

## **BYLAW ARTICLE IV DIRECTORS**

### **Section 1. General Powers.**

The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law or by the certificate of incorporation of the Cooperative or by these bylaws conferred upon or reserved to the members.

### **Section 2. Qualifications and Tenure.**

The persons named as directors in the certificate of incorporation of the Cooperative shall compose the board of directors until the first annual meeting or until their successors shall have been elected and shall have qualified. At each annual meeting of the members beginning with the year 1942, directors shall be elected by ballot, by and from the members as hereinafter provided, to serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of directors. No member shall be eligible to become or remain a director or hold any position of trust in the Cooperative, who is not a bona fide resident in the area served by the Cooperative, or who 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. When a membership is held jointly by any two natural adult persons, 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.

### **Section 3. Nominations.**

It shall be the duty of the board of directors to appoint, not less than ninety (90) days nor more than one hundred twenty (120) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of three (3) members from each district as established by these bylaws. No officer or member of the board of directors shall be appointed a member of such a committee. Persons willing to be nominated to the board of directors shall submit their names to the nominations committee seventy-five (75) days before the annual meeting by delivering their nominations to the principal office of the Cooperative by mail or physical delivery during regular hours of business. To be qualified for nomination to the board of directors, persons submitting their names for nomination shall be bona fide residents of the district they seek to represent, a natural person, and be a member of the Cooperative. The nominations committee, in their sole discretion, and by majority vote, shall have the authority to determine if a person submitting his name for nomination to the board of directors is qualified.

If more than three (3) qualified persons from a district submit their names for nomination for a seat on the board of directors, the nominations committee shall select from those submitting their names three (3) persons as determined by a majority vote of the committee that are the most likely to serve the interests of the Cooperative and its members. The nominations committee may conduct interviews of the qualified persons submitting their nominations to assist in making their determination. In no event shall the nominations committee submit for vote of the membership more than three (3) nominees. If fewer than three (3) qualified persons submit their names for possible nomination, and if the nominations committee deems it appropriate by a majority vote of the committee, the nominations committee may request from and nominate one or more additional persons to be nominees, not to exceed a total of three (3) nominees.

The committee shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for directors. The secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations. The members may, at any meeting at which a director or directors shall be removed, as herein before provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding this section nothing herein shall affect in any manner whatsoever the validity of any election of directors

#### **Section 4. Representation.**

Each board member shall remain a bona fide resident of the district he or she was elected to represent. The board shall have specific authority to remove any director who does not continue to reside in the district from which he or she was elected.

The territory to be served by the Cooperative shall be divided into three (3) districts or areas, bounded as follows:

##### **District or Area No. 1 - Platte Valley.**

District No. 1 shall be that portion of the certificated area of the Carbon Power & Light, Inc., that lies west of a line beginning at the NE corner of Township 22N, Range 82W; thence south to the NE corner of Township 16N, Range 82W; thence east to the Carbon and Albany county line; thence south to the Wyoming state line.

##### **District or Area No. 2 - Elk Mountain and Rock River.**

District No. 2 shall be that portion of the certificated area of the Carbon Power & Light, Inc., that lies north and west of a line beginning at the NE corner of Township 16N, Range 82W; thence east to the SE corner of Township 17N, Range 79W; thence north to the NE corner of Township 18N, Range 79W; thence east to the SE corner of Township 19N, Range 76W; thence to the north boundary of the certificated area.

##### **District or Area No. 3 - Laramie Valley.**

District No. 3 shall be that portion of the certificated area of the Carbon Power & Light, Inc., that lies south and east of a line beginning at the NE corner of Township 22N, Range 76W; thence south to the SE corner of Township 19N, Range 76W; thence west to the NW corner of Township 18N, Range 78W; thence south to the Carbon and Albany county line; thence west and south along said county line to the Wyoming state line.

There shall be three (3) directors elected from the qualified members residing in each of the above-named districts; that the said three (3) directors in each district shall be elected by qualified members from that respective district. Each member shall have his membership assigned to a specific district where he has a meter. If he has a meter in more than one district, he shall designate one district as his for the purpose of electing directors. No member shall vote for a director from other than his designated district. That at the annual meeting of the members held on June 23, 1958, one (1) director from each district shall be elected for a term of one (1) year, one (1) director from each district shall be elected for a term of two (2) years, and one (1) director from each district for a term of three (3) years; and the said terms of said directors at said annual meeting on June 23, 1958, shall be determined as follows: The nominee from each district receiving the highest number of votes shall be declared elected

for a three (3) year term; the second highest for a two (2) year term; and the third highest for a one (1) year term. That thereafter all directors shall be elected for a term of three (3) years in accordance with the provisions of this bylaw.

#### **Section 5. Vacancies.**

Subject to the provisions of these bylaws, vacancies occurring in the board of directors shall be addressed in the following manner: The board president shall contact the chairman of the most current nominating committee specific to the district in which the vacancy occurred and request that the nominating committee recommend a suitable candidate or candidates for the board's consideration. A qualified candidate shall then be appointed to the board by a majority vote of the remaining directors. The appointed director shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified.

#### **Section 6. Compensation; Expenses.**

Directors shall, as determined by resolution of the Board of Directors, receive a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors and when such has had the prior approval of the Board of Directors, for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure; Provided, that a director who is also an officer of the board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

#### **Section 7.**

In the event of merger or consolidation of the cooperative with another electric membership cooperative, the Board of Directors of this cooperative may be consolidated for a period of time with the board of the other cooperative. The board of this cooperative may be reduced in size and voting strength in phases in accordance with the adopted plan of merger or consolidation. A board member whose term expires and whose seat on the board is eliminated by a plan of merger or consolidation may run for another seat open for election remaining on the board for which he otherwise qualifies pursuant to these bylaws and the plan of merger or consolidation.

#### **Section 8. Removal of Directors by Members.**

Any member may bring one or more charge(s) for good cause against any one or more director(s) and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing, together with a petition signed by not less than twenty-five percent (25%) of the then-total members of the Cooperative which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s) and, if one or more directors are recalled, to elect their successor(s), and which specifies the place, time and date thereof not sooner than fifty (50) days after filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address (es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's

address as the same appears on such billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than fifteen (15) days prior to the member meeting at which the matter will be acted upon: Provided, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge after they have been validly filed and at least forty-five (45) days prior to the meeting of the members at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person, by evidence in respect of the charge(s); and the member(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor; Provided, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or otherwise. A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he succeeds and shall serve the unexpired portion of the removed director's term.