

GLACIER ELECTRIC COOPERATIVE, INC.

POLICY NO. 104

BOARD OF TRUSTEES - GENERAL MANAGER RELATIONSHIP

I. OBJECTIVE

To establish the policy governing the basic relationship between the board of trustees and the general manager of GEC including the principles involving the delegation of authority.

II. POLICY

The board recognizes, establishes, and maintains the following guidelines in their relationship with the general manager:

A. It is recognized that good management is the most important factor in the success of GEC. This includes a strong and effective board, general manager, and staff, as well as dedicated and capable employees. In exercising its responsibilities, the board reserves authority to establish policies, approve plans and programs, and delegate authority to the general manager, except those that are by law, the Articles of Incorporation and By-laws, conferred upon or reserved to the board.

B. The board recognizes the responsibility and need to establish policies, approve plans and programs, appraise results achieved, and delegate authority to the general manager to execute and carry out plans, programs, and policies. The general manager shall, among other things, be responsible for the hiring of capable personnel, determining compensation within approved wage and salary plan and policy, training, supervising, and terminating, if necessary.

C. All policies of the board shall be adopted at regular or special meetings acting collectively as a board. The president, or the officers, or the general manager as appropriate, is delegated the responsibility of carrying out such policies and reporting back to the board on the results achieved.

D. The board recognizes that should any trustee undertake in private conversations with others to make commitments for the board, unless directed officially by the board, that director becomes involved in a serious breach of policy which might disrupt the entire organization. The board member may be subject to reprimand from fellow board members should he/she attempt to make commitments unofficially for the board.

E. It shall be the policy of the board to refrain as individuals from discussing management and personnel problems with personnel of GEC. The board, in consultation with the general manager, may confer with key personnel at regular or special meetings of the board.

F. It shall be distinctly understood that the "flow" of authority for the management of GEC shall be through the general manager to the board. The board shall require full and complete information from the general manager concerning matters in connection with the management of GEC as set forth in board policies.

G. Primarily, the purpose of this policy is to define the relationship that shall exist between the board, who are the elected trustees of the members, and the general manager, who is employed by the board. The board recognizes that efficient management of GEC can exist only through mutual understanding and complete cooperation between the board and the general manager. The general manager is expected to produce results and give an account to the board for his stewardship. His performance cannot be of the best unless he is given latitude to exercise independent judgement in executing policies of the board. The board acknowledges that obligation and gives the general manager that latitude of judgement and discretion, and expects faithful performance in carrying out all of the policies.

H. The board recognizes responsibility for the employment of the general manager, and further, the additional responsibility for a systematic appraisal annually of the general manager's performance in order that growth, development, and effective improvements are encouraged.

III. RESPONSIBILITIES

A. The president shall be responsible for directing the attention of board members of violations of this policy.

B. The president shall be responsible for seeing that the performance of the general manager is appraised each year by the December board meeting by the executive committee, with a report made to the entire board in December, and the results discussed with the general manager.

11/16/04
Date

Zu Hoo
Signature

President
Title