

ORCAS POWER AND LIGHT COOPERATIVE

POLICY 7: ELECTIONS

7.1 GOALS AND OBJECTIVES

Orcas Power & Light Cooperative ("OPALCO" or "Cooperative") and its Board of Directors ("Board") recognize that Member elections ("OPALCO Elections") are a cornerstone of OPALCO's compliance with the Cooperative Principle of Democratic Member Control.

OPALCO further recognizes that the Internal Revenue Service has identified meaningful democratic member control as a requirement for the tax exemption granted to electric cooperatives such as OPALCO and other cooperatives.

It is the Board's responsibility to oversee OPALCO Elections. This Election Policy ("Policy") and accompanying Election Guidelines and Procedures ("Guidelines") are intended to help ensure that OPALCO Elections are conducted in a fashion that maximizes democratic member participation. A copy of this Policy and the Guidelines shall be included in materials made available to persons running in a Director Election ("Candidates").

7.1.1 Scope

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

The Board recognizes that consistent, credible OPALCO Elections are essential to maintaining Member confidence in OPALCO, 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 OPALCO 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.

OPALCO seeks to maximize Member involvement and empowerment of Members in the electoral process through direct means, including the use of the Elections & Governance Committee as prescribed by the OPALCO 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 OPALCO Director positions, including incumbent Directors. And, as a corollary to its Election policies, the Cooperative will provide robust Director removal and replacement mechanisms to address breaches of fiduciary duties by Directors, and behavior detrimental to board deliberations and contrary to the Cooperative principals as described in the Bylaws.

7.1.2 Procedure Responsibilities

These procedural policies are delegated by the Board to Staff as detailed in these policies and in the "Guidelines".

7.1.3 Integrity of the Election

The Board is responsible for the oversight of the election, particularly setting policies that comply with the Bylaws. The Board delegates the operational implementation to Staff as defined in the policies and as detailed in the guidelines. The Board delegates to Legal Counsel the final determination on whether Candidates are qualified to become Board members, as defined in the policies.

7.1.4 Superseding Effect

This Policy supersedes all previous policies and memoranda concerning the subject matter, and to the extent contrary with this Policy.

7.2 ROLES AND RESPONSIBILITIES

7.2.1 Board of Directors

The Board of Directors will:

- Exercise oversight of OPALCO Elections to maximize and exemplify democratic member control per the Cooperative Principles.
- Ensure full compliance with OPALCO governing documents and the law
- Determine the location, date, and time of each year's Annual Meeting at or by the August meeting of the Board each year.
- Direct the General Counsel to approve any ballot language submitted by either the board or the membership for a non-Director Election and oversee the election process as provided in the Bylaws.
- Appoint members to serve on an Elections & Governance Committee.
- Call any Special Member Meeting required by the Bylaws for any Election to fill a vacant Board seat or for any other purpose, establish 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.
- Review this Election Policy on an annual basis and make recommendations for modifications, if necessary.
- Perform any other functions specified by the Board in service to this Policy.

7.2.1.1 General Counsel

General Counsel within the Election Policy means the Board of Director's General Counsel whether an employee or outside counsel or their designee.

The General Counsel will:

- Work to ensure OPALCO Elections are conducted consistent with law, OPALCO's Governing Documents, Election Policy and other directives of the Board.
- If an issue arises, make determinations on the conduct of the election and/or candidates, and advise the Elections & Governance Committee or the Board of Directors as appropriate.
- Apprise the Board of and provide counsel on Election-related issues.
- Review and approve each year's Election Timeline.

- Review Candidate Applicants for compliance with the Bylaws, this Policy and the approved Guidelines as such duty is delegated by the OPALCO Board of Directors.
- Assist the Board with drafting any proposed Non-Director Election Ballot initiatives.
- Review the Election Service Provider contract on an annual basis.
- Review this Election Policy on an annual basis and make recommendations for modifications, if necessary.
- Perform such other duties related to an Election as the Board may designate.

7.2.1.2 Elections & Governance Committee

The volunteer member Elections & Governance Committee is advisory to the Board of the Directors. The Elections & Governance Committee will:

- Identify and cultivate qualified candidates for Board elections
- Work with the General Counsel to determine whether Candidate Applicants satisfy the Bylaw qualifications necessary to be eligible for election as a director
- Recommend a slate of Qualified Candidate Applicants
- Announce the election results at the Annual Meeting
- From time to time, at the Board's request, make recommendations to update elections, Board compensation and governance policy.

7.3 ELECTION TIMELINE

The election will follow an annual timeline as prescribed by OPALCO Bylaws, United States Department of Agriculture (USDA) Rural Utility Service (RUS) requirements and approved by the Board each year. The timeline is contained in the Election Guidelines implementation document.



Foster Hildreth, General Manager

Effective Date: November 21, 2019