

BOONE ELECTRIC COOPERATIVE
MISSION STATEMENT

The Mission of Boone Electric Cooperative is to provide reliable electric energy and other services at the lowest possible cost consistent with sound business practices and cooperative principles.

NOMINATING COMMITTEE

ARTICLE IV, Section 4 of the Bylaws of Boone Electric Cooperative states:

“It shall be the duty of the Board of Directors to appoint, not less than one hundred and twenty (120) days, nor more than one hundred and eighty days (180) before the date of a meeting of members at which Directors are to be elected, a committee on nominations. The nominating committee shall consist of not less than five nor more than eleven persons who are members who shall be selected from the three director districts of the Cooperative so as to insure equitable representation.

Upon selection of a nominating committee, the members shall be notified by printing the names and addresses of the members of the nominating committee in a publication caused to be sent to the members by the Cooperative. Notification shall be made following the board meeting at which the nominating committee is appointed.

No member of the Board of Directors may serve on such committee.

The nominating committee, keeping in mind the principle of geographical representation, shall prepare and post at the office of the Cooperative, at least sixty (60) days before the meeting, a list of nominations for Directors. For each vacancy occurring on the board, there shall be more than one candidate nominated for that geographical area.

The ballot shall be divided into as many parts as there are vacancies occurring on the Board to assure the election of one board member from each geographical area.

Any group of members equal to or exceeding one-fourth of one percent of the total membership of the Cooperative acting together, keeping in mind the principles of geographical representation, may make other nominations by petition not less than forty-five (45) days prior to the meeting, and the Secretary shall post such nomination at the same place where the list of nominations made by the committee is posted. The Secretary shall include in the notice of the meeting a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by petition, if any. No member may nominate more than one candidate by petition.

Any group presenting a petition for nomination of a candidate must declare the vacancy which that candidate will seek. A candidate nominated by petition shall be listed on the ballot for the geographical area in which the nominee resides.

The candidate receiving the most votes from each area will represent that area on the Board of Directors.”

FACT SHEET OF BOARD OF DIRECTORS RESPONSIBILITIES

- **Believe in the Seven Cooperative Principles:**

1. Voluntary & Open Memberships
2. Democratic Member Control
3. Member's Economic Participation
4. Autonomy & Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community

- **The officers and directors of the corporation occupy a fiduciary relation to the cooperative and to the members; their position is one of trust and they are bound to act with fidelity and subordinate their personal interest to the interest of the cooperative should there be a conflict.**

Duty of Due Care: This duty requires a Director to perform his or her job as a reasonable and prudent person would do in similar circumstances. In order to do so, a Director must make a reasonable effort to gather and consider relevant information.

Duty of Loyalty: This duty prohibits a Director from placing his or her personal or business interests above the interests of the cooperative. The Director must act fairly with the cooperative, refrain from letting his or her personal interests affect the Director's decisions, and always act honestly and in good faith.

Duty of Obedience: This duty requires that Directors must act within the limit of the powers granted them by law and applicable regulations and by the cooperative's charter, articles of incorporation and bylaws.

- **Willing and able to serve a 3 year term.**

- **Willing and able to attend 12 monthly board meetings.**

Currently scheduled in advance on the third Wednesday of each month unless there is a conflict with education or training sessions.

- **Willing and able to attend 2 - 4 additional local meetings per year.**

Overnight travel may be necessary.

- **Willing and able to attend 2 -10 days per year at State or National information and training seminars.**

Overnight travel may be necessary.

- **Board Members are encouraged to attend 10 - 12 days of training over approximately a 6 year time period to complete their Credentialed Cooperative Director Certificate.**

The Credentialed Cooperative Director (CCD) curriculum consists of five courses designed to provide basic knowledge and skills required of cooperative directors. Each course is one day long unless otherwise noted. Overnight travel may be necessary.

- **Directors Duties and Liabilities:** Boards are responsible for directing the affairs of the corporation. This course discusses and explains the duties of loyalty, obedience and due care, and the need for directors to acquire the minimum knowledge and skills necessary to fulfill their responsibility within the cooperative context.
- **Understanding the Electric Business:** The electric utility industry is an evolving high-tech system that must be designed and engineered to meet regulatory and consumer standards for reliability, quality, and safety. This requires an appropriate investment on a planned and ongoing basis. This course provides directors with an understanding of the key components of the utility industry.
- **Board Operations and Process:** The board of directors is responsible for managing the affairs of the corporation. In fulfilling its duties, the board typically can only take official action via majority vote in a duly convened meeting. This course focuses on the legal requirements for holding board meetings and also on the human factors and group processes that make such meetings productive and effective.
- **Strategic Planning:** Boards have ultimate responsibility for ensuring and evaluating the long-term health of the organization. They help fulfill this duty through strategic thinking, identifying goals through strategic planning and authorizing the appropriate allocation of resources through the adoption of financial policies, budget review and approval and monitoring management's progress toward strategic goals. This course teaches directors how to participate effectively in strategic thinking and planning processes.
- **Financial Decision Making (1 ½ days):** This course helps directors understand the role of the board in financial planning, including identifying the basic documents used in financial planning and reporting. It also covers assessing the issues that drive financial decisions, balancing competing goals, and taking responsibility to monitor and evaluate results.
- **Board Members receive a daily per diem, mileage, and have access to a health insurance program.**
- **Meet the qualifications of a director as written in the bylaws Article IV Section 3**

“To be eligible to become or remain a Director of the Cooperative any such person must:

- (a) be an individual with the capacity to enter into legally binding contracts;

- (b) be a member of the Cooperative and bona fide resident of the geographical area served by the Cooperative;
- (c) not be in any way employed by or financially interested in a competing enterprise or a business selling electric energy, services or supplies to the Cooperative or any of its subsidiaries, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (d) be a Cooperative member in good standing by not being on a list for disconnection of electric service for nonpayment of a delinquent debt to the Cooperative or any subsidiary thereof while a director and during the three years immediately before becoming a director;
- (e) not have a Close Relative who is an employee of the Cooperative or any subsidiary thereof while a director and during the three years immediately before becoming a director.
- (f) not be an applicant for employment;
- (g) not be employed by the Cooperative or any subsidiary thereof while a director and during the three years immediately before becoming a director; and
- (h) not be engaged in a personal relationship with a fellow director or an employee of the Cooperative or any subsidiary thereof that could, in the sole judgment of the Board of Directors, interfere with the Director's independent judgment, disrupt or negatively impact the workplace, undermine members' confidence in the operations of the Cooperative, or reasonably create the appearance of a conflict of interest.

The term "Close Relative" shall mean Wife, Husband, Son, Daughter, Father, Mother, Grandfather, Grandmother, Brother, Sister, Grandson, Granddaughter, Father-in-law, Mother-in-law, Brother-in law, Sister-in-law, step-children and any person cohabitating or living within the same household of a director. This bylaw section will not apply to Close Relatives as defined above who are employed full-time by the Cooperative as of July 13, 2007."