

# Tri-County Electric Cooperative Election Policy and Procedures

January 1, 2023

<b>Tri-County Electric Cooperative Election Policy .....</b>	<b>1</b>
<b>Tri-County Electric Cooperative Election Procedures .....</b>	<b>3</b>
<b>1 Introduction .....</b>	<b>3</b>
<b>2 Roles and Responsibilities .....</b>	<b>3</b>
2.1 Board of Directors .....	3
2.2 President/CEO .....	3
2.3 Committee on Nominations & Qualifications .....	4
2.4 Governance Team .....	4
2.5 Election Service Provider .....	4
<b>3 Annual Meeting .....</b>	<b>4</b>
3.1 Establishing Annual Meeting Date, Time, and Location .....	4
3.2 Election Timeline .....	5
3.3 Communications Plan .....	5
<b>4 Selection of Election Service Provider .....</b>	<b>5</b>
4.1 Annual Decision .....	5
4.2 Competitive Procurement .....	5
4.3 Criteria .....	5
<b>5 Record Date(s) .....</b>	<b>6</b>
5.1 Petition signatures .....	6
5.2 Casting Ballot .....	6
<b>6 Committee on Nominations &amp; Qualifications .....</b>	<b>6</b>
<b>7 Preparation and Approval of Election Material .....</b>	<b>7</b>
7.1 Non-Director Elections .....	7
7.2 Director Elections & Nominations .....	7
7.2.1 Director Candidate Materials and Applications .....	7
7.2.1.1 Posting and Availability .....	7
7.2.1.2 Background Check Consent .....	7
7.2.1.3 Affirmation of Eligibility and Adherence to Election Rules .....	8
7.2.1.4 Conflict of Interest Disclosure .....	8
7.2.1.5 Candidate Application – Use of Legal Name .....	8
7.2.1.6 Biographical Materials .....	8
7.2.1.7 Petition Process and Signature .....	9
7.2.2 Confidentiality .....	9
7.2.2.1 Confidentiality – Nomination Petitions .....	10
7.2.2.2 Confidentiality – Candidate Election Material .....	10
7.2.2.3 Directors access to Candidate Information .....	10
7.2.3 Deadline for Candidate Application via Nomination by Committee .....	10
7.2.4 Deadline for Candidate Application via Nomination by Petition .....	10
7.2.5 Signature Verification .....	11
7.2.6 Verification of Bylaw Qualifications .....	11
7.2.7 Notification to Candidate Applicants of Proposed Findings Regarding Qualifications .....	12
7.2.8 Recommendation of Candidate Slate .....	12
7.2.9 Approval and Certification of Ballot .....	12
<b>8 Candidate Materials and Campaigning .....</b>	<b>12</b>
8.1 Candidate Orientation and Photos .....	12
8.1.1 Candidate Photographs .....	13
8.2 Director Candidate Forum .....	13
8.3 Withdrawal from Election .....	13
8.4 Preparation and Distribution of Ballots .....	13
8.4.1 Printed Ballots .....	13
8.4.1.1 Voting Receipt of Ballots .....	14

- 8.4.2 Website ..... 14
- 8.4.3 Emails ..... 14
- 8.5 Question by Candidates about Election Process ..... 14
- 8.6 Campaigning on TCEC Premises ..... 14
  - 8.6.1 TCEC Employee Campaigning ..... 15
- 8.7 Use of the TCEC Brand ..... 15
- 8.8 Access to Voter Information; Updates on Voter Turnout; Election Results ..... 15
  - 8.8.1 Candidates’ Access to Voting History ..... 16
- 9 Election Tabulation of Votes ..... 16**
  - 9.1 Quality Control ..... 16
  - 9.2 Completion and Certification of Quality Control, Votes Cast in Advance of Annual Meeting, and Mailing of Notice to Members ..... 16
  - 9.3 Voting Prior to the Member Meeting; Deadline for Casting a Ballot ..... 17
  - 9.4 Proxies ..... 17
  - 9.5 Tabulation; Release of Election Results; Announcement of Election Results ..... 17
  - 9.6 Determination of Outcome/Winner ..... 17
    - 9.6.1 Non-Director Election ..... 17
    - 9.6.2 Director Election ..... 17
  - 9.7 Announcement and Certification ..... 18
  - 9.8 Post-Election Director Acknowledgements ..... 18
  - 9.9 Election Contests ..... 18
- 10 Actions after Annual Meeting ..... 18**
  - 10.1 District-by-District Results ..... 18
  - 10.2 Post-Election Analysis ..... 18
- Appendix A: Election Timeline ..... 19**
- Appendix B: Election Service Provider Technical and Security Qualifications ..... 20**
- Appendix C: TCEC Corporate Statistics.....22**

# TRI-COUNTY ELECTRIC COOPERATIVE, INC.

## Election Policy

### 1. Purpose

Tri-County Electric Cooperative, Inc. (“TCEC” or “the Cooperative”) and its Board of Directors (“Board”) recognize that matters put to a vote of Members (“TCEC Elections”) are a cornerstone of TCEC’s compliance with the Cooperative Principle of Democratic Member Control.

TCEC further recognizes that the Internal Revenue Service has identified meaningful Democratic Member Control as a requirement for the tax exemption granted to TCEC and other electric cooperatives.

The Board has retained the oversight of TCEC Elections. In furtherance of the Board’s oversight of TCEC Elections, this Election Policy (“Election Policy”) and accompanying Election Procedures (“Election Procedures”) are intended to ensure that TCEC Elections are conducted in a fashion that maximizes and exemplifies Democratic Member Control. A copy of this Election Policy and the Election Procedures shall be included in materials made available to persons running in a Director Election (“Candidates”).

### 2. Scope

TCEC shall seek to increase voter awareness and turnout in TCEC Elections through educational efforts, communications, programs, and effective use of technology. All TCEC Elections shall be conducted in a manner that is uniform, impartial, and fair to all Candidates and positions that are subject to vote.

The Board recognizes that consistent, credible TCEC Elections are essential to maintaining Member confidence in TCEC, and the key vehicle by which Members hold Directors accountable and influence the direction of the Cooperative, both through election of Directors (“Director Election”) and elections on issues of importance to the Cooperative (“Non-Director Election”). It is the policy of the Board that TCEC Elections shall be administered in as impartial a manner as possible, utilizing the services of an independent, third-party (“Election Service Provider”) who will certify the accuracy of voting.

