

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 117

DATE: August 13, 2003

BOARD CANDIDATE STATEMENTS

I. OBJECTIVE

To establish the policy governing content and publication of election statements by board candidates in the official ballot for the Association's Annual Membership Meeting pursuant to the Association's Bylaws and to limit the Association's liability in publishing candidates' statements.

II. CONTENT

- A. At least thirty (30) days prior to its annual meeting, the Association shall mail to each member an official ballot containing the candidates' names and election statements.
- B. Article III, Section 9(b) of the Association's Bylaws state that the candidates' statements shall specify whether the candidate was nominated by the Nominating Committee or by petition, shall specify certain relationships as explained in the Bylaw, and may include a photograph of the candidate and a statement not to exceed 200 words.
- C. The candidates' statements should include information about themselves regarding their stand on issues relating to the direction of the Association.
- D. Candidates' statements shall not include words or phrases which are defamatory, vulgar, profane or other such inappropriate language.
- E. Candidates' statements may not include references to endorsements by specific groups unless proof of endorsement in the form of written acknowledgement by the group is received by the Association with the proposed candidate's statement. The candidate shall provide the Member and Public Relations Department with the name, title, address and telephone number at which the group may be contacted for verification. The election brochure shall acknowledge that all such endorsements are on file with the Association.
- F. Logos and graphics may be used in candidate statements.

1. Candidates wishing to use logos or graphics representing a specific group or organization must submit proof of endorsement by that group or organization as specified in Section II.E. above.
 2. Space required for display of such logos and graphics will be compensated for by a reduction in the 200 words permitted in the candidate statement according to the amount of space used by such logo or graphic. One word is assumed to be equivalent to five characters and one space.
- G. Candidates are responsible for the statements they make. The Association will not verify the accuracy of the statements other than through the normal request for information process.
- H. The election brochure shall contain a disclaimer that statements are those of the candidates and not of the Association and publication of the statement does not imply verification of the statement.
- I. For purposes of Bylaws Article III, Section 9(b)(2)(ii) requiring director candidate disclosure, "financial interest" is interpreted in light of the following without diminishing members' rights under law or bylaws.

1. **General Rule**

A direct personal financial participation or interest by a candidate or a candidate's spouse, child, brother, sister, parent, stepparent, stepchild or stepsibling (hereinafter "related person") in a bid, proposal, project or contract with the Association within the last two years is a financial interest which shall be disclosed.

2. **Employment By An Entity That Bids On, Contracts With, or Proposes To Do Work for the Association**

Merely being employed by an entity that bid on or proposed to do work for the Association in the last two years is not a financial interest in a bid, proposal, project or contract with the Association requiring disclosure unless:

- a. The candidate's or related person's continued or future employment is clearly endangered if the employer no longer does business with the Association or does not do business in the future with the Association arising out of a bid, proposal, project or contract with the Association within the last two years; or
- b. i) The candidate's or related person's employer for its last two years received or may in the future under reasonably

foreseeable circumstances receive five percent (5%) or more of its consolidated gross revenue from the Association arising out of a bid, proposal, project or contract with the Association within the last two years; and

- ii) In addition to the candidate's or related person's normal wages or salary, a financial benefit to the candidate or related person (such as bonuses, increase in profits, pay increases, benefit increases or the like) of greater than \$2,000 resulted in the last two years' work or will result from present or future work for the Association by the employer of the candidate or related person, depending on whether the employer continues or commences work for the Association arising out of a bid, proposal, project or contract with the Association within the last two years;

c. If disclosure is required under this Section 2:

- i) A candidate shall disclose his or her own or a related person's financial relationship with an entity bidding on work, proposing to do work for or contract for work with the Association;
- ii) A candidate shall disclose his or her own or a related person's personal financial benefit which would or might result from work continuing or being given to the candidate's or related person's employer; and
- iii) A candidate should describe any direct or indirect financial benefits to the candidate or a related person which resulted or might result in the future from or arise out of a bid, proposal, project or contract with the Association within the last two years.

3. Interest Other Than Employment By An Entity Bidding On, Contracting With, Or Proposing To Do Work For The Association

A candidate or a related person shall disclose any financial transaction or relationship between the candidate or related person and any business or professional entity for which the candidate or related person is, or during the last two years has been:

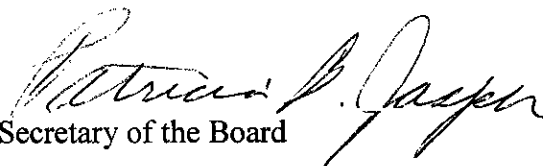
- a) An executive officer or director; or

- b) Owner of record or a beneficial owner in excess of one percent (1%) equity interest (except that disclosure not required for: 1) beneficial ownership generating less than \$2,000 in annual income, or 2) stock held in a mutual fund or IRA not managed by the candidate or related person) if that business or professional entity is one which has: 1) submitted a bid or proposal to the Association valued, 2) entered into a contract with the Association valued, or 3) received payments from the Association valued in excess of five percent (5%) of the business or professional entity's consolidated gross revenue for its last two fiscal years or with which the Association has been involved in a transaction or series of transactions valued in excess of \$25,000, whichever is less.

III. RESPONSIBILITY

It shall be the responsibility of the Chief Executive Officer to administer this policy.

Date Approved: August 13, 2003

Attested: 
Secretary of the Board

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