

ARTICLE III, SECTION 4. Quorum.

Two percent of the first 2,000 members and one percent of the remaining members, present in person shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. Upon a member being present at a meeting of the members, the member is deemed present for quorum purposes for the remainder of the meeting.

Explanation: the proposed amendment clarifies the establishment of a quorum of members at all meetings of the members.

ARTICLE IV, SECTION 3. Qualifications.

To be eligible to become or remain a Director of the Cooperative any such person must:

- (a) be an individual with the capacity to enter into legally binding contracts;
- (b) have attained a high school diploma or equivalent;
- (c) be a U.S. citizen for at least thirty-six (36) months and be able to speak, read, write and understand English;
- (d) not have been convicted of, pled guilty to or entered a plea of no contest to a felony crime;
- (e) be a member of the Cooperative with their primary residence within the geographical area served by the Cooperative and the applicable district as set forth in these bylaws during their term as a director and for at least twelve (12) months prior to becoming a director;
- (f) not be in any way employed by or financially interested in a competing enterprise or business selling electric energy, or a business providing a financially substantial quantity of services or supplies to the Cooperative or any of its subsidiaries, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (g) be a Cooperative member in good standing by not being on a list for disconnection of electric service for nonpayment of a delinquent debt to the Cooperative or any subsidiary thereof while a director and during the thirty-six (36) months immediately before becoming a director;
- (h) not have a Close Relative who is an employee of the Cooperative or any subsidiary thereof while a director and during the thirty-six (36) months immediately before becoming a director;

- (i) not be an applicant for employment;
- (j) not be employed by the Cooperative or any subsidiary thereof while a director and during the thirty-six (36) months immediately before becoming a director;
- (k) not be engaged in a personal relationship with a fellow director or an employee of the Cooperative or any subsidiary thereof that could, in the sole judgment of the Board of Directors, interfere with the Director's independent judgment, disrupt or negatively impact the workplace, undermine members' confidence in the operations of the Cooperative, or reasonably create the appearance of a conflict of interest;
- (l) not be absent from more than two (2) regular board meetings in any twelve (12) month period except where the health of the director reasonably does not permit their attendance, a rescheduled regular board meeting conflicts with prior commitments of the director or any other good cause reason shown by the absent director and accepted by resolution of the remaining directors;
- (m) not have been removed or disqualified as a director in any system within the rural electric cooperative program;
- (n) obtain their NRECA Credential Cooperative Director Certificate within thirty-six (36) months of becoming a director;
- (o) not conduct themselves, while a director, in any way that violates any portion of the Cooperative's Conflict of Interest policy, or Code of Ethics and Whistleblowing policy or Director Duties and Standards of Conduct policies;
- (p) disclose all monetary and in-kind contributions and direct or indirect expenditures by the director candidate, from third-parties or other outside sources in support of, the member's campaign for election or re-election to the Board. The Board of Directors shall establish a policy setting forth rules and deadlines for reporting campaign contributions and expenditures consistent with this provision; ~~and~~
- (q) Once elected, not receive any money, financial benefits or contributions of any kind from any third-party or outside source related to their service as a director of the Cooperative; ~~and~~
- (r) not be a candidate for, or hold an elective public office, for which a salary or compensation is paid.

The term "Close Relative" shall mean Wife, Husband, Son, Daughter, Father, Mother, Grandfather, Grandmother, Brother, Sister, Grandson, Granddaughter, Father-in-law, Mother-in-law, Brother-in-law, Sister-in-law, step-children and any person cohabitating or living within the same household of a director. This bylaw section will not apply to Close Relatives as defined above who are employed full-time by the Cooperative as of July 13, 2007.

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such Director from office by a majority vote of the remaining directors. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meetings of the Board of Directors.

Explanation: the proposed amendment provides that a director or candidate must comply with an additional board policy and prohibits a director or candidate from holding elected, public office thereby avoiding future potential conflicts of interest.

ARTICLE IV, SECTION 4. Nominations.