### 3. Policy Statement and Implementation

TCEC shall seek to maximize Member involvement and empowerment of Members in the electoral process through direct means, including the use of the Committee on Nominations and Qualifications called for in the TCEC Bylaws. The Cooperative will, through its governing documents, policies, and practices, encourage candor and maximum disclosure of actual and potential conflicts of interest by Candidates for TCEC Director positions, including incumbent Directors. And, as a corollary to its Election vigilance, the Cooperative will provide robust Director removal and replacement mechanisms to address breaches of fiduciary duties by Directors.

### 4. Procedure Responsibilities

The procedural policies are delegated by the Board pursuant to the specifics which are detailed in the “Election Policy and Procedures,” a copy of which is attached, and incorporated herein.

## 5. Enforcement

Ultimate responsibility for enforcement of TCEC elections lies with the Board. However, day-to-day enforcement, and any appeals, are detailed in the “Election Policy and Procedures” attached hereto and incorporated herein.

## 6. Superseding Effect

This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.

## 7. References and Related Documents

This Policy shall be read in conjunction with and incorporates by reference sections dealing with Elections within the Texas Electric Cooperative Act (Texas Utilities Code Chapter 161), the TCEC Articles of Incorporation and TCEC Bylaws.

Policy Title:	Election Policy and Procedures
Review Frequency:	Yearly
Last Reviewed:	November 29, 2023
Date Adopted:	November 29, 2023
Effective Date:	January 1, 2024
Amendment Dates:	December 14, 2021 December 13, 2022 November 29, 2023
Approver:	Board of Directors
Applies to:	All TCEC Board of Directors, Employees and Members
Administrator:	President/CEO
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.

# TRI-COUNTY ELECTRIC COOPERATIVE, INC.

## Election Procedures

### 1 Introduction

These Election Procedures (“Procedures”) are intended to ensure consistent compliance with the Election Policy (“Policy”) of Tri-County Electric Cooperative, Inc. (“TCEC” or “the Cooperative”), applicable law, and TCEC’s Articles of Incorporation and Bylaws (collectively, “Governing Documents”), which are incorporated by reference, including terms defined therein.

### 2 Roles and Responsibilities

#### 2.1 Board of Directors

The Board of Directors will:

- Exercise oversight of TCEC Elections in a fashion that maximizes and exemplifies Democratic Member Control
- Ensure full compliance with the TCEC governing documents and the law
- Designate the TCEC Election Service Provider
- Determine the location, date, and time of each year’s Annual Meeting
- Approve the Election Timeline for each election
- Direct the President/CEO or designee to draft any Ballot language needed for a non-Director Election
- Appoint members to serve as a Committee on Nominations and Qualifications
- Call any Special Member Meeting required by the Bylaws for any Election to fill a vacant Board seat or for any other purpose, approve a timeline for nominations, voting and elections for such Special Member Meeting, and make any modifications to these procedures needed to effectuate such an Election
- Annually consider any needed modifications to the Election Policy and these Procedures
- Perform any other functions specified by the Board in these Procedures

#### 2.2 President/CEO

The President/CEO will:

- Work to ensure TCEC Elections are conducted consistent with law, TCEC’s Governing Documents, Election Policy and Procedures and other directives of the Board
- Work with TCEC internal departments to ensure implementation of the Election Policy and Procedures
- Make determinations on the conduct of the election and candidates, presenting issues to the Committee on Nominations and Qualifications or the Board of Directors as appropriate
- Apprise the Board and General Counsel on Election-related issues
- Prepare each year’s Election Timeline
- Designate campaigning zone for TCEC Annual Meeting
- Make inquiry into the Bylaw-mandated qualifications of Candidate Applicants and recommend qualified Candidates to Counsel and to the Committee on Nominations and Qualifications for inclusion on the Ballot, as such duty is delegated by the TCEC President/CEO

- Craft proposed Non-Director Election Ballot language as directed by the Board
- Initiate and oversee the evaluation and recommendation to the Board an Election Service Provider
- Serve as or designate a single point of contact for the Election Service Provider
- Annually recommend any needed modifications to the Election Policy and Procedures
- Perform such other duties related to an Election as the Board may designate

### 2.3 Committee on Nominations and Qualifications

The Committee on Nominations and Qualifications will:

- Working with Counsel, the Committee on Nominations and Qualifications appointed under the Bylaws, determine whether Candidate Applicants satisfy the qualifications to be eligible for election as a director
- Recommend a slate of qualified Candidate Applicants to the Board
- Rule on any appeals brought forward by Counsel regarding decisions impacting the elections prior to the Annual Meeting
- Rule on any post-election contest

### 2.4 Governance Team

The Governance Team, including the Board Reporting Secretary, under the direction of the President/CEO, will:

- Coordinate and administer elections as directed and provided by the Election Policy and Procedures
- Perform the duties specified herein as designee of the Board Secretary
- Receive and maintain all records related to Director qualifications and nominations
- Make available to Members all required Director Candidate Nomination and Application forms and related materials
- Serve as the point of contact or designate a person to provide answers to any questions about the Election process from Directors, Candidates, or Members

### 2.5 Election Service Provider

The Election Service Provider designated by the Board will:

- Provide services as specified in the Bylaws, Election Policy and Procedures, consistent with law and its contract with TCEC
- Print, distribute, and collect the Ballots, as directed
- Tabulate and certify the election results
- Archive and manage all election materials, including destruction of materials from previous elections, according to terms of its contract with TCEC

## 3 Annual Meeting

### 3.1 Establishing Annual Meeting Date, Time, and Location

At or before the February Regular Board Meeting, but no later than March, the Board will determine the date, time, and location of the next year's Annual Meeting.

### 3.2 Election Timeline

At a Regular Board Meeting at least eleven (11) months prior to each Annual Meeting, the President/CEO or designee will develop and present to the Board a proposed Election Timeline, with specific dates and deadlines for Election-related events, as shown in Appendix A of these Election Procedures. The Board will consider, amend, if desired, and approve the Election Timeline at or before a Regular Board Meeting at least eleven (11) months prior to each Annual Meeting.

