



A Touchstone Energy® Cooperative 

The Pioneer Electric Cooperative, Inc. (“Pioneer Electric” or “Cooperative”) Board of Trustees (“Board”) propose the following changes to the Cooperative’s Bylaws. The changes will be voted upon at the Annual Meeting of Pioneer Electric. **Please Note: Removed text will be indicated by a strikethrough. Additions will be indicated by highlighting.** Articles and sections without any proposed amendments have been purposely omitted from this notice for readability. A summarization of the changes can be found below.

### Proposed Amendment Summary

#### Certificate of Memberships:

The Cooperative Board proposes removing reference to “membership certificates” within the Cooperative Bylaws. Under the current Bylaws, new members receive a signed certificate of membership from the Cooperative Board upon starting their service. The proposed changes would remove the requirement of the Cooperative to distribute these certificates and all required policy surrounding them.

**Why the change?:** Removal of the certificate of membership will have no effect on the membership status of new and current members. The change will provide cooperative staff the flexibility to streamline new membership registration and no longer dedicate time to the maintenance and update of these certificates.

#### Annual Membership Meeting Date Requirements:

The Cooperative Board proposes removing the requirement that the Annual Membership Meeting of Pioneer Electric be held solely during February or March. Instead, it proposes that the Annual Membership meeting date be extended to occur any time between February 1 and October 31 of a given year.

**Why the change?:** Annual Meetings are vital to the cooperative business model. They provide the opportunity for members to conduct vital business. The change will allow the Cooperative more time in which to host the Annual Membership Meeting. This allows the Cooperative flexibility to reschedule or adjust the timing of the meeting, if needed.

#### Board of Trustee Qualifications and Nomination:

Finally, the Cooperative Board proposes amendments to enhance qualification requirements for those wishing to serve on Pioneer’s Board of Trustees and eliminate nominations made for Board candidates to be made from the floor during the Annual Membership Meeting.

**Why the change?:** The changes will provide added clarity in regard to qualifications, help in the protection of the Cooperative and its members and ensure that those nominated are best able to represent the greater membership. Elimination of nominations from the floor at the Annual Meeting will ensure that all candidates meet qualifications and are able to be thoroughly considered by the entire membership before voting.

### ARTICLE I - MEMBERSHIP

#### ARTICLE I, Section 2. MEMBERSHIP ~~CERTIFICATES.~~

Membership in the Cooperative shall be evidenced by a **completed** membership **application** ~~certificate~~ which shall be in such form and shall contain such provisions as shall be determined by the **Cooperative** ~~board~~. ~~Such certificate shall be signed by the President and by the Secretary of the Cooperative, and the corporate seal shall be affixed thereto. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the board may prescribe.~~

#### ARTICLE I, Section 4. CONVERSION OF MEMBERSHIP.

(a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and such person’s spouse to comply with the Articles of Incorporation, Bylaws and rules and regulations adopted by the board. The ~~outstanding membership certificate shall be surrendered and shall be reissued by the~~ Cooperative ~~in such manner as shall~~ **record** ~~indicate~~ the changed membership status **in its records.**

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. ~~The outstanding membership certificate shall be surrendered and shall be reissued in such manner as shall~~ ~~The Cooperative shall indicate~~ ~~record~~ the changed membership status ~~in its records~~, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

#### **ARTICLE I, Section 6. TERMINATION OF MEMBERSHIP.**

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two thirds of all the members of the board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes such person liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. The membership of a member who, for a period of six (6) months after service is available to such person, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, ~~and the membership certificate of such member shall be surrendered forthwith to the Cooperative.~~ Termination of membership in any manner shall not release a member or such person's estate from any debts due the Cooperative.

