

**OBJECTIVE:** To attract high quality director candidates and establish guidelines for the Nominating Committee and Members desiring to be Directors.

**POLICY:**

I. The Cooperative Board has established the following director qualifications as guidelines to be utilized by the Nominating Committees in their selection process for Director Candidates:

A. To qualify for directorship, a person shall:

1. Be a member of Carbon Power & Light, Inc.;
2. Be a bona fide resident in the designated director district within the service area of Carbon Power & Light, Inc.;
3. Have the capacity to enter into legally binding contracts;
4. Disclose all monetary and in-kind contributions and expenditures directly or indirectly to or from his/her campaign for election to the board.
5. Must complete the candidate questionnaire.

B. No person shall be eligible to become or remain a Board member of Carbon Power & Light, Inc. who:

1. At any time, fails or has failed to meet the qualifications.
2. Has been convicted of, is pleading, or has pled guilty to a felony.
3. Is or has been within the last year preceding the date of the member meeting at which an election will be held and the member will be considered for the position of director or the date a member is appointed by the Board of Directors to fill a vacancy on the board:
  - a. Employed by Carbon or the spouse of an employee of Carbon.
  - b. Employed by or has a significant or more than de minimis financial interest in a business that sells or provides a material amount of commodities, products or services to Carbon or any subsidiary of Carbon.

- c. An employee or full or partial owner of an electric or natural gas utility, propane company, or renewable/alternative energy company or has a significant or more than de minimis financial interest in an entity that regularly, directly and substantially competes with Carbon or any entity that Carbon controls or in which Carbon has a substantial interest.
- d. Is immediate family. The term “immediate family” shall be defined as directors or employee’s and spouse’s family, which are children, parents, sisters, brothers, grandparents and grandchildren.
- e. Fired from Carbon; involved in a lawsuit against Carbon; received a severance package from or been laid off from Carbon; or is the spouse of an employee or former employee involved in the same.
- f. Involved in a contractual relationship with Carbon or is the spouse of any person involved in contractual relations with Carbon.

C. Upon establishment of the fact that a director is holding the office in violation of any of the foregoing provisions or has falsified credentials, the Board of Directors shall request resignation by such director from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

- II. To insure that the aforementioned guidelines remain viable in attracting quality candidates for director of the Cooperative and the Member-Owners, Board and Management shall review the aforementioned guidelines with each new Director.

RESPONSIBILITY: Board of Directors.

Attest \_\_\_\_\_  
Secretary

Date Adopted: February 24, 2020