Board of Directors
Governance Policies

Amended December 2021
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People in the areas we serve experience optimal health. These Ends will be achieved in a manner that results in an excellent overall cost-benefit ratio and that justifies the resources invested.

Mountain-Pacific’s moral ownership consist of our communities.

**EP 1: Quality and Safety of the End Users of Health Care**

Mountain-Pacific will improve the quality and safety of health care where it operates by working with health care stakeholders along the health care continuum and their communities to effect the best-in-class, comprehensive evidence-based approaches to health care quality and safety.

**EP 2: Overall Health Improvement**

Mountain-Pacific will improve the overall health and well-being of the communities it serves by working with stakeholders to inculcate preventive health practices and access broadly across those communities with equity and inclusion that reflects those communities.

**EP 3: Data Collection and Analysis**

Mountain-Pacific will utilize a data strategy that cultivates the organizational and stakeholder culture in such a way that meaningful, trustworthy data is intertwined in quality patient care and business strategy decisions.

**EP 4: Assisting in Regulatory Activities**

Mountain-Pacific will provide information and associated services to shape and enforce public health policy and regulation that improves the health and well-being of the communities we serve with equity, diversity and inclusion that reflects those communities.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT

The CEO shall not cause or allow any practice, activity, decision(s) or organizational circumstances which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics, or which fails to justly balance the interests of Mountain-Pacific Quality Health.

For the purposes of these policies, the CEO has responsibility for all administrative, clinical and operational matters and supervisory authority over all staff and consultants. The CEO can delegate responsibility for all matters that pertain directly to the practice of medicine to the appropriate medical director. The chief medical officer is responsible to assure that appropriate clinical decision-making is made by the state medical directors or other appropriate experts in our region.
Policy Type: Executive Limitations Policies

ELP 1: Handling and Safeguarding Confidential Information

Regarding systems and/or data assets dedicated to serving the communities in which Mountain-Pacific Quality Health operates, the CEO shall not cause or allow conditions, procedures, or decisions which fail to protect physical and/or logical data confidentiality, integrity and availability.

Accordingly, the CEO shall not allow:

ELP 1.1. Any data to be collected, retained, accessed, or compiled without appropriate policies and procedures for ensuring data integrity, regular monitoring of data system security, maintenance of system assets, availability in accordance with data retention schedules, and privacy and security compliance with regulatory and accreditation standards.

ELP 1.2. Maintain facilities that fail to provide a reasonable level of privacy.
**POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES**

**ELP 2: Treatment of Consumers**

With respect to the treatment of consumers, the CEO may not cause or allow conditions, which fail to provide consumers with an understanding of the service provided.

Accordingly, the CEO shall not:

**ELP 2.1.** Fail to establish with consumers a clear understanding of what may be expected from the service provided.

**ELP 2.2.** Fail to provide excellent customer service to its consumers.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 3: Treatment of Staff

With respect to the treatment of staff, the CEO may not cause or allow conditions, which are illegal, unethical, unfair or undignified.

Accordingly, the CEO shall not:

ELP 3.1. Operate without and fail to acquaint and train staff in written personnel policies approved by legal counsel which clarify personnel rules, provide for effective handling of grievances, and protect against wrongful conditions, nepotism or grossly preferential treatment for personal reasons.

ELP 3.2. Discriminate against any staff member for any reason.
ELP 4: Financial Position

With respect to the financial health, the CEO shall not place assets, solvency, profitability, or operating efficiency in jeopardy.

Accordingly, the CEO shall not:

ELP 4.1. Fail to maintain an adequate system of internal controls to ensure operations are effective, efficient and activities comply with applicable laws and regulations.

ELP 4.2. Fail to develop and present a comprehensive annual operating budget with associated cashflow forecast to the Board for approval prior to the start of each fiscal year.

ELP 4.3. Fail to provide quarterly financial summaries to the Board with adequate explanation of planned and/or unplanned variances.

ELP 4.4. Allow audit findings to remain open for more than one audit cycle.

ELP 4.5. Fail to protect company assets.

ELP 4.6. Fail to provide adequate coverage to protect the Board, volunteers, and/or staff from claims of personal liability.

ELP 4.7. Make financial commitments that will negatively impact the long-term financial viability of the company.

ELP 4.8. Fail to maintain a system of risk management that identifies, categorizes, prioritizes, and mitigates threats to the financial health of the organization.

