

SAWNEE ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 211

SUBJECT: QUALIFICATIONS FOR ELIGIBILITY TO BE ELECTED OR APPOINTED TO, AND TO SERVE ON, THE COOPERATIVE'S BOARD

I. OBJECTIVE

- A. To outline the Qualifications for Election or Appointment to, and for Service on, the Cooperative's Board, and to establish a Related Procedure and Affidavit/Affirmation Forms.
- B. To serve as a communication tool for those members of Sawnee Electric Membership Corporation who have an interest in serving, and a desire to continue to serve, on the Board of Directors of the Cooperative, as provided for in the Bylaws of the Corporation.

II. CONTENT

A. General

- 1. There are certain minimum qualification requirements as provided for in and by basic law and the Cooperative's Bylaws, as amended from time to time, for one to be eligible to be elected or appointed to, and to continue to serve on, the Cooperative's Board.
- 2. It is the ultimate legal responsibility of the Board of Directors of the Corporation to ensure that these requirements are met and fully complied with.
- 3. If at any time the Board should determine that an incumbent, nominee or potential appointee lacks or has lost any of the necessary legal qualifications to serve on the Board, it is then the duty of the Board to remove such incumbent or to declare such nominee or potential appointee ineligible for election or service, whichever may be the case.
- 4. It is, therefore, the Board's desire that by adopting, publishing and appropriately disseminating and administering this Policy and the attached related Affidavit Forms, Board member incumbents, nominees or potential appointees will be fully apprised of the requirements of the law and the Bylaws of the Corporation, as well as mindful of their importance in deciding whether to commence or continue to serve on the Board.

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B. General Legal Requirements

1. Basic law provides that a person, to be eligible for election or appointment to, and to serve on, the Cooperative's Board shall, among other things:
 - a. be obedient to the Cooperative by adhering to all applicable requirements of law, the Cooperative's articles and bylaws, and the Cooperative's duly made decisions;
 - b. be loyal to the Cooperative, acting at all times in good faith for its best interests;
 - c. be unaffected by any continuing and substantial personal interest that is in conflict with the best interests of the Cooperative;
 - d. be possessed of the minimum knowledge and skills necessary to manage the affairs of the Cooperative; and
 - e. be willing to devote such time and effort to his/ her duties as a Board member as may be necessary to manage the Cooperative's business and affairs.

C. Bylaw Requirements

1. The Cooperative's Bylaws provide that a person, to be eligible for election or appointment to, and to serve on, the Cooperative's Board, shall comply specifically with all of the requirements stated in Article IV, Directors; Article V, Meetings of Directors; Article VI, Officers - Miscellaneous, and any other Article or Section of the Bylaws which is applicable.

D. Procedure for Policy Implementation

1. This Policy shall be implemented as follows:
 - a. The Director qualifications shall be timely explained each year in the Cooperative's newsletter.
 - b. This Policy shall be timely disseminated and explained to the Cooperative's Nominating Committee each year, prior to it making nominations, and the Committee will be urged to review all persons considered for nomination as directors to ensure that they are qualified in accordance with this Policy and the Bylaws of the Corporation.

- c. Immediately after receipt of any nomination by petition, the Cooperative shall furnish the nominee with a copy of this Policy and the Bylaws to ensure that he/ she is qualified in accordance with both and require that an affidavit in the form attached to this policy (see Exhibit “A”) be executed by the petitioner.
- d. The Board, in filling any vacancies occurring on the Board, shall ensure that an appointee is first fully apprised of this Policy and the Bylaws, is qualified in accordance with them, and has executed an affidavit form (Exhibit "A") demonstrating such compliance.
- e. In any event, all persons nominated or being considered for appointment as director(s) shall, prior to election or appointment, be requested to read this Policy and the applicable Bylaw sections relating to Director Qualifications and to then execute an affidavit form (Exhibit “A”).
- f. If a potential appointee or nominee refuses to execute the appropriate form (whether it be the affidavit set forth in Exhibit “A,” or the affirmation set forth in Exhibit “B”) or qualifies his/ her execution in any manner that the Board considers to be inimical to the best interests of the Cooperative, the appointment shall be withheld or, as to the nominee, the Board may inform the members of such fact prior to the election or disqualify the nominee, whichever it determines is appropriate, based on the facts and circumstances existing.
- g. In any event, the Board shall not allow voting on any nominee, or it shall refuse to seat any nominee elected, as the case may be, who is determined by it to be ineligible under the Bylaws of the Corporation or any applicable law; and it shall remove from office any incumbent director who is determined by it to be ineligible under the Bylaws of the Corporation or any applicable law.
- h. Timely every year prior to the meeting of the Nominating Committee, each incumbent director whose office is expiring and who wishes to seek re-election at the forthcoming district member meeting, shall be required to review this Policy and the Bylaws relating to Director Qualifications and to execute or re-execute, as the case may be, an affirmation in the form attached to this Policy (see Exhibit “B”).

