

ARTICLE IV - Trustees

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of seven trustees which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

Section 2. Qualifications and tenure. The persons named as trustees in the articles of incorporation shall compose the board of trustees until the first annual meeting or until their successors shall have been elected and shall have been qualified. If the election of trustees shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, the board of trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

The trustees shall serve two (2) year terms, until the time of the annual meeting in March of the year 2001. At that time, the terms of the trustees will be as follows:

1. At the March 2001 annual meeting of the Cooperative, two (2) of the trustees will be elected for a two (2) year term each. The trustees from the Howard District and the Hysham Rural District will be elected for those terms.
2. At the March 2001 annual meeting of the Cooperative, two (2) of the trustees will each be elected for a three (3) year term each. The trustees from the Myers/Big Horn District and the Rosebud Creek/Cartersville District will be elected for those terms.
3. At the March 2002 annual meeting of the Cooperative, the three (3) trustees, whose current terms are expiring, will be elected for a three(3) year term.
4. At the March 2003 annual meeting of the Cooperative, the two (2) trustees, whose current terms are expiring, will be elected for a three(3) year term.
5. At the March 2004 annual meeting of the Cooperative, and for each annual meeting thereafter, all trustees whose current terms will be expiring, will be elected for a three (3) year term.

No person shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who:

- (a) is not a member and bona fide resident in the area served by the Cooperative; or
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the board of trustees to remove such trustee from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

Section 3. Nominations. It shall be the duty of the board of trustees to appoint, not less than thirty days nor more than one hundred twenty (120) days before the date of a meeting of the members at which trustees are to be elected, a committee on nominations consisting of not less than five nor more than eleven members who shall be selected from different geographic sections of the project area so as to insure equitable representation. No member of the board of trustees may serve on such committee. The committee shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for trustees; any fifteen or more members acting together may make other nominations by petition not less than fifteen days prior to the meeting and the secretary shall cause such nominations to be posted at the same place where the list of nominations made by the committee is posted. The secretary shall be responsible for the mailing with the notice of the meeting or separately, but at least ten days before the date of the meeting, a statement of the number of trustees to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by the petition, if any. Nothing contained herein shall, however, prevent additional nominations from the floor at the meeting of the members. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of trustees.

Section 4. Removal of Trustees by Members. Any member may bring charges against a trustee by filing such charges in writing with the secretary, together with a petition signed by at least ten per centum of the members and request the removal of such trustee by reason thereof. The trustee against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such trustee shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 5. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of trustees by the members, any other vacancy occurring in the board of trustees shall be filled by the affirmative vote of a majority of

the remaining trustees for the unexpired portion of the term.

Section 6. Compensation. Board members shall not receive any salary for their services as such, except that the board of trustees may by resolution authorize a fixed sum for each day or portion thereof spent on Co- operative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the board of trustees. If authorized by the board of trustees, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board of trustees in lieu of detailed accounting for some of these expenses. No trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a trustee receive compensation for serving the Cooperative unless the payment of compensation or the service by such trustee or close relative shall have been certified by the board of trustees as an emergency measure.

Section 7. Indemnification of Trustees and Officers. Each trustee and officer of the Cooperative now or hereafter serving as such, shall be indemnified by the Cooperative against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such trustee or officer, or by reason of any action alleged to have been taken, omitted, or neglected by him as such trustee or officer; and the Cooperative shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability, provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his own willful misconduct or gross negligence. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any trustee or officer of the corporation may otherwise be entitled by law.