ELP 4.9. Fail to:

- Refer the organization’s external financial auditors to the finance and audit committee of the board for the annual engagement commitment.
- Refer the organization’s draft audited financial statements to the full board in an executive session with the auditor.
- Refer the organization’s Internal Revenue Service Form 990 (Return of Organization Exempt from Income Tax) to the full board for their review.
- Obtain board approval for use of board-designated long-term reserves.
- Acquire, encumber, or dispose of real property without board approval.

ELP 4.10. Fail to:

- Make any purchase wherein normally prudent protection has not been given against conflict of interest.
- Make any purchase in the amount of $25,000 or greater without obtaining a minimum of three (3) bids.
- Make a single purchase or commitment of greater than $100,000 without board approval.
ELP 5: Emergency CEO Succession

In order to protect the board from sudden loss of CEO services, the CEO shall have no fewer than two other executives familiar with operational and material information necessary with respect to board and CEO issues and processes.
ELP 6: Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants and contractors, the CEO shall not cause or allow impairment to fiscal integrity or public image.

Accordingly, the CEO shall not:

ELP 6.1. Change his or her own compensation and benefits. See Board-CEO Linkage Policy 5: Executive Compensation.

ELP 6.2. Fail to annually present to the board the full compensation program for employees including salary ranges, benefits the percentage of fringe benefits and the turnover rate.

ELP 6.3. Promise or imply permanent or guaranteed employment.

ELP 6.4. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

ELP 6.5. Create compensation obligations over a longer term than revenues can be safely projected.

ELP 6.6. Establish or change employee retirement benefits so as to cause unpredictable or inequitable situations, including those that:
  • Incur unfunded liabilities.
  • Provide less than some basic level of benefits to all eligible employees.
  • Allow any employee to lose benefits already accrued from any foregoing plan.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 7: Communication and Support to the Board

The CEO shall not permit the board to be uninformed or unsupported in its work.

Accordingly, the CEO shall not:

ELP 7.1. Neglect to submit monitoring data required by the board (see Board-CEO Linkage Policy 4: Monitoring CEO Performance) in a timely, accurate and understandable fashion, utilizing current rubric created by the board for monitoring.

ELP 7.2. Fail to inform the board president, executive committee or full board as appropriate, in a timely manner of relevant trends, anticipated adverse media coverage and significant external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.

ELP 7.3. Fail to advise the board if, in the CEO’s opinion, the board or staff is not in compliance with its Governance Process and Board-CEO Linkage Policies.

ELP 7.4. Fail to marshal for the board as many staff and external points of view, issues and options as are needed for adequately informed board choices that balance the interests of our communities.

ELP 7.5. Fail to provide a mechanism for official board, officer or committee communications.

ELP 7.6. Fail to supply information to the board when required by the board, law, or by contract information required by the board, law, or by contract to be board approved.

ELP 7.7. Fail to provide Directors’ and Officers’ Liability insurance coverage in an amount acceptable to the board.
ELP 8: Ends Focus of Grants or Contracts

The CEO shall not enter into any grant or contract arrangements that fail to emphasize primarily the production of Ends or detract from their accomplishment, and, secondarily, that fail in the avoidance of unacceptable means.

Accordingly, the CEO shall not:

ELP 8.1. Fail to prohibit particular methods and/or activities that may result in grant or contract funds being used in an imprudent, unlawful, or unethical ways.

• Fail to design, implement and manage a corporate compliance program.

ELP 8.2. Fail to provide adequate staffing to address a contract commitment or place undue stress or excessive duty time upon existing staff in the course of its execution.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 9: Organizational Mission

The CEO shall not enter into any agreement or lend support, Mountain-Pacific’s name or logo to projects, programs or products that do not focus or align with its mission.
POLICY TYPE: EXECUTIVE LIMITATIONS POLICIES

ELP 10: Clinical Review

The CEO shall assure that all potential negative medical necessity decisions related to clinical review are conducted by peer clinical reviewers.

Accordingly, the CEO shall assure that all involved staff and contractors do not:

ELP 10.1. Fail to follow clinical and case review policies and procedures as defined by a national independent, third-party healthcare quality validator.

ELP 10.2. Fail to assure that clinical reviewers who serve as peer reviewers will have liability insurance provided by Mountain-Pacific that meets or exceeds minimum state law mandated coverage.
The board’s sole official connection to the operational organization, its achievements, and conduct shall be through the chief executive officer.
BCL 1: Unity of Control

Only decisions of the board acting as a body are binding on the CEO.

BCL 1.1. Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such authority.

