

General Counsel Performance Evaluation Policy
Pedernales Electric Cooperative, Inc.
Board Adopted: November 19, 2012
Board Amended: December 17, 2012

Objectives:

The objectives of the General Counsel Performance Evaluation Process are to:

- Establish performance expectations
- Provide a vehicle with which to measure General Counsel performance against expectations
- Clarify the roles of the Board of Directors and Chief Executive Officer in the evaluation of the General Counsel's performance.
- Give feedback to the General Counsel
- Support compensation adjustment decisions

Policy Content:

The Board of Directors and Chief Executive Officer believe an in-house legal department is essential to the successful operation of the Cooperative. The General Counsel serves two primary roles. One role is to support the Board of Directors and governance function of the Cooperative. The second role is to serve as the Manager of the Legal Department and complete or oversee all corporate legal matters. The General Counsel reports to the Board of Directors but also is supervised by the Chief Executive Officer and receives significant delegation from the Chief Executive Officer. As a result, the General Counsel's performance evaluation is a shared responsibility between the Board of Directors and Chief Executive Officer and the Cooperative's Authority and Responsibilities Policy provides that the Board of Directors should periodically review the performance of the General Counsel in consultation with the Chief Executive Officer.

Process:

- A. By resolution of the Board of Directors adopted on October 15, 2012, the Vice President of the Board was delegated the responsibility for facilitating the performance evaluation process on an annual basis.
- B. The Board of Directors and Chief Executive Officer will perform a formal evaluation of the General Counsel's performance annually, with the performance period ending April 30 of each year. Performance will be based on the achievement governance and Board support responsibilities (evaluated by the Board of Directors) and the achievement of corporate legal responsibilities and delegated strategic initiatives and other special projects (evaluated by the Chief Executive Officer).
- C. The General Counsel will complete the self-assessment portions of the performance evaluation form and provide it to the Board of Directors and Chief Executive Officer. Each Director will complete the section of the General Counsel's evaluation form related to governance and board support responsibilities and submit them to the Vice President for compilation. The Chief Executive Officer will complete the sections related to the achievement of corporate legal responsibilities and delegated strategic initiatives and other special projects. The Board and the Chief Executive Officer will meet in executive session to review the compiled results of their sections of the performance evaluation. The General Counsel will not be present during deliberations with respect to the General Counsel's performance evaluation.
- D. Once the Board of Directors and Chief Executive Officer have completed their deliberations and arrived at consensus regarding the General Counsel's performance, the Board of Directors and Chief Executive Officer will meet with the General Counsel to review the results of the performance evaluation and provide feedback to the General Counsel to enhance his effectiveness and discuss expectations and goals for the upcoming year's annual performance review.