

# Policy Origin, Approval and Distribution

## Policy #: BP 1

### Rappahannock Electric Cooperative

#### 1. Purpose

- 1.1. To establish the consistent and methodical development of policies to guide Rappahannock Electric Cooperative (REC), its Board of Directors and employees.
- 1.2. To direct REC's President & Chief Executive Officer (CEO) in accomplishing REC's objectives.

#### 2. Scope

This policy applies to the origination and administration of all REC policies.

#### 3. Policy Statement

- 3.1. REC shall adopt and maintain policies consistent with legal and internal business requirements.
- 3.2. Policy development shall be based on (1) observation, study, and analysis of REC's affairs, and (2) recommendations from the Board and/or the President & CEO.
- 3.3. The President & CEO will maintain the official format for policies and supporting documents in template form to promote consistency, clarity and conciseness.
- 3.4. All policies shall be placed in a Policy Manual and made available to the Board, the President and CEO, the Cooperative's General Counsel, and employees. Board policies may be made available to the membership and/or the public at the discretion of the Board. CEO policies may be made available to employees, the membership and/or the public at the discretion of the President & CEO.
- 3.5. Processes and procedures will be specified when needed. Processes are to be documented and cataloged.

#### 4. Responsibilities

- 4.1. The Board of Directors is responsible for the creation, review, modification, and approval or retirement of Board policies, which reflect Board determination as to what is to be accomplished by REC through the President & CEO and his/her staff.
- 4.2. The Executive Committee of the Board, along with the President and CEO and/or his/her staff representatives, shall review policies as needed. Should the Executive Committee find it necessary, it may recommend additions, deletions, and modifications to or withdrawal of policies to the Board for approval. The review may include advice or opinions from legal counsel or other advisors.
- 4.3. The President and CEO is responsible for the creation, review, modification and approval or retirement of CEO policies. The review may include advice or opinions from legal counsel or other advisors.
- 4.4. The President and CEO is responsible for all internal operational policies.
  - 4.4.1. Individual Business Units and employees are required to follow policies. An Individual Business Unit may adopt additional or complementary processes and procedures that are not inconsistent with REC policies within those units. All Individual Business Unit processes must be reviewed and approved for consistency with REC policies.

#### 5. Confidentiality

This Policy may be treated as public and may be made available on REC's website or other communication channels.

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#### 6. Definitions

- 6.1. Administrator: The individual or group responsible for the implementation and administration of a Policy, including the day-to-day interpretation of the Policy, and the ongoing review and applicability of the Policy.
- 6.2. Approver: The individual or group responsible for the subject matter of the Policy and whose adoption is required before the Policy becomes effective.
- 6.3. Board: The Board of Directors for Rappahannock Electric Cooperative
- 6.4. Cooperative: Rappahannock Electric Cooperative and its affiliates including CARE Charity, RE Communications Inc., and Extentia LLC.
- 6.5. Individual Business Unit: May be a department, region, corporate function, site, or affiliate.
- 6.6. Policy: A document reflecting standards or rules that regulate or guide organizational actions and employee conduct. May include the Board of Directors, officers, individual business units, employees, and contractors or other REC stakeholders, as specifically applied. A Policy may be a Board Policy or a CEO Policy.
  - 6.6.1. Board Policy: Written statements of values and expectations which guide future strategic and governance decisions. Board Policies establish and set forth the desired direction of management actions to attain the overall goals and objectives of the Cooperative and its affiliates. Board Policies have enterprise application, broad terms, infrequent changes, and answer major issues. Board policies establish strategic plans embracing the overall goals and objectives, as well as establish governance standards, for the Cooperative.
  - 6.6.2. CEO Policy: Define and implement the desired directions, goals and objectives of the Board and the CEO, which may include legal or regulatory mandates. CEO policies establish the processes and procedures for the overall performance of the organization. CEO policies manage the day-to-day business activities of the organization with a view to the fulfillment of the Board's goals and expectations. CEO Policy is what the Cooperative does, how the Cooperative intends to carry out its operations, and who will complete those tasks.
- 6.7. Process: Steps necessary to be followed in order to implement or adhere to a Policy or other organizational objectives.

#### References and Related Documents:

Policy Title:	Policy Origin, Approval and Distribution
Policy Number:	BP 1
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Last Reviewed:	August 22, 2019
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Amendment Dates:	August 22, 2019
Approver:	Board of Directors
Applies to:	Board of Directors, President and Chief Executive Officer
Administrator:	Board of Directors
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.