BCL 1.2. In the case of board members or committees requesting information or assistance without board authorization, the CEO can refuse such requests that require, in the CEO’s opinion, a material amount of staff time or funds, or are disruptive.
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

BCL 2: Accountability of the CEO

The CEO is the board's only link to operational achievement. All authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.

BCL 2.1. The board will not give instructions to staff who do not report to them.

BCL 2.2. The board will not evaluate any staff other than the CEO.

BCL 2.3. The board will view CEO performance as identical to organizational performance, so that organizational accomplishment of board-stated Ends Policies and compliance with the Executive Limitation Policies will be viewed as successful CEO performance.

BCL 2.4. This policy does not inhibit interactions between staff and board members.

BCL 2.5. The board will receive formal report at each meeting from the CEO and the CFO.
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

BCL 3: Delegation to the CEO

The board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided (Executive Limitation Policies), allowing the CEO to use any reasonable interpretations of the policies.

Accordingly:

BCL 3.1. The board will develop policies instructing the CEO to achieve certain results, for certain recipients at a defined cost. The policies will be developed systematically from the broadest, most general level to more defined levels, and will be called the Ends Policies.

BCL 3.2. The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels and they will be called the Executive Limitations Policies.

BCL 3.3. As long as the CEO uses any reasonable interpretation of the board’s Ends and Executive Limitations Policies, the CEO is authorized to make all decisions, take all actions, establish all practices and develop all activities within their respective domains.

BCL 3.4. The board may change its Ends and Executive Limitations Policies at any time. Once those changes to the Ends and/or Executive Limitation Policies are approved by the board, the board will respect and support the CEO’s reasonable interpretations.
BCL 4: Monitoring CEO Performance

Systematic monitoring of CEO job performance will be based solely on expected CEO job outputs: organizational accomplishment of the board's Ends Policies and organizational operation pursuant to the board's Executive Limitations Policies.

Accordingly:

**BCL 4.1.** Data that directly addresses board policies will be considered to be monitoring data.

**BCL 4.2.** The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the CEO presents information to the board with respect to accomplishment of board policies on Ends and Executive Limitations, (b) external report, in which an external disinterested third party selected by the board presents information to the board, with respect to accomplishment of board policies on Ends and Executive Limitations, and (c) by direct board inspection, in which a designated member or members of the board presents information to the board with respect to accomplishment of board policies on Ends and Executive Limitations.

**BCL 4.3.** In every case, the standard for compliance with a board policy shall be any reasonable CEO interpretation of the board policy being monitored.

**BCL 4.4.** All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
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<th>Method</th>
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| **FALL/WINTER Meeting**                                                      | • ELP 3: Treatment of Staff  
• ELP 4: Financial Position  
• ELP 7: Communication and Support to the Board  
• ELP 8: Ends Focus of Grants and Contracts  
• ELP 10: Clinical Review  
• GP 2.3: Conduct CEO performance review  
• BCL 5: Executive compensation  
• GP 1.4: Semi-annual board member self-evaluation and semi-annual evaluation of board-as-a whole  
• GP 3: State of the Agency Report (Ends Policies-related monitoring and deliberation)  
• Annual renewal of Corporate Resolutions for bank and contract signature authority  
• Annual Report of the CFO | • Individual meeting evaluation  
• Board assessment |
| **SPRING/SUMMER Meeting**                                                    | • ELP 1: Handling and Safeguarding Confidential Info  
• ELP 2: Treatment of Consumers  
• ELP 4: Financial Position  
• ELP 6: Compensation and Benefits  
• ELP 9: Organizational Mission  
• BCL 5: All staff compensation annually  
• GP 1.4.: Semi-annual board member self-evaluation and semi-annual evaluation of board-as-a whole  
• GP 8.1: Board training | • Individual meeting evaluation  
• Board assessment |
POLICY TYPE: BOARD-CEO LINKAGE POLICIES

BCL 5: Executive Compensation

The board views CEO compensation in terms of total rewards; the notion that an effective compensation program includes both financial and non-financial elements.

The policies and underlying philosophy governing the CEO total rewards program are designed to accomplish the following:

- Maintain a total rewards program that is equitable in a competitive marketplace;
- Provide opportunities that integrate total rewards with the organization’s annual and long-term performance goals;
- Encourage achievement of strategic objectives and accomplishment of the Ends Policies;
- Recognize and reward individual initiative and achievements;
- Allow the organization to compete for, retain and motivate a talented CEO critical to its success consistent with its quality-of-life philosophy.

