



POLICY

SUBJECT: Compensation for Board of Directors

POLICY: Management of the business and affairs of the Cooperative requires talented leadership at the Board level, as well as a significant commitment of time and resources by individual Board members. Section 6 of Article IV of the Cooperative's Bylaws authorizes payment of compensation for Board members. Therefore, consistent with the Cooperative's Bylaws, this policy establishes the standards and methods for paying such compensation and the conditions applying thereto, as follows:

1. Compensation of Board members shall be set as follows:
 - A. Board members shall be paid a fixed sum in the amount of \$300.00 for each day or portion thereof ("per diem compensation") spent on Cooperative Business, which Cooperative Business shall include, but not be limited to, attendance at meetings, conferences, and training programs or performing committee assignments as authorized by the Board.
 - B. In addition to the compensation set forth in paragraph 1(A) above, Board members serving the Cooperative as an officer shall be paid an additional \$25.00 in per diem compensation.
 - C. In addition to the compensation set forth in paragraph 1(A) and, as applicable, paragraph 1(B) above, Board members serving the Cooperative who have received NRECA Cooperative Credentialed Director (CCD) accreditation and who maintain such accreditation, shall be paid an additional \$50.00 in per diem compensation.
 - D. The Board may designate certain director activities as "Short Activities" at their sole discretion and based on any criteria they choose by recording a Board vote in the minutes of any Regular Meeting or Special Meeting of the Board. Board members shall be paid a fixed sum in the amount of \$100.00 ("Short Activity Compensation") for each Short Activity in which he or she participates on behalf of the Cooperative as authorized by the Board. Amounts set forth in paragraphs 1(A), 1(B) and 1(C) shall not apply to Short Activities.
2. In applying this Policy, the following standards will be observed:
 - A. Where travel is required on a day prior or subsequent to a meeting, conference, training program or other authorized activity, a Board

- member shall be eligible to be paid per diem compensation for each such day of travel in accordance with this Policy Bulletin.
- B. Although two or more meetings or activities (e.g., the annual meeting of the members and the regular meeting of the Board of Directors immediately following), or a combination of travel and one or more meetings or activities, may occur on a single day, only one per diem compensation for that day will be allowed.
 - C. No per diem compensation shall be provided to any Board member for time spent in preparation for a Board or committee meeting, regardless of whether such preparation occurs on a day other than the one on which the meeting occurs.
3. Payment of the amount provided for in paragraphs 1(A), (B), (C), and (D) above, as applicable, shall be made by the Cooperative directly to the Board member in accordance with the following procedure:
- A. Payments shall be made quarterly.
 - B. Attendance at Regular Meetings, Special Meetings, and Committee Meetings of the Board shall be recorded in the minutes for such meetings. The attendance record within the minutes for such meetings shall be the basis for paying per diems and “Standard Mileage Reimbursement” to each Director in attendance at the meeting so long as such meetings take place at the Cooperative’s headquarters on Elm Street in Delhi, NY. Standard Mileage Reimbursement shall consist of reimbursement for the number of miles from the Director’s place of residence to the Cooperative’s headquarters and back to the Director’s place of residence. Expense reports shall not be required for per diem payment or expense reimbursement for Regular Meetings or Special Meetings of the Board so long as those meetings take place at the Cooperative’s headquarters.
 - C. For any activity that does not comply with the requirements of paragraph 3(B), an expense report shall be filed by the Director prior to payment of a per diem, Short Activity Payment, or reimbursement of expenses.
4. For attending meetings and otherwise performing duties pursuant to authorization thereof by the Board, Board members shall be advanced or reimbursed their related expenses actually, necessarily and reasonably incurred and expended by them, in accordance with applicable IRS laws and/or regulations.
5. All compensation paid under this Policy shall, if the total thereof by law requires such, be reported on applicable IRS Forms, including IRS Forms 1099, a copy of the former being timely furnished to each Board member.



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6. The compensation structure for Board members as set forth in this policy will be reviewed, including a comparability analysis, on a periodic basis, but in any event upon:
 - A. Any proposed increase in Board member compensation;
 - B. Any material changes in Cooperative business or finances, including any material change in gross annual revenues or in costs; and
 - C. Any material changes in Board member responsibilities.

 7. Any deviation from this policy regarding director attendance and/or participation in meetings other than regular board meetings (including travel time), including conference calls, committee meetings, industry conferences and other similar meetings shall be discussed and approved by the Board on a case-by-case basis with the decision documented in minutes to the Board meeting during which the decision is made.

RESPONSIBILITY: BOARD OF DIRECTORS

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors.....	Mar 28, 1961
Revised by Board of Directors.....	Jul 21, 1971
Revised by Board of Directors.....	Aug 23, 1983
Revised by Board of Directors.....	Sep 23, 1986
Revised by Board of Directors.....	Jul 25, 1989
Revised by Board of Directors.....	Jan 26, 1993
Revised by Board of Directors.....	Jun 22, 1993
Reviewed by Board of Directors.....	Jan 24, 1995
Revised by Board of Directors.....	May 28, 2002 effective Sept 1, 2002
Revised by Board of Directors.....	Aug 20, 2002
Reviewed by Board of Directors.....	Nov 25, 2003
Revised by Board of Directors.....	Jul 24, 2006 effective July 25, 2006
Revised by Board of Directors	Mar 27, 2012
Revised by Board of Directors.....	Jan 22, 2013
Revised by Board of Directors.....	Jul 28, 2015
Reviewed by Board of Directors.....	Sep 25, 2017