

Qualifications and Nomination Procedures for Plumas-Sierra Rural Electric Cooperative

If you are interested in running for the Plumas-Sierra Rural Electric Cooperative Board of Directors, please contact General Manager Bob Marshall at (800) 555-2207 ext. 6076 or by e-mail at bmarshall@psrec.coop.

SECTION 4.02 Qualifications: No person shall be eligible to become or remain a director of the cooperative who is a close relative of an incumbent director or of an employee of the cooperative, or is not a member of the cooperative and receiving service therefrom at his primary residential abode; PROVIDED, the operating or chief executive of any member that is not a natural person entity, or his designee, shall, notwithstanding that he does not receive service from the cooperative at his primary residential abode, be eligible to become a director from the directorate district in which such member is located if he or such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the cooperative, and (2) is a permanent and year-round resident within, or within ten (10) miles of the outer boundaries of the cooperative's certified service area. BUT PROVIDED FURTHER, no more than one (1) such person may serve on the board of directors at the same time. 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, or a business substantially engaged in selling electrical or plumbing appliances, fixtures or supplies primarily to the members of the cooperative. Notwithstanding the foregoing provision of this section treating with close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if, during his incumbency as a director, he becomes a close relative of another incumbent director or of a cooperative

employee because of a marriage or adoption to which he was not a party. Upon establishment of the fact that a nominee for director lacks eligibility under this section or as may be provided elsewhere in these bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify him. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the cooperative lacks eligibility under this section, it shall be the duty of the board of directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Also, the office of a director shall automatically become vacant if he misses as many as three (3) regular meetings of the board of directors during any twelve (12) consecutive such meetings, unless the remaining directors unanimously resolve that (1) there was good cause for such absences and (2) such cause shall not likely result in such absences during the ensuing twelve (12) consecutive regular board of directors meetings. 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 that 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.

SECTION 4.03. Election: At each annual meeting of the members, directors shall be elected by secret written ballot by the members and, except as provided in the first proviso of section 4.02 of these bylaws, from among those members who are natural persons; PROVIDED, when

the number of nominees does not exceed the number of directors to be elected from a particular directorate district, and if there is no objection, secret written balloting may be dispensed within respect of that particular election and voting may be conducted in any other proper manner. Directors shall be elected by a plurality of the votes cast unless the members in advance of any balloting resolve that a majority of the votes cast shall be required to elect, and this bylaw provision shall be drawn to the attention of the members and explained to them prior to any balloting. Drawing by lot shall resolve, where necessary, any tie vote.

SECTION 4.06. Nominations: (a) Each year, it shall be the duty of the board of directors to appoint, no less than ninety (90) days prior to the date of the annual member meeting, a committee on nominations, consisting of seven (7) members of the cooperative, who are not existing cooperative employees, agents, officers, directors or known candidates for director or close relatives or members of the same household thereof, and who are so selected that each of the cooperative's seven (7) directorate districts shall have one (1) representative thereon. The committee, no less than sixty (60) days prior to the date of the member meeting, shall meet and shall prepare and post at the principal office of the cooperative a list of its nominations for directors to be elected, listing separately the nominees with respect to each directorate district from which a director must or may, pursuant to this article, be elected at the meeting. The committee may include more than one nominee for each directorate to be filled by the election. Any thirty (30) or more members of the cooperative, acting together, may make additional nominations by petition in writing over their signatures, signed no more than eleven (11) months prior to the date of the ensuing annual member meeting at which directors are to

be elected. Such petition shall list such nominee(s) in the same manner as herein before required for the committee's nominees and shall be filed with the cooperative or any officer thereof not less than forty-five (45) days prior to the meeting; and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The secretary shall mail to the members with the notice of the meeting, or separately, but at least ten (10) days before the date of the meeting if mailed first class, or twenty (20) days if otherwise mailed, a statement of the names and addresses of all nominee(s) for each directorate district from or with respect to which a director is to be or may be elected, identifying separately those nominated by the committee and those nominated by petition, if any. Nominations so made by the committee or by petition shall be printed on the official ballot. Any later nominations by petitions shall be treated as nominations from the floor. The chairman at such meeting, after all nominations so made have been duly announced, shall call for additional nominations from the floor, and shall ascertain and announce, after any nominations made from the floor, the particular directorate district from or with respect to which any additional persons have been nominated. The member so making a nomination or nominations shall designate the particular district or districts for which the nomination is made and the one or more nominees against whom the nominee will run. Notwithstanding the provisions contained in this section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the board of directors after the election of directors. (b) Supplementary to the provisions therefore contained in subsection (a) of this section 4.06, the board of directors shall by policy establish and cause timely and duly to be implemented reasonable opportunity for a nominee for director to communicate

to the members concerning his qualifications and the reasons for his candidacy, a reasonable opportunity to solicit votes for his election and a reasonable opportunity for the members to choose among the nominees.