



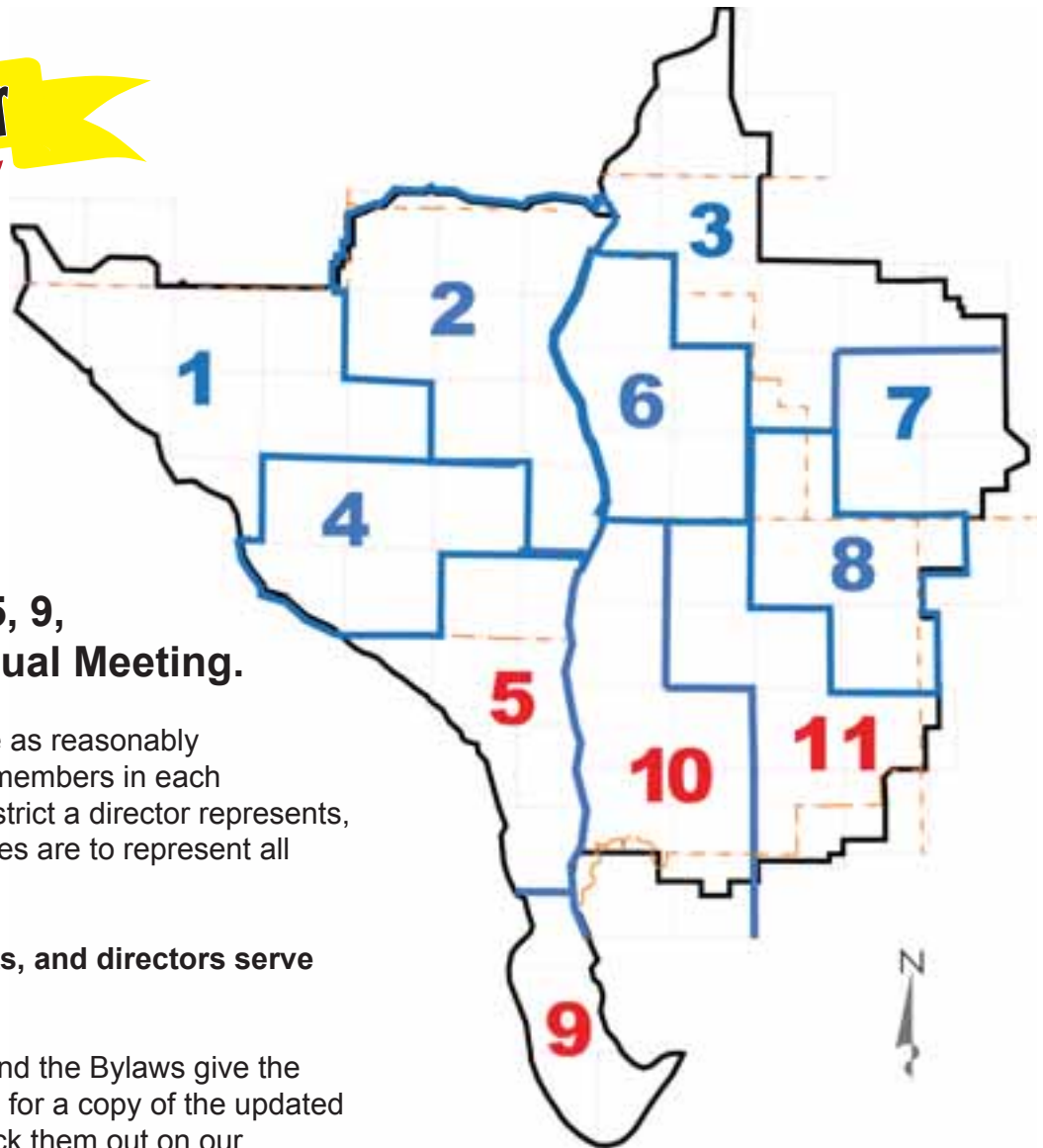
2012 Annual Meeting 06/09/12

This year there will be four directors elected for districts 5, 9, 10, and 11 at the Annual Meeting.

Director districts have, as close as reasonably possible, the same number of members in each district. Regardless of which district a director represents, his/her duties and responsibilities are to represent all members.

In all there are eleven districts, and directors serve staggered three year terms.

This map shows the districts, and the Bylaws give the legal description. Give us a call for a copy of the updated Bylaws if you want one, or check them out on our website.



Illinois Rural Electric Cooperative

P.O. Box 80, Two South Main Street
Winchester, Illinois 62694

www.e-co-op.com
1-800-468-4732

Your Touchstone Energy® Partner



Directors Can Be Nominated in Two Ways, But Not from the Floor at the Meeting.

The Bylaws set up a mechanism for a nominating committee, which shall not include current members of the board of directors. Only a Class A member is eligible to serve on the board as well as vote. Class A members are those who purchase electricity from the co-op.

