

## MEDINA ELECTRIC COOPERATIVE, INC.

### **G101 – Qualifications for Eligibility to Serve on the Board of Directors**

The purpose of this policy is to publish the qualifications for election or appointment to, and service on, the Cooperative's Board of Directors and to establish necessary procedures.

#### **A. Policy Content**

1. Certain qualifications are required by law, the Cooperative's Bylaws, and the generally accepted standards of good corporate governance. An incumbent Director, nominee, or potential appointee to the Board of Directors must be aware of these requirements and standards in order to become or remain a Director of the Cooperative. It is the responsibility of the Board of Directors to ensure that those qualifications are met. If the Board of Directors should determine that an incumbent Director, nominee, or potential appointee to the Board of Directors lacks or has lost any of the necessary qualifications, it is the duty of the Board of Directors to remove such incumbent or to declare such nominee or potential appointee ineligible for election or appointment.

#### **B. General Guidelines**

##### **1. General Requirements**

Any person, to become and remain a Director of the Cooperative, shall:

- a. Comply with applicable requirements of law, the Cooperative's Articles of Incorporation and Bylaws, the Cooperative's duly adopted policies, and the Cooperative's duly made decisions;
- b. Assume a fiduciary duty to act, in good faith, in the best interests of the Cooperative and its members;
- c. Be loyal to the Cooperative and not have conflicting commercial or personal interest;
- d. Have or be willing to secure within one calendar year, literacies in areas of director duties and responsibilities, the electric business, board roles and relationships, strategic planning, financial decision-making, utility ratemaking, capital credits and corporate governance to direct the affairs of the Cooperative;
- e. Be willing to devote such time and effort to the duties of a Director as may be necessary to direct the Cooperative's affairs;
- f. Be able to represent the entire membership on an impartial basis;
- g. Be willing and able to attend regularly scheduled and special meetings of the Board of Directors; national, state, and other meetings of organizations with associated interests the further the Cooperative movement; training institutes or seminars which will aid in keeping him/her well informed on matters affecting the Cooperative; and
- h. Not use, or cause to be used, his/her position as Director to further any political, personal, or business ambition.

2. Service as a Director includes the following responsibilities:

- a. To put forth effort to understand the Cooperative's challenges and to provide the judgement needed to reach decisions in constantly changing circumstances.
- b. To support all official decisions and actions made or taken by a majority of the Board.
- c. To conscientiously study the information contained in reports submitted to the Board.
- d. To contribute to the development of statements on functions and responsibilities of Board members and to work toward their constant improvement.
- e. To objectively evaluate and consider the questions and problems with which the Cooperative is faced.
- f. To keep informed as to the ideals and objectives of the Cooperative and to further study and analyze the policies, plans, and problems which result from efforts to achieve such ideals and objectives.
- g. To keep informed on, alert to, and aware of the attitudes of the members, and general public toward the Cooperative's objectives and policies.
- h. To inform all interested persons about the Cooperative's objectives and policies.
- i. To inform all interested persons about the Cooperative's ideals, objectives, programs, and services.
- j. To conduct himself/herself in the eyes of the general public in such a manner as will reflect credit to the Cooperative and personify the position of trust held by the Director, including refraining from such conduct which would subject the Director to indictment for a felony or crime of moral turpitude or from conduct representing disregard of the standard of behavior which the members can rightfully expect from a Director.

3. Requirements

- a. Refer to the Bylaws for eligibility requirements.

4. Procedure for Policy Implementation

This policy shall be implemented as follows:

- a. It shall be disseminated and explained to the Board Certification Committee each year, before it certifies nominations. The committee shall screen all persons considered for nomination as Directors to ensure that they are qualified in accordance with this policy.
- b. After receipt of any nomination, the Cooperative shall furnish the nominee with a copy of this policy, a Nominee Certification Form, and a questionnaire, to ensure that the nominee is qualified in accordance with this policy and accepts the nomination.

- c. The Board of Directors, in filing any vacancies occurring on the Board of Directors, shall ensure that a proposed Director is qualified to be appointed and is apprised of this policy before appointment.
- d. All persons nominated or being considered for appointment as Directors shall, prior to election or appointment, read this policy and execute the Qualifications to Serve as a Director Questionnaire and Nominee Certification Form which are attached hereto and made a part hereof.

**C. Responsibility**

- 1. The Board of Directors is responsible for the enforcement of this policy.

**Effective Date:** July 12, 2007

**Revised Date:** February 25, 2025

**Reviewed Date:** February 25, 2025

## **G101-A: QUALIFICATIONS TO SERVE AS A DIRECTOR QUESTIONNAIRE**

### **Introduction**

Certain specific qualifications to be eligible to become and remain a Director are set forth in the Cooperative Bylaws. In addition, statutory and common laws impose certain duties upon Directors. The following questions are designed to ensure that you are eligible to be a candidate for Director and to remain a Director if elected.

