

DECATUR COUNTYRURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 1- 2C

SUBJECT: BOARD OF DIRECTORS MEETINGS

I. OBJECTIVE:

To establish a regularly scheduled time for Board of Directors meetings to comply with the Bylaws of the REMC.

II. POLICY PROVISIONS and CONDITIONS

Be it resolved that the Board of Directors of the Decatur County REMC hereby recognizes its responsibilities to comply with the Bylaws of the REMC for regular, monthly meetings of the Board of Directors.

- A. The regular monthly Board meeting shall be held the fourth Thursday of each month.
- B. The Chairman may change the date, time, or place of a regular monthly meeting for good cause with at least five days notice to all Directors.
- C. There shall be an agenda and notice of the meeting available electronically to each Director on the Friday preceding the meeting.

III. RESPONSIBILITY:

- A. It is the responsibility of the Chairman to approve the agenda.
- B. The General Manager will be responsible for the preparation of the agenda and the electronic presentation of the agenda and notice of the meeting.

Date Adopted: May 22, 2014 Attested: Richard L. Narwold  
Secretary

Reviewed: April 25, 2019

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 1-5G

SUBJECT: QUALIFICATIONS FOR DIRECTORSHIP

I. OBJECTIVES:

To assure the membership that those members nominated to be voted upon for service upon the Board of Directors of the REMC, (a voluntary service group, acting as trustees for and representatives of the membership) are generally qualified to carry out the viewpoints, objectives, formulate policy, develop plans, and insure their execution within the REMC.

II. POLICY PROVISIONS AND CONDITIONS:

Be it resolved that the following is hereby adopted by the Board of Directors of the Decatur County REMC as the policy relating to the qualifications for directorship.

- A. The Nominating Committee or individual member that nominates an individual to be voted upon for election to the Board of Directors of the REMC should be aware of and should carefully and seriously consider the following legal requirements and personal qualifications before such a nomination is entered. The person nominated:
1. Shall be from the geographical district provided for in the Bylaws.
  2. Must be a member in good standing and receiving service at his/her primary residential abode in that particular district served by the REMC.
  3. Should be willing to promote and safeguard the interest of the REMC among the members and the general public.
  4. Will be required and therefore able to represent the membership on an impartial basis for the good of and in the best interest of the entire REMC.
  5. Must not in any way be employed by or have a controlling financial interest in any enterprise primarily engaged in selling electrical energy, supplies, appliances, or other items as provided by the Bylaws of the REMC.
  6. Must be willing to attend regularly scheduled and special meetings of the Board of Directors and to attend meetings of national, state and local organizations with associated interests that further the cooperative movement.
  7. Will be required to fulfill the educational requirements as set forth in the most recent version of Policy Bulletin 1-7.
  8. Should be aware that members of the Board of Directors serve without salary and on a fee basis for time given to regularly scheduled and approved affairs of

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the REMC and in addition they will be reimbursed for all reasonable expenses in connection with such scheduled activities.

9. Should agree to serve the term of office for which elected until a successor has been elected.
  10. Shall not use or cause to be used the position as Director to further political ambitions.
  11. Will not be a close relative as defined in the Bylaws of an incumbent director or of an employee of the REMC.
- B. This policy shall be in addition to existing provisions of the Articles of Incorporation and approved Bylaws, and is intended to serve as a guide for the Nominating Committee.

III. RESPONSIBILITY:

- A. The Chairman and the full Board should insure that a copy of the provisions of this policy is in the hands of each member of the Nominating Committee and further will cause such policy to be published periodically in the news media of the REMC.
- B. The Chairman is responsible for determining that this policy is adhered to and made known to interested persons at all times.

Date Adopted: June 25, 2015      Attested: Richard L. Narwold  
Secretary

Reviewed: May 23, 2019

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 1-8S

SUBJECT: DIRECTOR'S FEES AND EXPENSES

I. OBJECTIVES

- A. To encourage the acceptance of the responsibilities associated with a positive leadership role in the Rural Electric program. This responsibility includes maximum attendance and participation by members of the board at meetings related to the program. Directors are encouraged to attend NRECA educational institutes and seminars and required to obtain a Credentialed Cooperative Director Certificate and Board Leadership Certificate.
- B. To assure appropriate compensation for attendance of directors at regular and special Board meetings, Board committee meetings, and those meetings outside the REMC's system area pertaining to and for the benefit of the REMC.

