



FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY No. 201

SUBJECT: FUNCTIONS OF THE BOARD OF DIRECTORS

I. PURPOSE:

- A. To establish, clarify, and interpret the responsibilities and authorities of the Board of Directors as set for by law, the Articles of Incorporation, the By-laws, and accepted business principles.
- B. To provide guidance to individual Directors in the performance of their duties and responsibilities.
- C. To provide guidance to the Member-Owners in the selection of Directors.

II. POLICY:

The Board of Directors derives its authority from, and is directly accountable to, the Member-Owners of the Cooperative, and is required by law to institute such precedent actions as are necessary to attain the objectives of the Cooperative by the protection of its rights, interests, and assets, except such actions which by law, the Articles of Incorporation, or the By-laws are conferred upon or reserved to the Member-Owners.

Therefore, it shall be the policy of the Board of Directors of Fall River Rural Electric Cooperative, Inc. to use the following outline of Relationships and Responsibilities as guidelines for action and behavior as individual and collective members of the Board of Directors in fulfilling its responsibilities and obligations to the Member-Owners of the Cooperative.

A. Relationships:

1. Reports to:
 - a. As a Board - the Member-Owners through the elected officers and others.
 - b. As Individuals - the President as the chief presiding officer, or in his absence, the Vice President.
2. Directs:
 - a. All committees of the Board
 - b. The General Manager/CEO
3. Hires:
 - a. General Manager/CEO
 - b. Attorney
 - c. Audit Firm

B. Responsibilities:

The Board of Directors shall be expected to fulfill the following responsibilities:

1. To maintain the legal entity of the Cooperative by:
 - a. Compliance with the provisions of the Articles of Incorporation, By-laws, and regulatory and contractual requirements placed upon the Cooperative by, but not limited to, federal, state, and local statutes and ordinances, and the regulations of federal, state, and local commissions and agencies.
 - b. Recommending to the membership revision of the Cooperative By-laws as necessary or required.
 - c. The execution of necessary legal contracts.
2. To act as trustee for the Member-Owners by:
 - a. Protecting the assets and interests of the Cooperative.
 - b. Complying fully with the provisions of the By-laws and policies.
 - c. Assisting Board members to become oriented in their

- responsibilities.
- d. Maintaining minutes of official Board and membership meetings.
 - e. Informing the Members-Owners of the objectives, plans, and programs of the Cooperative.
 - f. Participating in activities which will enhance the prestige of the Cooperative and will help to fulfill its corporate obligation to the area it serves.
3. To provide organizational and operational direction by:
 - a. Formulating, approving, and periodically reviewing general policies for the operation of the Cooperative.
 - b. Selecting a General Manager/CEO and delegating to him the responsibility and authority for the general direction of the operation of the Cooperative within the limits of the general policies established by the Board of Directors.
 4. To consider and adopt or approve in consultation with the General Manager/CEO:
 - a. Retail rates and classifications.
 - b. Terms and conditions governing the provisions of electrical service to Members-Owners.
 - c. Plans for meetings of Members-Owners.
 - d. Basic organization structure and wage and salary plan.
 - e. Employee benefits programs.
 - f. Selection of legal, accounting, engineering, management, and other consultants.
 - g. Long and short range financial and engineering plans as required and necessary for the maintenance of the economic feasibility of the Cooperative.
 - h. Annual work plans and operating budgets.
 5. To provide the continuing operating and capital requirements of the Cooperative by:

- a. Considering the results of studies and recommendations prepared by the General Manager/CEO.
 - b. Adopting rate changes and financial practices necessary to provide operating requirements.
 - c. Initiating loan applications.
6. To establish and periodically review measures and controls as recommended by the General Manager/CEO to:
- a. Prevent unauthorized action.
 - b. Determine progress in major areas.
 - c. Predict trends.
 - d. Determine where changes should be made.
 - e. Measure performance in relation to goals, plans, and budget.
 - f. Measure the Board attainment of the stated objectives of the Cooperative.

III. RESPONSIBILITY:

The Board of Directors and its elected officers.

IV. PRIMACY OF POLICY

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Jay Hanson", is written over a solid horizontal line.

Jay Hanson, President

DATE EFFECTIVE: January 01, 1988

DATE REVISED: March 27, 2000

February 28, 2011

September 22, 2014