

POLICY NO. 110 - BUCKEYE RURAL ELECTRIC COOPERATIVE, INC.

QUALIFICATIONS FOR ELIGIBILITY TO SERVE ON THE BOARD OF TRUSTEES

I. Objective

Establish requirements for persons wishing to serve on the Board of Trustees and to help ensure that the Board is impartial, local, and possesses a genuine interest to serve the best interest of the Cooperative.

II. Policy

Certain qualifications are required by law and the Cooperative's Bylaws to become and remain a Trustee of the Cooperative. It is the responsibility of the Board of Trustees to ensure that those qualifications are met. If the Board of Trustees should determine that an incumbent Trustee, nominee, or potential appointee to the Board of Trustees lacks or has lost any of the necessary qualifications, it is the duty of the Board of Trustees to remove such incumbent or to declare such nominee or potential appointee ineligible for election or appointment.

III. Provisions

A. General Requirements

To become and remain a Trustee of the Cooperative a person shall, among other things:

1. Members interested in becoming a Trustee will be required to complete an affirmation form (Exhibit 110A).
2. Comply with applicable requirements of law, the Cooperative's Articles of Incorporation and Bylaws, the Cooperative's duly adopted policies, and the Cooperative's duly made decisions;
3. The nominee may be subject to a background check.
4. Assume a fiduciary duty to act, in good faith, in the best interests of the Cooperative and its members;
5. Be loyal to the Cooperative and not have conflicting commercial or personal interests;
6. Be willing to devote such time and effort to the duties of a Trustee as may be necessary to manage the Cooperative's affairs;
7. Be able to represent the entire membership on an impartial basis;
8. Be willing and able to attend regularly scheduled and special meetings of the Board of Trustees; national, state, and other meetings of organizations with associated interests that further the Cooperative movement; training institutes or seminars which will aid in keeping him/her well-informed on matters affecting the Cooperative.

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- B. Service as a Trustee includes the following responsibilities:
1. To study and provide active oversight of key finance functions of the cooperative including financial planning, equity and debt management, key ratio trend analysis, monthly and annual financial statements, internal controls and audits, cash flow management and investment, electric rate tariffs, deposits and fees, and cost of service.
 2. To put forth the effort to understand the Cooperative's problems and to provide the judgment needed to reach decisions in constantly changing circumstances.
 3. To support all official decisions and actions made or taken by a majority of the Board.
 4. To conscientiously study the information contained in reports submitted to the Board.
 5. To contribute to the development of statements on functions and responsibilities of Board members and to work toward their constant improvement.
 6. To objectively evaluate and consider the questions and problems with which the Cooperative is faced and to guide the Cooperative in its conduct of business and community service by thoughtful, fact-based annual strategic planning.
 7. 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.
 8. To keep informed on, alert to, and aware of the attitudes of the members, the employees, and general public toward the Cooperative's objectives and policies.
 9. To inform all interested persons about the Cooperative's ideals, objectives, programs, and services in compliance with Policy 103.
 10. To conduct himself/herself in the eyes of the general public in such a manner as will reflect credit to the Cooperative and personify the position of trust held by the Trustee, including refraining from such conduct which would subject the Trustee to indictment for a felony or crime of moral turpitude or from conduct representing disregard of the standard of behavior which the members can rightfully expect from a Trustee.
 11. Shall not, in any communication outside of the boardroom, criticize, ridicule or make any statement which disparages or is derogatory of any employee, officer, or Trustee of the Cooperative.
- C. Trustee Requirements to be eligible to become or remain a Trustee a person must:
1. Not be a close relative of an incumbent Trustee or a Cooperative employee. Close relative means the relationships of father, mother, brother, sister, son or daughter, existing by blood, marriage, or adoption. However, no incumbent Trustee will lose eligibility to remain a Trustee or to be re-elected as a Trustee if he/she becomes a close relative of another Trustee or an employee because

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- of a marriage to which he/she was not a party;
 - 2. Be a member in good standing of the Cooperative for the previous 12 months;
 - 3. Not be employed by the Cooperative or have been employed by the Cooperative at any time during the preceding five years; and
 - 4. Not be in any way employed by, or financially interested in, a competing enterprise or a business selling electric power and/or 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. Be a natural person.
 - 6. Member must live and reside in the district the candidate represents.
 - 7. Not have pled guilty or have been convicted of any felony or crime of moral turpitude in the immediately preceding five year period of such person's election to the Board.
- D. Upon the establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such Trustee from office. Such removal shall be accomplished only upon a vote of not less than two-thirds of the Board of Trustees eligible to vote.