II. POLICY PROVISIONS AND CONDITIONS

Be it resolved that the Board of Directors of Decatur County REMC has established the following policy with its appropriate conditions to achieve the above objectives. This policy receives its authority from Article IV, Section 4.12 of the Bylaws.

- A. Stipend for board or committee meeting attendance: A Director will receive a stipend of \$250.00 for attendance at each regular, special or committee meeting of the Board of Directors. The Chairperson will receive 110% of the stipend for each regular or special board meeting. If a Director attends to other REMC business requiring at least one-half day of the Director's time, the Director shall receive one (1) day's stipend. If the meeting itself is under two hours, the Director shall receive one-half of the stipend.
- B. Stipend for conference call, webex or similar training: A Director will receive a stipend of \$100 for participation in a conference call, webex or similar REMC related program.
- C. Director health insurance will no longer be offered beginning January 2018. Each Director will receive a monthly retainer of \$700, instead of health insurance.
- D. Stipend for out-of-service area meeting attendance: A Director will receive a stipend of \$250.00 for each day away from his home while attending meetings outside the REMC service area on behalf of the REMC when attendance has been approved by the Board of Directors. S t i p e n d allowance for travel time will be one day prior to the start of the first required session and one day following the last general session, if used.
- E. Stipend for Director of Indiana Statewide Association of REC's, Inc.: The director who represents Decatur County REMC on the Board of Directors of Indiana

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Statewide Association of REC's, Inc. will receive a stipend outlined in II.D. for attending each meeting of the Board of Directors of Indiana Statewide. No stipend will be paid for other IN Statewide functions as IN Statewide pays those expenses.

- F. A Director may not receive more than one stipend payment for each calendar day except as specified in item D. above.
- G. Reimbursement of expenses:
1. Directors who drive their automobile to meetings will be reimbursed for travel expenses at the Internal Revenue Service allowable rate per mile. Mileage will be for the round trip from the Director's residence to the place of the meeting and the return trip.
  2. When a Director drives outside of adjacent states, the Director shall be reimbursed in the amount of a coach class airline ticket for similar travel. To encourage travel savings by group auto travel, regular mileage rates will be allowed when total travel savings will be achieved.
  3. A Director shall be reimbursed for out-of-pocket expenses incurred in attending authorized meetings, limited to basic hotel accommodations, reasonable meals unless provided at meeting, and taxi or similar service. No expenses shall be paid for any entertainment, alcohol, or guests of the Director. Expenses shall be filed on an itemized expense voucher including detailed receipts for single expenditures greater than \$25.00.

III. RESPONSIBILITY

- A. It shall be the responsibility of the Secretary of the Board of Directors to periodically audit expense vouchers of Directors and to determine that this policy is being complied with.
- B. The Board of Directors will review and set annually the stipend amount before the Budget for the succeeding year is presented for approval.
- C. The CEO/General Manager shall be authorized to reimburse Directors for stipend and expenses in accordance with the provisions of this policy.

Date Adopted: December 21, 2017      Attested: Jason Barnhorst  
Secretary

Reviewed: May 23, 2019

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 1-10C

SUBJECT: DIRECTOR CODE of ETHICS and OATH of OFFICE

I. OBJECTIVES:

- A. To develop an oath of office which incorporates a highly-regarded code of ethics.
- B. To pledge all Directors to this oath at the time of their election.

II. POLICY PROVISIONS and CONDITIONS:

Be it resolved that the Board of Directors of Decatur County REMC has established the following oath to achieve the above objectives:

I WILL above all things be honest and diligent.

I WILL place the interest of Decatur County REMC above my personal interests. I will not expect any special privileges from Decatur County REMC because I am a director.

I WILL give as careful attention to the affairs of Decatur County REMC as I give to my own business. I will not become financially interested in any business or agency that has substantial interests adverse to those of Decatur County REMC.

I WILL represent Decatur County REMC in its entirety and not just the members from my district.

I WILL give the necessary time to director's meetings. I will not interfere with management, but will limit myself to the formulation of business and management policies.

I WILL do independent and careful thinking. I will be open-minded and realize that the views of individual directors cannot always prevail. I will remember that the majority rules.