### 3.3 Communications Plan

At or before the Regular Board Meeting eleven (11) months before an election, the TCEC Communications Department will present to the Board an Election Communications Plan ("Communications Plan"), outlining the communications efforts that will be employed to inform TCEC members of the issues in any Non-Director Election and the Candidates, and the contact information for Members who have questions about the election process. At a minimum, the Communications Plan will include prominent references to the Election on TCEC's Internet site, posting of Candidates' biographical materials and conflict-of-interest certification and disclosure form, video presentations of Candidates, use and distribution of printed materials and information on how to obtain answers to Election-related questions, obtain Ballots (including replacement Ballots), and cast Ballots; and TCEC Corporate Statistics.

## 4 Selection of Election Service Provider

### 4.1 Annual Decision

At a Regular Board Meeting at least nine (9) months prior to each Annual Meeting, the President/CEO will recommend to the Board whether to extend the contract for the services of the Election Service Provider then retained by the Cooperative under the Bylaws and the Board will decide whether to extend the contract or seek an alternate Election Service Provider. Any such extension may be implemented without competitive procurement, notwithstanding any TCEC policy or procedure.

### 4.2 Competitive Procurement

When the Board decides to solicit for election service providers, the Board shall direct the President/CEO to initiate a competitive procurement to identify and recommend to the Board the most qualified Election Service Provider. In any such decision the Board should recognize that such procurement will typically take between four and six months. Unless the Board directs otherwise, a competitive procurement will be performed every three years.

### 4.3 Criteria

Criteria for recommendation or selection of an Election Service Provider will include experience, technical capability, past performance, understanding of and ability to comply with TCEC Bylaws, Election Policy and Procedures, capability to integrate with TCEC IT infrastructure, and ability to preserve and enhance the credibility of the Election process. Any prospective Election Service Provider must meet the technical and security qualifications established by TCEC and attached as Appendix B. Any such vendor shall establish its qualifications in this regard by providing detailed descriptions of demonstrated performance in quality-control methods and testing, system security specifications, and policies regarding storage, transmittal, access to and retention of Member information and voting data.

An Election Service Provider may serve the Cooperative only upon having agreed not to share with any person not employed by the Election Service Provider partial or complete voting results before the final tabulated and public announcement by the Election Service Provider at a meeting of Members; provided, however, the Election Service Provider may periodically provide the vote information described in the Election Policy and Procedures.

**5 Record Date(s)**

By adoption of these Election Procedures, under the authority of the TCEC Bylaws, the Board hereby specifies the following Record Dates for Annual TCEC Director Elections:

**5.1 Petition signatures**

The Record Date for a Member to be eligible to sign a nomination petition is the date of the verification of the signatures by TCEC, meaning that a signature will be counted when the signatory is a member on the date of verification. This provision shall not prevent reverification of a signature on a subsequent day, if a signatory becomes a Member before the deadline for signature verification, as allowed by these procedures.

**5.2 Casting Ballot**

The Record Date for a Member to cast a Ballot in a Director Election is the close of business on the last Wednesday in September and before the date of the Annual Meeting at which the election results will be announced.

**6 Committee on Nominations & Qualifications**

At the Regular Board meeting ten (10) months prior to an election, each Director who has ran and won the election that year may submit to the Governance Team the name of a person or persons residing in the Director’s District eligible and willing to serve on the Committee on Nominations and Qualifications, as described in the Bylaws.

At or before the Regular Board meeting nine (9) months prior to an election, the Board will appoint the Committee on Nominations and Qualifications members for the Director districts that were recently elected at the annual meeting that year, with no more than one member from each Director District on the Committee on Nominations and Qualifications.

Nominations and Qualifications Committee Initial Terms of Service:

Districts 3, 6,8	Term expires 12/31/21
Districts 5,7,9	Term expires 12/31/22
Districts 1,2,4	Term expires 12/31/23
Districts 3,6,8	Term: 1/1/22 – 12/31/24
Districts 5,7,9	Term: 1/1/23 – 12/31/25
Districts 1,2, 4	Term: 1/1/24 – 12/31/26

Rotation of committee member terms will continue in the same rotation schedule yearly in accordance with a 3-year term.



The resolution will set compensation, if any, deadlines, reimbursement, allowances for telephonic meetings, and any other terms specified by the Board, and will specify that the Committee shall operate in accordance with the Bylaws and these Election Procedures.

Members of the Committee on Nominations and Qualifications will have access to personal candidate information. The Committee on Nominations and Qualifications will use personal candidate information only as needed for service on the Committee on Nominations and Qualifications and will not further disclose the information unless required as a matter of law.

## **7 Preparation and Approval of Election Material**

### **7.1 Non-Director Elections**

The Board may, from time to time, submit matters under consideration by the Board to a vote of the Members. The vote in any such Non-Director Election shall be advisory only, except in such cases where a vote of Members is required by law or the TCEC Bylaws, such as a vote to amend the TCEC Articles of Incorporation. No later than the Regular Board Meeting 5 months prior to an election, the Board will direct the President/CEO and Counsel to prepare proposed Ballot wording for any items to be put to a vote in a Non-Director Election. Any such matters will be presented by the President/CEO and Counsel in a way to enhance Member understanding of such measures, including any Board recommendation or position concerning such a vote.

### **7.2 Director Elections & Nominations**

#### **7.2.1 Director Candidate Materials and Applications**

##### **7.2.1.1 Posting and Availability**

The Governance Team will work with the TCEC Communications and Member Services departments to ensure eight (8) months prior to each election, the applications for director nominations, as well as all application materials, are made available to TCEC Members on the TCEC website and at all Cooperative offices.

No Candidate Applicant will be given access to the Director Candidate Materials and Application before such time as those forms are made available to all Members on the TCEC website and at TCEC offices.

##### **7.2.1.2 Background Check Consent**

The Director Candidate Application will include a background check consent form authorizing TCEC or its agent to perform background checks to verify the Candidate Applicant meets the Bylaw qualifications to serve as Director.

Each Candidate Applicant must provide their date of birth, address history and other information, including specific questions or requests for information, the President/CEO and Counsel deems necessary to perform the background check.

