Policy Governance Framework
Policy #: BP 1
Rappahannock Electric Cooperative

1. Purpose

1.1. To establish the consistent and structured approach to the development of policies governing Rappahannock Electric Cooperative (“REC”), its Board of Directors (“Board”) 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, administration, maintenance, testing, and governance of all REC policies, including Board, Corporate, and Employee policies.

3. Policy Statement

3.1. REC shall adopt and maintain policies consistent with legal and internal business requirements, as well as REC’s ethical standards and risk profile.

3.2. Policy development shall be based on recommendations from the Board and/or the CEO and informed by business needs, risk assessments, regulatory obligations, and organizational objectives.

3.3. The 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 maintained within a centralized, controlled repository that is easily accessible by employees.

3.5. Board policies shall also be placed in a Policy Manual and made available to the Board, the CEO, and the Cooperative’s General Counsel. Board policies may be made available to the membership and/or the public at the discretion of the Board. Corporate policies may be made available to the membership and/or the public at the discretion of the CEO.

3.6. Policies shall be periodically reviewed and, where appropriate, monitored and evaluated to ensure continued effectiveness, alignment with evolving compliance obligations, regulatory developments, and best practices.

3.7. Roles and responsibilities for policy approval and administration shall be clearly defined to ensure accountability and effective governance.

3.8. Processes and procedures shall be established, documented, and maintained as necessary to support effective operations, while remaining subordinate to policy requirements.

4. Responsibilities

4.1. The Board 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 CEO and his/her staff.

4.2. The Executive Committee of the Board, along with the CEO and/or his/her staff representatives, shall review Board Policies in accordance with the established Review Frequency. 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 CEO is responsible for the creation, review, modification and approval or retirement of Corporate Policies. The review may include advice or opinions from legal counsel or other advisors.
4.4. The CEO is responsible for all internal operational policies, including Employee Policies, and may direct Individual Business Units to adopt additional or complementary processes and procedures.

5. Confidentiality

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

6. Definitions

6.1. Administrator: The individual or group responsible for the implementation and administration of a policy, including communication, interpretation, and day-to-day operational support.
6.2. Approver: The individual or group responsible for the subject matter, ongoing review, and applicability 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 (REC): Rappahannock Electric Cooperative
6.5. Individual Business Unit: May be a department, region, corporate function, site, or affiliate.
6.6. Policy: A formal written directive that establishes governing principles, expectations, and requirements to guide decision-making, behavior, and operations across REC.
  6.6.1. Board Policy: High-level governing directives approved by the Board that establish strategic direction, governance expectations, and oversight principles. These policies define what is to be achieved and why.
  6.6.2. Corporate Policy: Enterprise-level directives approved by executive leadership that define how REC operates, including required practices, controls, and standards to ensure consistency, accountability, and compliance.
  6.6.3. Employee Policy: Policies that define workplace expectations, standards of conduct, and employment-related requirements applicable to employees.
6.7. Process: A series of structured activities designed to implement or operationalize a policy or achieve a specific organizational objective.
6.8. Procedure: Detailed step-by-step instructions describing how to perform tasks required to comply with a policy or process.

References and Related Documents:

Policy Title:	Policy Governance Framework
Policy Number:	BP 1
Review Frequency:	Triennial
Last Reviewed:	June 18, 2026
Date Adopted:	October 16, 2003
Effective Date:	August 22, 2019
Amendment Dates:	August 22, 2019; February 15, 2023; March 25, 2026
Approver:	Board of Directors

Applies to:	Board of Directors, CEO, and employees
Administrator:	CEO
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.