I WILL not discuss the confidential affairs of Decatur County REMC with unauthorized persons, or employees other than the management, unless delegated by the Board of Directors to do so.

I WILL study the business and problems of the Rural Electric program and attend State and National meetings in order that I can better understand the entire National program.

I WILL encourage management to strive for continued and increased efficiency. I will welcome new ideas for the membership corporation in providing additional services.

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I WILL curb emotion and apply reason and common sense to all problems.

I PLEDGE to do my best for Decatur County REMC and for the members who have elected me to serve in this position of high honor and trust.

III. RESPONSIBILITY:

- A. The Chairman of the Board of Directors and the General Manager shall be responsible for inviting the attention of Board members to non-adherence to this policy.
- B. It is the responsibility of the Chairman to seek coordination with the REMC Attorney regarding questions on conflict of interest.

Date Adopted: April 27, 2017    Attested: Jason Barnhorst  
Secretary

Reviewed: June 27, 2019

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 1-16

SUBJECT: DIRECTOR CONDUCT POLICY

I. PURPOSE:

To establish minimum qualifications as required by law and the Bylaws of Decatur County Rural Electric Membership Corporation (the "REMC") for a person to be eligible to be elected or appointed to, and to serve on, the REMC's Board of Directors, and to establish the standards, rules and procedures under which Directors of the REMC must conduct themselves in the performance of their duties.

It is the ultimate legal responsibility of the Board to ensure that these requirements are met and complied with. If the Board should determine that an incumbent, nominee or potential appointee lacks or has lost any of the necessary legal qualifications, it is the duty of the Board to disqualify such incumbent or to declare such nominee or potential appointee ineligible for election, whichever may be the case. By adopting, publishing and appropriately disseminating this Policy, it is the Board's respectful hope that Director incumbents, nominees or potential appointees will not only be fully apprised of these requirements, but also be mindful of their importance in deciding whether to continue or commence service on the Board.

II. FIDUCIARY RELATIONSHIP:

In addition to the qualifications contained in the Bylaws, Directors owe a fiduciary duty to the REMC as a matter of law. In order to be eligible for election or appointment to, and to serve on, the REMC's Board, a person must, among other things:

1. adhere to all applicable requirements of law, the REMC's Articles of Incorporation and Bylaws, and the REMC's duly approved decisions;
2. be loyal to the REMC, acting at all times in good faith for its best interest;
3. be unaffected by any continuing and substantial personal interest that is in conflict with the best interests of the REMC;
4. be possessed of the minimum knowledge and skills necessary to manage the affairs of the REMC; and
5. be willing to devote such time and effort to his/her duties as a Director as may be necessary to manage the REMC's business and affairs.



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III. CONFLICTS OF INTEREST:

A “conflict of interest” exists when a Director has a personal interest in a matter of such nature and magnitude that an antagonism exists between his/her personal interests and that of the REMC, such that he/she may not be able to exercise independent and objective judgment on the matter in the best interests of the REMC as opposed to his/her own interests. Such personal interests include the interests of the Director’s relatives, business associates or other persons or organizations with whom he/she is closely associated.

All Directors must comply with the following rules:

- A. Use of Office: Each Director shall refrain from any use of his/her respective office which is or gives the appearance of being motivated by the desire for private gain for himself/herself or for other persons or organizations with which he/she is associated.
- B. Use of Information: Each Director shall refrain from any use of inside information for private gain, either by direct action or by counsel, recommendations or suggestions to other persons or organizations with which he/she is associated.
- C. Gain from Beneficiary Organizations: No Director shall receive or solicit from beneficiary organizations, related organizations or other persons having business with the REMC anything of value as a gift, loan, favor or gratuity for himself/herself or any other person or organizations with which he/she is associated.
- D. Financial Interests, Personal Relationships and Positions: Each Director shall make full disclosure to the Board of any facts which may indicate a conflict of interest. He/she shall disqualify himself/herself from decisions that pose a conflict of interest or the appearance of a conflict of interest. He/she may request an opinion of the REMC’s outside counsel before such action is taken. Such communications are generally not subject to privilege.