1. Full Name: \_\_\_\_\_
2. Address of Primary Residence: \_\_\_\_\_  
\_\_\_\_\_
3. Are you a member of the Cooperative?  
Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, how long have you been a member? \_\_\_\_\_  
\_\_\_\_\_
4. A Director is responsible for, and must actively participate in, the governance of the business and affairs of the Cooperative. The Board of Directors of the Cooperative is quite active. It is anticipated that you will spend a minimum of 25 days, on an annual basis, at meetings of the Board of Directors, General Membership, committees, and other bodies as well as training, conferences, and workshops. (The biggest share of meetings are during the week when many people must be at work.) Are you able to commit that amount of time to be actively involved in the affairs of the Cooperative?  
Yes \_\_\_\_\_ No \_\_\_\_\_  
If not, please explain. \_\_\_\_\_  
\_\_\_\_\_
5. Are you employed by, or financially interested in a company which competes with the Cooperative, sells energy or supplies to the Cooperative?  
Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, please explain. \_\_\_\_\_  
\_\_\_\_\_
6. A Director has a duty of loyalty to the Cooperative and a fiduciary duty to act in the best interests of the Cooperative and its members as the Director reasonably believes to be the case under the circumstances. In connection with those duties, please answer the following questions.

Will you be able to act in the best interests of the Cooperative even though the act of the Cooperative may conflict with your personal interest?

Yes \_\_\_\_\_ No \_\_\_\_\_

If not, please explain. \_\_\_\_\_

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7. Do you have a commitment of loyalty to another commercial enterprise that may conflict with the best interests of the Cooperative?

If yes, please explain. \_\_\_\_\_

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8. Have you been an employee of the Cooperative at any time in the preceding five (5) years?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, when and at what location? \_\_\_\_\_

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9. Are you a relative of any Cooperative employee or Director as defined in the Qualifications for Eligibility policy?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what is the relationship? \_\_\_\_\_

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10. Have you read, and do you meet all of the qualifications as outlined in Governance Policy G101- Qualifications for Eligibility to Serve on the Board of Directors and Article 4, Section 4.3 of the Bylaws (copies of which have been provided to you)?

Yes \_\_\_\_\_ No \_\_\_\_\_

## **NOMINEE CERTIFICATION FORM**

I, the undersigned, hereby state and affirm as follows:

1. I have read the Cooperative's corporate policy entitled "Qualifications for Eligibility to Serve on the Cooperative's Board of Directors" and all attachments thereto.
2. I am qualified in accordance with the policy to be nominated and elected or appointed as a Cooperative Director.
3. I am qualified to serve as such Director.
4. I accept the nomination to be elected or the appointment to serve as a Cooperative Director.

### **NOMINEE:**

**Please sign this Certification, complete the account listing on the 2nd page and return to the Election Coordinator no later than 5:00 p.m. on the forty-fifth (45) day after the date of the district meeting for which the nomination is made. By signing this Form, you are certifying that you are eligible to serve as a nominee to the Board of Directors of Medina Electric Cooperative.**

I have signed my name hereto this the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

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Nominee (Print Name)

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Nominee Signature

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Address

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Telephone #

**Return by 5:00 p.m. 45 days following the District Nominating Meeting to:**

Medina Electric Cooperative, Inc.  
Attn: Election Coordinator  
P.O. Box 370/2308 18<sup>th</sup> Street  
Hondo, TX 78861

## **ACCOUNT LISTING**

As an individual through a partnership, designation through a corporation, trust or estate, I am legally responsible or liable for the accounts listed below (list all accounts). Include any accounts your immediate family member[s] (defined as a member's spouse, child, or anyone residing in the member's household, *ref. G114 – Membership Rights and Privileges of Employees and Directors*) are legally responsible or liable for.

**Name Account listed under** **Account #** **Meter #**

## MEDINA ELECTRIC COOPERATIVE, INC.

### **G102 – Directors Oath of Office**

The purpose of this policy is to establish a procedure by which each Director shall affirm that he/she will perform his/her duties in accordance with the governing documents and the Seven Cooperative Principles.

#### **A. Policy Content**

1. The oath of office set forth in Section III below shall be administered by the CEO or other Board designee to each Director annually at the Organizational Meeting in October for the purpose of formalizing the Director's assumption of his/her duties as a Director.

#### **B. General Guidelines**

1. Oath of Office:

"As a Director of Medina Electric Cooperative, Inc., I shall act with the primary objective of furnishing the Cooperative's members with electric and other services of the highest and most dependable quality, at the most favorable cost possible, consistent with sound business principles and nonprofit operation; I shall protect and preserve the Cooperative and I pledge to conduct my affairs and business life in a manner consistent with the best interest of the Cooperative."

