KIUC BOARD POLICY NO. 20

FIDUCIARY DUTY AND APPOINTMENTS TO FILL BOARD VACANCIES

PURPOSE OF POLICY:

The purpose of this policy is to state the fiduciary duty of directors, and to make it clear that the Board may fill vacancies on the Board with existing Directors or leave the vacancies unfilled.

POLICY CONTENT:

I. Fiduciary Duty of Directors

All Directors are fiduciaries of the Cooperative and its members. As fiduciaries, Directors have, among others, four overriding duties to the Cooperative and its members. These are the duties of good faith, due care, loyalty and attention.

II. Appointment of Existing Directors to Fill Board

The Bylaws allow the Board to fill vacancies on the Board. A vacancy may be filled with a sitting Director. However, no sitting Director may be appointed to fill more than one unexpired term without standing for election thereafter.

III. Leaving Vacancies Unfilled

The Board may also elect not to fill an unexpired term provided there remain at least seven (7) sitting Directors without such an appointment.

Adopted on this 29th day of October 2026

Edmund Acoba (Oct 29, 2026 15:32:40 HST)

Edmund Acoba
Secretary

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