

Memorandum

TO: Region II Subscribers
FROM: Susan M. Olander
Vice President and General Counsel and Assistant Secretary
DATE: June 22, 2009
SUBJECT: Nominating Meeting Notice

This Notice is being sent on behalf of the Board of Directors of Federated Rural Electric Insurance Exchange. A Nominating Meeting to nominate individuals to stand for election as Directors of the Exchange will be held at the Region II Meeting on Thursday, October 1, 2009, in Chattanooga, Tennessee.

The current Directors from Region II are Mr. Wayne Livingston and Mr. Mendel Stone. Mr. Livingston is the President and CEO of Diverse Power, Inc. in Lagrange, Georgia and has been a Director since 2007. Mr. Livingston is completing his first full term and is eligible for re-election.

Mr. Mendel Stone is a director at Blue Ridge Electric Cooperative, Inc. in Pickens, South Carolina, and has been a Director of Federated since 2007. Mr. Stone is completing his first full term and is eligible for re-election.

Federated Bylaws require that any qualified individual wishing to run for either Director's position must file a written notice indicating their wish to run for election. This notice must be filed with Federated not less than thirty (30) days prior to the date of the Nominating Meeting. Nominations from the floor are not accepted unless no qualified individual files a written notice.

Any qualified individual wishing to run for a Director's position from Region II must file their written notice with Federated by **Tuesday, September 1, 2009**. Such notice should be mailed or faxed to the following:

Susan M. Olander
Vice President and General Counsel and Assistant Secretary

Federated Rural Electric Insurance Exchange

Post Office Box 15147

Lenexa, Kansas 66285-5147

E-Mail: smo@federatedrural.com

Fax Number: 913 – 541-2803

Telephone Number: 913 – 541-2903

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Information concerning qualifications and other information with regard to the Board of Directors of Federated is set forth in the enclosed attachment. I have also enclosed a list of subscribers/members from Region II. As required by the Bylaws, each subscriber has one vote at the Nominating Meeting. Individuals selected at the Nominating Meeting will stand for election at large by all Federated subscribers at the Annual Subscribers' Meeting to be held in Atlanta, Georgia, in February, 2010.

In September, we will be forwarding to you your "Delegate Appointment" form as well as a list of those candidates who have filed their notice with Federated by September 1, 2009. If you or any of your directors are interested in running for election to the Board, please file notice with Federated by that date.

If you have any questions concerning this process or the Meeting, please give me a call.

Enclosures: Qualifications and Nominating Process for Federated Directors
List of Members in Region II

cc: Mr. Wayne Livingston
President and CEO
Diverse Power, Inc.
Post Office Box 160
Lagrange, Georgia 30240

cc: Mr. Mendel Stone
150 Stone Farm Road
West Minster, South Carolina 29693

cc: Philip D. Irwin, President/CEO
Carl Schroer, Vice President – Sales and Marketing
Chad Ogren, Sales Manager
Kenny Marvin, Account Executive
Federated Rural Electric Insurance Exchange
(-Electronically-)