#### **C. Responsibility**

1. The Board of Directors is responsible for the administration of this policy.

**Effective Date:** May 10, 2007  
**Revised Date:** October 24, 2017  
**Reviewed Date:** February 25, 2025

## MEDINA ELECTRIC COOPERATIVE, INC.

### **G103 – Standards of Conduct**

The purpose of this policy is to establish the standards, rules, and procedures under which the Board members shall perform their duties.

#### **A. Policy Content**

1. All powers of the Cooperative may be exercised by the Board of Directors except as conferred upon the members by law, the Articles of Incorporation, or the Cooperative's Bylaws. This policy establishes certain standards under which such powers will be exercised in the best interests of the Cooperative.

#### **B. General Guidelines**

1. General Conduct of Board Members
  - a. Board members should conduct themselves, personally and professionally, in accordance with the highest moral and ethical standards, and shall abide by the Code of Ethics Pledge. A copy of the pledge is attached to this policy as "Attachment A".
2. Conduct with Respect to Fellow Board Members
  - a. Regardless of the personal relations or differences between Board members, they should respect each other in the following ways:
    - i. Each Board member should allow ample opportunity for every other Board member to speak on any matter being considered by the Board of Directors and listen carefully to the opinions and factual observations of the other Board members.
    - ii. Except when in the best interest of the Cooperative, no Board member should reveal differences of position among Board members on matters considered and acted upon by the Board of Directors except to other Board members or the CEO. This standard applies to informal as well as formal communications.
3. Board Member Access to Cooperative Information
  - a. Any Board member is entitled to have access to information of the Cooperative which: (1) is germane to his/her standing as a Board member; (2) is directly related to, and appropriate information for, a pending issue within the Board's jurisdiction; and (3) is requested for a proper purpose.
  - b. Access to Cooperative information is subject to the following conditions:
    - i. All requests for such information shall be made to the CEO. In no case shall such information be sought by a Board member through other employees, agents, or independent contractors. However, if the CEO is involved in actual or potential criminal activity and information is being sought concerning the same, the Board of Directors may seek or engage the services of legal counsel to determine how to proceed.
    - ii. Information received by a Board member pursuant to this policy shall not be revealed publicly or released to unauthorized persons, unless expressly authorized by vote of the Board, or otherwise required by law.

- iii. A Board member shall not disclose information received pursuant to this policy if the effect of such disclosure is to damage the Cooperative or the public's perception of the Cooperative.

4. Loyalty to the Cooperative

- a. Board members owe a duty of loyalty to the Cooperative and shall, therefore, abide by Board decisions. Debate and differences of opinion are inevitable when reaching a consensus; however, such differences shall remain within the board room. Board members shall keep such differences confidential unless compelling circumstances require membership assistance or court intervention in Board action. However, nothing herein shall limit a Board member from exercising the right to file with the Board's official Minutes an appropriate written dissent on any matter deliberated or decided by the Board.

5. Good Faith and Fair Dealing

- a. Every Board member shall act in good faith and fair dealing with every other Board member and the CEO in all matters relating to Cooperative business. Good faith and fair dealing require that:
  - i. Board members reveal all information or interests which they may have that may bear upon action being considered by the Board of Directors or the CEO.
  - ii. Board members will not pursue a position, inquiry, recommendation, or motion for the purpose of harassing or annoying other Board members or the CEO.
  - iii. Board members' direct communications with employees other than the CEO, if made at all, shall be only on matters of a personal nature or related to their roles as a member of the Cooperative. Communications with employees shall not be for the purpose of influencing any employee's position or attitude concerning Cooperative-related activities or seeking Cooperative information. Directors shall report to the CEO any employee who solicits information that is not of a personal nature or related to the Director's role as a member of the Cooperative; employees shall report to the CEO any Director seeking information that is not of a personal nature or related to their role as a member of the Cooperative. Questions regarding the appropriateness of potential communications between Directors and employees should be directed to the CEO.

### **C. Responsibility**

1. This policy shall be the responsibility of the Board of Directors, except as otherwise provided for herein by the CEO or Legal Counsel.

**Effective Date:** May 10, 2007  
**Revised Date:** October 24, 2017  
**Reviewed Date:** February 25, 2025

**ATTACHMENT "A"**

**CODE OF ETHICS STATEMENT**

This pledge is to be read annually at the Organizational Meeting in October by Medina Electric Cooperative (MEC)'s Chief Executive Officer (CEO) with each Board member signing said pledge. The original is to be placed in each Director's file with a copy given to said Director.