The board has charged the executive committee with the responsibility of monitoring and recommending changes to the CEO’s compensation. The executive committee reviews the CEO’s compensation, evaluates the performance of the CEO and considers executive management succession and related matters. Upon completion of its review, the executive committee provides recommendations regarding CEO compensation to the full board for its review and approval.

To determine a reasonable total rewards package, the executive committee will consider comparative data from similarly situated organizations, the availability of similar services in the area, compensation surveys compiled by independent firms, actual written offers for similar organizations competing for similar services or other appropriate information.

The executive committee may use the services of an independent consulting service, to assist in determining reasonableness of executive compensation. The firm is selected by the executive committee and forwarded to the board for its approval.

Upon recommendation of the executive committee, the board will approve annually, and in advance, CEO compensation including salary, bonuses and benefits.
The purpose of the board, acting as stewards on behalf of the moral owners of Mountain-Pacific Quality Health is to see that Mountain-Pacific Quality Health achieves appropriate results for appropriate persons at an appropriate cost and avoids unacceptable actions and situations.

Mountain-Pacific’s moral ownership consist of our communities.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 1: Governing Style

The board will govern with an emphasis on:
- Vision
- Strategic leadership
- Encouragement of diversity in viewpoints
- Clear distinction of board and chief executive officer roles
- Collective rather than individual decisions

Accordingly:

GP 1.1. The board will cultivate a sense of group responsibility and is responsible for excellence in governing. The board will be the initiator of governance policies that define what Mountain-Pacific is to achieve (Ends Policies), the CEO’s operational limitations of authority (Executive Limitation Policies), how the board and the CEO work together (Board-CEO Linkage Policies) and how the board will govern (Governance Process Policies). The board will review its governance policies annually.

GP 1.2. The board will use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute individual judgments for the board’s values.

GP 1.3. The board will not allow a director to hinder or be an excuse for not fulfilling board commitments.

GP 1.4. The board will direct, control, monitor and inspire the organization through the careful establishment of broad governance policies reflecting the board’s values and perspectives.

GP 1.5. The board’s policy focus will be the intended long-term effects outside the organization (Ends Policies), not on day-to-day operational means.

GP 1.6. The board will enforce upon itself the discipline needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, contributions toward meeting the organization goals, and ensuring the continuance of governance capability.

Board development will include orientation of new board members in the Carver Policy Governance model, ongoing education, and periodic board discussion of process improvement related to individual self-assessments and board assessments.
- Each director will conduct a self-assessment semi-annually.
- At each meeting, the board will monitor and discuss the board’s process and performance as a whole. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-CEO Linkage.

GP 1.7. The board will adopt mechanisms to continuously infuse board deliberations with new and different perspectives. These mechanisms will include establishing model agendas that call for educational speakers, invited guests, and other means of providing new information to the board.
GP 1.8 The board will ensure consumer and stakeholder representation and diversity on the board.

- Governing body representation will include medical providers, payers, purchasers, healthcare facilities, business leaders, public policy officials, and academia, so that the board is not comprised of a majority of physicians or any other type of practitioner or profession.
GP 2: Board Job Description

The board’s job is to be an advocate of Mountain-Pacific’s moral owners, to achieve continuous improvement in the health status of the communities we serve and to support the efforts of our moral owners as they work to influence health care quality and outcomes and organizational performance.

Accordingly:

GP 2.1. The board will produce the link between the organization and its moral owners.

GP 2.2. The board will produce, follow, and monitor written governing policies that, at the broadest levels, address each category of organizational decisions.
   - Ends: Strategic organizational goals
   - Executive Limitations: Constraints on executive authority.
   - Governance Process: Specification of how the board conceives, carries out and monitors its own tasks.
   - Board-CEO Linkage: Defines the board’s authority and the CEO’s authority and accountability to the board.

GP 2.3. The board can monitor any policy at any time by any method.

GP 2.4. The board will provide assurance of CEO performance by continually comparing CEO performance against the board’s Ends and Executive Limitation Policies. A formal evaluation will be conducted annually.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 3: Agenda Planning

To accomplish its job with a governance style consistent with board policies, the board will follow an agenda that provides for monitoring, reviewing, and updating the Ends and Executive Limitation Policies and continually improves board performance through education, training, input and deliberation.

GP 3.1. The executive committee sets the agenda including determining policy governance education and education related to the Ends Policies.

GP 3.2. CEO monitoring will be included on board meeting agendas as an information item. Examples of monitoring reports are the Executive Limitation Policies and the Ends Policies (State of the Agency Report).

