



CODE OF REGULATIONS

Updated April 2021

The following except is from Mid-Ohio Energy's Code of Regulations, "Article IV: Board of Trustees". This article outlines the duties, terms, qualifications, and more information relevant to Mid-Ohio Energy's Board of Trustees. Also included in this article is guidance relevant to the trustee nomination process.

ARTICLE IV: BOARD OF TRUSTEES

SECTION 1. General Powers

The entire business and affairs of the Cooperative shall be managed by a Board of Trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or this Code of Regulations conferred upon or reserved to the members.

SECTION 2. Districts and Tenure of Office

The Board shall divide the service area of the Cooperative into nine (9) districts so that equitable representation may be given to the geographic areas served by the Cooperative. The Board shall have the power to change the boundaries of such districts whenever in their discretion the purpose of this Section would be best served. Each district shall be represented by one Board member. Three (3) Board members shall be elected each year on a staggered basis to serve for a term of three (3) years or until their successors shall have been elected and shall have qualified, which term shall commence at the conclusion of the meeting of the members in the year in which such election occurs.

SECTION 3. Qualifications

To become or remain a member of the Board, a person must comply with the following:

- (a) be a natural person; and
- (b) be of legal age to vote in the most recent general election; and
- (c) have the capacity to enter legally binding contracts; and
- (d) while a Board member, and during the five (5) years immediately before becoming a Board member, not be convicted of, or plead guilty to, a felony or a misdemeanor involving moral turpitude; and
- (e) except as otherwise provided by the Board, receive a Credentialed Cooperative Director designation, Director's Certificate, or similar certification from the National Rural Electric Cooperative Association (NRECA) within four (4) years of becoming a member of the Board; and
- (f) while a Board member, and during the year immediately before becoming a Board member:
 - 1) be an active member of the Cooperative in 'good standing.' As used in this ARTICLE, 'good standing' is defined as: during the previous year, the member has not been assessed more than two (2) delinquent notices and not been disconnected for non-payment; and
 - 2) receive electric service from the Cooperative at a location within the district and permanently reside in an area reasonably close to the service district the Board member serves; and
- (g) At all times abide by the conflict-of-interest policy established by the Board; and
- (h) while a Board member, and during the five (5) years immediately before becoming a Board member, not be and not have been an employee of the Cooperative or an employee of an entity controlled by the Cooperative (hereinafter referred to as a "Cooperative subsidiary"); and
- (i) while a Board member, and during the year immediately before becoming a Board member, have an individual who is a close relative or resides in the same residence as the Board member receive more than ten (10) percent of their annual gross income (other than insurance benefits or Board member compensation), directly or indirectly, from the Cooperative or a Cooperative subsidiary. As used in this ARTICLE, "close relative" means the relationships of parent, sibling, children, or grandchildren existing by reason of blood, marriage, or adoption; and

- (j) while a Board member, and during the year immediately before becoming a Board member, or have a close relative, as defined above, does not compete with the Cooperative or a Cooperative subsidiary; and
- (k) while a Board member, not be a close relative, as defined above, of another Board member or a close relative, as defined above, of an employee of the Cooperative or of a Cooperative subsidiary; and
- (l) while a Board member, and during the year immediately before becoming a Board member, not be employed by another Board member or be employed by, or receive more than ten (10) percent of annual gross income from an entity which another Board member controls or owns more than ten (10) percent of, or for which another Board member is a director or officer; and
- (m) while a Board member, and during the year immediately before becoming a Board member, not be employed by, control (directly or indirectly), or own more than ten (10) percent of, serve as a director or officer of, or receive more than ten (10) percent of their annual gross income from an entity that:
 - 1) competes with the Cooperative or a Cooperative subsidiary; or
 - 2) receives more than ten (10) percent of its annual gross income directly or indirectly from the Cooperative or a Cooperative subsidiary.

Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken by the Board.

SECTION 4. Nominations

It shall be the duty of the Board to appoint, not less than thirty (30) days nor more than one hundred eighty (180) days before the date of the transmittal of the notice of the election of the members of the Board, a committee on nominations consisting of at least one member from each district, and composed so as to ensure equitable representation on the committee to the geographic areas constituting the service area of the Cooperative. No officer or member of the Board may serve on such committee. The committee shall prepare and post at the principal office of the Cooperative or on its website, or any other means prescribed by the Board, a list of nominations for Board membership which shall include two (2) candidates from each district for which a position for a Board member representing such district is to be filled. The Secretary shall be responsible for publishing to the members, a statement of the number of Board members to be elected and the names of the candidates nominated by the committee on nominations, a ballot for their election, and instructions for return of the ballot by mail or

voting by electronic means, if authorized by the Board. Any fifty (50) or more members may make other nominations by petition filed with the Board not more than ten (10) days after the list of candidates is posted. The Secretary shall publish such other nominations of qualified persons in the same manner as the list of nominations made by the committee is published, and the Secretary shall include the names of any persons so nominated if otherwise eligible on the ballot for the election of Board members. Nominations from the floor at any meeting will not be accepted. No person shall be voted upon for membership on the Board who has not indicated a willingness to serve if elected. Failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of Board members or any action taken by the Board.

SECTION 5. Removal of Board Members

Any member may bring specific charges of malfeasance, misfeasance, or nonfeasance in office against a Board member by filing with the Secretary in writing a detailed description of each charge and the evidentiary basis therefore together with a petition signed by at least ten (10) percent of the members requesting the removal of such Board member by reason thereof. For purposes of this ARTICLE, “malfeasance, misfeasance, or nonfeasance” means an act or omission amounting to gross negligence, fraud, or criminal conduct, which has a material adverse effect on the business affairs of the Cooperative. If more than one Board member is sought to be removed, individual charges against each such Board member and the evidentiary basis for each charge shall be specified. A Board member may be removed by an affirmative vote of two-thirds (2/3) of the Board or by a two-thirds (2/3) vote of the members present in person at a meeting of members called for that purpose. The Board member sought to be removed shall have the opportunity to be heard in person or by counsel and to present evidence in response to the charges. No Board member shall be removed from office unless the specific charges against such Board member are supported by clear and convincing evidence.

SECTION 6. Vacancies

- (a) A Board member’s seat shall automatically be considered vacant if the Trustee is absent from four (4) regular Board meetings in a calendar year or absent from any three (3) consecutive regular Board meetings unless the absence is excused by vote of the Board.
- (b) Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term and until a successor shall have been qualified and shall have been elected. The vacancy shall be filled by the appointment of a member residing in the district in which the vacancy occurs.

SECTION 7. Compensation

Members of the Board shall not receive any salary for their services as such, however, the Board may, by resolution, provide a reasonable compensation to be paid to each Board member for services rendered on behalf of the Cooperative as a Board member, such as attendance at meetings, conferences and training programs or performing committee assignments. The Board may also authorize reimbursement of Board members for expenses actually and necessarily incurred in carrying out such Cooperative business or grant a reasonable per diem allowance in lieu of detailed accounting for such expenses. A Board member may also receive compensation for services rendered as an officer of the Cooperative, but no Board member shall receive compensation for serving the Cooperative in any other capacity, except in an emergency. No close relative, as defined above, of a Board member shall receive compensation for serving the Cooperative, except in an emergency, unless such compensation shall be specifically authorized by a vote of the Board.