Exhibit to Agenda Item #4

Board Monitoring: **Governance Process GP-8, Board Committee Principles; Governance Process GP-10**, **Board Training, Orientation; Governance Process GP-12, Board Compensation and Benefits;** and **Governance Process GP-15, Board Travel and Training Reimbursement**.

Board Policy Committee and Special SMUD Board of Directors Meeting

Wednesday, October 7, 2026 scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

GP-8 Board Committee Principles

The Board may establish standing committees and the president may establish ad hoc committees based on need and input from the Board members.

Standing committees shall assist the Board in its ongoing work and activities. Standing committees shall be composed of three Board members, including a chair and vicechair, who shall be appointed by the Board President. Any other Board member may attend and participate in the deliberations of any standing committee. Each standing committee shall have a charter describing the committee's purpose. If a standing committee lacks a quorum of members for any meeting, the President, Vice-President, or Committee chair, in that order, may appoint a non-committee Board member to serve on the Committee for that meeting

GP-8 Board Committee Principles (cont.)

Ad hoc committees shall be created for a limited duration to address a specific topic of interest to the Board. Each ad hoc committee may be composed of two or three Board members, and shall include designation of a chair and a clear statement of purpose. Ad hoc committees are not required to provide public notice of their meetings under the Ralph M. Brown Act. Each ad hoc committee shall report back at a publicly noticed Board or standing committee meeting on its activities

GP-8 Board Committee Principles (cont.)

Specifically:

a) All committees will ordinarily assist the Board by gaining education, considering alternatives and implications, and preparing policy alternatives.

b) Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.

c) Board committees cannot exercise authority over staff nor interfere with the delegation from the Board to the CEO. Because the CEO works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action.

GP-8 Board Committee Principles (cont.)

d) As a general rule, items scheduled for Board action (including items requested by a Board member) shall first be presented to a standing committee for review.

e) Standing committees shall be reviewed at least annually by the Board to determine whether they should continue. Governance Process GP-8 Page 2 of 2 Board Committee Principles.

f) This policy applies to any group which 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.

Compliance Scores:

High 4

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GP-10 Board Training, Orientation

The Board will invest in training, development and orientation to assure excellence in governance.

Specifically:

a) Board members shall be offered and encouraged to receive training in the skills of effective governance, communication and decision making.

b) The Board president and Board committee chairs shall be offered and encouraged to receive training in the facilitation of meetings.

c) At least every two years, Board members shall receive training on sexual harassment prevention and laws related to ethics (conflict of interest requirements, government transparency, open and fair government processes). Training shall be made available annually.

GP-10 Board Training, Orientation (cont.)

d) New Board members shall receive an orientation in the SMUD's governance policies.

e) Board members shall be offered and encouraged to receive regular training with respect to understanding trends and developments in public power and the energy industry.

Compliance Scores:

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GP-12 Board Compensation and Benefits

In keeping with the MUD Act, members of the Board of Directors are entitled to compensation for their service. Specifically:

a) Each Board member may receive for each attendance at the meetings of the full Board, Board committee meetings, ad hoc committee meetings, publicly noticed SMUD workshops or meetings, other publicly noticed meetings where the Board member is representing the Board, state or federal legislative briefings or meetings where the Board member is representing the Board, meetings with SMUD customers or staff relating to SMUD business, community meetings or events where the Board member is representing SMUD, events where SMUD is being recognized, conferences and organized educational activities, the sum of $335.00 per day of service. No director may receive compensation for more than ten (10) days in any one calendar month. Campaign and political meetings, events, and fundraisers are not compensable under this policy.

b) Board member compensation shall be reviewed annually.

GP-12 Board Compensation and Benefits (cont.)

c) Each Board member may also be reimbursed for expenses related to travel, meals, lodging and other actual and necessary expenses incurred in the performance of his or her official duties as described in subsection a). Reimbursement shall be in accordance with Internal Revenue Service regulations as established in Publication 463, or any successor publication.

d) Each Board member may be reimbursed for computer and other technology purchases, rentals, and refurbishments that will aid them in the performance of their duties pursuant to reimbursement policies applicable to executive and senior leaders.

GP-12 Board Compensation and Benefits (cont.)

e) Compensation forms shall be completed by a Director and distributed to the Board office. The Board shall review and approve compensation and any request for technology reimbursement at a regular Board meeting. Board member compensation, along with any requests for technology reimbursement, shall be placed on the consent calendar at each regular Board meeting, unless a Board member requests that it be placed on the discussion calendar.

f) SMUD shall provide and contribute payment for health care benefits, equivalent to the contribution made to SMUD employees in the PAS employee group, to any Board member who elects such benefit, and additionally make an annual contribution payment of $500 to a Flexible Spending Account.

GP-12 Board Compensation and Benefits (cont.)

g) Subject to the applicable tax codes and IRS rules and regulations, and to the extent possible, SMUD shall direct payment to a SMUD defined contribution plan (either a 457(b) plan or a 401(k) plan) for each Director who elects to have such a benefit in the amount of 30% of compensation based on days of service. Directors who elect to receive this benefit must (1) have a SMUD defined contribution plan and (2) direct payment to the defined contribution plan of their choice at initial enrollment and then during (and only during) SMUD's open enrollment period for employee benefits.

Compliance Scores:

High 4

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GP-15 Board Travel and Training Reimbursement

Board members shall have the opportunity to attend conferences, meetings, training, and various activities that are appropriate to their work as Directors and provide value to SMUD.

As part of this policy:

a) Each Board member shall have an annual budget for travel and training, which shall be adjusted annually for inflation and rounded to the nearest hundred dollars. The training budget shall include funds for attendance at community functions and baseline dues in organizations that further Board members' professional development, when accompanied by written justification.

GP-15 Board Travel and Training Reimbursement (cont.)

b) The Board shall approve its travel and training budget as part of the annual budget process. Budgeted travel and training funds shall expire at the end of each calendar year with no rollover option.

c) The Board travel and training budget shall be managed by the Special Assistant to the Board as part of the Board Office budget.

d) Requests for travel, training and events in excess of $1,000 shall be accompanied by a written justification of the benefits to SMUD and consistency with Board policy and submitted to the Board Special Assistant.

GP-15 Board Travel and Training Reimbursement (cont.)

e) Written travel and training justifications required by sections a) and d) of this policy, along with a status report on the Board's travel and training budget and individual directors' expenditures, shall be distributed to all Board members monthly for the purposes of transparency and oversight.

f) Board members shall submit all relevant travel and training receipts to Board Office staff within two weeks for reconciliation.

GP-15 Board Travel and Training Reimbursement (cont.)

g) Board members shall publicly report the results of their travel and training at a Board meeting.

h) New Board members shall receive an orientation in the Board's travel and training policy.

Compliance Scores:

High 4

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