

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 ("Cooperative") who have an interest in serving, or a desire to continue to serve, on the Board of Directors of the Cooperative, as provided for in the Bylaws of the Cooperative.

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 a member of the Cooperative 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 Cooperative 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 and potential appointees will be fully apprised of the requirements of the law and the Bylaws of the Cooperative, as well as mindful of their importance in deciding whether to commence or continue to serve on the Board.

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:

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- a. be obedient to the Cooperative by adhering to 1.) all applicable requirements of law, 2.) the Cooperative's articles and Bylaws, 3.) the Cooperative's Service Rules and Regulations and 4.) 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 oversee 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 Directorate District 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 Cooperative.
 - 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") and a background search form (Exhibit "C") 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, and is qualified in accordance with them, and has executed an affidavit form (Exhibit "A") demonstrating such compliance and a background search form (Exhibit "C").
- 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 execute an affidavit form (Exhibit "A") and a background search form (Exhibit "C").
- f. If a potential appointee, nominee or officer refuses to execute the appropriate forms (whether it be the affidavit set forth in Exhibit "A," the affirmation set forth in Exhibit "B", a background search form set forth in Exhibit "C" or the credit report form found in Exhibit "D") or qualifies his / her execution in any manner that the Board or Directorate District Meeting Credentials and Election Committee, whichever controls, considers to be inimical to the best interests of the Cooperative, the appointment shall be withheld or, as to the nominee, the Board or Directorate District Meeting Credentials and Election Committee, whichever controls, may inform the members of such fact prior to the election or disqualify the nominee, appointee or officer, whichever it determines is appropriate, based on the facts and circumstances existing.
- g. In any event, the Directorate District Meeting Credentials and Election Committee shall not allow voting on any nominee, or the Board shall refuse to seat any nominee elected, as the case may be, who is determined to be ineligible under the Bylaws of the Cooperative or any applicable law.
- h. The Board shall remove from office any incumbent director who is determined to be ineligible under the Bylaws of the Cooperative, or any applicable law.
- i. Every year prior to the meeting of the Directorate District 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, the affirmations in the forms attached to this Policy (see Exhibits "B" and "C").

- j. An individual that is to hold an office of the Board that requires this person to be entrusted with the financial accounts and/or records of the Cooperative shall agree, prior to being considered for the office, to execute the credit report search form (“Exhibit “D”).
- k. The Board Attorney, or his designee, shall request and receive criminal background reports as well as credit reports in compliance with this policy and advise the Board of his findings.
- l. As required by the Board, each director shall execute and provide to the Cooperative, a copy of Exhibits “B”, “C” and/or “D”, attached hereto, for the Cooperative’s attorney, auditors, and/or the staff to use in making their report to the Board, the Committee on Nominations, and others.

E. Additional Educational Requirements

1. It is the opinion of the Board that the Cooperative'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
February 19, 2009
February 17, 2011
October 16, 2014
May 17, 2018

EFFECTIVE: November 1, 1994
EFFECTIVE: February 15, 1996
May 1, 2004
February 19, 2009
February 18, 2011
October 17, 2014
May 18, 2018

**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 employed by the Cooperative;
_____	(b) during the five (5) years preceding his/her nomination, he/she has not been finally adjudged to be guilty of a felony;
_____	(c) 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;
_____	(d) if elected and seated as a director, he/she is not an employee of the Cooperative or a close relative (see definition below) of an incumbent director or an employee of the Cooperative;

Note: The Bylaws of the Cooperative 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".

<p>_____</p>	<p>(e) 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 for the various electric accounts listed below and is either receiving service at 1.) his/her primary residential abode which is located in the Directorate District in which he/she is seeking to be elected or represents or 2.) is (or has been authorized by) the chief operating executive of a member, which is not a natural person, and such member entity is located in the Directorate District in which he/she is seeking to be elected or represents, and resides in, or in close proximity to, the Cooperative's service territory.</p> <p>List all SEMC accounts held in your name, or held in the name of any entity in which you own or control ten percent (10%) of the total economic or voting rights of the entity: _____</p> <p>_____</p> <p>_____</p>
<p>_____</p>	<p>(f) 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.</p>

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 Cooperative's Bylaws to be nominated and elected or appointed to serve 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

**SAWNEE ELECTRIC MEMBERSHIP CORPORATION
P. O. BOX 266
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EXHIBIT "B"

AFFIRMATION OF DIRECTOR QUALIFICATION

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 Cooperative's Bylaws as an incumbent to continue serving as such Board member.

I, further hereby, affirm that I am, as of this date, a member in good standing with the Cooperative and do hereby state, to the best of my knowledge, that I am receiving electric service, provided by the Cooperative, at the following locations:

List all SEMC accounts held in your name, or held in the name of any entity in which you own or control more than ten percent (10%) of the total economic or voting rights of the entity:

I have accordingly signed my name hereto and had the same witnessed this ____ day of _____, 2____.

(Witness)

(Signature)

Sworn to and subscribed before me this

_____ day of _____, 2_____.

Notary Public

Note: The Bylaws of the Cooperative 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".

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EXHIBIT "C"

AUTHORIZATION TO PERFORM CRIMINAL BACKGROUND SEARCH

I, hereby authorize Sawnee Electric Membership Corporation ("Sawnee") to perform a criminal background search on me so that I may be considered for nomination as a candidate for a director of Sawnee. A photocopy of this authorization shall be deemed as effective as the original.

Name

Sworn to and subscribed
before me this _____ day
of _____, _____.

Address: _____

Notary Public

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EXHIBIT "D"

AUTHORIZATION TO PERFORM CREDIT REPORT SEARCH

I, hereby authorize Sawnee Electric Membership Corporation (“Sawnee”) to request and receive a credit report on me so that I may be considered for nomination for the office of Secretary – Treasurer of Sawnee. A photocopy of this authorization shall be deemed as effective as the original.

Name

Sworn to and subscribed
before me this _____ day
of _____, _____.

Address: _____

S/S No. _____

Notary Public