E. Procedure for Policy Implementation

This policy shall be implemented as follows:

1. It shall be disseminated and explained to the Cooperative's nominating committee each year, before it makes nominations. The committee shall screen all persons considered for nomination as Trustees to ensure that they are qualified in accordance with this policy.
2. the Cooperative shall furnish the nominee with a copy of this policy, Trustee Affirmation Form 110A, to ensure that the nominee is qualified in accordance with this policy.
3. The Board of Trustees, in filling any vacancies occurring on the Board of Trustees, shall ensure that a proposed Trustee is qualified to be appointed and is apprised of this policy before appointment. According to the Code of Regulations and with this policy, any vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members. A notice of Trustee vacancy to be mailed residents and businesses in the district requesting those members interested in filling the vacant Trustee position to submit their name as a potential candidate. Potential candidates to submit a resume outlining their qualifications and/or experience relevant to serve as a trustee and execute a Trustee Qualification Certification.
4. All persons nominated or being considered for appointment as Trustees shall, prior to election or appointment, read this policy and execute the Affirmation Form and questionnaire which are attached hereto and made a part hereof.

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- F. The nominating committee and any 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, professional, or community service record of the individual and what has the conduct of his/her own affairs indicated as to the possession of sound judgment?
 2. What is the judgment of the proposed nominee's neighbors as to his/her demonstrated capacity for leadership and his/her reputation for honesty and integrity?
 3. What has the proposed nominee done that would demonstrate 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 fellow members obtain a more complete understanding of the Cooperative and its activities and problems?

Every year prior to the meeting of the nominating committee, each incumbent whose office is up for election at the forthcoming Annual Meeting shall review this policy and execute the Affirmation Form.

IV. Responsibility

The Board of Trustees is responsible for the enforcement of this policy.

Approved by the Board of Trustees of Buckeye Rural Electric Cooperative, Inc. on the 27th day of August, 2001.

Effective:	August 28, 2001
Revised and Approved:	May 20, 2002
Reviewed and Revised:	September 24, 2004
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Reviewed and Approved:	May 26, 2009
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Reviewed:	September 10, 2019
Revised and Approved:	October 28, 2019
Revised and Approved:	July 26, 2021
Revised and Approved:	November 30, 2021
Reviewed & Approved:	December 20, 2022
Reviewed & Approved:	April 29, 2024

Trustee Affirmation Exhibit 110A
QUALIFICATIONS FOR TRUSTEES

Introduction

Certain specific qualifications to be eligible to become and remain a Trustee are set forth in the Cooperative Bylaws. In addition, statutory and common law impose certain duties upon Trustees. The following questions are designed to ensure that you are eligible to be a candidate for Trustee and to remain a Trustee if elected.

1. Full Name: _____

2. Address of Primary Residence: _____

3. Are you a member of the Cooperative?
Yes _____ No _____

4. Do you receive electric service from the Cooperative at the above residence?
Yes _____ No _____

5. A Trustee is responsible for, and must actively participate in, the management of the business and affairs of the Cooperative. The Board of Trustees of the Cooperative is quite active. It is anticipated that you will spend a minimum of 20 to 24 days, on an annual basis, at meetings of the Board of Trustees, General Membership, committees, and other bodies. (The biggest share of meetings are during the week when many people must be at work.) Are you able to commit that amount of time to be actively involved in the affairs of the Cooperative?
Yes _____ No _____

6. Are you employed by, or financially interested in a company which competes with the Cooperative, sells energy or supplies to the Cooperative, or its primary business is selling electrical or plumbing appliances, fixtures, or supplies to the members of the Cooperative? (Code of Regulations, Article IV Board of Trustees, Section 3. Qualifications)
Yes _____ No _____

If yes, please explain.

7. A Trustee has a duty of loyalty to the Cooperative and a fiduciary duty to act in the best interests of the Cooperative and its members as the Trustee reasonably believes to be the case under the circumstances. In connection with those duties, please answer the following questions:

Will you be able to act in the best interests of the Cooperative even though the act of the Cooperative may conflict with your personal interest?

Yes _____ No _____

Comments: _____

Do you have a commitment of loyalty to another commercial enterprise that may conflict with the best interests of the Cooperative?

Yes _____ No _____

Comments: _____

8. Have you been an employee of the Cooperative at any time in the past five years?

Yes _____ No _____

9. Have you ever been convicted of a felony?

Yes _____ No _____

10. Are you a relative of any Cooperative employee or Trustee?

Yes _____ No _____

Comments: _____

11. If your answer to Question No. 10 is "Yes," what is that relationship?

AFFIRMATION OF TRUSTEE QUALIFICATION

I, the undersigned, hereby state and affirm as follows:

1. I have read the Cooperative's corporate policy entitled "Qualifications for eligibility to Serve on the Cooperative's Board of Trustees" and all attachments thereto.
2. I am qualified in accordance with the policy to be nominated and elected or appointed as a Cooperative Trustee.
3. I am qualified to serve as such Trustee.

I have signed my name hereto and had the same witnessed this _____ day of _____, 20____.

Signature_____

WITNESSES:

Name _____ Name _____

Address _____ Address _____

Telephone No _____ Telephone No. _____