- 7.2.1.3 Affirmation of Eligibility and Adherence to Election Rules  
Candidate Applicants must affirm that the Candidate Applicant meets TCEC Bylaw eligibility requirements to serve as a director both at the time the application is filed and after the Candidate becomes a director, if elected. Each Candidate Applicant must provide their date of birth, address history and other information, including specific questions or requests for information, the President/CEO and Counsel deems necessary to confirm that the Candidate Applicant meets Bylaw requirements to serve as a director.

Candidate Applicants must affirm that the Candidate Applicant will adhere to the policies, rules, requirements, or procedures established by the Cooperative for Director Elections.

- 7.2.1.4 Conflict of Interest Disclosure  
Candidate Applicants must certify and disclose information according to the Conflict of Interest Policy.

- 7.2.1.5 Candidate Application – Use of Legal Name  
Candidate Applicants shall provide their legal name on the application to indicate the name as they wish it to appear on the Ballot. Names must be in a form substantially like the Member's legal name; however, the name may contain "commonly-known-as" nicknames or abbreviated, diminutive forms of the legal name. Nicknames shall not be allowed if they are created solely for use in a TCEC Director election. Titles, forms of address, designations, honorifics, professional titles, or other credentials, such as education, military rank, or occupation, are prohibited. TCEC shall publicly disclose and use the Ballot name provided by the Candidate Applicant in all election materials.

- 7.2.1.6 Biographical Materials  
Candidate Applicants must provide biographical material in electronic format that can be opened by Microsoft Word as part of the application. Biographical materials are limited to 500 words. Word count will be measured using the Word Count function of Microsoft Word. If a Candidate Applicant submits biographical materials exceeding 500 words the Governance Team will, if time allows, notify the Candidate Applicant. Candidate Applicants may submit revisions to biographical materials until the deadline for submission of application materials. Each Candidate Applicant is solely responsible for the content of his or her submitted biographical materials (including grammar, spelling, and punctuation) and TCEC staff will not proofread, edit or otherwise alter any biographical materials, other than to truncate any biographical materials exceeding 500 words in TCEC election materials in order to provide consistency. TCEC will distribute Candidate Biographical Materials and Candidates' photographs to all TCEC Members through the *Texas Co-op Power*

magazine, the TCEC website and other means of notifying TCEC members.

#### 7.2.1.7 Petition Process and Signature

To be nominated and included on the Ballot for a Director Election, a Candidate Applicant must submit verifiable signatures of at least 25 TCEC Members if seeking nomination through the committee or 50 TCEC Members if seeking nomination through petition, as stated in Section 4.4 of the bylaws. Any signatures submitted by a Candidate Applicant must be originals, not copies, submitted on the petition form promulgated by the Cooperative during the year in which the election is held, or a copy of such a form.

A Member may sign the petition of more than one Candidate Applicant. For Joint Memberships, as that term is defined in the Bylaws, either spouse may sign a petition, but only one signature from any joint membership will be counted for any Candidate Applicant. Any officer of an entity Member, as listed in Texas Secretary of State records, or any person listed in TCEC's records as authorized to act on behalf of an entity Member, may sign a petition on behalf of that entity Member. Petition forms will include spaces for the printed name, signature, and address to assist in verification of signatures.

#### 7.2.2 Confidentiality

TCEC employees performing duties under these procedures shall, to the fullest extent practicable, keep confidential the name of any Member who has made inquiry about seeking nomination, or has identified him or herself as a Candidate Applicant or potential Candidate Applicant, unless such Member has consented to such disclosure or has publicly made known his or her intended candidacy. Candidate Applicant names may be disclosed to the Committee on Nominations and Qualifications Members on the first business day following the application deadline for nomination through committee.

#### 7.2.2.1 Confidentiality – Nomination Petitions

All signatory-specific information on nomination petitions submitted to TCEC by a Candidate Applicant is private Member information, not subject to disclosure under Open Records request.

#### 7.2.2.2 Confidentiality – Candidate Election Material

All information received from a Candidate Applicant is confidential until candidates are qualified and approved for the Ballot. TCEC shall publicly disclose qualified candidate headshots and biographical information at the same time and at least thirty (30) days before voting begins.

#### 7.2.2.3 Directors access to Candidate Information

Directors may not seek or be provided access to Candidate Information by TCEC employees, except as necessary for such Directors to perform duties mandated by law, TCEC Governing Documents or this Policy, notwithstanding Director's usual access to confidential Cooperative information.

#### 7.2.3 Deadline for Candidate Application via Nomination by Committee

To be considered for inclusion on the Ballot for election through the Committee on Nominations & Qualifications, a Candidate Applicant must submit a completed application no later than 5 p.m. on the second Wednesday in March of each year, 90 days or more before the date of the Annual Membership Meeting.

A Candidate Applicant may submit a completed application to the Governance Team by email to [memberrequests@tcectexas.com](mailto:memberrequests@tcectexas.com), or deliver by hand to TCEC's Aledo Office, 200 Bailey Ranch Road, Aledo, Texas, 76008. Delivery to an alternate TCEC address or delivery after the deadline will not satisfy this requirement and will result in the application's rejection.

Candidate applicants seeking Nomination through Committee will be required to interview with the Committee on Nominations and Qualifications.

#### 7.2.4 Deadline for Candidate Application via Nomination by Petition

To be considered for inclusion on the Ballot for election through Member Petition, a Candidate Applicant must submit a completed application no later than 5 p.m. on the second Wednesday in April of each year, 90 days or more before the date of the Annual Membership Meeting.

A Candidate Applicant may submit a completed application to the Governance Team by email to [memberrequests@tcectexas.com](mailto:memberrequests@tcectexas.com), or deliver by hand to TCEC's Aledo Office, 200 Bailey Ranch Road, Aledo, Texas, 76008. Delivery to an alternate TCEC address or delivery after the deadline will not satisfy this requirement and will result in the application's rejection.

Candidate applicants seeking Nomination through Petition will be reviewed by the Tri-County Electric Co-op attorney, bypassing the Committee on Nominations and Qualifications, to ensure the candidate meets all director qualifications. Candidate Applicant names may be disclosed to the attorney

on the first business day following the application deadline for nomination through petition.

#### 7.2.5 Signature Verification

The TCEC Member Services Department, under the direction of the President/CEO, will verify the signatures on petitions by Candidate Applicants. A signature will be accepted as an eligible petition signature when the signer is identified in TCEC account records as a Member with Voting Residence within the district for which election is being sought.

