

BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION DIRECTOR CANDIDATE INFORMATION SHEET

Qualifications for a Director of Blue Ridge Mountain EMC are documented in Article IV Section 4.02 of the corporate bylaws. All candidates for a director's position **must** meet these qualifications.

Please review these in detail.

Section 4.02. Qualifications.

No person shall be eligible to become or remain a Director of the Cooperative who:

- a) Preceding his nomination was, or during his service on the Board becomes, finally adjudged to be guilty of a felony;
- b) Within five (5) years preceding his nomination was a full-time employee of the cooperative;
- c) Becomes, or at any time during the five (5) years preceding his nomination shall have 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; or
- d) Is, and if elected and seated as a director will continue to be, a close relative of an incumbent director or of an employee of the Cooperative;
- e) Has not continuously been, for at least one (1) year prior to his nomination, or who ceases after his election to be, a member in good standing of the Cooperative (in a state of suspension), receiving service therefrom at his primary residential abode in the Directorate District from which he is elected, (except as which qualifies a person's eligibility to be elected a director must be and remain member in good standing); **PROVIDED**, notwithstanding that he may not receive service from the Cooperative at his primary residential abode, a natural person who is the chief operating executive of any other non-natural person entity, or his designee, shall be so eligible from the Directorate District in which such entity is located if he or such designee (A) is in substantially permanent occupancy, direction or use of such entity's premises and (B) is a permanent and year-round resident within the outer boundaries of, or in close proximity to, an area served by the Cooperative; **PROVIDED**, no more than two (2) such persons may serve on the Board at the same time.

No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is not at least eighteen (18) years old or is in any way employed by or substantially financially interested in an enterprise competing with the Cooperative or any Cooperative-affiliated business or a business selling electric energy or supplies to the Cooperative, or who is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another director, and (1) no such person shall be eligible to run for director if another such-related person is already an incumbent director and is not up for reelection at that time, and (2) if two directors become so related during their incumbency, and unless the two of them agree otherwise in writing

delivered to the Board, the one whose term will first expire shall lose eligibility under this provision or, if they have coincident terms, the one losing eligibility shall be determined by drawing of lots; PROVIDED, this provision shall apply to a person even though the legal entity constituting the employee, agent, employer or principal is a non-natural person, such as a partnership or corporation, if the person has a substantial financial interest or holds a substantial position therein, and this provision shall also apply where two persons are principal co-owners and are actively engaged in the affairs of the same business enterprise.

Notwithstanding the restrictive provisions of this Section that are based upon close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected a director if, during his incumbency, he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage or an adoption to which he was not a party.

Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board to disqualify him. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board to withhold such position from such person or to cause him to be removed therefrom, as the case may be. Also, the office of a director shall automatically become vacant if he misses as many as three (3) regular meetings of the Board during any twelve (2) consecutive such meetings, unless the remaining directors unanimously resolve that (1) there was good cause for such absences and (2) such cause will not likely result in such absences during the next ensuing twelve (12) consecutive regular Board meetings. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board unless such action is taken with respect to a matter in which one or more of the directors have a personal interest in conflict with that of the Cooperative.

There are other questions that potential candidates have regarding running for a Blue Ridge Mountain EMC board position. Although the information below may not answer every question, we hope it will provide support as you make your decision for candidacy.

Tenure –As per Bylaw Section 4.04 Directors shall be entitled to remain in their elected position for no more than five consecutive three year terms from the time of their respective election at a meeting of the members. In the event a director is appointed to fill a vacancy on the board and to serve for the remainder of the unexpired term created by the death, resignation or removal of another director, the appointed director may serve on the board for five more consecutive three year terms, if duly qualified and so elected by the membership.

Anti-Nepotism Policy – The co-op has a well-defined **Anti-Nepotism Policy** that applies to Directors as well as employees. This is a sound business practice that prevents awkward situations for the board and/or management. A copy will be made available if requested.

Communication – Communication in the current world is fast and instantaneous in most cases. In

order to ensure the board is adequately connected, Blue Ridge Mountain EMC provides each individual board member an iPad for necessary communications including email and access to necessary board documents.

Director Training - New Directors are required to complete their Certified Credential Director's [CCD] training program within their first two years of service upon election to the Board. Cooperative Board Members who are in their second or third terms may choose to avail themselves of training and education opportunities offered both within and outside the cooperative's service area; however, such additional training shall be approved by the full Board on an individual case-by-case basis. Directors will be compensated for such approved education and training activities in accordance with Policy No. 210. Remuneration will also be provided for any required tuition, books, fees or other reasonable expenses associated with said training. Director training courses usually require 2-5 consecutive days to complete.

Indemnification – The Board has an insurance policy paid for by the co-op that indemnifies the board as a group and individually for actions taken by the Board that may result in legal action.

Fiduciary Responsibility and Confidentiality – Each board member has a fiduciary responsibility that their actions are in the best interest of the cooperative and its membership as a whole and not directed for personal gain or exemption. In addition, all information provided the Directors within or outside of the Board room must be treated as confidential unless decided by the Board that the directors are a part of the communication process.

Compensation – Each board member is compensated for the time devoted to the BRMEMC in their role as Director. The Board reviews this policy and sets the compensation to be paid. For current information regarding this, please contact the General Manager of the cooperative. Directors are provided IRS form 1099 annually for tax reporting purposes.

What Is The Time Commitment – The board meets monthly, typically on the 2nd Tuesday, convening at 6:00 P. M. and lasting approximately 3-5 hours. In addition to the regular board meeting the committee meetings convene at 5:00 P. M. and lasts for one hour. There is an occasional need for the board to convene a workshop or a special session. The annual meeting of members is typically held on the last Thursday in September, time and venue determined each year, and lasts approximately 4-6 hours.