

# Director Candidate Recruitment Policy

**RESPONSIBILITY:** Nominating Committee

**SUBJECT:** Basis for Choosing Board Candidates

**OBJECTIVE:** To provide consistent suggestions to the annual Nominating Committee concerning nomination of candidates for the Board of Directors

## General

Nomination by petition is now the primary method for a member to be nominated for a Board of Director seat. The role of the Nominating Committee is limited to (1) ensuring that members submitting petitions are qualified under the bylaws; and (2) choosing one candidate (in addition to any members nominated by petition) so that no seat will go unfilled in the election at the annual members meeting.

## Procedure

- The Nominating Committee at or soon after its first meeting should ascertain if an incumbent Director in an office in which the term is expiring at the next annual members meeting desires to be nominated for that seat.
- If the incumbent desires the nomination, then the Nominating Committee should make such inquiries and investigation as it deems proper, and decide whether to nominate the incumbent or another member for the applicable seat. The Nominating Committee shall nominate only one candidate for each seat for which the term is expiring. The purpose of nominations by the Nominating Committee is to ensure that there is a nominee in the event that no members are nominated by petition.
- The Nominating Committee shall ensure that prospective nominees by the Nominating Committee are aware of the job description of a Director. The Board meets normally on the last Thursday of the month at its headquarters just south of Harrisonburg. Meetings usually begin at 6:00 p.m. and last two or three hours, and often longer. Additional committee meetings are held throughout the year, although a member would not typically attend those more than a few times a year. The Cooperative's national and regional trade groups have meetings that Board members often attend, almost always out of the Shenandoah Valley and usually involving multi-day travel.
- The electric industry is extremely complicated and over time Directors must develop a deep understanding of SVEC and its place in the industry in order to be effective. Some of that understanding comes from written board packets distributed in advance before every meeting. Each Board member typically spends a number of hours reviewing that information. The Board packet and the written and oral presentations of the CEO and other senior managers at Board meetings usually involve numbers and amounts. While a Board member need not be an accountant or have a deep background in business in order to make a contribution, such experience is very helpful. The Cooperative's

national trade group provides valuable training opportunities for new Board members. These always involve multi-day travel. Unless a new Board member takes advantage of this training, he or she will find it very difficult to make a substantial contribution in the boardroom for many years; the industry is extremely complex and general knowledge is not adequate.

- Board members report the number of hours they spend on their Cooperative work for the annual IRS Form 990. The average per Board member in recent years has devoted 27 hours a month to Cooperative work.
- Compensation is based on attendance at meetings and other events. On average, in 2018 that amounted to about \$19,000.00 for a Director. Travel, accommodation and meal expenses are paid for a Director attending training classes and out-of-town meetings.
- After making its nominations, the Nominating Committee shall post the names of its nominees as set forth in the bylaws.
- The Nominating Committee should review reports from Management Staff and the Cooperative Attorney concerning the eligibility of members submitting nominating petitions, as to jurisdiction of residence and other requirements, including sufficient member signatures on the petition.
- If a petitioning member meets the requirements for candidacy, then the Nominating Committee shall qualify in writing such member as a candidate, without regard to its view as to the merit of such member as a candidate.
- The Nominating Committee shall rely upon the information provided by Management Staff and the Cooperative Attorney as to the eligibility criteria of a petitioning member.

**Approved and Adopted by the Board of Directors  
Shenandoah Valley Electric Cooperative  
May 30, 2019.**