**As a member of the MEC Board, I will:**

- listen carefully to other Board members, and those served by MEC.
- respect the opinion of other Board members.
- respect and support the majority decisions of the Board.
- recognize that all authority is vested in the Board when it meets in legal session and not with individual Board members.
- keep well-informed of developments that are relevant to issues that may come before the Board.
- participate actively in Board meetings and actions.
- call to the attention of the Board any issues that I believe will have an adverse effect on MEC or those we serve.
- attempt to interpret the needs of the members of MEC and interpret the action of MEC to its members.
- refer member or staff complaints to the proper level on the chain of command.
- recognize that the Board member's job is to ensure that MEC is well managed, not to manage MEC.
- vote to hire the best possible person to manage MEC.
- represent all members of MEC and not a particular geographic area or special interest groups.
- consider myself a "trustee" of MEC and do my best to ensure that MEC is well maintained, financially secure, and operating in the best interests of members.
- work to learn more about the Board member's job and how to do it better.

- declare any conflict of interests between my personal life and my position on the MEC Board, and avoid voting on issues that appear to be a conflict of interest.

**As a member of the MEC Board I will not:**

- be critical, in or outside of the Board meeting, of other Board members or their opinions.
- use MEC or any part of MEC for my personal advantage or the personal advantage of my friends or relatives.
- discuss the confidential proceedings of the Board outside the Board meeting.
- promise prior to a meeting how I will vote on any issue in the meeting.
- interfere with duties of the CEO or undermine the CEO's authority.

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BOARD MEMBER

DATE

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PRINT NAME

## MEDINA ELECTRIC COOPERATIVE, INC.

### **G105 – Conflict of Interest**

The purpose of this policy is to provide general guidance to Board members in the performance of their duties and responsibilities for the Cooperative, to assure the high standards of integrity, impartiality, and conduct necessary for maintaining public confidence in the operations of the Cooperative, and to assure compliance with the policies of the Cooperative and standards specified in the Bylaws of the Cooperative relating to a Board member's business and financial interest.

#### **A. Policy Content**

1. A "conflict of interest" exists when a Board member has a personal interest in a matter of such a nature and magnitude that a conflict exists between the personal interest and the Cooperative's interest that could potentially cause an inability to exercise independent and objective judgment on the matter.
2. "Personal interests" may not technically involve the Board member but may involve relatives, business associates, or other individuals or organizations with which he/she is closely associated.
3. Board members must avoid activities that create a conflict of interest or the appearance of a conflict of interest.

#### **B. General Guidelines**

The following statements will guide the members of the Board of Directors in the management of the affairs of the Cooperative.

##### **1. Use of Office**

They shall not use their respective offices for private gain for themselves or for other individuals or organizations with which they are associated.

##### **2. Use of Information**

They shall not use inside information for private gain, either by direct action or by counsel, recommendations, or suggestions to other individuals or organizations with which they are associated.

##### **3. Gain from Beneficiary Organizations**

They shall not receive or solicit from beneficiary organizations, related organizations, or other individuals having business with the Cooperative, anything of significant value as a gift, loan, favor, or gratuity for themselves or any other individuals or organizations with which they are associated.

##### **4. Decisions Which Pose a Conflict of Interest**

They shall make full disclosure to the Board of Directors of any facts indicating a conflict of interest. They shall disqualify themselves from voting on a decision posing a conflict

of interest or the appearance of a conflict of interest. They may request a legal opinion before taking such action.

5. Business Ethics

- a. Directors must not, in any way, be employed by or financially interested in an enterprise which is in competition with the Cooperative.
- b. The CEO shall enforce a policy on business ethics which will set forth the intent of the Board of Directors with regard to conduct of employees in maintaining high standards of integrity, impartiality, and conduct necessary to maintain member and public confidence in the Cooperative.

**C. Conflicts Regarding Outside Business Activities**

1. A Director's outside activities must not create a conflict of interest with the Director's responsibilities to the Cooperative.
2. Directors are expected to exercise discretion and good judgment in determining whether ethics and/or conflict of interest issues arise as a result of their non-Cooperative business activities. Whenever there is any question as to a possible conflict, Directors should submit details of proposed non-Cooperative business activities to the Board for its approval before becoming involved in the activity.