It shall be the duty of the Board of Directors to appoint, not less than one hundred and ~~twenty~~ fifty(~~152~~20) days, nor more than two hundred and forty days (240) before the date of a meeting of members at which Directors are to be elected, a committee on nominations. The nominating committee shall consist of not less than five nor more than eleven persons who are members who shall be selected from the three director districts of the Cooperative so as to insure equitable representation.

Upon selection of a nominating committee, the members shall be notified by printing the names and addresses of the members of the nominating committee in a publication caused to be sent to the members by the Cooperative. Notification shall be made following the board meeting at which the nominating committee is appointed.

No member of the Board of Directors may serve on such committee.

The nominating committee, keeping in mind the principle of geographical representation, shall prepare and post at the office of the Cooperative, at least ~~ninety~~ one hundred and twenty (~~9~~120) days before the meeting, a list of nominations for Directors. For each vacancy occurring on the board, there shall be more than one candidate nominated for that geographical area.

The ballot shall be divided into as many parts as there are vacancies occurring on the Board to assure the election of one board member from each geographical area.

Any group of members equal to or exceeding ~~one-fourth of~~ one percent of the total membership of the Cooperative acting together, keeping in mind the principles of geographical representation, may make other nominations by petition not less than ninety (90) days prior to the meeting, and the Secretary shall post such nomination at the same place where the list of nominations made by the committee is posted. The Secretary shall include in the notice of the meeting a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by petition, if any. No member may nominate more than one candidate by petition.

Any ~~group member~~ presenting a petition for nomination of a candidate must present a document for nomination of a member that:

- (a) declares the director district vacancy which that candidate ~~will~~ seeks;
- (b) lists on each page of the petition for nomination the name of the candidate seeking the nomination; and
- (c) contains the required number of nominating members and the following verifiable information: name, address, telephone number, member number and an original, dated signature in ink, signed within thirty (30) days of the first signature.

A candidate nominated by petition shall be listed on the ballot for the geographical area in which the nominee resides. In addition to the requisite number of signatures and required information as set forth above, a candidate by petition must, prior to being placed on the official ballot, timely provide the same information to the Cooperative as is required of candidates selected by the committee on nominations, and attend such informational meetings required of those candidates selected by the nominating committee.

The candidate receiving the most votes from each area will represent that area on the Board of Directors.

Explanation: the proposed amendment: (a) reduces the timeline by thirty days, for the Board of Directors to appoint a committee on nominations thereby providing the committee a shorter time period in which to complete its task of nominating director candidates, (b) provides thirty days for nominations by petition and (c) clarifies what a member must provide to be nominated by petition, and (d) requires a candidate nominated by petition to attend informational meetings required of candidates selected by the committee on nominations.

ARTICLE V, SECTION 5. Meetings By ~~Conference Telephone~~, Videoconference or Similar Communications.

Unless otherwise restricted by the Articles of Conversion or by these Bylaws, members of the Board of Directors of the Cooperative, who are, because of the director's sickness or serious health condition, inclement weather, national/state emergency, military service or other good cause approved by the Board of Directors in advance, unable to physically attend, may participate in a meeting of the Board of Directors by means of ~~conference telephone~~, videoconference or similar modes of communication. Remote participation shall only be in a manner that: (a) ensures that the identity of each attendee can be verified, (b) is conducted in a physical location that is reasonably private and safe for disclosure of sensitive information and (c) utilizes a mode of communication that the Board of Directors has approved in advance of the meeting to be a secure network connection that protects the confidentiality of discussions and materials. by means of which all persons participating in the meeting can hear each other, and p The Board of Directors may prohibit or terminate remote participation in a meeting if there is a legitimate concern regarding identity verification, connection security, unauthorized access, or the privacy of any participant's physical location. Participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

Explanation: the proposed amendment provides clarity on when a director may attend meetings of the Board of Directors via videoconference and how such attendance is to be conducted to maintain confidentiality and security of discussions and materials.