IV. BOARD CONDUCT

A. General Conduct of Directors

Directors should conduct themselves, personally and professionally as well as in their representative capacity for the REMC, in accordance with the highest moral and ethical standards, and so as to avoid the appearance of any conduct inconsistent with such standards. This includes, but is not limited to:

- 1. Complying with the REMC’s Articles of Incorporation, Bylaws, policies and all applicable laws and regulations;
- 2. Not pursuing a position, inquiry, recommendation, or motion for the purpose of harassing or annoying other Directors, the Chief Executive Officer (“CEO”), the staff or employees; and

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3. Communicating with employees, the CEO and the staff on a courteous basis and not for the purpose of influencing any employee's position or attitude concerning REMC-related activities.

B. Conduct with Respect to Fellow Directors

Regardless of the personal relations and differences between the Directors, the Directors should treat each other with respect in the following ways:

1. Each Director should allow ample opportunity for every other Director to be heard on any matter being considered by the Board, and listen carefully to the viewpoints as well as the factual observations of the other Directors.
2. Unless compelled by the overriding concern for the best interests of the REMC, no Director should, to persons other than other Directors, the CEO, and/or the REMC's legal counsel (or as may be required by law or order of a court of competent jurisdiction), reveal the fact of differences of opinion among Directors on matters considered and acted upon by the Board. This standard applies to informal as well as formal communications.
3. No Director should attempt to intimidate, threaten, berate, harass or act unprofessionally toward any other Director.

C. Director Access to REMC Data and Information

Any Director is entitled to have access to any data or information of the REMC, at reasonable times during normal business hours and for a proper purpose that is germane to his/her standing as a Director. This principle is subject to and will be honored in accordance with the following standards:

1. All requests for such information or data (unless actual or potential criminal activity of the CEO is involved, in which case the requesting Director shall first consult with REMC's outside counsel for advice and guidance as to how best to proceed) shall be made to and through the CEO. In no case whatsoever (unless after consultation with and being advised otherwise by the REMC's legal counsel because actual or potential criminal activity of the CEO is involved) shall such information or data be sought by a Director through other employees, agents, or independent contractors of the REMC.
2. In any instance in which a Director has sought access to information or data not generally or ordinarily made available or reported to the Board, the CEO shall so report in detail to the next succeeding meeting of the Board.
3. Information or data received by a Director pursuant to this policy shall not be revealed by him/her to any other persons (the other Directors, the CEO, and the REMC's legal counsel excepted) unless he/she is compelled to do so by law.

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4. A Director shall not use any data or information of the REMC for private gain, either for himself/herself or for his/her family members or business relationships. A Director may not use his/her position as a Director to request information concerning the REMC or its members that is not available to other members for purposes of campaigning for reelection. Such a request is not considered a “proper purpose.”
5. In no case should a Director reveal to others information and data he/she receives because of his/her inside position in the REMC if the actual or potential effect of such revelation is to damage the REMC, including its public perception.

D. Loyalty to the Cooperative

As a matter of law, each Director owes a duty of loyalty to the REMC. The duty of loyalty includes both the elements of good faith and fair dealing:

1. A Director acts in good faith if he/she acts in the best interest of the REMC and not in his/her own best interests. In discharging his/her duties, a Director may rely on information, opinions, reports or statements prepared by an officer of the REMC, outside experts (such as lawyers or accountants), or a committee of the Board. A Director fails to act in good faith if he/she has knowledge concerning a matter that makes reliance on information presented by a REMC officer, outside experts or a committee of the Board unwarranted.
2. Fair dealing means that a Director must disclose to the Board information not known by the Board but known to the Director which is material to the Board’s decision-making and oversight responsibilities. Such information would include any conflict of interest the Director has with respect to a matter affecting the REMC, such as a financial or other benefit that may be gained by the Director. A Director’s failure to timely disclose such information or a conflict of interest to the Board may be considered a breach of the Director’s duty of loyalty, which may result in personal liability for the Director and/or the REMC.

V. DISQUALIFICATION:

A Director may be disqualified by the Board and removed from his/her position if he/she violates any applicable law relating to the REMC, the REMC’s Articles or Bylaws, this Policy or any other regulation or policy of the REMC. Any of the foregoing shall be deemed disqualification “for cause”.

