DIRECTOR INFORMATION

Stearns Electric Association is governed by a member-elected Board of Directors. These directors meet regularly to approve actions, set policies and procedures, delegate authority, set guidelines for the Cooperative's management and advocate the members' voice in Cooperative operations.

QUALIFICATIONS

- Directors must be a certified member of Stearns Electric with their name registered on their account.
- Directors must receive electric service from Stearns Electric at their primary residence in the district they represent.
- Directors cannot be an immediate relative to an employee or incumbent Director of Stearns Electric.
- Directors cannot be employed by an enterprise that directly or substantially competes with the Cooperative, or sells goods or services in substantial quantities to Stearns Electric
- Directors are not qualified to serve on the Board of Directors if they were employed by the Stearns Electric within three years preceding their nomination.
- Directors are not qualified to serve on the Board of Directors if they have been convicted of a felony within five years preceding their nomination.
- Directors must have the capacity to enter legally binding contracts.
- If a member of Stearns Electric is a family farm corporation or other type of corporation, the member may appoint a person to be eligible for election to the Board of Directors following additional Bylaw guidelines.

RESPONSIBILITIES

The Board of Directors is responsible for the following:

- **Mission and Purpose:** The Board regularly evaluates whether decisions and policies help the Cooperative successfully further its commitment to serving our communities by providing excellent member service, and safe and reliable energy service at a competitive price.
- **Legal and Ethical Accountability:** The Board adopts and enforces policies, resolutions and actions governing ethical conduct, accountability and compliance with applicable laws and regulations.
- **Financial Oversight:** The Board establishes financial targets and goals, and approves the Cooperative's budget. Board members also review and approve significant investments, loans and acquisitions, and the rates and terms for providing electric service to members. The Board is responsible for evaluating periodic financial statements, reports and information, and considering internal control procedures.
- **Governance:** The Board establishes the strategic direction for the Cooperative, and considers and approves Stearns Electric business initiatives. The Board discharges its duty to manage the affairs of the Cooperative by delegating day-to-day management responsibilities to a chief executive officer (CEO). The CEO is hired by and answers to the Board.

EXPECTATIONS

- Directors must be available to attend the following: twelve monthly Board meetings; the Annual Meeting; Cooperative-related conferences and trainings; Cooperative strategic planning; other Cooperative events/ meetings as needed.

    - Monthly Board meetings are usually held the 4th Thursday of each month. Meetings usually begin at 1 p.m. and last into the afternoon. Meetings are rotated each month between the Melrose operations center and headquarters and the St. Joseph branch office.

    - The 2026 Annual Meeting is scheduled for Thursday, March 11, 2027 at 7 p.m. at the Melrose Area High School Auditorium.

    - The 2027 Strategic Planning Session is scheduled for June 29-30, 2027. Location TBD.

- Directors must also be available to attend special meetings involving such issues as the annual budget, Bylaws, policy review and Board peer evaluations. Directors might also attend multi-day meetings or conferences such as those put on by the National Rural Electric Cooperative Association (NRECA), Minnesota Rural Electric Association (MREA) and/or Great River Energy.

- New directors should expect to complete five core courses through NRECA to obtain their Credentialed Cooperative Directer Certificate (CCD) within their first term. Some of this training may be available online or take place at sites out-of-state, which may involve overnight travel.

- Directors are expected to prepare for Board meetings beforehand and participate in meeting discussions. Directors recently reported spending 15-30 hours per month reviewing staff reports and materials in preparation for meetings and being educated on Cooperative business and current industry topics.

- Directors are expected to read and be familiar with information, data and reports received digitally or by mail from national, state and local associations.

- Directors are expected to adhere to the one-voice rule. Discussion and disagreement in Board meetings is encouraged and healthy, but the Board speaks with one voice regarding the end result.

- Directors are expected to serve as fiduciaries and observe the following fiduciary duties:
    - Make informed decisions
    - Comply with applicable federal, state and local laws and regulations
    - Act in best interest of the Cooperative and all member-consumers
    - Avoid conflicts of interest

- Directors are expected to serve as key Cooperative ambassadors to our membership, community and legislative representatives. Directors should be visible, active and available to members throughout their respective district.

- Directors are expected communicate via email, use a Cooperative-issued iPad to review monthly Board meeting documents and participate in monthly Board meetings using other forms of technology, such as Microsoft Teams, as necessary.

- Directors should be respectful and professional; demonstrate legal and ethical integrity; and practice confidentiality.

COMPENSATION

- Directors are paid a $1,050 monthly retainer and a $375 per diem for Cooperative regular monthly meetings and the annual organizational meeting. Additional compensation is provided to those holding positions of Board President, Vice President and Secretary/Treasurer.

- Directors are reimbursed for their mileage.

- Directors are also reimbursed for expenses during attendance at approved meetings, conferences or trainings.

ELECTION DETAILS

- Stearns Electric's service territory is divided into nine districts, each represented by a director elected by the members of that district. Each year, on a rotating basis, three districts elect directors. This year, districts 4, 5 and 9 have elections.
- Voting takes place online, by mail or in person at the Annual Meeting. This year's Annual Meeting is Thursday, March 11, 2027.
- Each candidate should be present at the Annual Meeting and, if elected, be available for the organizational meeting of the Board of Directors immediately following the Annual Meeting.
- The Annual Meeting notice will be mailed out in the February edition of The Power Connection, no later than by Wednesday, February 24, 2027. Ballots for Director will be mailed out by Wednesday, February 24, 2027.
- Each member is allowed only one vote; a joint membership is allowed only one vote.
- Voting members may mail in their sealed ballots, vote online or vote in person at the Annual Meeting. Members should not include their ballots in their bill payment. Ballots received via a bill payment envelope will be disqualified.
- All voting done at the Annual Meeting must be done in person. No mail ballots will be accepted at the meeting.
- New director candidates are required to attend an informational meeting prior to the Annual Meeting. This Candidate Briefing is scheduled for Thursday, January 21, 2027 at 2 p.m. at the Melrose operations center and headquarters office. Additional details will be provided to candidates accepted to the ballot.

CAMPAIGN RULES

- The campaign process is left to the discretion of each individual candidate. In the past, some candidates have chosen to embark on a door-to-door campaign, others have purchased newspaper and/or radio advertisements, and some have had posters and/or pamphlets printed and distributed. Others have limited their campaign to phone calls to friends and neighbors or friendly chats at the church bazaar.
- Candidates are responsible for their own campaign expenses.
- The use of the Stearns Electric logo or likeness in any campaign literature by any candidate is inappropriate and/or illegal.
- Bribery, treating and solicitation are prohibited. Please read Minnesota Statute 211B.13 for complete details:

  Subdivision 1. Bribery, advancing money, and treating prohibited. A person who willfully, directly or indirectly, advances, pays, gives, promises, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce a voter to refrain from voting, or to vote in a particular way, at an election, is guilty of a felony. This section does not prevent a candidate from stating publicly preference for or support of another candidate to be voted for at the same primary or election. Refreshments of food or nonalcoholic beverages of nominal value consumed on the premises at a private gathering or public meeting are not prohibited under this section.

  EXAMPLE: Giving stamps to members for use on their ballot is prohibited by the above Minnesota Statute.