

WHITEWATER VALLEY RURAL ELECTRIC MEMBERSHIP CORPORATION

DIRECTOR CANDIDATE INFORMATION SHEET

Qualifications for a Director of Whitewater Valley REMC are documented in Article IV Section 3 of the corporate bylaws. All candidates for a director's position **must** meet these qualifications. **Please review these in detail.**

Section 3 Qualifications of Directors

- a) No person shall be eligible to become or remain a Director of the Cooperative who does not receive the cooperative's electrical service at his/her primary residence, have the account(s) in the Director's or candidate's name and is in good standing with the Cooperative.
- b) No person shall be eligible to become or remain a Director of the Cooperative who is an immediate family member of a seated or incumbent director, or who fails to meet the criteria outlined in the Cooperative's Ethics; Code of Conduct; or Anti-Nepotism policies.
- c) No employee of the Cooperative, or any person who is a relative of an employee (as defined in the Cooperative's Anti-Nepotism Policy) shall be eligible to be nominated as, or elected to be a director while such employment exists, or within three (3) years following the termination of such employment.
- d) A member, to be eligible to be elected as a director of the cooperative, shall: be a natural person; have the legal capacity and competency to enter binding contracts; have a minimum of a high school diploma (or equivalent); be fluent in the English language; have no criminal convictions excepting misdemeanor traffic offenses; and have never filed bankruptcy proceeding that resulted in any financial loss to the Cooperative.
- e) No person shall be eligible to become or remain a director or hold any other position of trust in the Cooperative, who is in any way employed by or financially interested in a competing enterprise, or business selling electric energy or services to the members which can be construed as directly competing with the Cooperative.
- f) Upon confirmation that a nominee for Director lacks eligibility under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the official presiding over the election at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee.
- g) Upon establishing that any person being considered for, already holding a directorship or other position of trust with the Cooperative lacks eligibility under this section, it shall be the duty of the Board to withhold such position from such person or cause him/her to be removed, as the case may be.
- h) Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more directors shall have an undisclosed interest adverse to that of the Cooperative.

There are many other questions that potential candidates have regarding running for a REMC board position. Although the information below may not answer every question, we hope it will provide support as you make your decision for candidacy.

Time Requirements – While each individual is different, the amount of time required to perform the duties of a REMC Director must be considered. On average, a director will spend from 20-35 hours each month for Board business. This includes board meeting preparation, board meetings [a minimum of one each month], travel time, e-mail review, phone calls, and literature update. In addition, the directors also attend various state and national meetings ranging from 1- 5 days in length. While attendance is not mandatory at every meeting, the Board expects each member to at least attend these on a rotating basis to be familiar with issues affecting our cooperative.

Director Training - New directors are expected to complete their Certified Credential Director's [CCD] training program within their first three-year term on the Board. Subsequent advanced training classes are encouraged in future years as the director has time in order to maintain current information on the issues affecting the cooperative. All program fees are paid by the cooperative as well as travel, and per diem cost. Director training courses usually require 2-5 consecutive days to complete.

Reporting Requirements - Each director is required to provide the co-op on a monthly basis a time sheet accounting for the time spent on the cooperative's business. These reports are summarized and reported to the IRS on Form 990 to support and document the amount of time spent on cooperative business. This is required from all non-profit and cooperative organizations nation-wide.

Anti-Nepotism Policy – The co-op has a well-defined **Anti-Nepotism Policy** that applies to directors as well as employees. This is a sound business practice that prevents awkward situations for the board and/or management. A copy will be made available if requested.

Communication – Communication in the current world is fast and instantaneous in most cases. Besides the REMC, this affects the director's role as well. Therefore, it is important that every director use or have access to a computer, smart phone, or mobile device for e-mail and other communications.

Indemnification – The Board has an insurance policy paid for by the co-op that indemnifies the board as a group and individually for actions taken by the Board that may result in legal action.

Fiduciary Responsibility and Confidentiality – Each board member has a fiduciary responsibility that their actions are in the best interest of the cooperative and its membership as a whole and not directed for personal gain or exemption. In addition, all information provided the directors within or outside of the Board room must be treated as confidential unless decided by the Board that the directors are a part of the communication process.

Compensation – Each board member is compensated for the time devoted to the REMC in their role as Director. The Board reviews this policy annually and sets the compensation to be paid. For current information regarding this, please contact the CEO of the cooperative. Directors are provided IRS form 1099 annually for tax reporting purposes.