### **ARTICLE III – MEETING OF MEMBERS**

#### **ARTICLE III, Section 1: ANNUAL MEETING**

The annual meeting of the members shall be held ~~during the months of February or March of~~ each year, ~~beginning with the year 1973~~ ~~between February 1<sup>st</sup> and October 31<sup>st</sup>~~, at such place within a county served by the Cooperative, as selected by the board and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

### **ARTICLE IV – BOARD MEMBERS**

#### **ARTICLE IV, Section 4: QUALIFICATIONS**

No person shall be eligible to become or remain a board member of the Cooperative who:

- ~~(a) is not a member and bona fide resident of the particular district which such person is to represent, 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.~~
- ~~(a) is not a member in good standing, at least eighteen years of age and bona fide resident for a minimum of one year of the particular district served or to be served by the Cooperative, which such person is to represent. Place of residence shall be defined as where a member is registered to vote and spends most of his/her time;~~
- ~~(b) is employed by or holds a material financial interest in a competing enterprise or a business directly and substantially competing with the Cooperative;~~
- ~~(c) sells goods or services in substantial quantity to the Cooperative, or to a substantial number of members;~~
- ~~(d) is employed by or has a material financial interest in a business or enterprise that sells goods or services in substantial quantity to the Cooperative, or to a substantial number of members;~~
- ~~(e) holds office in the Cooperative for which a salary is paid;~~
- ~~(f) is an employee of the Cooperative or its subsidiaries;~~
- ~~(g) has an immediate family member<sup>1</sup> employed by the Cooperative, any of its subsidiaries, or affiliated organizations;~~
- ~~(h) has been employed by the Cooperative, any of its subsidiaries, or affiliated organizations within the last 10-year period preceding the appointment or election;~~
- ~~(i) cannot legally travel or be legally driven to and from official cooperative functions;~~
- ~~(j) has been convicted of, is pleading to or has pled guilty or no contest to a felony or fraud charge;~~
- ~~(k) is unwilling to attend regularly scheduled or special meetings of the Board of Trustees; or~~
- ~~(l) has three (3) unexcused absences from regularly scheduled or special meetings of the Board of Trustees in the last twelve (12) months.~~

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the board shall ~~immediately~~ remove such board member from office.

<sup>1</sup> Relative is defined herein as spouse, father, mother, the same step or in-law; son, daughter and the same step or in-law; brother, sister and same step or in-law, etc.

#### **ARTICLE IV, Section 5: NOMINATIONS**

It shall be the duty of the board to appoint, not less than thirty days nor more than 60 days before the date of a meeting of the members at which board members are to be elected, a committee on nominations consisting of not less than seven (7) members. At least two members shall be selected from each district from which a trustee is to be elected so as to insure equitable representation. No member of the board may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for board members which shall include at least two candidates for each board position to be filled by the election. The Secretary shall be responsible for 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 board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any fifteen or more members acting together may make other nominations by petition, and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, received at least five days before the meeting shall be included on the official ballot. ~~Later nominations by petition shall be treated as nominations from the floor. The chairman shall call for additional nominations from the floor, and nominations shall not be closed until at least one minute has~~

#### **ARTICLE IV – OFFICERS**

##### **ARTICLE VI, Section 4.: PRESIDENT.**

The President shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the board, shall preside at all meetings of the members and the board;
- (b) ~~sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board or the members and~~ may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board or by these Bylaws to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board from time to time.

##### **ARTICLE VI, Section 6.: SECRETARY.**

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- ~~(e) signing, with the President, certificates of membership, the issue of which shall have been authorized by the board or the members;~~
- ~~(ef)~~ keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and, at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and
- ~~(fg)~~ in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to such person by the board.

##### **ARTICLE VI, Section 9. CHIEF EXECUTIVE OFFICER; ~~GENERAL MANAGER.~~**

The Board of Trustees may appoint a Chief Executive Officer (CEO), who may be, but who shall not be required to be, a member of the Cooperative, ~~and who also may be designated General Manager.~~ Such officer shall perform such duties as the Board of Trustees may from time to time require and shall have such authority as the Board of Trustees may from time to time vest in such person.

##### **ARTICLE VI, Section 11. COMPENSATION.**

The powers, duties and compensation of officers, agents and employees shall be fixed by the board subject to the provisions of these Bylaws with respect to compensation for a board member ~~and close relatives of a board member.~~