



DIRECTOR DUTIES AND RESPONSIBILITIES

DIRECTORS HAVE THREE LEGAL DUTIES:

1. The Duty of Loyalty
 - Be loyal to the cooperative, acting in all times in good faith for its best interests and unaffected by any personal interest that is in conflict with the best interests of the cooperative. Placing the interests of the cooperatives and the membership as a whole ahead of individual interests.
 - Fulfilling this duty requires Directors to:
 - Refrain from engaging in personal activities that could be construed as conflicts of interest. If such arises: you disclose, the board discusses, they decide without your presence.
 - Maintain confidentiality of information - When the interests of the corporation may be harmed because of disclosure of specific information, directors are duty bound to maintain it as confidential.
 - Not bringing harm to the co-op as a result of a director's actions.
2. The Duty of Obedience
 - Be obedient to the cooperative by adhering to all applicable requirements of law, the cooperative's articles and bylaws, board policies, contracts, and the cooperatives duly made decisions.
3. The Duty of Due Care
 - Exercise due care and diligence by acting in good faith, in the best interests of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, devoting such time and effort to the duties of a board member as may be necessary to oversee the cooperative's business and affairs.

A director's responsibility also consists of having the ability and the knowledge to set policies and approve programs that are the basis for operating the Cooperative. A director must have the time to attend monthly board meetings and other special meetings and seminars. The bylaws allow for director removal if regular attendance becomes an issue. These sessions are necessary to keep directors informed on the various issues impacting the Cooperative and the electric utility industry.

OTHER RESPONSIBILITIES:

According to information compiled by the National Rural Electric Cooperative Association (NRECA) in Washington D.C., an electric cooperative director's responsibilities include:

- Having the ability and knowledge to set policy and approve programs that are the basis for operating the association.
- Possessing the time to attend monthly and special board meetings as well as other industry meetings.
- Being an independent thinker, but capable of cooperating.
- A willingness to acquire the knowledge necessary to cope with the issues of a modern electric utility, including finances, management and public communications.
- Possess the character and demeanor that will reflect favorably on behalf of the cooperative.
- Being of sufficient stature to command the respect of management, employees, fellow board members and the public.
- Being willing to listen and learn.
- Being able to accept and direct change.
- Being willing to commit adequate time to the work of the board and to properly discharge the duties of the board.
- Being able to subordinate personal and other business interests to the needs of the cooperative when making a decision.
- Being willing to accept the unpleasant moments of a director's experience.
- Allow management to manage.