

Holy Cross Energy Corporate Policies

Committees of the Board of Directors

Policy Number: 4.8

Original Effective Date: October 20, 2022

Revised Dates:

1. OBJECTIVE

1.1 To define the scope and mandate of Committees that may be established by the Board of Directors' ("Board") of Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy ("Holy Cross") pursuant to Article V, Section 7 of the Holy Cross Bylaws.

2. POLICY

2.1 General Provisions

2.1.1 The Board may, by a majority vote of Directors, create a Committee of the Board ("Committee") and appoint Directors to serve on such Committee.

2.1.2 A Committee must consist of two or more Directors and serves at the Board's discretion with authorities and duties as specified by the Board as it may see fit.

2.1.3 Each Committee will have a chair who is responsible for the general governance, scheduling, communications, and reporting related to Committee activities.

2.1.4 Board members may serve on no more than two Committees at one time and should make reasonable efforts to participate in person or remotely at all meetings of Committees to which they have been appointed. Committees are open to other Board members for voluntary attendance in person or remotely.

2.1.5 The Board Chair and the President and Chief Executive Officer ("CEO") shall participate as ex-officio members of all Committees, where possible, to provide a conduit between the groups and to assess needs for Board activities and future agenda items.

2.1.6 Committees are intended to serve as working groups between the Board and staff and do not have authority to make Board-level approvals, commitments, or decisions outside of the structure of a full Board meeting. Committees may make recommendations to the Board for future Board decision(s) related to items considered by the Committee, and such recommendations should be clearly defined in the meeting minutes.

2.1.7 For each Committee, the CEO shall appoint one Vice President (or their designee) to serve as a staff liaison to the Committee for the purposes of preparing the agenda and related background materials, keeping minutes of each Committee meeting, and other activities as may be required for Committee function.

2.1.8 Following each Committee meeting, the Committee chair shall provide to the CEO the Committee meeting minutes for review and approval by the Board at its next meeting.

2.2 Communications Committee

2.2.1 The Communications Committee serves to evaluate and advise the full Board on matters related to strategic internal and external communications.

2.2.2 The scope of interest for the Communications Committee shall include, but not be limited to the following topics:

2.2.2.1 Annual Meeting

2.2.2.2 Communications strategy, including newsletters and website

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2.2.2.3 Event hosting and participation

2.2.2.4 Member outreach, both through social media and in-person

2.2.2.5 Member demographics and interests

2.3 Finance Committee

2.3.1 The Finance Committee serves to evaluate and advise the full Board on financial and investment matters.

2.3.2 The scope of interest for the Finance Committee shall include, but not be limited to the following topics:

2.3.2.1 Audit, including serving as the Board Audit Committee required by Article V, Section 8 of the Holy Cross Bylaws

2.3.2.2 Budget matters, including both operating and capital expenditures

2.3.2.3 Cost of electric service

2.3.2.4 Tariffs, rates, and regulations

2.3.2.5 Investments and real estate holdings

2.3.2.6 Financial planning, both short- and long-term

2.4 Governance Committee

2.4.1 The Governance Committee serves to evaluate and advise the full Board on matters related to Board governance, personnel, and corporate and Board policies.

2.4.2 The scope of interest for the Governance Committee shall include, but not be limited to the following topics:

2.4.2.1 Performance management, including CEO evaluation

2.4.2.2 Compensation and benefits

2.4.2.3 Employee safety and training

2.4.2.4 Succession planning

2.4.2.5 Articles of Incorporation and Bylaws

2.4.2.6 Corporate Policies

2.5 Strategic Issues Committee

2.5.1 The Strategic Issues Committee serves to evaluate and advise the full Board on matters related to power supply, energy programs, and other strategic initiatives.

2.5.2 The scope of interest for the Strategic Issues Committee shall include, but not be limited to the following topics:

2.5.2.1 Strategic planning

2.5.2.2 Greenhouse gas reduction

2.5.2.3 Electric transportation

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2.5.2.4 Energy efficiency and demand response

2.5.2.5 Grid modernization

2.5.2.6 Distributed energy resources, including energy storage

2.5.2.7 Renewable energy programs

3. RESPONSIBILITY

3.1 The Board and the CEO will be responsible for the administration of and compliance with this Policy.