

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 power 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 may cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Trustees shall be elected for terms of three (3) years as their respective terms expire.

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 of the cooperative and bona fide resident of, and physically residing in, the particular district which he/she is to represent.
- (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;
- (c) Is related by blood or marriage to any employee of Mid-Yellowstone Electric Cooperative, Inc. within the third degree.

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 districts of Mid-Yellowstone Electric's service territory 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 forty-five 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 districts of the candidates. 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/her 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 Cooperative 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/she 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/her as such trustee or officer; and the Cooperative shall reimburse each such person for all legal expenses reasonably incurred by him/her 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.

Section 8. Trustee Elections. If a trustee election results in a tie vote, a recount shall be conducted. If after a recount, a run-off election between the candidates receiving the same number of votes shall be held and decided within 45 days of the tie vote. If after a run-off, there is still a tie vote, the winner shall be determined by a game of chance.

Section 9. Redistricting. From time to time the board of trustees shall re-examine the membership districts and the number of members of the Cooperative residing therein. Redistricting shall be ordered and effected by the Board at such times as is necessary to ensure that the districts contain as nearly as possible an equal number of members.

Section 10. Voting by Mail or Electronically. Members may vote by mail or electronically on all Bylaw amendments and trustee elections in conjunction with the annual members' meeting. Members may vote by mail or electronically as provided elsewhere in these Bylaws and as authorized by the board of trustees. All properly completed mail and electronic ballots received on or before the time and date specified shall constitute a vote. If duplicate ballots are received from a member, all of that member's ballots shall be disqualified. A member's failure to receive a mail or electronic ballot does not effect any action taken by mail or electronic ballot.