Signatures that cannot be identified because they are illegible or cannot be matched to an active TCEC Member will not be counted as verifiable signatures.

Member Services will verify signatures in the order they are presented on petitions and will stop the verification process once 25 or required 50 signatures have been verified, or when the list of signatures is exhausted without having reached the qualifying number. Members Services will notify the President/CEO, Counsel and the Governance Team and provide a written summary of findings regarding signature verification.

**Candidate Applicants are strongly encouraged to gather and submit more than 25 or 50 signatures to provide a margin of error for disallowed signatures.** If time allows before the Candidate Application and Petition deadline, the Governance Team will inform Candidate Applicants of the circumstances of questionable signatures. Candidate Applicants may submit supplemental signatures or request a reevaluation of signatures based on Members' changing account records until the deadline for submitting signatures (e.g., if a person has had himself or herself added to a Joint Membership in TCEC's records).

#### 7.2.6 Verification of Bylaw Qualifications

The Committee on Nominations and Qualifications, with the assistance of the President/CEO and Counsel will recommend and report to the Board and the Governance Team whether Candidate Applicants are qualified and eligible for election or service as a Director in Article 4 of the TCEC Bylaws. The Committee on Nominations and Qualifications will recommend a slate of qualified Candidates to the Board for inclusion on the Director Election Ballot. Before attempting to verify the substantive qualifications described in the Bylaws and below, the Committee on Nominations and Qualifications will determine whether the Candidate Applicant has submitted required signatures, verified under Signature Verification of this Policy, and completed the conflict-of interest certification and disclosure form required by the Bylaws. Upon request by the Committee on Nominations and Qualifications, a Candidate Applicant must provide information necessary to confirm that the Candidate Applicant meets Bylaw requirements to serve as

a Director. Any requested information should be reasonably tailored to seek only the information necessary for a determination. In all matters, the Committee on Nominations and Qualifications shall assume the truth of matters asserted by Candidate Applicants, and act accordingly, unless the Committee on Nominations and Qualifications has identified a reasonable and specific basis for acting otherwise. The President/CEO will retain an independent third-party background verification firm ("Background Verifier") to assist the Committee on Nominations and Qualifications in verification of the following eligibility requirements as described in Article 4 of the bylaws.

**7.2.7 Notification to Candidate Applicants of Proposed Findings Regarding Qualifications**

The Committee on Nominations and Qualifications will provide written findings to the President/CEO and Governance Team regarding each Candidate Applicant's qualifications to serve as a director. The Governance Team will notify each Candidate Applicant of those findings and advise them of the schedule for the Committee on Nominations and Qualifications to finally determine eligibility. Any Candidate Applicant receiving notice that the Committee on Nominations and Qualifications has preliminarily found them not to have met the Bylaw qualifications to serve as a director will be advised of such finding and its basis and invited to present written or other information to the Committee on Nominations and Qualifications that supports the Candidate Applicant's qualifications.

**7.2.8 Recommendation of Candidate Slate**

The Committee on Nominations and Qualifications will present to the Board the slate of qualified Candidates based on the inquiry described above at the first regularly scheduled board meeting following the committee's review. The Committee on Nominations and Qualifications, Counsel and the President/CEO will also identify and explain the circumstances of any Candidate Applicant who has been found not qualified or has otherwise not met the requirements to be a Candidate. The President/CEO will present to the Board any information submitted for the Board's consideration by any Candidate Applicant not recommended for inclusion on the Ballot.

**7.2.9 Approval and Certification of Ballot**

At a Regular Meeting of the Board at least three (3) months prior to an election, the Board will consider, approve, and certify the Candidate slate and Ballot language for any Non-Director Election matters for vote. Any Director will recuse himself or herself or abstain from any discussion, deliberation or vote concerning the qualifications of Candidate Applicants in any Director Election in which the Director is a Candidate Applicant. Candidates for each Director District will be considered separately, to maximize the opportunity for Directors to participate in voting. Candidate Names shall appear on the Ballot in the form and order as provided herein according to the TCEC bylaws.

**8 Candidate Materials and Campaigning**

**8.1 Candidate Orientation and Photos**

Before an election, an orientation will be conducted by TCEC staff for Director Candidates at the Aledo Office. The agenda may include, among other things: the history of TCEC; President/CEO remarks; Board responsibilities and time demands;

legal duties of Directors; review of the Election process and timeline; the drawing of names for Ballot position in accordance with TCEC bylaws and a question-and-answer period. Director candidates who do not attend the meeting will no longer be eligible as a director candidate and will be removed from the election ballot.

#### 8.1.1 Candidate Photographs

At the Candidate Orientation, TCEC will take pictures of Candidates for use in TCEC-generated Election-related press and promotional material.

#### 8.2 Director Candidate Forum

After a Ballot is approved by the Board, TCEC will conduct a public forum at the Aledo Office for Candidates. The forum may be held virtual, as determined by the board of directors. Candidates will speak in the order determined by drawing for ballot placement in accordance with TCEC bylaws, with Districts in ascending numerical order. The moderator may allow opening and/or closing comments, depending on time and number of candidates speaking. Director candidates who do not attend the candidate forum will no longer be eligible as a director candidate and will be removed from the election ballot. Candidate's videos shall be posted to the website as soon as technically practicable following the public forum.

#### 8.3 Withdrawal from Election

At any time before the Board approves the Ballot, a Candidate may withdraw from a director Election by notifying the President/CEO in writing or by email at [memberrequests@tcectexas.com](mailto:memberrequests@tcectexas.com). Any Candidate wishing to withdraw after the Board approves the Ballot and before election results are released ("Withdrawn Candidate") should give written notice to the President/CEO. The Cooperative will use reasonable methods to advise the Membership of the withdrawal. If time allows, the Withdrawn Candidate's name will be removed from the paper ballot, and in that case from any electronic ballot as well. If time does not allow removal from the paper ballot, the name will remain on both the paper and electronic ballots, and the election website will not be altered to remove the Candidate's name. Any votes cast for a Withdrawn Candidate will be counted but the winner will be selected in accordance with Director Election (Section 8.7.2) below.