E. Additional Educational Requirements

1. It is the opinion of the Board that the Corporation's membership can best be served by Directors who have a reasonable level of knowledge of the events, activities, and trends which have and are currently shaping the electric cooperative industry here in Georgia and across the nation.
2. It is the Board's desire to request that **all** newly elected Directors become certified through the National Rural Electric Cooperative Association (NRECA), by participating in the core Credentialed Cooperative Director (CCD) Certification Program.
3. Directors desiring to seek certifications above or beyond what is provided for herein must first consult with the Board to determine that such additional certification is, in the view of a majority of the members of the Board, desirable to meet the basic duties of that Director and that such action is sanctioned by a majority of the members of the Board.

III. **RESPONSIBILITY**

- A. It shall be the responsibility of the President and Chief Executive Officer to administer this policy, to develop appropriate controls for its overall enforcement and to report his findings to the Board of Directors.
- B. It shall be the Board of Directors' responsibility to enforce the various aspects of this policy and take the appropriate action.

ADOPTED: August 18, 1994
REVISED: February 15, 1996
March 18, 2004

EFFECTIVE: November 1, 1994
EFFECTIVE: February 15, 1996
May 1, 2004

**SAWNEE ELECTRIC MEMBERSHIP CORPORATION
P. O. BOX 266
CUMMING, GA 30028**

EXHIBIT "A"

AFFIDAVIT OF DIRECTOR QUALIFICATIONS

NOW COMES, the undersigned, _____, a resident
(Name)
of _____ County, Georgia, who presently resides at _____
(Street Address)
_____ in _____ District of Sawnee Electric
(City/State/Zip)
Membership Corporation.

The undersigned hereby states under oath that:

Initial

_____ (a) during the five (5) years preceding his /her nomination, he/ she has not been finally adjudged to be guilty of a felony;

_____ (b) during the five (5) years preceding his/ her nomination, he/ she has not been employed by (or a close relative of a person who becomes, or at any time within such preceding five (5) years shall have been employed by) a labor union which represents, or has represented, or has endeavored to represent any employees of the Cooperative;

_____ (c) if elected and seated as a director, he/ she is not a close relative (see definition below), as defined in the Bylaws of the Corporation, of an incumbent director or an employee of the Cooperative;

Note: The Bylaws of the Corporation in Article 4, Section 4.17, Close Relative Defined, state that a close relative is "...a person who, by blood or in law, including step, half, foster and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal".

_____ (d) he/ she has continuously been, for at least one (1) year prior to his/ her nomination, and is currently a member in good standing of the Cooperative, receiving service there from at his/ her primary residential abode in the Directorate District in which he/ she is seeking to be elected;

_____ (e) he/ she is at least eighteen (18) years old and is not financially interested in a substantially competing enterprise or a business selling electric energy or supplies to the Cooperative.

The undersigned hereby states that he/ she is currently engaged in the following business or businesses:

(Note: Attach additional pages if necessary to fully explain this response.)

The undersigned realizes and acknowledges that this affidavit will be relied upon by the Board of Directors of Sawnee Electric Membership Corporation to aid in determining the qualifications and eligibility of the undersigned nominee as a candidate for the office of Board of Directors of Sawnee Electric Membership Corporation.

I, the undersigned, hereby affirm that I have read Policy No. 211, Qualifications for Eligibility to Be Elected or Appointed to, and to Serve on, The Cooperative's Board, and that I am qualified in accordance with this Policy and the Corporation's Bylaws to be nominated and elected or appointed as a Cooperative Board member, as the case may be.

This _____ day of _____, 2____.

(Witness)

(Signature)

Sworn to and subscribed before me this

_____ day of _____, 2____.

Notary Public