Any Director may request disqualification of another Director for cause by delivering to the Chairperson a notice, signed by at least two other Directors, setting forth the proposed reason(s) for the disqualification. The Chairperson shall provide written notice to the Director against whom disqualification is sought which sets forth the reasons for the proposed disqualification. Such notice must be provided at least ten (10) days prior to the meeting of the Board. A special meeting of the Board shall then be called by the Chairperson, at which meeting the Director against whom disqualification is sought shall be provided with an opportunity to respond to the

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proposed disqualification. The Board shall then, by simple majority, vote on disqualification of the Director. The Director for whom disqualification is sought shall not be eligible to participate in such vote. If the Board approves disqualification, the Director shall have thirty (30) days to rectify the reason for disqualification or to comply with any other reasonable requirements of the Board; if the Director fails to do so, disqualification shall become effective immediately upon expiration of such thirty (30) day period. Except as provided above, from the date of the notice of proposed disqualification to the conclusion or expiration of the rectification period described above, the Director shall be suspended from participation in all Board meetings and/or activities.

VI     RESPONSIBILITY:

Implementation of this Policy shall be the responsibility of the Board, except as otherwise provided for herein by the CEO.

Date Adopted: February 23, 2017   Attested: Steve AmRhein  
Secretary

Reviewed: April 27, 2017

Reviewed: June 27, 2019

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 2-7C

SUBJECT: MEMBERS ACCESS TO BOARD MEETINGS

I. OBJECTIVE:

To establish a policy governing the right of any Decatur County REMC member to have access to meetings of the Decatur County REMC's Board of Director's.

II. POLICY PROVISIONS AND CONDITIONS:

Be it resolved that the Board of Directors of Decatur County REMC has established the following policy to achieve the above objectives.

- A. Any member of Decatur County REMC may attend any regularly scheduled board meeting, upon the following conditions:
  - 1. The member shall request to attend a Board meeting to the CEO at least one (1) week prior to the meeting.
  - 2. If the member wishes to speak at the Board meeting, the request shall state the business to be discussed and the estimated amount of time necessary for such discussion.
  - 3. The names and addresses of all persons attending shall be contained in the request.
- B. After receiving a request to speak at a Board meeting, the CEO shall provide the member with a copy of this Policy, place the item on the "Agenda" of the meeting and the CEO shall notify the member of the estimated time for the member to appear.
- C. All members of a group requesting a meeting with the Board of Directors shall be active members of the REMC, except one (1) person may be an attorney representing his/her client/clients. A group shall contain no more than five (5) persons, including the attorney.
- D. The Chairman of the Board of Directors reserves the right to limit the member's presentation to a reasonable period of time and limit any debate.
- E. The Board of Directors may exclude persons who are not members of the Board of Directors from part or all of a meeting.

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GREENSBURG, INDIANA

F. Decorum Requirements

1. All member participation in a regular Board Meeting of the Decatur County shall follow a strict code of conduct that will not interfere in any manner with the normal business that may lie before the Board of Directors of Decatur County REMC.
2. A member attending a meeting of the Board of Directors is required to exhibit appropriate personal decorum and shall treat all persons in attendance with courtesy, respect, and professionalism to create an atmosphere free of animosity and bad faith.
3. A member attending a meeting of the Board of Directors is prohibited from recording the meeting, whether by means of audio recording, video recording, or transcription software that transcribes audio or video content into written content.
4. A member attending a meeting of the Board of Directors is prohibited from taking photographs of any kind during the meeting or while on Cooperative property.
5. Unless authorized by the Chairman of the Board of Directors, a member attending a meeting of the Board of Directors is prohibited from removing any written materials distributed by the Cooperative from the board room and shall return all materials that are distributed by the Cooperative during the meeting to the President of the Board prior to leaving the meeting.
6. A member that violates any of the procedures set forth in this Policy shall forfeit his or her right to attend a meeting of the Board of Directors for a period of twelve (12) months.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making changes to this policy as may be recommended or that are required by changing circumstances.
- B. The CEO shall be responsible for the administration of this policy in accordance with delegated authorities and shall be responsible to the Board of Directors for compliance to this policy.

Date Adopted: February 22, 2018

Attested: \_\_\_\_\_  
Secretary

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

REQUEST TO ATTEND DIRECTORS' MEETING

I hereby request to attend the Decatur County Rural Electric Membership Corporation Board of Directors' Meeting which will be held on \_\_\_\_\_, 20\_\_\_\_. I desire to attend the meeting for the following purpose:

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The following persons (not more than four (4) who are Members, or my attorney) will attend the meeting with me:

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I estimate the time required to present my business to the Board of Directors will be approximately \_\_\_\_\_.

