

## BOARD POLICY

106

### DIRECTOR REPLACEMENT

#### I. OBJECTIVE

- A. To establish the procedure to fill vacancies on the Board of Directors.

#### II. POLICY

- A. Every effort shall be made to anticipate, as far in advance as possible, vacancies which may occur on the Board between election cycles.
- B. When such a vacancy occurs or is anticipated, the Board Chairman shall appoint a Director Search and Selection Committee composed of two (2) other directors from the Board and two (2) members from the district in which the vacancy exists or may occur. This committee shall review possible replacements and make recommendations to the Board of Directors.
- C. The Board Chairman, or his/her designee, may meet initially with the Committee and explain the functions of the Committee, including reviewing the suggested Statement of Qualifications of a Director of the Cooperative, which is attached as Addendum "A" and made part of this policy.
- D. The Committee shall appoint its own Chairperson.
- E. The Committee shall consider individuals who reside in the district where the vacancy occurs and who meet the Statement of Qualifications.
- F. Members of the Committee may interview the individuals they consider the best qualified and from this group select at least one individual to recommend to the Board. The Committee shall contact the candidate(s) to determine their willingness to serve and in particular, to devote the time required to effectively carry out their responsibilities and make a meaningful contribution to the deliberations of the Board.

- G. The Committee Chairperson, or his/her designees, shall meet with the Board and discuss its recommendations.
- H. The Board, by an affirmative vote of a majority of the remaining directors, shall appoint a director to fill the vacancy.
- I. The individual appointed by the Board shall serve as provided by the Cooperative's by-laws.

III. RESPONSIBILITIES

A. BOARD OF DIRECTORS

It shall be the responsibility of the Chairman to see that this policy is adhered to.

B. GENERAL MANAGER

The General Manager shall review this policy annually and recommend any changes needed.

Dated: April 22, 2013

Past Revisions:

December 21, 2009

June 22, 2007

July 28, 2003

July 23, 2001

December 20, 1993

APPENDIX A (As attachment to Board Policy #106)

SUGGESTED STATEMENT OF QUALIFICATIONS FOR A  
DIRECTOR OF HOMEWORKS TRI-COUNTY ELECTRIC COOPERATIVE

- I. Must meet all requirements stipulated in the By-Laws, including being a member of the Cooperative and a bonafide resident of the District to be represented by the Director.
- II. Should possess the following basic beliefs and viewpoints:
  - A. Believe in the seven basic cooperative principles:
    1. Voluntary and Open Membership.
    2. Democratic Member Control.
    3. Members' Economic Participation.
    4. Autonomy and Independence
    5. Education, Training, and Information
    6. Cooperation Among Cooperatives
    7. Concern for Community.
  - B. Believe that the Cooperative should continually strive to make power available to its members at a reasonable cost, and to achieve this, has the right to join with other cooperatives as a member in a generation and transmission cooperative.
- III. Should have demonstrated by his/her actions that he/she possesses the following personal characteristics:
  - A. Be a proven leader in his or her community with broad interests.
  - B. Be of highest integrity and have complete respect of the community in which he or she lives.
  - C. Have the ability to exercise sound judgment and logical reasoning in a mature manner.
- IV. Should be able to make a meaningful contribution to carrying out the functions of a director, including:
  - A. Willing and able to give the time to attend:
    1. Meetings of the Board or committees of the Board.
    2. State and national association meetings.
    3. Director training programs.

With the background information and knowledge provided by such meetings, the director can make more intelligent choices on all the complex matters coming before the Cooperative.

- B. Making significant contributions to Board meetings by raising pertinent and discerning questions and by contributing innovative ideas and suggestions.
  - C. Willing to study data and other information presented to the Board to keep fully informed.
  - D. Supporting the decisions and actions of the Board once arrived at by action of the majority of the Board.
  - E. Representing the total membership on an impartial basis, not just those in his/her district.
  - F. Making every effort to obtain increasing member and public understanding and support of the Cooperative and the rural electrification program and being sensitive to their feelings, concerns and attitudes.
  - G. Becoming skilled in raising questions about the end results being achieved and in interpreting Operating and Financial Reports.
  - H. Providing leadership to meet the changing needs of the membership and to contribute to the development of the Cooperative's service area.
- V. In addition to considering qualifications described above, questions such as the following may be raised about potential candidates:
- A. Does his/her past experience and performance add value to Tri-County Electric Cooperative?
  - B. Does he/she have the ability and the commitment to further the interests of the Cooperative?
  - C. Has he/she served in any positions of leadership which specifically qualify him/her to be nominated as a director of the Cooperative?
  - D. Can he/she work well with others on a Board?
  - E. How much knowledge does he/she have of the Cooperative's objectives, goals, and services?
  - F. Is he/she dependable and available, and willing to devote the considerable time required of a Cooperative director?