

DIRECTOR QUALIFICATIONS

Section 3. Director Qualifications. All directors and director candidates must be eligible to serve in compliance with this bylaw.

A. General Qualifications. To become or remain a director, a person must:

1. Be a natural person;
2. Have the capacity to enter legally binding contracts;
3. Be bondable;
4. Not, while a director and during the five (5) years immediately prior to becoming a director, be nor have been convicted of a criminal offense (excluding summary or traffic) or have pled guilty or no contest to a criminal offense (excluding summary or traffic);
5. Unless excused for a good cause by the Board, attend at least two-thirds (2/3) of all Regular Board meetings during any twelve (12) month period; and
6. While a director, make a reasonable effort to receive a Credentialed Cooperative Director designation, Director's Certificate, or similar certification from the National Rural Electric Cooperative Association within six (6) years of becoming a director.

B. Membership Qualifications. To become or remain a director, a person must:

1. Be a member of the Cooperative in good standing by virtue of individual or joint membership at his or her primary residence for a minimum of two (2) years;
2. Permanently occupy and continuously and materially use the Cooperative's electric energy and service at his or her principal place of residence at a location within the area served by the Cooperative; and
3. Be a legal citizen of the United States of America.

C. Conflict of Interest Qualifications. To become or remain a director, a person must not be:

1. A close relative of any existing director;
2. A Cooperative employee, or a past employee, within five (5) years preceding the date of election, or a close relative of an existing or ineligible Cooperative employee;
3. Employed by, or affiliated with, nor sharing a financial interest with, any other director or employee of the Cooperative; or
4. To a material degree, engaged in employed by, affiliated with, or have a material interest in:
 - i. any individual or entity that regularly, directly, or substantially generates, provides, distributes, or transmits electric energy in competition with the Cooperative;
 - ii. any entity in which the Cooperative owns a substantial interest;
 - iii. any entity that sells goods or services to the Cooperative or a Cooperative subsidiary; or
 - iv. any entity that possesses any other substantial and recognizable conflict of interest with the Cooperative or a Cooperative subsidiary.

Note: For the purpose of this section a "close relative" is defined as a person who by blood or marriage is either a spouse, child, stepchild, grandchild, parent, grandparent, brother, sister; or by blood an aunt, uncle, nephew, niece, or first cousin.

Note: For the purpose of this section, the meaning of "to a material degree" with regard to a director candidate shall be left to the sole discretion of the Nominating Committee, and with regard to a sitting director shall be left to the sole discretion of the Board.