

POLICY BULLETIN NO. 1-3

SUBJECT: QUALIFICATIONS FOR DIRECTORSHIP

A. OBJECTIVE

To assure the membership that the members nominated to be voted upon for service upon the Board of Directors of the Cooperative (a voluntary service group acting as Directors for and representatives of the membership) are generally qualified to carry out the viewpoints, objectives, formulate policy, develop plans, and insure their execution within the Cooperative.

II. POLICY, CONTENT AND PROVISION

B. The individual member that nominates an individual to be voted upon for election to the Board of Directors of the Cooperative should be aware of and should carefully and seriously consider the following legal requirements and personal qualifications before such a nomination is entered. That the person nominated from the geographical district provided for in the Bylaws:

1. Must be a member and a bona fide resident of that particular district area served by the Cooperative.
2. Should be willing to promote and safeguard the interests of the Cooperative among the members and the general public.
3. Will be required and therefore able to represent the membership on an impartial basis for the good of and in the best interests of the entire Cooperative.
4. Must not in any way be employed by or financially interested in any enterprise, primarily engaged in selling electrical energy, supplies, appliances, or other items as provided by the Bylaws of the Cooperative.
5. Must be willing to attend regularly scheduled and special meetings of the Board of Directors and to further attend national, state and meetings of the local organizations with associated interests that further the Cooperative movement together with Director training institutes or seminars which will aid in keeping them well informed on matters affecting the Cooperative.
6. Should be aware that members of the Board of Directors serve without salary and on a fee basis for time given to regularly scheduled and approved affairs of the Cooperative and in addition they will be reimbursed for all reasonable expenses in connection with such scheduled activities.
7. Should agree to serve the term of office for which elected until a successor has been appointed or elected.
8. Shall not use or cause to be used their position as Director to further their political ambitions.

9. Shall be at least eighteen years of age.
 - a. That service as a Director shall include the following responsibilities for growth and development, keeping themselves and others informed and participating in the decision-making process of the Board at all scheduled regular and special meetings.
 - 1) To put forth the effort to improve abilities and understand the Cooperative's problems to provide the judgment required to make decisions in constantly changing circumstances that have a direct and indirect effect upon the Cooperative and to support all decisions and actions made or taken by the majority of the Board.
 - 2) To conscientiously study the information contained in Board reports.
 - 3) To contribute to the development of statements on functions and responsibilities of Board members and thereafter to become familiar with and strive to improve such statements.
 - 4) To objectively evaluate and consider the questions and problems with which the Cooperative is faced.
 - 5) To keep informed as to the aims and objectives of the Cooperative and to further study and analyze the policies, plans, and problems which result from efforts to achieve such aims and objectives.
 - 6) To keep informed on, alert to and aware of the attitudes of the members and general public toward the Cooperative's objectives and policies.
 - 7) To inform all interested persons about the Cooperative's viewpoints, objectives, programs and services.

C. Former employees becoming Directors, former Directors becoming employees.

- (1) To balance the possible advantages and disadvantages of former employees serving as a Director, it is prohibited that any individual employed by the Cooperative or its subsidiaries during the preceding three years from becoming a Director.

A. This includes the Statewide Association of Electric Cooperatives, any G&T or other entity in which STEMC is a member.

- (2) To balance the possible advantages and disadvantages of former Directors becoming employees, it is prohibited that any individual who served as a Cooperative Director

during the preceding three years from becoming a Cooperative Employee.

- C. This policy shall be in addition to existing provisions of the Articles of Incorporation and approved Bylaws and is intended to serve as a guide in keeping members informed on their nominating and voting obligations.

III. RESPONSIBILITY

- A. The President and the full Board should ensure that a copy of the provisions of this policy to be published periodically in the news media of the Cooperative.
- B. The President is the chief executive officer of the Cooperative and is responsible for determining that this policy is adhered to and make known to interested persons at all times.

Board Action
3/27/62
4/23/91
Reviewed: 01/28/2020
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