

**MORA - SAN MIGUEL ELECTRIC COOPERATIVE, INC .
BOARD MEMBER QUALIFICATIONS AND ELIGIBILITY
BOARD POLICY NO. 101
NEW POLICY**

- SUBJECT:** Qualifications for Eligibility to Be Elected or Appointed to, and to Serve on, the Cooperative's Board.
- OBJECTIVE:** To Publish the Qualifications for Election or Appointment to, and for Service on, the Cooperative's Board; and to Establish a Related Procedure and Affirmation Form.
- POLICY:**

PREAMBLE

Certain minimal qualifications are required by basic law and the Cooperative's Bylaws for one to be eligible to be elected or appointed to, and to serve on, the Cooperative's Board. It is the ultimate legal responsibility of the Board to ensure that these requirements are met and complied with. If the Board should determine that an incumbent, nominee or potential appointee lacks or has lost any of the necessary legal qualifications, it is the duty of the Board to remove such incumbent or to declare such nominee or potential appointee ineligible for election, whichever may be the case. By adopting, publishing and appropriately disseminating this Policy and the Affirmation Form (Policy No. 103), it is the Board's respectful hope that Board member incumbents, nominees or potential appointees will not only be fully apprised of these requirements, but mindful of their importance in deciding whether to continue or commence service on the Board.

POLICY CONTENT

I. General Legal Requirements

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 duties as a Board member as may be necessary to manage the Cooperative's business and affairs.

II. Bylaw Requirements

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 meet the requirements of Article IV Section 3 of such Bylaws.

III. Procedure for Policy Implementation

This Policy shall be implemented as follows:

A. It shall be timely explained each year in the Cooperative's newsletter.

B. Immediately after receipt of any nomination by petition, the Cooperative shall furnish the nominee with a copy of this Policy to ensure that he is qualified in accordance with it.

C. The Board, in filling any vacancies occurring on the Board, shall ensure that an appointee is first fully apprised of this Policy and is qualified in accordance with it.

D. In any event, all persons actually nominated or being considered for appointment as directors shall, prior to election or appointment, be requested to read this Policy and to then execute the Affirmation Form. If a potential appointee or nominee refuses to execute the Affirmation Form or qualifies his 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 elections or disqualify the nominee, whichever it determines to do in the facts and circumstances existing.

E. 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 this Policy; and it shall remove from office any incumbent who is determined by it to have lost or never had eligibility under this Policy.

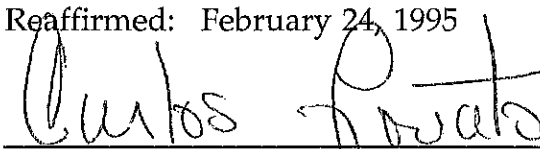
F. Timely every year each incumbent whose office is not up for election at the forthcoming annual member meeting shall be requested to review this Policy and to execute or re-execute, as the case may be, the Affirmation Form.

The Board shall be responsible for the enforcement of this policy.

Approved: April 13, 1993

Effective: April 13, 1993

Reaffirmed: February 24, 1995



Board Secretary