#### 8.4 Preparation and Distribution of Ballots

##### 8.4.1 Printed Ballots

After approval of the Ballot, the President/CEO and the Governance Team, will direct the Election Service Provider to prepare Ballots and accompanying biographical material ("Ballot Materials") sufficient for distribution to the appropriate TCEC Members in the form specified in the Bylaws, including wording sufficient to constitute required notice of the Election, website information, and credentials for electronic voting.

Candidate's names will appear on the Ballot Materials in the order designated in the TCEC Bylaws.

At the direction of the Governance Team, Texas Electric Cooperatives will deliver by mail Ballot Materials to the appropriate TCEC Members through the *Texas Co-op Power* magazine. Texas Electric Cooperatives will mail Ballot Materials no later than 30 days before the Annual Member Meeting.

#### 8.4.1.1 Voting and Receipt of Ballots

Only the Election Service Provider shall accept ballots. Ballots are not to be accepted on TCEC premises or by TCEC employees, Directors or Candidates.

#### 8.4.2 Website

The Election Service Provider will, at the time of mailing, make available on the Internet a secure website for online voting, including Candidate Election Materials.

#### 8.4.3 Emails

If approved by the TCEC Board of Directors; The Election Service Provider will on the first day of the election, may send emails to all members for whom TCEC has valid email addresses with election information, and voting credentials. The Election Service Provider will send follow-up emails according to the Election Timeline approved by the Board. Members who have opted-out of receiving communications from TCEC may not receive these email notifications.

#### 8.5 Questions by Candidates About the Election Process

The President/CEO or designees is the point of contact for any questions about the Election process from Members, Candidate Applicants, or Candidates. Questions must be submitted by email to [memberrequests@tcectexas.com](mailto:memberrequests@tcectexas.com) or by email to the President/CEO. The President/CEO, or designee(s), is also the point of contact for any questions by Candidates, Candidate Applicants, or Qualified Candidates about TCEC operations. The President/CEO, or designee(s), will provide or designate a person to provide all Candidate Applicants or Candidates copies of any question submitted and answers. Questions and answers are provided without the name of the person that submitted the question. Exceptions to this rule may be made with the approval of the Board of Directors, based on sensitivity of subject matter, or in cases where a question and answer apply uniquely to a questioner.

Directors who are Candidates should likewise address election issues through the President/CEO and not through the direct access to TCEC staff. Questions from Directors who Candidates are should also submit their questions by email to [memberrequests@tcectexas.com](mailto:memberrequests@tcectexas.com) or by email to the President/CEO.

#### 8.6 Campaigning on TCEC Premises

Members may not engage in Campaigning-on TCEC premises or TCEC events, except at TCEC-sanctioned Candidate events, or within a zone designated by the President/CEO for campaigning at TCEC events. TCEC premises include parking lots, the exterior and interior of TCEC-operated facilities or those same areas of any facility where a Member Meeting or Board Meeting is conducted.

“Campaigning” is the distribution of materials designed to influence the outcome of a Cooperative election; direct communications to Members designed to influence the outcome of a Cooperative election, including gathering of signatures on petitions; displays of placards, bumper stickers, signs or other campaign promotional material, other than those displayed on vehicles or on wearing apparel or accessories.



#### 8.6.1 TCEC Employee Campaigning

Employees should be mindful that TCEC has established an independent election process to promote consistent and credible elections by the Membership. As such, employees should make known that any Campaigning in which they voluntarily choose to participate is on their own behalf, on their personal time and that the employee's campaign activities do not reflect any endorsement by TCEC. Employees may sign candidate petitions (when they are also TCEC Members) and campaign for candidates just as any other non-employee. Participation in Board Director Campaigning, however, is discouraged. Officers, senior staff and Governance Committee members are not allowed to participate in director election campaigns to promote independence for the cooperative.

Employees shall not Campaign on Cooperative time, premises or use Cooperative resources for Campaigning, such as TCEC phones, email, or vehicles. Employees who choose to Campaign must not do so while in a TCEC uniform or TCEC branded apparel.

#### 8.7 Use of The TCEC Brand

Candidates may not deploy web pages or other campaign materials that suggest that their candidacy is endorsed or supported by TCEC, and specifically may not use any TCEC logos or trademarks. "Hot links" to the TCEC electronic media are acceptable. Candidates who are incumbent directors may not use their TCEC provided director materials or any TCEC provided resources for correspondence related to the election.

#### 8.8 Access to Voter Information; Updates on Voter Turnout; Election Results

No TCEC employee, Director, Candidate or person acting on their behalf, except as described in this Section, shall seek or accept from the Election Service Provider access to information about details of votes cast by a TCEC Member or Members, other than aggregated information about voting turnout or voting methodology across the entire Cooperative, as described in this section.

Only TCEC employees who are specifically responsible for implementing, developing and testing registration software for use in an Election shall have access to data indicating if a member has voted or not voted and the method by which their vote was submitted. This data shall not contain any member's individual voting selection(s).

The President/CEO, or designee, will provide one, mid-election voting report to Candidates and the Board. The update will be based on information transmitted by the Election Service Provider and will include the aggregate number of Ballots cast and received Cooperative-wide and by Director election district, with comparisons to similar, historical data. The updates shall include method by which votes were cast. Those updates shall not include the specific number of votes cast for any Candidate or issue in a Non-Director Election.

Election Results. Upon conclusion of the deadline for casting ballots, but no later than two (2) days prior to the Annual Member Meeting at which Election Results are announced, the Election Service Provider shall certify and provide the Election Results to the President/CEO, or designee. The President/CEO, or designees, shall

not release the results to Candidates and the Board of Directors prior to the Member Meeting at which Election Results are announced. Immediately after releasing the Election Results to Candidates and the Board of Directors, the President/CEO, or designees, will release the Election Results to the Membership.

#### 8.8.1 Candidates' Access to Voting History

Access to Voting History of past elections will not be released to any member of the cooperative.

### 9 Election and Tabulation of Votes

#### 9.1 Quality Control

The Election Service Provider shall provide TCEC a list of quality-control steps to be taken before the Annual Meeting to assure the accuracy of voter rolls and vote counts ("Per Annual Meeting Quality Control") and after tabulation to verify the accuracy of Election results before such results are announced at the Annual Meeting (Post-Tabulation, Preannouncement Quality Control).

