

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 1.02

POWERS & FUNCTION OF THE BOARD OF DIRECTORS

Chapter: 1.0 – Governance Policies
Section: 1.02 – Powers & Function of the Board of Directors
Effective Date: November 17, 2010

1.0 PURPOSE

1.1 To clarify the powers, functions and obligations of the BOARD.

2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD. This Policy may only be amended by approval of the BOARD.

3.0 PROCEDURES

3.1 The President or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable.

4.0 POLICY

4.1 The BOARD shall have all the powers set forth in Article 7 of the BYLAWS and as authorized by the Nonprofit Corporation Law (Cal. Corp. Code § 5000 et. seq.). The BOARD shall manage the business and affairs of the CORPORATION and exercise all of its corporate powers to achieve the purposes of the CORPORATION as set forth in the ARTICLES and the BYLAWS.

4.2 Each director shall perform the duties of a director, including duties as a member of any committee of the BOARD on which the director may serve, in good faith, and in a manner that the director believes to be in the best interest of the CORPORATION and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. Directors owe both a duty of loyalty and a duty of care to the CORPORATION.

4.3 In performing the duties of a director, a director may rely upon information, opinions, reports or statements, including financial statements and other financial data, prepared by officers or employees of the CORPORATION, consultants to the CORPORATION or a

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committee of the BOARD on which the director does not serve. Such reliance is appropriate as long as the director believes the person providing the information to be reliable and competent in the matters presented.

- 4.4 No director may be an interested person as that term is defined in Article 8, section 6 of the BYLAWS. Directors must also comply with the conflict of interest provisions of the Nonprofit Corporation Law, the Political Reform Act (Cal. Gov. Code § 81000 et. seq.), California Government Code section 1090, the California Community Redevelopment Law (Cal. Health & Safety Code § 33000 et seq.), the City of San Diego Ethics Ordinance (San Diego Municipal Code § 27.3501 et seq.) and other policies of the CORPORATION related to ethical issues.
- 4.5 No individual director, unless authorized by the BOARD to do so, shall be entitled to provide direction to or control the activities of employees of the CORPORATION who are under the control of the PRESIDENT. Directors shall use reasonable efforts to coordinate any questions or concerns about CORPORATION operations through the President or other appropriate officer of the CORPORATION.
- 4.6 Directors shall use reasonable effort to attend all meetings of the BOARD and the committee(s) of which the director serves. Directors shall not be absent from three (3) consecutive meetings of the BOARD or a total of four (4) meetings of the Board during any one calendar year. The BOARD Chair or the Executive Committee shall determine the appropriate action required against the Director in violation of this section.