GP 3.3. CEO remuneration will be decided at the fall/winter meeting following the CEO’s performance review and after reviewing the Ends Policies (State of the Agency Report) monitoring reports.
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GP 4: Board President’s Role

The board president assures the integrity of the board’s processes and provides for appropriate representation of the board to outside parties.

Accordingly:

GP 4.1. The board president ensures that the board follows its governance policies.
   • Meeting discussion content will be only those issues that, according to board policy, clearly belong to the board to decide, not the CEO.
   • Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

GP 4.2. The authority of the board president consists of making decisions covered in the Board-CEO Linkage and Governance Process Policies, except where the board specifically delegates portions of this authority to others. The board president is authorized to use any reasonable interpretation of the provisions in these policies.
   • The board president is empowered to chair board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).
   • The board president has no authority to make decisions about policies created by the board within the Ends and Executive Limitations Policy areas.
   • The board president has no independent authority to supervise or direct the CEO.
   • The board president may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
GP 5: Board Members' Code of Conduct

The board commits itself and its directors to ethical, businesslike, and lawful conduct.

GP 5.1. Members must represent unconflicted loyalty to the interests of Mountain-Pacific. The duty of loyalty is the obligation to give primacy to the interests of Mountain-Pacific and this supersedes any conflicting loyalty such as advocacy to other boards or staffs or personal interest of any director.

GP 5.2. Members must avoid situations creating an actual, a potential, or the appearance of a conflict of interest with respect to their fiduciary responsibility.

- Whenever a director has either a direct or indirect personal or financial interest in another party that has or may have business dealings with Mountain-Pacific, he or she will disclose that interest to the board and absent themselves, without comment, from deliberations and board actions involving the party.
- If a director is in a position where access to Mountain-Pacific’s proprietary information may influence his or her financial or investment decisions, or decisions involving another party engaged in business or competition with Mountain-Pacific, he or she will decline that information.
- Directors must not use his or her positions to establish a financial relationship or obtain employment with Mountain-Pacific for himself or herself, family members, or close associates. Should a member desire such a relationship or employment, he or she must first resign.
- Directors will, at least annually, disclose on a form prescribed by Mountain-Pacific his or her direct or indirect financial, personal, or other interests and relationships that may present a conflict of interest. Any change to the information set forth in the annual statement shall be disclosed to the compliance officer as soon as reasonably practical.
- Annually, each director must attest in writing that he or she has received and understands the Conflict of Interest Policy.

GP 5.3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.

- Directors’ interaction with the CEO or with staff must recognize the lack of authority vested in individuals except where explicitly board authorized.
- Directors’ interaction with the public, the media, or other entities must recognize the same limitation and the inability of any director to speak for the board except to repeat explicitly the stated board decision.
- Directors will give no consequence or voice to individual judgments of the CEO or staff performance.

GP 5.4. Directors will follow Mountain-Pacific’s Confidentiality and Information Disclosure Policy.

GP 5.5. Members will make reasonable efforts to attend all board meetings, be properly prepared for board deliberation and participate in board discussion and educational training.
GP 6: Board Committee Principles

Board committees, when used, will be assigned to reinforce the wholeness of the board's job and never to interfere with delegation from the board to the CEO.

Accordingly:

GP 6.1. Board committees are to help the board accomplish its job, not to direct staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board’s broader focus, board committees will normally not have dealings with current staff operations.

GP 6.2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

GP 6.3. Board committees cannot exercise authority over staff. Because the CEO works for the full board, the CEO will not be required to obtain approval of a board committee before an executive action, unless such action is clearly reserved to the board by policy.

GP 6.4. Committees will be used sparingly and ordinarily in an ad hoc capacity.

GP 6.5. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the CEO.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 7: Cost of Governance

The board recognizes that financial and staff resources are necessary to carry out effective governance. Accordingly:

GP 7.1. Board skills, methods, and support will be sufficient to assure governing with excellence.
   • Training and re-training will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
   • Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, an annual financial audit.
   • Outreach mechanisms will be used as needed to ensure the board’s ability to listen to moral owner’s viewpoints and values.

GP 7.2. Governance costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior governance skills.
POLICY TYPE: GOVERNANCE PROCESS POLICIES

GP 8: Transparency

The directors recognize the importance of transparency for a non-profit organization.

Accordingly:

GP 8.1. The following information will be posted on the website and updated annually.

• Number of board members
• Length of appointment/term of office
• Maximum terms of service permitted
• When election/appointments are made
• What percentage of the board is typically appointed each year
• Names, affiliation and compensation of board members