

Eastern Iowa Light & Power Cooperative

BOARD POLICY

SUBJECT: DIRECTOR FEES & EXPENSES

OBJECTIVE: To define the terms and conditions whereby directors will be provided with a fixed fee and directly incurred travel expenses for attendance at board and committee meetings and for performing other official duties as approved by the board.

POLICY:

The Board of Directors (Directors) of Eastern Iowa Light and Power Cooperative are not salaried employees of the cooperative. However, directors will be provided a fixed fee and Directors and Officers (D&O) insurance for attendance at board and other official meetings and for performing other duties approved by the board. Directors also shall be reimbursed for expenses actually, necessarily, and reasonably incurred in performance of their duties, including approved attendance at official meetings and training programs.

EXPECTATIONS:

A. The fee for attendance at board meetings shall consist of the following:

1. A fixed amount paid directly to the director as outlined in the Bylaws.
- B. A meeting attendance fee for each day or for each fraction thereof, and reasonable and appropriate out-of-pocket expenses will be paid to directors when attending board or committee meetings or when otherwise representing the cooperative in an official capacity. If more than one meeting is held on the same day, only one day's meeting attendance fee will be paid. Upon their return, the director shall fill out a travel expense form itemizing the expenses and attaching receipts for those expenses. The forms shall be approved by the Board Treasurer. If there is a disputed expense, the matter shall be referred to the Board's Executive Committee for a determination.

LIMITATIONS:

- A. The meeting attendance fee will be paid only for the day(s) of the meeting and supplemental travel time to and from such meetings based on the Board's Executive Committee approval.
- B. Directors shall be reimbursed for all reasonable and legitimate expenses for attendance at such meetings upon submission of a detailed expense account, with receipts attached as appropriate. No expenses will be paid for spouses of directors accompanying them to meetings. Travel shall be reimbursed on the following basis:
 1. Regardless of the method of travel used, reimbursement shall be for the expenses actually incurred, but shall not exceed round trip by the most economical means.
 2. The Board's Executive Committee shall set maximum allowable travel expenses for each trip, including all expenses such as tickets, bags, parking and mileage.
 3. Directors are encouraged to pool vehicles whenever possible.
 4. If two board members travel together, mileage expense shall be paid to only one board member.
 5. Travel shall be reimbursed only to places authorized by the board.

6. Reimbursement for the cost of meals while on authorized travel will be handled as follows:
- Travel not involving overnight stay will be reimbursed at the actual cost incurred.
 - Travel involving overnight stay shall be in accordance with the IRS rules and regulations for business expenses. A base allowance will be determined in accordance with IRS schedules and rates, with adjustments made according to periodic IRS changes. The daily allowance may be increased in higher cost cities to account for the higher cost of living.

E. Any director authorized by the board of directors to attend a conference or training program will be paid meeting attendance fees, travel and reasonable out-of-pocket expenses. All arrangements shall be shared with the office of the CEO.

F. The cooperative shall pay registration fees.

G. The board shall periodically review this policy on director fees and the fee approved for meeting attendance. The fee will be compared with information to be gathered by the CEO from other electric cooperatives regarding their meeting attendance fees.

RESPONSIBILITY:

A. The board shall formally review the total amount of fees and reimbursed travel expenses paid to all directors on an annual basis and be prepared to explain director fees and expenses to members seeking information.

B. The Treasurer of the Board shall review and approve all director expenses with receipts. The President will resolve any disputes in conjunction with the CEO.

C. The Vice President shall review the expenses of the Treasurer. The President will resolve any disputes in conjunction with the CEO.

D. It shall be the responsibility of the President of the Board to ensure that the provisions of this policy are carried out.

E. It shall be the responsibility of the CEO to provide regional or national director fee data to the board on a periodic basis. A summary of the meeting attendance fees and other expenses of directors is to be itemized and published annually and presented to the board for its review.

ADOPTED BY THE BOARD OF DIRECTORS ON APRIL 28, 2022.

REVIEWED BY THE BOARD OF DIRECTORS ON JULY 1, 2022.