

TALQUIN ELECTRIC COOPERATIVE, INC.

POLICY NO. 4-1

SUBJECT: Qualifications for Trusteeship

I. OBJECTIVE:

- A. To state the opinions of the Board of Trustees, based upon past and present experiences and future problems, on desirable qualifications which have been determined to be essential characteristics of those individuals who are elected to succeed such Trustees.
- B. To provide, and to inform the membership, on guidelines for those persons nominated and voted upon for service as a member of the Board of Trustees of the Cooperative.
- C. To provide the membership with a means of assuring themselves of the election of members to the Board of Trustees who are qualified to carry out the ideals and objectives, formulate policy, develop plans and insure their execution.

II. POLICY CONTENT AND PROVISIONS:

The Board of Trustees of Talquin Electric Cooperative, Inc. has resolved that the policy contained herein shall be followed when considering the qualifications for Trusteeship:

- A. That any committees, member, or members who nominate an individual to be voted upon for election to the Board of Trustees of the Cooperative shall be aware of and should carefully and seriously consider the requirements before such a nomination is entered. To become or remain a Trustee, a person must meet all of the following requirements:
 - 1. Is a natural person or individual.
 - 2. Has earned a high school diploma from an accredited institution, or obtained state certification through General Educational

Development tests (GED), by the deadline to submit nominations by petition.

3. Is a member and bona fide resident in the area served by the Cooperative and is a resident of the district for which he or she is nominated to serve.
4. Is not in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.
5. Is not presently employed by and has not been employed for a period of at least five (5) years, by the Cooperative or any entity controlled by the Cooperative or an entity in which the Cooperative owns a majority interest.
6. Is not the incumbent of or candidate for an elective public office in connection with which a salary or compensation in excess of one hundred dollars (\$100.00) per annum is paid.
7. Has the capacity to enter legally binding contracts.
8. Has not been convicted of a felony. The term "convicted" shall include a finding of guilt, a plea of guilty, a plea of nolo contendere or a verdict of guilty, whether or not adjudication was withheld or clemency has been granted.
9. Has been subjected to a criminal background check administered by the Cooperative. The purpose of the criminal background check shall be to determine whether the member has been convicted of a felony. The type of criminal background check on a Board candidate or a Board Trustee shall be similar to the type of criminal background check which the Cooperative obtains on its employees.
10. Has been subjected to and passed the initial and periodic random drug screenings administered by the Cooperative for its employees.
11. Has been subjected to a credit check performed by the Cooperative without evidence of a history of financial irresponsibility. The credit check shall consist of a review of the member's billing history with

the Cooperative. The member will not meet the requirement that he/she is "without evidence of a history of financial irresponsibility" if, during the most recent twelve (12) consecutive months of service:

- (a) the member has had any single account placed on the Cooperative's cutoff list more than two (2) times or

- (b) the Cooperative has received more than two (2) returned checks from the member.

12. Is a member in good standing of the Cooperative without any disconnections for non-payment of utility services within the last five (5) years.
13. Is willing to devote such time and effort to his or her duties as a trustee as may be necessary to oversee the Cooperative's business and affairs.
14. Is not a close relative of a Cooperative employee, trustee, or any person in a position of trust with the Cooperative. A close relative is considered to be an individual who through blood, law, or marriage is a spouse, child, stepchild, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, half-sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law; or resides in the same residence.
15. Is not employed by another trustee, or employed by an entity over which another trustee exercises substantial control.

Except as provided in the last sentence of this section, verification of each incumbent Trustee's qualifications shall be made annually by a Cooperative designee with the assistance of the Cooperative's attorney. Such verification shall be made not less than thirty (30) days, but not more than forty-five (45) days, before the date of each Annual Meeting. The verification process shall be similar to that conducted for a person who has submitted a petition for re-election; however, because incumbent Trustees are subject to random drug screenings throughout the year, a drug screening is not required at the time of the annual verification for an incumbent Trustee unless he/she has submitted a petition for re-election. The verification of qualifications is not required for an incumbent Trustee who has forty-five (45) days or less in his/her term and who has not submitted a petition for re-election.

- B. That service as a Trustee shall include the following responsibilities for growth and development, for keeping himself/herself and others informed, and for participating in all functions of the Board:
1. To expend the effort needed to understand the Cooperative's problems and to provide the judgment needed to reach decisions in constantly changing circumstances.
 2. To support all official decisions and actions made or taken by a majority of the Board.
 3. To conscientiously study the information contained in reports submitted to the Board.
 4. To contribute to the development of statements on functions and responsibilities of Board members and to work toward their constant improvement.
 5. To objectively evaluate and consider the questions and problems with which the Cooperative is faced.
 6. To keep informed as to the ideals and objectives of the Cooperative and to further study and analyze the policies, plans and problems which result from efforts to achieve such ideals and objectives.
 7. To keep informed on, alert to, and aware of the attitudes of the members, the employees, and the general public toward the Cooperative's objectives and policies.
 8. To inform all interested persons about the Cooperative's ideals, objectives, programs and services.
- C. That any committees, member or members who nominate an individual to be voted upon for election to the Board of Trustees shall consider the following suggested questions when reviewing the personal qualifications of the proposed nominee:
1. What is the business record of the individual and what has the management of his own affairs indicated as to the possession of sound business judgment?

2. What is the judgment of the proposed nominee's neighbors as to his demonstrated capacity for leadership and his reputation for honesty and integrity?
 3. What has the proposed nominee done that would demonstrate his capacity for working with others?
 4. What are the ideas and objectives of the proposed nominee as they relate to Cooperative principles and philosophy?
 5. What are the problem areas which the proposed nominee might encounter when helping his fellow members obtain a more complete understanding of the Cooperative and its activities and problems?
- D. This policy shall be in addition to existing provisions of the Articles of Incorporation and approved By-laws, and is intended to serve as a guide in keeping members informed on their nominating and voting obligations.

III. RESPONSIBILITY:

- A. The President shall make certain that a copy of the provisions of this policy is published periodically in any news media of the Cooperative.
- B. The President is responsible for determining that this policy is adhered to and make known to interested persons at all time.