



## CORPORATE POLICY

<b>SUBJECT</b>  <b>Qualifications for Directors</b>	<b>NUMBER</b>	201.1
	<b>DATE ISSUED</b>	12/15/20
	<b>SUPERSEDES</b>	
	<b>ISSUANCE DATED</b>	8/17/2020
	<b>DATE REVIEWED</b>	12/15/20

### I. PURPOSE

- A. To provide the Nominating Committee, and other parties, qualifications and factors to be considered when nominating persons to serve on the Board of Directors.
- B. To assure the membership that those persons nominated to serve on the Board of Directors of Midwest Energy possess qualifications which are required or desirable.

### II. POLICY

#### A. Qualifications for Directors

The Nominating Committee and any member or members who nominate an individual to be voted upon for election to the Board of Directors of Midwest Energy should be aware of and carefully consider the legal and personal qualifications of each person before such nomination is made. The person nominated shall provide geographical representation as provided for in the Bylaws, Article IV, Section 2 and:

1. Must be a member of Midwest Energy receiving retail natural gas or electric service in the district for which he/she is nominated.
2. Must be a bona fide resident of the district for which he/she is nominated for a minimum of one year. Place of residence shall be defined as where a member is registered to vote and spends most of his/her time.
3. Must not be financially interested in any business competing with or selling supplies and services to Midwest Energy to the extent that such interest affects the nominee's judgment or ability to faithfully carry out the duties of the position as determined by the Board of Directors.
4. Must not be a relative of a Midwest Energy, Inc. employee or an employee of any Midwest Energy, Inc. subsidiary or affiliate. Relatives include spouse, parent, stepparent, child, stepchild, sibling, in-law, grandparent, grandchild and any other member of the candidate's household.
5. No Director elected to the Board for the first time after January 1, 2020 may have family or business relationships which require disclosure on IRS Form 990 or its equivalent.



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Any Director who subsequent to January 1, 2020 develops Form 990 reportable family or business relationships will be disqualified as a Director.

6. Must commit to attend regular and special meetings of the Board of Directors and must participate in at least 75 percent of such meetings in a calendar year. The Board of Directors may waive this requirement in the event of a prolonged but non-permanent medical condition.
7. Must not hold a salaried office within nor be an employee of Midwest Energy or its subsidiaries.
8. Must not have been employed by Midwest Energy or its subsidiaries within the last 3-year period preceding appointment or election.
9. Must not have been convicted of, be pleading to or have pled guilty or no contest to a felony or fraud charge.
10. Should be willing to attend national, state and local associated organization meetings as required, and such institutes and seminars which will aid in keeping the directors well informed on matters affecting Midwest Energy.
11. Should be prepared to serve as a member of the Board of Directors without salary and only with such fees and reimbursement of expenses as the Board of Directors shall from time to time authorize in conformance with legal and Bylaw requirements applicable thereto.
12. Should agree to serve the term of office for which elected or until a successor has been appointed or elected.
13. Should, in all respects, be in a position to represent the membership on a completely impartial basis for the good of and in the best interests of the entire Corporation.
14. Should be willing to promote and safeguard the interests of Midwest Energy, Inc. among the members and the general public.
15. Must not use, or cause to be used, the position of Director to further his/her own personal or political interests.
16. Must give written consent to serve as Director before allowing his/her name to be placed in nomination.
17. Must exhibit physical, emotional, and mental ability to serve as Director.



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### B. Duties and Responsibilities of Director

Service as a Director shall include participation in the functions of the Board at all regular and special meetings. Specific duties and responsibilities of the Directors are set forth in Policy No. 201.2, Duties and Responsibilities of the Board of Directors.

### C. Commitment

Any person nominated for election to the Board of Directors shall be considered on the basis of his/her willingness and ability to carry out the functions of a Director.

### D. Personal Considerations

The Nominating Committee or any member or members of Midwest Energy who nominate an individual to be voted upon for election to the Board of Directors of Midwest Energy, shall consider the following when reviewing the personal qualifications of the nominee.

1. What is the business record of the individual and what has the management of the individual's own affairs indicated as to the possession of sound business judgment?
2. What has the proposed nominee done that would demonstrate his/her capacity for working with groups, rather than as an individual?
3. What are the ideas and viewpoints of the proposed nominee as they relate to cooperative principles and philosophy?
4. What are the problem areas which the proposed nominee might encounter as an individual when helping the members obtain a more complete understanding of Midwest Energy, its activities, programs and problems?

### E. Nondiscrimination

Nominees for Directors shall be selected on the basis of the criteria contained in this policy, the Bylaws, and applicable legal statutes. No person shall be discriminated against on the basis of race, color, creed, age, sex, disabilities, or national origin.

### F. Additional Considerations

This policy shall supplement the Articles of Incorporation, Bylaws, applicable statutes and governmental rules and regulations applicable to Directors. It is intended to serve as a guide to the Nominating Committee and other persons who are or may be nominating persons for the position of Director.



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### III. RESPONSIBILITY

- A. The Chair of the Board, as the chief presiding officer of the Corporation, is responsible for determining that this policy is adhered to and made known to all interested parties.
- B. The Chair of the Board and the Directors shall be responsible for determining the method of circulating this policy to members of the Nominating Committee, nominees, and other parties who may have an interest in this policy.
- C. The Board of Directors shall be responsible for adhering to this policy whenever it fills, by appointment, a vacancy on the Board.
- D. The Board of Directors shall be responsible for reviewing and making necessary changes in this policy as may be recommended or that are required by changing circumstances.
- E. The CEO shall be responsible for the administration of this policy. He/she shall issue such procedural regulations as may be required to effectively administer this policy and shall be responsible for formulating any recommended changes in policy content which require action by the Board of Directors.

This policy supersedes all previously established policies and all other material in conflict with its provisions.

Approved by the Board of Directors this 15<sup>th</sup> day of December, 2020.

/s/Gary Moss

Gary Moss, Chair of the Board

/s/Dale Unruh

Dale Unruh, Secretary