I acknowledge receipt of a copy of the Corporation's Policy concerning Members' attendance at Board Meetings and agree to abide by the provisions of that policy.

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No. \_\_\_\_\_

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 2-8C

SUBJECT: MEMBERS ACCESS TO CORPORATE RECORDS

I. OBJECTIVE:

To establish a policy governing the right of any Decatur County REMC member to have access to Decatur County REMC's records.

II. POLICY PROVISIONS AND CONDITIONS:

Be it resolved that the Board of Directors of Decatur County REMC has established the following policy to achieve the above objective.

- A. Any member of the Decatur County REMC may request to examine the following business records of the REMC: Minutes of the meetings of the Board of Directors, minutes of Annual Meetings, financial and statistical data, which are submitted to public agencies, information concerning Director's attendance, expenses and compensation, and the CEO's salary. A member may review his own meter reading information, billing data and payment records. Personnel records, pay records, and other members', credit history, and payment records are considered privileged information. These shall not be revealed to other members or persons. Lists of members, information concerning litigation or potential litigation, trade secrets, contracts with third persons and employee activities and contracts will also not be shown to members.
- B. Other members' individual billing history can only be disclosed if the member gives consent or the person requesting the information is the landowner or public agency (police, fire department) requesting the information for investigation purposes.
- C. A request to examine the records of the REMC shall be granted upon the following conditions:
  - 1. Only active members shall have access to the REMC's records. An active member is any person or corporation who holds a valid membership certificate and who is receiving service at the time of the requested viewing of the records.
  - 2. The member shall send a written request directed to the CEO at least three working days before the approximate time the member wishes to examine the records. The CEO shall respond to the request with a written notice that the visit has been approved. The notice shall contain information relating to the visiting time.
  - 3. The purpose of the examination shall be contained in the written request.



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4. The records requested shall be specified.
5. An acknowledgment that an employee of the REMC will accompany the member at all times during the examination shall be contained in the written request.
- D. Access to records will be made only during normal business hours of the REMC.
- E. Records of the REMC shall be not removed from the REMC's office.
- F. No more than two (2) active members may examine the records at one time. No member shall have the right to disrupt the normal business routine of other employees during any examination.
- G. Notes may be taken.
- H. An employee shall accompany the member at all times during the examination.
- I. The CEO shall have the right to withdraw examination privileges if the examination becomes disruptive and interferes with the normal office routine of employees other than the employee in accompaniment of the member.
- J. If the CEO shall deny access to any information, the member may submit a written request to the Board of Directors. The Board's decision shall be final.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes to this policy as may be recommended or that are required by changing circumstances.
- B. The CEO shall have the right to withdraw examination privileges if the examination becomes disruptive and interferes with the normal office routine of employees other than the employee in accompaniment of the member.

Date Adopted: November 26, 2019

Attested: Michael Brelage  
Secretary

Reviewed: August 28, 2014

Reviewed: May 23, 2019

Decatur County Rural Electric Membership Corporation  
Greensburg, Indiana

Member Information Request

As a Member of the Decatur County Rural Electric Membership Corporation, the undersigned hereby requests to examine the following records of the Corporation:

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I wish to examine the Corporation's records for the following reasons:

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I request that the examination be on the following dates:

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I understand that an employee of the Corporation will accompany me at all times during the examination. I have read the Corporation's Policy concerning Members access to records and agree to comply with it.

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No. \_\_\_\_\_

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POLICY BULLETIN NO. 3-3F

SUBJECT: STATEMENT OF FUNCTIONS OF NOMINATING COMMITTEE

I. OBJECTIVES:

- A. To provide for the functions of an elected Nominating Committee.
- B. To ascertain that the Nominating Committee will provide a continuing process of seeking and investigating prospective nominees as candidates for the Board of Directors.
- C. To promote more membership participation by providing that members in positions of leadership are elected by the members, demonstrating that the REMC is one of the finest examples of democracy in action.

II. POLICY PROVISIONS AND CONDITIONS:

Be it resolved that the Board of Directors of Decatur County REMC has established the following policy to achieve the above objectives.