**D. Conflicts Regarding Relationships with Vendors**

1. Outside Business Interests: possible conflicts of interest relating to a Director's outside business interests include, but are not limited to:
  - a. Ownership, including ownership of stock, in whole or in part, either directly or through a relative or agent, of vendor companies;
  - b. Relatives employed by or owning vendor companies. (The nature of the relationship between individuals and the position of the relative with the vendor company can influence the extent of any possible conflict of interest.);
  - c. Direct employment or retention as a consultant by any vendor company; and
  - d. Officerships and directorates in vendor companies. (Officerships or directorates in national, state-wide, material supply, or service cooperatives are excluded.)
2. Directors or Former Directors as Vendors or Contractors
  - a. Contracts may not be awarded to a Director or to a partnership or corporation in which a Director is a principal or major stockholder, unless there has been full disclosure and the interested Director does not vote on the decision.
3. Gifts, Favors, and Entertainment: it is the policy of the Cooperative that gifts, favors, and excessive entertainment have no place in the conduct of business and should be discouraged. Accordingly, Directors are expected to:
  - a. Adopt the Cooperative policy as their own and make this policy known by their actions, communications, and deeds; and
  - b. Courteously decline or return any excessive gift, favor, or offer of entertainment. It is recognized that it is common trade practice to offer advertising novelties of insignificant value (pencils, pens, coffee mugs, and the like). These advertising novelties are acceptable. Whether or not an item can be considered an advertising

novelty depends on the degree of prominence in which the vendor's name or trademark is displayed and the value of the item.

- c. Tickets for baseball, basketball, and football games and all other forms of entertainment may be accepted, if not excessive.
- d. A perishable gift, if it is excessive, may be contributed to a charitable organization in the name of the vendor. The vendor should receive written notification of the donation.

4. Business Meals: business oriented luncheon and dinner engagements with vendors are allowed as long as the Director does not feel obligated to the vendor as a result.

5. Financial Dealings with Vendors: Directors must avoid any financial dealings, direct or indirect, with vendors or their representatives including, but not limited to:

- a. Loans;
- b. Gambling or participating in contests;
- c. Investment in vendor companies;
- d. Use of real or personal property of a vendor, vendor's employee, or vendor's representative; and
- e. Business or investment dealings with a vendor, vendor's employee, or vendor's representative, such as joint ownership of investment real estate, joint ownership of other companies, and so forth.

6. Trips to Vendor Facilities: vendors should not be permitted to pay for hotel and travel expenses of Directors.

#### **E. Responsibility**

- 1. The CEO shall provide assistance to the Board of Directors to assure compliance with this policy. The CEO shall enforce an appropriate management policy relating to conflicts of interest of employees.
- 2. Legal Counsel engaged by the Cooperative or the Board shall advise individual Board members and/or the Board of Directors regarding compliance with this policy but shall not represent individual Board members.
- 3. The Board of Directors shall review compliance with this policy and counsel with any Board member as the situation may require. The Board of Directors shall assure, to the extent possible, that the Cooperative is not damaged or compromised because of the existence of a conflict of interest on the part of Board members.

**Effective Date:** July 12, 2007  
**Revised Date:** March 25, 2025  
**Reviewed Date:** March 25, 2025

## MEDINA ELECTRIC COOPERATIVE, INC.

### **G108 – Functions of the Board of Directors**

The purpose of this policy is to establish, clarify, and interpret the responsibilities and authorities of the Board of Directors as set forth by law, the Articles of Incorporation, the Bylaws, and accepted business principles; provide guidance to individual Directors in the performance of their duties and responsibilities; and provide guidance to the member-owners in the selection of Directors.

#### **A. Policy Content**

1. The Board of Directors derives its authority from, and is directly accountable to, the member-owners of the Cooperative. The Board of Directors is empowered by them and required by law to institute such actions as are necessary to attain the objectives of the Cooperative by the protection of its rights, interests, and assets, except such actions which by law, the Articles of Incorporation, or the Bylaws are conferred upon or reserved to the members.
2. Therefore, it shall be the policy of the Board of Directors of the Cooperative to use the following outline of relationships and responsibilities as guidelines for action and behavior as individual and collective members of the Board of Directors in fulfilling its responsibilities and obligations to the member-owners of the Cooperatives.

#### **B. General Guidelines**

The following guidelines apply to this policy:

1. Relationships
  - a. The Board of Directors reports to:
    - i. As a Board – the member-owners; and
    - ii. As individuals – the President as the chief presiding officer, or, in his/her absence, the Vice-President.
  - b. The Board of Directors directs:
    - i. All committees of the Board of Directors; and
    - ii. The CEO.
2. Responsibilities  
The Board of Directors is expected to fulfill the following responsibilities:
  - a. Maintain the legal entity of the Cooperative by:
    - i. Complying with the provisions of the Articles of Incorporation, Bylaws, and regulatory and contractual requirements placed upon the Cooperative by, but not limited to, federal, state, and local statutes and ordinances, and the regulations of federal, state, and local commissions and agencies;
    - ii. Revising the Cooperative's Bylaws as necessary or required;
    - iii. Executing, or having executed, all necessary legal contracts; and
    - iv. Designating individuals authorized to sign checks, drafts, etc. as necessary in accordance with the Bylaws.