That nominating committee is appointed not less than 90 days or more than 210 days before the meeting, and its nominations are to be posted in the office at least 45 days before the meeting.

If you want to communicate with the Nominating Committee about a possible candidate or any other matter, write to

**2012 Nominating Committee
Illinois Rural Electric Cooperative
P.O. Box 80
Winchester, IL 62694**

Your letter will be given to the committee unopened.

Any fifteen members may also nominate another member to serve on the board, and such nominations will be on the ballot with those from the nominating committee.

If you want to participate in the election by submitting a petition signed by fifteen members, be certain that in addition to the members' signatures, there is a printed name and address so that the petition can be verified in time for posting forty-five days before the meeting.

Remember that often a husband and wife are one membership, not two. A single member may also have more than one meter, but not more than one membership.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director.

Nominations for the 2012 Election Must Be Posted in the Cooperative's Office No Later than April 27, 2012.

A nomination from fifteen members must be received at the cooperative's office no later than 45 days before the annual meeting.

Section 3 of Article 4 of the Bylaws Sets Qualifications and Tenure.

"No member shall be eligible to become or remain a director or to hold a position of trust in the Cooperative who is not an actual consumer of goods or services provided by the Cooperative, or who is in any way employed by, or financially interested in a competing enterprise. No person shall take or hold office as a director who is the incumbent of or candidate for an elective public office in connection with which a salary is paid. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions; the board shall remove such board member from office. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors."

What Do Directors Do? What Do They Get For It?

Together, Illinois Rural Electric and its subsidiary, IRTC, are a \$75,000,000 business, which supplies electricity and Internet service to about 13,000 accounts in all or part of 10 counties. There are 36 full-time employees, and 12 part-time employees.

The Cooperative, itself, is about average sized among America's 800 electric cooperatives.

The Cooperative's directors are responsible for its financial integrity and for its policies.

The Cooperative's board of directors is responsible for the organization and IRTC. The board has additional responsibilities to the Cooperative's lenders, employees and the general community.

Basic law requires that a director shall, among other things, undertake the following duties:

- **Care** - Exercise due care and diligence that an ordinary prudent person in a like position would exercise under similar circumstances, devoting such time and effort to the duties of a board member as may be necessary to oversee the business and affairs;
- **Loyalty** - Be loyal to the Cooperative, acting at all times in good faith for its best interests and unaffected by any personal interest that is in conflict with the best interests of the Cooperative;
- **Obedience** - Be obedient to the Cooperative by adhering to all applicable requirements of law, the Bylaws, policies, contracts, and the Cooperative's duly made decisions; and

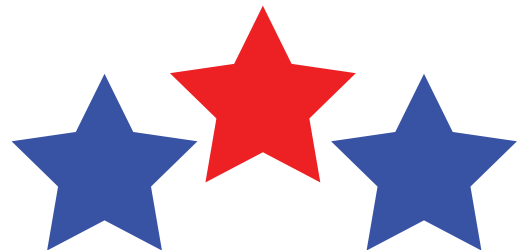
- **Attention** - Be attentive to and study reports from management on the Cooperative and attentive to and study additional sources of information concerning the industry and business generally so that the best decisions can be made.

Directors attend monthly meetings, at a minimum, to review financial and management reports and to consider matters brought to them by management and/or other directors.

Directors receive monthly reports and financial statements about the Cooperative and IRTC before board meetings. There are additional articles, memos and trade publications they're expected to read.

Five members of the Co-op's board serve on the IRTC board. Both boards meet monthly and there are committee meetings throughout the year.

Serving as a member of the cooperative's board of directors is a time consuming responsibility. Excluding travel time to meetings, directors spend the equivalent of at least two full days a month on cooperative business - attending meetings and training and reading to be prepared.



All of the members of the board are expected to pursue ongoing training in Springfield and at other locations.

Directors attend state, regional and national trade association meetings for additional training and to keep abreast of the best practices in the industry.

Directors receive \$200 per day and out-of-pocket expenses for attending meetings, whether a full day or part of a day. Additionally, since it's in the Cooperative's interests that directors have good Internet service to receive material by e-mail, directors get wireless or satellite based Internet service.

If you would like to get a copy of the complete Bylaws, please send us a note or call the office.

There are two ways members can vote in the election. First, you can vote by being present at the meeting, or, second, by sending your proxy with a member who is attending. Members can vote up to three proxies at the annual meeting.



What Does a Petition Look Like?

Here's an example of the form of a petition to nominate a fictional member of the cooperative. It's

important that it state the person's name and address so that we can verify his/her membership.

We, the undersigned Class A members of Illinois Rural Electric Cooperative nominate **Joe Smith, 348 Green Street, Appleville, Illinois** to stand for election at the 2012 Annual Meeting of Members for the seat on the cooperative's board of directors representing district **five**.

	Signature	Printed Name	Address
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

15 Class A members' signatures are needed, however, to ensure things, it's probably best to have a few extras.