Pre-Annual Meeting Quality Control shall include, but not be limited to, the following steps:

- Verify the previous removal or remove from the voting database the votes of any person or entity that was not a TCEC Member as of the close of business on the day before Annual Meeting.
- Remove from the voting database the votes of any Member that has "double voted," by submitting a paper Ballot received by the Election Service Provider after that same Member has electronically voted.
- Verify that the TCEC voter registration system is loaded with the list of TCEC Members as of the record date.
- Verify that the TCEC voter registration system accurately reflects whether or not a member has previously voted.

#### 9.2 Completion and Certification of Quality Control, Votes Cast in Advance of Annual Meeting, and Mailing of Notice to Members

The Election Service Provider must perform all Post-Tabulation and Pre-Announcement Quality Control tasks and must certify in writing to the TCEC President/CEO that each step has been completed. The Election Services Provider shall deliver the Elections Results to the President/CEO, or designee, no later than two (2) days before the Annual Member Meeting at which the Elections Results are announced.

Before the Annual Meeting, the President/CEO will prepare and transmit to the Governance Team certifications of the following:

- Notice of the Member Meeting was mailed in accordance with the Bylaws.
- The number of votes cast by mail or electronically, or as otherwise approved by the Board of Directors.

Before an Annual Member Meeting, the Governance Team will prepare for execution by the Board Secretary at the Member Meeting, a certificate affirming that quorum was satisfied at the meeting or for a Director Election, for filing with the official records of the Cooperative.

9.3 Voting Prior to the Member Meeting; Deadline for Casting a Ballot

Members may not vote in the election prior to the election start date. The Deadline for Casting an Election ballot shall be no later the last Wednesday in September prior to the Annual Member Meeting at which the Elections Results are announced. All ballots must be received by the Election Services Provider by the Deadline for Casting a Ballot.

9.4 Proxies

Except in instances specifically mandated by law or TCEC Governing Documents, a member may not appoint another individual person to vote on any matter for the Member.

9.5 Tabulation; Release of Election Results; Announcement of Election Results

The Election Service Provider will tabulate results in accordance with the TCEC Bylaws. The first vote of a member received by the Election Service Provider will be counted as the vote cast by that Member, and Members will not be allowed to change previously cast votes.

Any paper ballot received by mail at the Election Service Provider by the Deadline for Casting a Ballot shall be deemed and counted as having been cast before the deadline for mail-in balloting specified in the Bylaws, unless the Election Service Provider or TCEC has conclusive information that the ballot was cast after the deadline.

Paper votes will be scanned electronically by the Election Service Provider into a data record as they are received, with questionable pulled, hand counted and entered the data. Online votes will have been recorded in a data record as they were cast, with multiple levels of verification and security. Duplicate Ballots cast by Members who have already previously voted online will be removed before tabulation.

The Election Service Provider shall prevent any ballot from being cast electronically after the Deadline for Casting a Ballot.

The Election Services Provider will tabulate and count ballots in such a way to favor the intention to cast a vote on each item on a returned ballot. The Election Services Provider will examine voter marks to determine voter intent.

9.6 Determination of Outcome/Winner

9.6.1 Non-Director Election

Members shall be deemed to have approved an option in a Non-Director Election if: (1) a Member Quorum, as defined in the Bylaws, is established and certified, and (2) the Non-Director Election option receives the highest number of votes.

9.6.2 Director Election

The Candidate for each Director Position receiving the majority of votes shall be elected, unless the Candidate receiving the highest number of votes is a Withdrawn Candidate, in which case the non-withdrawn Candidate receiving the highest number of votes shall be elected. If no candidate receives a majority vote in races containing three (3) or more candidates, a runoff election shall be held in accordance with Roberts Rules of Order until a majority vote is attained.

9.7 Announcement and Certification

At the conclusion of validation and tabulation of the Ballots and certification of quality control, the President/CEO, or designee, will announce the results at the Member Meeting, and will provide a written certification of the results to the Governance Team, for inclusion in the Minutes of the Annual Member Meeting and first Regular or Special Meetings of the Board after the Member Meeting. If any Candidate is a Withdrawn Candidate, the President/CEO or designee, shall announce that that Candidate is a Withdrawn Candidate and that that Candidate is ineligible to be elected notwithstanding the number of votes cast for that Candidate.

9.8 Post-Election Director Acknowledgments

Immediately after the conclusion of the Annual Member Meeting, all elected Directors must execute and deliver to the Governance Team (i) the conflict-of-interest disclosure form, (ii) the Director Affirmation as to their eligibility to be a director, and (iii) the acknowledgment of the Directors' Code of Conduct.

9.9 Election Contests

Counsel or the General Counsel shall be the arbiter of any issue related to TCEC Elections, subject to appeal to the Nominations and Qualifications Committee. Any challenge to the election must be filed at the TCEC Aledo Office located in Aledo, Texas by 5 p.m. on the third business day following the Annual Member Meeting at which Election Results are announced.

**10 Actions after Annual Meeting**

10.1 District-by-District Results

Within two (2) business days of the Annual Member Meeting at which Election Results are announced, the Election Service Provider will provide to the President/CEO, or designee, a breakdown of voting results by district, showing the total number of Members from each district that voted, the total number from each district voting for each Candidate or Non Director Election Ballot item, and the total number from each district that voted but did not cast a vote in a race or Non-Director Election matter.

Additionally, the Election Service Provider will provide a district-by-district breakdown report for each contested director race that shows candidate votes by district.

10.2 Post-Election Analysis

Within two months after the Annual Meeting at which Election Results are announced, the Governance Team will conduct a review of all facets of the TCEC Elections and will present to the Board any recommended modification to TCEC Bylaws or Election Policy or Procedures.