- b. Act as trustee for the member-owners by:
    - i. Protecting the assets and interests of the Cooperative;
    - ii. Complying fully with the provisions of the Bylaws and policies;
    - iii. Assisting new members of the Board of Directors to become oriented in their responsibilities;
    - iv. Maintaining or having maintained full and accurate minutes of official Board of Directors and membership meetings;
    - v. Informing or having the members informed of the objectives, plans, and programs of the Cooperative;
    - vi. Participating in activities which enhance the prestige of the Cooperative and help to fulfill its corporate obligation to the area it serves; and
    - vii. Keeping informed and improving their knowledge and skills as members of the Board of Directors and using their knowledge and skills to contribute to the effective oversight of the Cooperative.
3. Provide organization and operational direction by:
  - a. Formulating, approving, and periodically reviewing governance policies for the operation of the Cooperative; and
  - b. Selecting a CEO and delegating to him/her the responsibility and authority for the operation of the Cooperative within the limits of the governance policies established by the Board of Directors.
    - i. The Board of Directors shall be responsible for ensuring that the performance of the CEO is appraised annually. The appraisal shall include a salary adjustment when appropriate. The results of the appraisal will be discussed with the CEO by the entire board.
    - ii. Succession planning in the event of the retirement/resignation or sudden loss of the CEO shall be the responsibility of the Board of Directors in accordance with the CEO Succession Planning Policy.
4. Consider and adopt or approve in consultation with the CEO:
  - a. Retail rates and classifications;
  - b. Terms and conditions governing the provisions of electrical service to members;
  - c. Plans for meetings of members;
  - d. Basic organization structure and compensation plan;
  - e. Employee benefit program;
  - f. Selection of legal, accounting, and other consultants who report directly to the board;
  - g. Long and short range financial and engineering plans as required and necessary for the maintenance of the economic feasibility of the Cooperative;
  - h. Annual work plans and operating budget; and
  - i. Plans for investment decisions or partnering in joint ventures with others to provide other products and services.
5. Provide the continuing operating and capital requirements of the Cooperative by:
  - a. Considering the results of studies and recommendations prepared by the CEO;
  - b. Adopting rate changes and financial practices necessary to provide operating requirements; and

- c. Initiating loan applications.
- 6. Establish and periodically review measures and controls as recommended by the CEO to:
  - a. Prevent unauthorized action;
  - b. Determine progress in major areas;
  - c. Predict trends;
  - d. Determine where changes should be made;
  - e. Measure performance in relation to goals, plans, and budget; and
  - f. Measure the Board of Directors' attainment of the stated objectives of the Cooperative.

**C. Responsibility**

The Board of Directors is responsible for the administration of this policy.

**Effective Date:** May 10, 2007  
**Revised Date:** March 25, 2025  
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## MEDINA ELECTRIC COOPERATIVE, INC.

### **G100 - Board Election Campaign Policy**

The purpose of this policy establishes a code of conduct for Director candidates, as well as clear limitations on Director and employee involvement during elections, to ensure that Board elections are conducted fairly, transparently, and without undue influence. This policy is intended to protect the Cooperative's democratic principles and prevent any candidate from gaining an unfair advantage unrelated to qualifications for Board service.

#### **A. Code of Conduct for Director Candidates**

1. Voting District Nominees. Director candidates are nominated by voting district. A nominee becomes an official candidate only after certification by the Certification Committee. Nominees who are not certified may not engage in campaign activities.
2. Signed Acknowledgement Required. All candidates, including incumbent Directors seeking reelection, must sign and return an official Acknowledgement Form confirming their understanding of the Cooperative's governance structure and agreement to comply with this policy and all election rules.
  - a. The form must be returned within seven (7) business days after certification notice.
  - b. Campaign activity may not begin until the Acknowledgement Form is received.
  - c. The executed form will be posted with the candidate's election profile on the Cooperative's website.

#### **B. Candidate Campaign Standards**

1. Campaign Communications. "Campaign communications" include all written, printed, oral, visual, digital, or social media content related to a candidate's Board campaign.
2. Candidates shall comply with the following requirements:
  - a. No Endorsement Representation. Candidates may not state or imply endorsement by the Cooperative, the Board, any Director, or any Cooperative employee.
  - b. No Use of Cooperative Identity. Cooperative logos, letterhead, or official branding may not be used in campaign materials.
  - c. Accuracy and Integrity. Campaign communications must be factually accurate and may not misrepresent:
    - i. Other candidates,
    - ii. The Cooperative,
    - iii. The Board of Directors, and
    - iv. Cooperative management or employees.

- d. Candidates are responsible for ensuring materials produced by them or on their behalf.
- e. Required Disclaimer. All campaign communications must clearly state “Prepared and paid for by [Name and address of candidate or candidate’s committee].”

