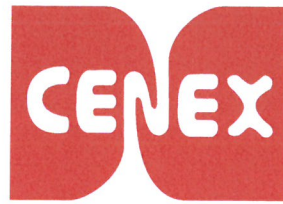


**PAYNESVILLE FARMERS UNION
CO-OP OIL CO.**
419 Business 23 E.
P.O. Box 53
PAYNESVILLE, MINNESOTA 56362-0053
Est. 1953



Station, Bulk Fuel, Propane:
320-243-3751
Fax: 320-243-3865
e-mail: office@paynesvillecoop.com
Fertilizer Plant:
320-243-3494

paynesvillecoop.com

Election Policy

1. The bylaws of the cooperative at Paynesville Farmers Union Coop set the number of directors and the terms of the directors. That Article and other portions of the bylaws describe the general functions and duties of the Board of Directors. However, the bylaws do not describe the election process for director seats. This policy is intended to address how elections for board seats (whether the seat is up for election because of the end of a normal three-year term or is a vacancy created by retirement or resignation) will be conducted.
2. The Board of Directors may, but is not required to, create a nominating committee whose task will be to identify and nominate members for election to the board. All nominations for directors must be received by the CEO of the Cooperative no later than 20 days prior to the date of the annual meeting of the membership. A nomination is "received" by the CEO if delivered to the main office of the Cooperative in an envelope addressed to the CEO. A member may nominate themselves. Following the close of nominations, the Board of Directors or its designee, shall determine whether a nominated member is qualified to serve as a director under the terms of the bylaws. No nominations from the floor during the annual meeting of the membership will be allowed. The Board of Directors or nominating committee shall use its best efforts to identify potential directors from the membership that represent the full trade territory of the cooperative giving emphasis to securing proportionate board representation which reflects the cooperatives types of business, and concentration of business in geographic areas.
3. Voting will be conducted as described in the bylaws. Ballots shall be counted by tellers selected by the Chairman of the Board of Directors. If more candidates are seeking election to the board than available board seats, those candidates receiving the most votes, in descending order, shall be the winner of the director's seats. Should available board seats have less than a full three-year term associated with the seat because of a retirement, resignation or death, the seats shall again be awarded based on total votes received by each candidate with the highest vote recipient winning the longest term seat and the remaining seats being awarded in descending order of votes received by the candidate. No write in candidates are allowed.
4. Nominations must be submitted on a "Nomination Form" adopted by the Board of Directors. That form shall be available to the membership at all times upon request from a member.

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NOMINATION FORM - BOARD POSITION - PAYNESVILLE FARMERS UNION COOP OIL CO.

NAME _____

COOP ACCT. # _____

ADDRESS _____

(CITY) (STATE) (ZIP CODE)

PHONE NUMBER _____