- A. The Committee shall meet not less frequently than twice each year.
- B. The Committee shall elect its own officers of Chairman, Vice Chairman and Secretary to serve for a period as stated in Section 4.04 of the Bylaws.
- C. To select the best candidates for Directors that have, in addition to leadership abilities, the proper attitude that will promote the ideals of local ownership and control consistent with historic cooperative principles and have a sincere belief that cooperatives form a yardstick beneficial to all Americans and be willing to support and defend the cooperative concept.
- D. Members of the Committee from each District shall maintain a constant reviewing process of members with leadership ability who would make highly qualified candidates.
- E. To maintain the "true" democratic process by having at least one qualified candidate for the annual meeting of the REMC.
- F. Assisting the REMC Attorney to conduct the election of Directors at annual meeting, count all ballots and rule upon the effect of any votes irregularly or indecisively marked.
- G. The committee members shall communicate to perspective candidates the following;
  - a. typical director time commitments as spelled out in companies' standard operating procedure COMP-002: Director Orientation Program

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- b. Policy 1-5: Qualifications for Directorship
- c. Policy 1-10: Director Code of Ethics and Oath of Office
- d. Policy 1-14: Conflict of Interest
- e. Policy 1-16: Director Conduct Policy
- f. 7 Cooperative Principles
- g. Exerts from our Bylaws

III. REIMBURSEMENT OF EXPENSES AND PER DIEM PAYMENTS:

- A. All Committee members shall be reimbursed for all necessary travel at the IRS allowable rate per mile for use of their own car.
- B. Committee members will receive \$100.00 per diem for attendance at each meeting of the Committee.

IV. REPORTING RELATIONSHIPS:

- A. To membership at annual meeting on candidates.
- B. Chairman of Board of Directors - To make quarterly or semi-annual reports of complaints or legitimate inquiries concerning actions of the Board of Directors.
- C. REMC General Counsel and REMC CEO - To be available for consultation coordination efforts, typing, filing, mailing, etc.

Date Adopted: Febuary 25, 2020

Attested: \_\_\_\_\_  
Secretary

DECATUR COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION  
GREENSBURG, INDIANA

POLICY BULLETIN NO. 1-14

CONFLICT OF INTEREST POLICY

I. OBJECTIVES:

- A. To protect the REMC, an organization exempt from tax pursuant to IRC 501(c)(12), interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the REMC or might result in a possible excess benefit transaction.
- B. To supplement but not replace any applicable state and federal laws governing conflict of interest application to nonprofit and charitable organizations.

II. POLICY PROVISIONS AND CONDITIONS:

Be it resolved that the Board of Directors of Decatur County REMC has established the following policy to achieve the above objectives:

A. DEFINITIONS

- 1. Interested Person. Any director, principal, officer or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- 2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business investment or family:
  - a. An ownership or investment interest in any entity with which the REMC has a transaction or arrangement;
  - b. A compensation arrangement with the REMC or with any entity or individual with which the REMC has a transaction or arrangement; or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the REMC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III,

Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists. While all financial interests should be disclosed, a financial interest will be considered insubstantial and not subject to Board review if the annual aggregate amount is less than \$2,500.

3. The term “identifying information” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, Social Security Number, date of birth, official State or government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number or address.

## B. PROCEDURES

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest
  - a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the governing board or committee shall determine whether the REMC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible due to circumstances not producing a conflict of interest, the

governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the REMC's best interest, for its own benefit, and whether it is fair or reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

#### 4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### C. RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### D. ANNUAL STATEMENTS

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. has received a copy of the conflicts of interest policy;
2. has read and understands the policy;
3. has agreed to comply with the policy; and

4. understands the REMC is not for profit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### E. PERIODIC REVIEWS

To ensure the REMC operates in a manner consistent with not for profit purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the REMC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

#### F. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section E, the REMC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

### II. RESPONSIBILITY

1. The Board of Directors shall periodically review this policy and ensure that compliance is obtained.
2. The President will periodically review, update and recommend changes in this policy.

Date Adopted: December 22, 2008

Attested: Ron Gholson  
Secretary

Reviewed: February 25, 2016

Reviewed: March 26, 2019

Reviewed: June 27, 2019