3. Campaigning on Cooperative Property. Candidates may not campaign on Cooperative property or facilities, except under the following limited conditions:

- a. During the official voting period, candidates may campaign and distribute materials no closer than one hundred (100) feet from any Cooperative office.
- b. Campaigning must be courteous and non-disruptive.
- c. No campaign materials may be placed on power poles.
- d. Candidates are responsible for the conduct of their representatives.
- e. All campaign materials must be removed within twenty-four (24) hours after the voting period ends.

#### **C. Candidate Conduct and Ethical Standards**

- 1. Candidates are strictly prohibited from engaging in dishonest, unethical, or manipulative conduct, including but not limited to:
  - a. Casting or attempting to cast multiple ballots,
  - b. Altering, tampering with, or improperly distributing ballots,
  - c. Threatening, coercing, or exerting undue influence over members or employees,
  - d. Soliciting employee assistance through pressure or intimidation,
  - e. Accepting contributions from entities that directly compete with the Cooperative,
  - f. Offering items of value in exchange for votes,
  - g. Making false, malicious, or defamatory statements about opponents, and
  - h. Violating bylaws or policies governing election administration.
- 2. Candidates must conduct themselves professionally, treat all parties with respect, and comply with all Cooperative instructions related to election conduct.
- 3. Candidates are also required to disclose any actual or potential conflicts of interest arising before, during, or after the election.

#### **D. Campaign Finance Disclosure**

- 1. General Principles. To promote transparency and fairness, candidates are strongly encouraged to campaign without accepting contributions. If contributions are accepted, they should be minimal (under \$100.00) and fully disclosed.

2. Definition of Campaign Contribution. A campaign contribution includes money, in-kind support, gifts, loans, services, pledges, or anything of value provided to support a candidate's campaign by any individual or entity, including non-natural members.
3. Required Disclosures. Candidates who accept contributions or spend personal funds must file a disclosure report detailing:
  - a. Contributor name and address
  - b. Contribution amount or value
  - c. Date received
  - d. Contributor occupation or employer
  - e. How funds were spent, including:
    - i. Types of campaign expenses
    - ii. Payments to businesses connected to the candidate or relatives
    - iii. Support of other candidates
    - iv. Assets or investments purchased
    - v. Interest earned or spent
    - vi. Accounts holding campaign funds.
4. Disclosure reports must be submitted before campaign spending becomes evident to the membership and will be posted on the Cooperative's website with the candidate's election materials.

#### **E. Limits on Director Conduct During Board Elections**

1. Directors, including incumbents seeking reelection, may not:
  - a. Pressure or coerce employees or members to support or oppose a candidate;
  - b. Direct employees to influence others; or
  - c. Improperly obtain or disclose Cooperative information for campaign purposes.

#### **F. Limits on Employee Conduct During Board Elections**

1. Employees may not engage in campaign activities or advocacy while on duty or on Cooperative property. While working, employees may only provide neutral, procedural election information.
2. Employees may not:
  - a. Provide member lists or voting data to candidates without proper authorization; or
  - b. Serve as campaign advisors.
3. Employees retain the right to express personal opinions and vote when off duty and off of Cooperative property.

#### **G. Compliance and Enforcement**

1. Violations of this policy may result in:
  - a. Candidates. Removal from the ballot or required resignation from the Board.

- b. Directors. Discipline under Board conduct policies.
- c. Employees. Discipline under employee policies.

#### **H. Administration and Oversight**

- 1. This policy supplements other Cooperative election documents.
- 2. The Board administers provisions applicable to Directors and the CEO.
- 3. A committee of non-candidate Directors oversee the compliance for candidates, unless designated otherwise.
- 4. The CEO or their designee enforces provisions applicable to employees.

**Effective Date:** August 25, 2015  
**Revised Date:** January 20, 2026  
**Reviewed Date:** January 20, 2026

## ACKNOWLEDGEMENT OF BOARD ELECTION CAMPAIGN POLICY

I, \_\_\_\_\_, am a candidate for the position of director on the Board of Directors of Medina Electric Cooperative (Cooperative) for the 20\_\_\_\_ election. I hereby acknowledge that I have read the attached *G100 – Board Election Campaign Policy* presented by the Cooperative and I declare that:

1. I have not commenced any campaign activities for election to the Cooperative's Board of Directors before signing this acknowledgement;
2. I understand the structure and governing principles of the Cooperative form of business;
3. I have read and agree to abide by the attached Board Election Campaign Policy and any other election rules or policies the Cooperative provides;
4. I will seek clarification from the Cooperative's election coordinator when I have a question about the applicability of the attached policy or any other rule or policy the Cooperative provides.

