

QUALIFICATIONS OF DIRECTORS

I. OBJECTIVE

To establish guidelines to be used by nominating committees in selecting the most qualified persons to nominate as candidates for election to the Board.

II. POLICY

The policy set forth below shall be used when considering the qualifications of candidates for directorship. The nomination of a Director shall be made without discrimination as to race, color, religion, national origin, gender, age, veteran status, marital status, pregnancy, parenthood or disability.

1. Bylaw Requirements

As stated in the Association Bylaws, Article IV, Section 3:

No person shall be eligible to become or remain a Director who:

- a. is not a member of the Cooperative by virtue of membership held in his name as a natural person receiving electric service at his residence in the district from which he is elected; or
- b. does not have the legal capacity to enter into a binding contract or who is not physically or mentally able to discharge the duties of a Director; or
- c. is in any way employed by or holds a material financial interest in any of the following:
 - (1) a competing enterprise;
 - (2) a business selling electric energy;
 - (3) a business selling substantial amounts of energy or fuel products to the Cooperative; or
 - (4) a major vendor to the Cooperative, including but not limited to, professional consultants, electrical contractors and businesses whose sales to the Cooperative represent more than one-third of its business; or
- d. is employed by the Cooperative; or

- e. is an officer or employee of a collective bargaining unit with which the Cooperative has a labor contract; or
- f. is a close relative or a member of a household of a Director of the Cooperative or of a person described in (c), (d) or (e) above.

As used in this Bylaw, "close relative or a member of a household," means a person who by blood or in law, including half, foster, step, or adoptive kin is either a spouse, child, grandchild, parent, grandparent, brother or sister of the person in question or who on a fixed, long-term or non-temporary basis, shares living quarters with the person in question.

As used in this Bylaw, a business selling electric energy, under (c) (2) above does not include a director's family member, except for his spouse, who is selling power to the Association under a GVEA sponsored alternative energy program.

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, the Board shall remove such Director from office.

A Director who has served on the Board for at least two and one-half consecutive years, but who has failed to qualify for and obtain a National Rural Electric Cooperative Association (NRECA) Credentialed Cooperative Director's Certification, shall be ineligible to succeed himself. Nothing contained in this section shall affect the validity of any action taken at any meeting of the Board.

2. Guidelines

The person nominated:

- a. Must be willing to attend regular and special meetings of the Board; national, state and other meetings of organizations with common interests that further the cooperative movement; and training institutes or seminars on subjects of current importance to the Association.
- b. Should be aware that members of the Board serve without salary and on a fee basis only

for attendance at meetings of the Board, meetings of the members and meetings and conferences specifically authorized by the Board. All reasonable expenses in connection with Board-authorized attendance at such meetings and conferences are reimbursable.

- c. Shall not use, or cause to be used, his position as Director to further any political ambitions.
- d. Must be willing to take the oath of office as specified in Policy 2.8.1.
- e. Must be willing to expend the effort needed to understand the Association's issues and concerns and to provide the judgment needed to reach decisions in constantly changing circumstances.
- f. Must be willing to support in his official capacity as a Board member all official decisions and actions made or taken by a majority of the Board.
- g. Must be willing to study conscientiously the information contained in reports submitted to the Board.
- h. Must be willing to contribute to the development of statements on functions and responsibilities of Directors and to work toward their constant improvement.
- i. Should be able to consider and evaluate objectively the questions, issues and concerns with which the Association is faced.
- j. Must remain informed about, alert to and aware of the ideals and objectives of the Association and to study and analyze the policies, plans, issues and concerns which result from efforts to achieve such ideals and objectives.
- k. Must be informed about and responsive to the attitudes of the members and general public toward the Association's objectives and policies.
- l. Should be able to inform interested persons

about the Association's ideals, objectives, programs and services.

- m. Must be able to qualify for and obtain a National Rural Electric Cooperative Association Credentialed Cooperative Director's Certification within two and one-half consecutive years of service as a Director.

III. RESPONSIBILITY

- A. It shall be the responsibility of the Board to appoint a nominating committee for each district from which a Director is to be elected.
- B. It shall be the responsibility of the Chairman of the Board or his designee to inform the nominating committees about the foregoing guidelines.

ADOPTED: April 15, 1987

AMENDED: December 12, 1994

AMENDED: February 28, 2000

AMENDED: December 16, 2002

AMENDED: June 27, 2005

AMENDED: October 22, 2007 (Inserted 2006 Bylaw Amendment regarding a director's family member selling power to the Association.)