 11/23/2020  
Original Adoption: 01/26/2005 in  
Resolution 01-05

ATTACHMENT 3 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE GOVERNMENT RELATIONS /**  
**LEGISLATIVE AFFAIRS COMMITTEE**

**I. MEMBERSHIP**

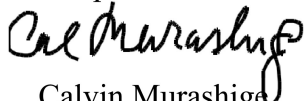
The Government Relations / Legislative Affairs Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee’s responsibility is to provide assistance to the CEO and Staff regarding legislative and lobbying efforts with various governmental elected bodies and representatives (federal, state, and local). When needed, it shall support KIUC efforts at various governmental agencies, and shall provide testimony in support of KIUC’s long-range goals.

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
Secretary

Revised: 11/23/2020  
Original Adoption: 08/29/2006  
in Policy 4



ATTACHMENT 4 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE INTERNATIONAL COMMITTEE**

**I. MEMBERSHIP**

The International Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee shall promote and enhance human well-being through the advancement and development of rural electrification as well as support education and training to our sister cooperatives.

The Committee shall oversee projects which benefit international relationships, such as:

- Book drives,
- Donations of used equipment,
- Emergency and/or disaster assistance, and
- Participation in international conferences.

Travel to international destinations shall require approval of the Board and must be in accordance with the relevant Board policy.

The Committee shall support relationships between KIUC and its sister cooperatives and shall provide assistance as needed through its “Cooperative-to-Cooperative”, “Lineperson-to-Lineperson”, and “Community Outreach” programs.

Adopted on this 23<sup>rd</sup> day of November, 2020.



Calvin Murashige  
Secretary

Revised: 11/23/2020  
Original Adoption: 10/09/2005 in  
Resolution 10-09

ATTACHMENT 5 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE MEMBER RELATIONS COMMITTEE**

**I. MEMBERSHIP**

The Member Relations Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- Any KIUC staff members appointed by and serving at the pleasure of the CEO.

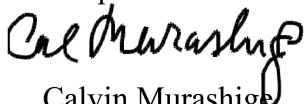
**II. RESPONSIBILITIES**

The Committee shall be responsible for providing Board input to KIUC staff on the following areas:

- Annual election of new Directors
- The annual meeting of the membership
- Marketing and member communications/education pertaining to:
  - The Touchstone Energy brand
  - Patronage capital refunds
  - Member surveys
  - KIUC website
  - Speakers bureau
- Youth Tour participation
- Member services
- Board policy development relating to communications and member services

Prior to any strategic planning workshop, the Committee shall discuss future needs of the members and develop suggested strategic initiatives to present to the participants at the workshop. The Committee may, from time to time, recommend to the Board actions that it believes should be taken by the Board on behalf of the members. Likewise, the Board may refer to the Committee for investigation and review any activities that may be suggested by the public or any Director.

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
Secretary

Revised: 11/23/2020  
Original Adoption: 08/29/2006 in  
Resolution 12-06

ATTACHMENT 6 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE POLICY COMMITTEE**

**I. MEMBERSHIP**

The Policy Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- The General Counsel, and
- Any KIUC staff members appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee has the primary responsibility for developing and recommending Board policies. Other committees of the Board, either on their own initiative or at the request of the Policy Committee, may develop policies for the Policy Committee’s review; provided that, regardless of original authorship, all Board policies will progress through the Policy Committee for a review for consistency with other Board policies, and then to the Board for review and approval.

The Committee also has the primary responsibility for reviewing and recommending to the Board revisions of the Bylaws.

Adopted on this 27<sup>th</sup> day of January, 2022.


Revised: 01/27/2022

Revised: 11/23/2020

Revised: 02/18/2014

Original Adoption: 07/28/2004 in

Resolution 06-04

  
Calvin Murashige (Mar 2, 2022 12:05 HST)

Calvin Murashige  
Secretary

ATTACHMENT 7 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE STRATEGIC PLANNING COMMITTEE**

**I. MEMBERSHIP**

The Strategic Planning Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.


**II. RESPONSIBILITIES**

The Committee facilitates the execution of the strategic planning responsibilities by the Board. Specifically, the Committee:

- Oversees the development of a formal Strategic Plan for KIUC from time to time,
- Recommends the need for one or more strategic planning workshops to help develop or revise a Strategic Plan, and organizes such workshops,
- Reviews progress toward the implementation of strategic initiatives,
- Monitors strategic developments in the electric utility industry and their impact on KIUC, and
- Recommends additions, deletions, and other changes to the present Strategic Plan in between the formal development of such Strategic Plans, especially changes resulting from the identification of new initiatives.

Generally, and unless authority is granted elsewhere, the Committee has no authority, including authority to amend the Strategic Plan. Such authority is reserved for the Board.

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
Secretary

Revised: 11/23/2020  
Original Adoption: 01/26/2005 in  
Resolution 02-05

ATTACHMENT 8 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE LOAN REVIEW COMMITTEE**

**I. MEMBERSHIP**

The Loan Review Committee (“Committee”) shall be comprised of at least five (5) members, all appointed by the Board:

- A Committee Chair who is a Director,
- At least two members with a financial background,
- At least one member from the non-profit sector, and
- At least one other member.

The Committee Chair shall be appointed by the Board and shall serve at the pleasure of the Board. The Committee members will be chosen, in part, because of their experience with lending and/or economic and community development projects.

The members of the committee will serve three-year terms. There is no limit to the number of terms. However, the Board has the right to replace Committee members in the event of resignation or other necessary circumstances.


**II. RESPONSIBILITIES**

The Committee will review all applications to KIUC’s Revolving Loan Fund. The Committee will provide necessary credit analysis and due diligence in order to make a written recommendation to the Board. If a Committee member has a financial interest in the project being reviewed, he/she will abstain from the loan review and recommendation to the Board

**III. CONSISTENCY WITH REDL&G PROGRAM GUIDELINES**

The United States Department of Agriculture offers Rural Economic Development Loan and Grant (“REDL&G”) programs. KIUC’s Loan Review Committee has adopted policies and procedures that allow it to participate in these programs. To the extent this charter differs from or conflicts with the REDL&G program guidelines, the REDL&G guidelines shall control.

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
Secretary

Revised: 11/23/2020  
Revised: 04/22/2008 in  
Resolution 04-08  
Original Adoption: 01/26/2005 in  
Resolution 04-05

ATTACHMENT 9 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE NOMINATING COMMITTEE**

**I. MEMBERSHIP**


The Nominating Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director who will not be a candidate in the next KIUC Board election, appointed by and serving at the pleasure of the Board and
- Four people who are not Directors or KIUC employees, appointed by and serving at the pleasure of the Board.

**II. RESPONSIBILITIES**

The Bylaws state requirements for and responsibilities of the Nominating Committee, and these are not all reiterated in this charter. The primary responsibilities of the Committee are to nominate at least one individual to run for election for each Director to be elected at the next KIUC Board election and to verify candidates for the Board comply with the requirements of the Bylaws and Board policies.

Adopted on this 28<sup>th</sup> day of January, 2021.

  
Calvin Murashige  
Secretary

Revised: 01/28/2021  
Original Adoption: 11/23/2020