I affirm that I have read the attached policy and that if I choose to accept any campaign contributions or incur campaign expenses and earnings or spend personal funds, I am required to execute a Disclosure Report.

---

Signature

---

Date

---

Printed Name

## CANDIDATE CAMPAIGN DISCLOSURE REPORT

### **CANDIDATE**

Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

Date Report Filed \_\_\_\_\_

Period Covered by this Report \_\_\_\_\_

### **CONTRIBUTIONS**

“Campaign contribution” means a financial contribution; an in-kind contribution; a gift; a donation; a loan to support the campaign; a promise or pledge to transfer money, goods, or services; paid personal services; or any other type of contribution from an individual, natural or non-natural Cooperative member or group of members, person, group of persons, business, partnership, limited liability company, political party, interest group, union, or any other incorporated or unincorporated entity in or outside the state of Texas. A non-natural member is a corporation, partnership, Limited Liability Company or any other organized business entity.

**List all campaign contributions below. Another report must be filled out if there are more than three (3) contributions.**

#### Contribution #1

Name and Address of Source of Campaign Contribution

---

Contributors Occupation and Employer

---

Amount of Contribution or In-Kind (Nonmonetary) Contribution, Nature and Value of Contribution

---

Type of Contribution

---

Date Candidate Accepted Contribution

---

**Contribution #2**

Name and Address of Source of Campaign Contribution

---

Contributors Occupation and Employer

---

Amount of Contribution or In-Kind (Nonmonetary) Contribution, Nature and Value of Contribution

---

Type of Contribution

---

Date Candidate Accepted Contribution

---

**Contribution #3**

Name and Address of Source of Campaign Contribution

---

Contributors Occupation and Employer

---

Amount of Contribution or In-Kind (Nonmonetary) Contribution, Nature and Value of Contribution

---

Type of Contribution

---

Date Candidate Accepted Contribution

---

## **SPENDING & EARNINGS**

Disclose the type of expense and provide a general description.

Advertising \_\_\_\_\_  
\_\_\_\_\_

Printing \_\_\_\_\_  
\_\_\_\_\_

Event Expense \_\_\_\_\_  
\_\_\_\_\_

Fees \_\_\_\_\_  
\_\_\_\_\_

Transportation \_\_\_\_\_  
\_\_\_\_\_

Food/Beverage \_\_\_\_\_  
\_\_\_\_\_

Other \_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

## MEDINA ELECTRIC COOPERATIVE, INC.

### **G114 – Membership Rights and Privileges of Employees and Directors**

This purpose of this policy is to identify and clarify the membership rights and privileges as well ascertaining restrictions, available to those individuals who are not only members of the Cooperative but who also serve on the Board of Directors or are employed by the Cooperative.

#### **A. General Guidelines**

1. For the purpose of this policy, immediate family shall be defined as a member's spouse, child or anyone residing in the member's household.
2. The following membership rights and privileges shall not be available to Cooperative members or their immediate family (as defined above), if such member is also employed by the Cooperative:
  - a. Participation in a member survey or focus group
  - b. Service on a member committee (e.g., Member Advisory Group, Operation Round-Up, Scholarship Committee, Community Empowerment Committee)
  - c. The right to receive a door prize (including cash, products or energy credits)
  - d. Future privileges which may be deemed inappropriate by the Board
3. The following membership rights and privileges shall be available to Cooperative members and their immediate family (as defined above), regardless of whether such member is also employed by the Cooperative:
  - a. The right to vote in the director's election
  - b. The right to attend and participate in the annual meeting
  - c. The right to register and represent a membership of a member who is not present as the designated voter and receive any door prize or gift awarded to the membership being represented
  - d. Other rights as may be deemed appropriate by the Board
4. The following membership rights and privileges shall not be available to Cooperative members or their immediate family (as defined above), if such member also serves as a Director of the Cooperative:
  - a. Participation in a member survey or focus group
  - b. Service on a member committee (e.g., Member Advisory Group, Operation Round-Up, Scholarship)
  - c. The right to receive a door prize (including cash, products, or energy credits)
  - d. Future privileges which may be deemed inappropriate by the Board
5. The following membership rights and privileges shall be available to Cooperative members and their immediate family (as defined above), regardless of whether such member also serves as a Director of the Cooperative:
  - a. The right to vote in the director's election
  - b. The right to attend and participate in the annual meeting
  - c. The right to register and represent a membership of a member who is not present as the designated voter and receive any door prize or gift awarded to the membership being represented.
  - d. Other rights as may be deemed appropriate by the Board.

**B. Responsibility**

1. The Board of Directors and CEO shall be responsible for enforcement of this policy.

**Effective Date:** July 14, 2010

**Revised Date:** January 20, 2026

**Reviewed Date:** January 20, 2026