

West Kentucky Rural Electric Cooperative Corporation

Board Election Rules and Procedures

Electric cooperatives are democratic organizations owned and controlled by their members. West Kentucky Rural Electric Cooperative Corporation is a private, not-for-profit corporation, not a governmental entity. The Cooperative's Board of Directors is responsible for overseeing the Cooperative's business affairs, including the conduct of Board elections. Following are the Cooperative's board election rules and procedures as referenced in the Cooperative's Board Policy 23 – Board Election Campaign Policy.

Campaign Communications

A campaign communication is any written, printed, oral, video, digital, or e-mail picture or statement about the candidate or the candidate's campaign activities and efforts to be elected a director, including a picture or statement posted on an internet website, Twitter, Facebook, LinkedIn, Pinterest, Tumblr, Instagram or Google+ or made on or sent through any other medium or social media site existing now or emerging during the campaign ("campaign communications or materials").

1. A candidate is prohibited from representing or implying in any campaign communication that the candidate is endorsed by the Cooperative, the Board of Directors, an individual director, or a Cooperative employee, except the candidate may communicate that his or her candidacy received an endorsement from the Cooperative's nominating committee.
2. A candidate shall not use the Cooperative's logo or letterhead in any campaign communication.
3. A candidate's campaign communications must be factually accurate and must not misrepresent the positions or actions of the candidate's opponents, other candidates standing for election, the Cooperative, or the Cooperative's Board of Directors, management, and employees.
4. A candidate is responsible for exercising due diligence to ensure that campaign communications made by or on behalf of the candidate are factually accurate and do not misrepresent the positions or actions of the candidate, the candidate's opponents, other candidates standing for election, the Cooperative, or the Cooperative's Board of Directors, management, and employees.
5. A candidate shall not disseminate, publish, or circulate any campaign communication without a disclaimer with the address and name of the candidate or the candidate's campaign committee responsible for preparing, disseminating, publishing, or circulating the campaign communication. The disclaimer shall read: "Prepared and paid for by [Name and address of candidate or candidate's committee];"

6. A candidate and a candidate's representatives are prohibited from campaigning at or placing campaign posters, signs or other campaign-related materials on the real estate, facilities, or other property owned by the Cooperative, or property used by the Cooperative for members to register for the annual member meeting and cast votes, except that:
 - a) On the day of the election, a candidate may campaign, and a candidate or the candidate's representatives may place or distribute campaign signs and materials, at least 100 feet outside the building or area reserved for the annual member meeting or other meeting of the Cooperative.
 - b) All contact with members shall be courteous and not disruptive to member access to or registration at an annual or other meeting of the Cooperative. A candidate shall be responsible for the conduct of his or her representatives and shall take immediate corrective action if a representative's conduct violates this requirement.
 - c) A candidate is prohibited from placing any campaign material of any kind on a power pole.
7. A candidate is responsible for taking down or removing all campaign posters, signs, and other printed communications within 24 hours after the conclusion of the voting period.

Candidate Conduct

1. A candidate is prohibited from engaging in dishonest or unethical practices or activities or conspiring, soliciting or arranging for any individual, natural or non-natural member, group of members, person, group of persons, business, or other entity to engage in the such activities, including:
 - a) Casting more than one ballot per member.
 - b) Altering or tampering with an electronic, digital, or paper ballot provided to a member.
 - c) Distributing a ballot to a member by unauthorized means.
 - d) Threatening, coercing, restraining, or exercising undue influence over the casting of a ballot by a member.
 - e) Threatening, coercing, restraining, or exercising undue influence over an employee of the Cooperative to obtain the employee's assistance in the candidate's election campaign.
 - f) Accepting a campaign contribution or other financial assistance from any person, corporation, or other entity which has existing or potential financial interest in the business of the Cooperative.

- g) Distorting, or otherwise falsifying facts, and using malicious or unfounded accusations that are intended to create or exploit unjustified doubts about the personal integrity of the candidate's opponent.
- h) Offering any item of monetary value to a member to induce a member to vote for a particular candidate or on an issue in a particular way.
- i) Violating a bylaw or policy prohibiting a director from participating in the administration of an election for directors.

