

## **Summary of Rules for Petition to Nominate a Candidate for the Nominating Committee**

Twenty (20) or more members may make nominations in writing over their signatures not less than sixty (60) days prior to the meeting. The qualifications for the Nominating Committee are the same as for the Board of Directors and are set forth in Bylaw 4.03.

If a husband and wife have a joint membership, only one may sign the petition. Bylaw 1.04 also applies to their joint memberships.

Review the Bylaws for other requirements.

### **Decatur County REMC Bylaws Article IV**

#### **Section 4.03. Director Qualifications**

A Director or Director candidate must comply with this Bylaw. The REMC may conduct an investigation, or require information, to determine whether a Director or Director candidate complies with this Bylaw.

- (a) General Director Qualifications. To become and remain a Director, a person must comply with the following general qualifications (“General Director Qualifications”):
- (1) be an individual;
  - (2) have the capacity to enter legally binding contracts;
  - (3) be lawfully present in the United States of America;
  - (4) not have been previously removed or disqualified as a Director;
  - (5) while a Director, and during the five years immediately before becoming a Director, not be convicted of, or plead guilty to, a felony;
  - (6) before becoming a Director, graduate from high school or earn an equivalent degree or certification;
  - (7) except as otherwise provided by the Board for good cause, attend at least two-thirds of all Board Meetings during each twelve- month period following the annual meeting of the members; and
  - (8) comply with any other reasonable qualifications determined by the Board, including, but not limited to, the Director Conduct policy and other policies applicable to Directors that are enacted by the Board.
- (b) Membership Director Qualifications. To become and remain a Director, an individual must, while a Director and during the one (1) year immediately prior to becoming a Director, comply with the following membership qualifications (“Membership Director Qualifications”):
- (1) Be a member of the REMC in good standing; and
  - (2) For at least eight (8) months each calendar year occupy as a primary residence and use electric energy provided by the REMC at a location within the Director District from which the Director is nominated or elected.

(c) Independence Director Qualifications. To become and remain a Director, an individual must comply with the following independence qualifications (“Independence Director Qualifications”):

- (1) annually complete and sign an independence certification and disclosure form approved by the Board;
- (2) while a Director and during the five (5) years immediately before becoming a Director, not be an employee of the REMC or an employee of an entity controlled by the REMC or in which the REMC owns a majority interest;
- (3) while a Director, not be a close relative of any existing Director, officer, or employee or incumbent Nominating Committee member of the REMC;
- (4) while a Director, not be employed by, materially affiliated with, nor sharing a material financial interest with, any other Director;
- (5) while a Director and during the one (1) year immediately before becoming a Director, not be a party in a mediation, arbitration, lawsuit, or other legal action against or by the REMC or any of its subsidiaries; and
- (6) while a Director, not be engaged in any business, nor employed by, materially affiliated with, nor having a material financial interest in any entity, nor be a close relative of someone who has a material financial interest in any entity, other than an entity in which the REMC owns an interest, that:
  - a. Regularly, directly, and substantially competes with the REMC or a subsidiary of the REMC; or
  - b. Regularly sells goods or services in substantial quantity to the REMC or a subsidiary of the REMC; or
  - c. Possesses any conflict of interest with the REMC or a subsidiary of the REMC that is not resolved within a reasonable time in accordance with Section 4.13, to the satisfaction of the Board.

(d) Director Disqualification. After being elected, if a Director does not comply with all General Director Qualifications, Membership Director Qualifications, and Independence Director Qualifications (collectively, “Director Qualifications”), then, except as otherwise provided by the Board for good cause, the Board may, by majority vote, disqualify the Director and the individual is no longer a Director if:

- (1) the Board notifies the Director in writing of the basis for, and provides the Director an opportunity to comment regarding, the Board’s proposed disqualification; and
- (2) within thirty (30) days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification.

If a majority of Directors authorized by these Bylaws complies with the Director Qualifications and approves a Board action, then the failure of a Director to comply with the Director Qualifications does not affect the Board action.

#### **Section 4.04. Nominating Committee and Nominations**

There shall be a Nominating Committee composed of the same number of persons as there are members of the Board of Directors. The Nominating Committee shall be elected by secret ballot by the members during the election period of the Annual Meeting of the members. Ballots shall be printed or electronic. The term of members of the Nominating Committee shall be three (3) years. Members of the Nominating Committee shall serve until the Annual Meeting of the members of the year in which their terms expire or until the successors have been elected and shall have qualified. Members of the Nominating Committee shall be so nominated and elected that:

- a. one (1) member from each of the Director Districts Nos. 1, and 3 shall be elected for three (3) year terms at the 2013 annual member meeting;
- b. one (1) member from each of the Director Districts Nos. 2, 4, and 5 shall be elected for three (3) year terms at the 2014 annual member meeting;
- c. one (1) member from each of the Director Districts Nos. 6, 7, and 8, shall be elected for three (3) year terms at the 2015 annual member meeting; and so forth.

The qualifications of members of the Nominating Committee shall be the same as for members of the Board of Directors. No person shall serve on the Nominating Committee longer than three (3) successive years. Vacancies on the Nominating Committee may be filled by the remainder of the Committee to serve until the next Annual Meeting. A person serving on the Nominating Committee shall not be eligible to stand for election to the Board of Directors during the member's term on the Nominating Committee. A member of the Nominating Committee may not become eligible to run for a directorship by resigning or withdrawing from the Nominating Committee.

Members may be nominated for openings on the Nominating Committee by a petition filed at the headquarters building at least sixty (60) days before the annual meeting. If at least two (2) nominations for each opening on the Nominating Committee have not been filed, the Board of Directors shall nominate one (1) or two (2) persons for each Nominating Committee position so that the members shall have a choice of candidates for each opening on the Nominating Committee.

The Nominating Committee shall elect a Chairperson, Vice Chairperson, and a Secretary of its own members for a term of one year. The Nominating Committee shall meet upon call of its Chairperson, or any four (4) members after written notice by first class mail sent to all Members not less than fourteen (14) days prior to the meeting. The President of the REMC may call the meeting. The meeting shall be held at the date, time, and place in Decatur County, Indiana, as set by the Committee Chairperson. The meeting, upon proper notice as otherwise provided herein, may also be held via telephone conference call, without regard to the actual location of the members at the time of the telephone conference meeting, if all the members consent thereto.

The Nominating Committee shall have the use of the REMC's facilities and personnel when and as required by the Committee. Members who have complaints or legitimate inquiries about the action of the Board of Directors or of any of its members

may address the same to the Chairperson of the Nominating Committee and the Committee may make recommendations to the Board of Directors.

Failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of the election of the Directors.

### Nomination of Nominating Committee Candidate Form

We nominate \_\_\_\_\_ as a candidate for the Nominating Committee of District \_\_\_\_\_ of Decatur County REMC. The nominee lives at \_\_\_\_\_, and receives electric service from the REMC there. To the best of our knowledge, the nominee is not a close relative of an employee, a present Director, a present Nominating Committee member, a present candidate for Director or a present candidate for the Nominating Committee. Additional bylaw requirements for the Nominating Committee members are attached.

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**Members**

**Addresses**

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