

Section 4.02. Qualifications

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

- (a) while serving on the Board or during the five (5) years preceding his or her nomination thereof shall have been finally adjudged to be guilty of a felony; or
- (b) is a close relative of an incumbent director; or
- (c) is or has been, during the twelve (12) months immediately preceding the date for which said director stands for election or is appointed, an employee of the Cooperative, an employee or director of a competing utility, a close relative of an employee of the Cooperative, or a close relative of an employee or director of a competing utility; or
- (d) has been determined by the Credentials and Election Committee to have an irreconcilable conflict of interest with the fiduciary duty owed by a director to the Cooperative; or
- (e) is not a member of the Cooperative and a bona fide resident of the District he/she seeks to represent and whose primary place of residence is not located within said District and served by the Cooperative.
- (f) 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 of age or is in any way employed by or substantially financially interested in a competing enterprise, or a business selling electric energy or supplies to the Cooperative, except when such employment or financial interest, in the judgment of the Directors, excluding the Director in question, is so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest.

Notwithstanding any of the foregoing provisions of this Section addressing close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if he becomes a close relative of another incumbent director or of a cooperative employee because of a marriage to which he was not a party.

Upon presentation to any member of the Board of Directors of written charges that any person being considered for, or already holding, a directorship in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to report said facts to the Credentials and Election Committee for determination as to whether or not said person meets the necessary qualifications for a director of the Cooperative, and, upon the rendering of the said Credentials and Election Committee's findings that said person does not meet the necessary qualifications for a director, to cause said person to be removed therefrom or disqualified, as the case may be. 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 of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.