Campaign Finance Disclosure

1. **Campaign Contributions Discouraged.** To promote the fairness and transparency of the election process and the best interests of the Cooperative, a candidate is encouraged to campaign for a seat on the Cooperative Board without accepting financial contributions, in-kind contributions, gifts, donations, loans to support the campaign, promises, or pledges to transfer money, goods, or services, paid personal services, or any other type of financial contribution from an individual, natural or non-natural Cooperative member or group of members, person, group of persons, business, partnership, political party, interest group, association, union, or any other incorporated or unincorporated entity in or outside the state of Kentucky.
2. **Contributions Accepted.** If a candidate chooses to accept campaign contributions, then the contributions should be modest in nature and freely disclosed as required by this policy.
 - a) "Campaign contribution" means a financial contribution; an in-kind contribution; a gift; a donation; a loan to support the campaign; a promise or pledge to transfer money, goods, or services; paid personal services; or any other type of contribution from an individual, natural or non-natural Cooperative member or group of members, person, group of persons, business, partnership, limited liability company, political party, interest group, union, or any other incorporated or unincorporated entity in or outside the state of Kentucky.
 - b) In this policy, a non-natural member is a corporation, partnership, Limited Liability Company or any other organized business entity.
 - c) A candidate who chooses not to accept campaign contributions may voluntarily disclose that decision to the membership by filing a statement in the manner directed by the Cooperative.
3. **Disclosure of Accepted Contributions.** If a candidate chooses to accept campaign contributions from an individual, natural or non-natural Cooperative member or group of members, person, group of persons, business, partnership, limited liability company,

political party, interest group, union, or any other incorporated or unincorporated entity in or outside the state of Kentucky, the candidate is required to disclose to the Cooperative membership in the manner required by the Cooperative:

- a) The name and address of the source of the campaign contribution;
- b) The amount of the contribution or the nature and value of an in-kind contribution;
- c) The date the candidate accepted the contribution; and
- d) The contributor's occupation and employer.

4. **Campaign Spending and Earnings Disclosure.** In addition to disclosing campaign contributions, a candidate shall also disclose to the Cooperative membership, in the manner required by the Cooperative, information describing how the candidate spent or used the campaign contributions. A candidate's spending disclosure shall include a general description of:

- a) The type of purchases made, such as brochures, signs, posters, salary for staff, radio advertisements, websites, etc.;
- b) Payments to a business in which the candidate or a relative of the candidate has a financial interest; and
- c) Expenditures made to support other candidates and that candidate's name; and

5. **Personal Funds.** A candidate who spends his or her personal funds on the candidate's own campaign shall file the contributions and spending report required by this policy.

6. **Time of Disclosure Reporting.** A candidate is required to provide his or her disclosure of accepted campaign contributions and campaign spending and earnings (Disclosure Report) in the manner required by the Cooperative on the following schedule:

- a) The candidate shall file a *Monthly Disclosure Report* on the last day of each month before the Board election, beginning in the month when the candidate is notified by the Cooperative that his or her name will be placed on the ballot.
- b) In addition to filing a Disclosure Report on the last day of the month immediately preceding the Board election, a candidate shall file a Disclosure Report for any contribution or expenditure in the amount of \$100 or more, not later than 48 hours before the date of the election.
- c) A candidate shall file a *Final Disclosure Report* on the 30th day after the date the Cooperative certifies the Board election results.

7. **Moratorium on Contributions.** The first day a candidate may accept campaign contributions for a Board election is the date on which the Cooperative notifies the candidate that his or her name will be placed on the ballot. The last day a candidate may accept a campaign contribution for a Board election is the date of the Annual Meeting or other member meeting at which the election is held, except for contributions intended and accepted solely to retire campaign debt.

8. **Retiring Campaign Debt.** If a candidate is elected, or appointed after the election, to a director position, and the candidate chooses to accept contributions intended to help retire the candidate's campaign debt, the candidate is required to disclose to the Cooperative membership in the manner required by the Cooperative and within 10 days of accepting the contribution:
 - a) The name and address of the source of the campaign contribution;
 - b) The amount of the contribution or the nature and value of an in-kind contribution;
 - c) The date the candidate accepted the contribution; and
 - d) The contributor's occupation and employer.

Failure to Comply

- A. A candidate, including an incumbent director standing for election, who fails to comply herewith may be removed from the ballot before the election or required to resign from the Board after the election in accordance with procedures established by the Cooperative to investigate the violation and provide the candidate with an opportunity to respond.

- B. A director, including an incumbent director standing for election, who fails to comply herewith, may be disciplined in accordance and compliance with the Board policies and procedures governing director standards of conduct.