

Subject:	Replacement and Selection of Directors		
Policy No.:	D-6		
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January 1, 2003	3 years	April 11, 2024	April 11, 2024
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I. OBJECTIVE

To establish standards, presumptions, and procedures for replacement of a Director who no longer meets the qualifications set forth in the Bylaws or who has otherwise vacated their position as director. And, to ensure such vacancies are filled in a way that is consistent with the Bylaws of the Cooperative and applicable legal requirements.

II. POLICY

A. Removal of Directors

1. Standards

Section 6 of Article IV of the MPEI Bylaws governs removal of Directors by the Board of Directors. This Policy shall be implemented in accordance with said Section 6. The Bylaws of the Cooperative set forth the standards for qualifications of a Director.

2. Presumptions

The existence of one or more of the followings facts will create a presumption that one or more of the qualification standards is no longer being met.

- a. The Director establishes a permanent residence outside boundaries of the cooperative.
- b. The Director is absent from three consecutive regular meetings of the Board of Directors, unless excused.
- c. The Director accepts full-time or part-time employment either as an employee or as a direct or indirect independent contractor, in any enterprise that is in competition with the Cooperative or any subsidiary thereof or in any business selling electric energy to the Cooperative or its members.
- d. Notwithstanding any provision to the contrary in Policy D-3 the Director makes an investment in excess of \$10,000.00, either in equity, debt, capital equipment or a combination thereof, in any enterprise that is in competition

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with the Cooperative or any subsidiary thereof, or in any business selling electric energy to the Cooperative or its members.

- e. If a Director accepts compensation for serving the Cooperative in any capacity other than a Director (e.g. as an employee of the Cooperative), the Director has violated Section 8 of Article IV of the Bylaws, and, therefore, is presumed to have breached the Director's fiduciary duty owed to the Cooperative.

3. Procedure

- a. Upon a report of the existence of a presumption to the Board of Directors by the General Manager or another Director, the Director against whom a presumption exists will be advised by at least ten days written notice, that his or her office will be voted upon by the Board of Directors at its next regular meeting and that the Director may attend that meeting and be heard. At such meeting a two-thirds majority vote of the Directors will be required to vacate the office.
- b. If the office is vacated the Board of Directors will provide notice of the vacancy to members of the district that had been represented by the Director and will proceed to fill the vacancy in accordance with the provisions of Article IV, Section 7, of the Bylaws.

B. Vacancies other than Expiration of Director's Term

1. When such a vacancy occurs or is anticipated, the Board will consider individuals that meet the Statement of Qualifications. The Board will consider all resumes received and will select the individual(s) it considers to be the best qualified to interview.
2. After interviewing the candidate(s) and deliberating, any vacancy occurring in the Board of Directors will be filled by a majority vote of the remaining Directors unless filled by the members pursuant to Article IV Section 5 of the Bylaws. Directors thus appointed will serve for the balance of the unexpired term of the vacancy being filled or until their successors have been elected and will have qualified.

III. RESPONSIBILITY

The Board of Directors will be responsible for the administration and compliance of this policy.

Liz McIntyre

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STATEMENT OF QUALIFICATIONS FOR CANDIDATES FOR APPOINTMENT TO MOUNTAIN PARKS ELECTRIC BOARD OF DIRECTORS

- I. Must be a member of the Cooperative and meet all requirements spelled out in the Bylaws.

- II. Should be able to make a meaningful contribution to carry out the functions of a Director, including:
 - a) Willing and able to attend and actively participate in:
 1. Meetings of the Board and its committees.
 2. State and National Cooperative meetings.
 3. Director updates and other training programs.
 4. The orientation programs provided by the Cooperative.
 5. Become NRECA certified as a Director through course attendance within five (5) years of the election or appointment as a Director.

 - b) Reviewing information presented to the Board to keep informed and prepared for Board discussions and deliberations and to be able to answer questions raised by the members.

 - c) Supporting the decisions and actions of the Board once arrived at by action of the majority of the Board.

 - d) Representing the total Cooperative membership on an impartial basis, not just those in his or her district.

 - e) Participating in member engagement activities including the support of educational efforts of the Cooperative business model.

 - f) Develop an understanding of the basic cooperative business model and operations.

 - g) Providing leadership to meet the changing needs of the membership.

- III. Should demonstrate an understanding of the seven cooperative principles.

- IV. Must be willing to submit to a personal background check which will be used in consideration of candidacy.