**Appendix A: Election Timeline (SAMPLE)**

<b>Item</b>	<b>Section</b>	<b>Party</b>	<b>Due Date</b>
Consider Election Service Contract	4.1	CEO/BOD	February
Establish Annual Meeting Date and Location	3.1	BOD	December
Present Election Timeline	3.2	CEO	November
Approve Election Timeline	3.2	BOD	December
Conduct Internal Coordination Meeting	3.3	CEO/ Communications/ IT/ Member Relations/ Election Service Provider	February
Communications Plan presented to the Board of Directors	7.3	Communications Department	December
Post and make available Ballot Materials and Nomination Application	6.2.1.1.1	CEO/ Communications/ Member Relations	January
Election Service Provider send Quality Control Steps to the General Counsel	7.11.1	Election Service Provider/CEO	March
Director will submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Nominations and Qualifications Committee	6.2.1.6	BOD	November
Direct the General Counsel to prepare proposed Non-Director Election items	6.1	BOD	February
Board will appoint the Nominations and Qualifications Committee members with expired terms.	6.2.1.6	BOD	November
Update on voter turnout by Director election district	7.11	GC	Once bi-weekly after Ballots are initially mailed

## **Appendix B: Election Service Provider Technical and Security Qualifications**

Before being awarded a contract with Tri-County Electric Cooperative, any Election Service Provider shall establish to the Cooperative's satisfaction that it has met the following technical and security qualifications.

### **1. Policies and Procedures**

The Election Service Provider must establish and follow the following internal policies and procedures:

- a. Acceptable Use Policy addressing use and ownership, security and proprietary information, unacceptable use, system and network activities, and communications.
- b. Information Sensitivity Policy addressing information disclosure and sensitivity.
- c. Password Policy addressing a standard for creation of strong passwords, the protection of those passwords, and the frequency of change.
- d. Physical Security Policy addressing security access to all parts of the provider's building and its contents, assets, and equipment.
- e. Logical Access Procedure addressing how user access accounts are created, changed, terminated, and monitored within the application architecture to ensure standardization across all information technology systems and ensure the appropriate data owners are contacted, informed and approved for each user access request. All user access requests must be documented using procedures outlined in this process, minimizing unauthorized access to proprietary information and technology.
- f. Change Management Policy addressing the steps required to analyze, authorize, test, implement and document application changes (i.e., patches, upgrades, and reports).
- g. Quality Control Procedure addressing project requirements checklist, project hand-off, proofing, testing, data receipt, vendor QC checks, certification of reports, close race/recount, and onsite QC.
- h. Client services Procedure addressing hard/electronic material exchanges/development, secured client group drive, approvals, printing/mailing, project change, handling of bounces, and member/participant support.
- i. Production Procedure(s) addressing physical material inventory, assembly, shipping/receiving, vaults/security, processing, scanning/verifying, observation, and auditing.
- j. Disaster Recovery Procedure addressing categories of threat (i.e., personal health and safety, facility relocation, business interruptions (technology), and business interruptions (human resources)), and a standing emergency planning team, critical operations, suppliers and contractors, shelter-in-place plan for alternate location, communications, cyber security, records back-up, annual plan review, and the projected recovery period.

### **2. Confidentiality of Data**

The Election Service Provider shall contractually agree not to share voting details (the contents of any ballot received by the Election Service Provider) with TCEC. Any data transmitted within the Election Service Provider shall be sent via CD, encrypted email, or https transfers. Access to TCEC data shall be limited to a list of vendor employees with a business need for such access, subject to TCEC review.

**3. Network/Security**

The Election Service Provider shall provide enterprise-class facilities that keep mission critical infrastructure continuously available. Secure network architecture shall include firewalls, intrusion detection, server hardening, network, and server monitoring; VeriSign Ecommerce level certificates; and encryption with 128-bit private key and 1024-bit public key.

**4. Physical security**

All physical materials relating to elections shall be stored in facilities providing two or more of the following physical barriers to entry:

- a. Pass-card entry
- b. Biometric recognition
- c. Continuously monitored digital surveillance equipment
- d. Standard 19-inch lockable cabinets

**5. Connectivity**

The voting website must have reliable Internet connectivity, uninterruptible telecommunication infrastructure (e.g., multiple independent connections to Tier 1 Internet access providers that maintain and balance Internet traffic). The Election Service Provider's voting website shall be accessible across multiple browsers and operating systems, including MacOS and Windows, and shall be available for TCEC testing before "go-live."

**6. Power**

Data storage and server facilities must have power redundancy (e.g., uninterruptible power supplies, power conditioning units, and high-capacity generators) to help maintain an effortless environment.

**7. Data Backups**

The Election Service Provider must back up TCEC data.

**8. Vulnerability Testing**

The Election Service Provider shall, upon request, provide TCEC a certificate from an outside security testing vendor certifying that the Election Service Provider has passed vulnerability and penetration tests of all aspects of network, servers, and applications security.

## Appendix C: TCEC CORPORATE STATISTICS (SAMPLE)

# Key statistics about your electric cooperative

At TCEC, we are more than an electric utility. We are a cooperative owned by our membership, and we believe it is important to share key information with our members.

We are ranked among the top cooperative utilities in the nation for customer satisfaction and our rates are lower than the Texas and national averages. Review some key facts about your cooperative below.

Average Cost Comparison (Dec. 2018)	1,000 kWh*	1,275 kWh*	1,500 kWh*	2,000 kWh*
TCEC residential average	\$0000	000	000	00
Texas residential average**	00	00	00	0
National residential average**	00	00	00	00

Note: Average cost determined using total residential revenues and total residential kWh sales.

\*Cost is estimated from the cost per kWh at 1,000; 1,275; 1,500; and 2,000 kWh in order to provide an accurate comparison with Energy Information Administration (EIA) data.

\*\*Source: U.S. EIA, Form EIA-861M (formerly EIA-826), Monthly Electric Power Industry Report.

Active accounts	<b>112,667</b>	Average consumers per employee	<b>452</b>
Members	<b>90,399</b>	2018 average outage time per account	<b>59 minutes</b>
Miles of line	<b>9,111</b>	Percent growth in meters in 2019	<b>3.7%</b>
Employees	<b>200</b>	Board meetings held in 2019	<b>16</b>
Capital credits retired in 2019	<b>\$3,500,000</b>	Members voting in 2019 TCEC Board election	<b>5260</b>
ACSI Score	<b>81</b>		
2019 total assets	<b>\$635,307,238</b>		
Equity as a percentage of assets	<b>58.38%<sup>1</sup></b>		
2019 revenue	<b>\$248,869,677<sup>1</sup></b>		
2018 revenue percentage allocated to power cost	<b>67.73%<sup>1</sup></b>	Average hours per month for Directors	<b>77</b>
2018 distribution operating expenses per average meter	<b>\$183<sup>1</sup></b>		<b>\$453,989</b>

<sup>1</sup> Pre-audit figures, subject to change  
Revised March 2019