

Board Operating Policy PD-19

POLICY: PD-19 Board of Directors' governance

OBJECTIVE:

To achieve effective administration and planning for the business and operations of East Central Energy, the following committees and procedures have been created and established for the Board of Directors.

RESPONSIBILITY:

The Board of Directors will be responsible for the administration of this policy while recognizing that the responsibility may be delegated.

STANDARDS ADOPTED BY THE BOARD TO IMPLEMENT THIS POLICY:

Election of officers

Within thirty (30) days following each annual election date of this Cooperative, the Board of Directors shall elect from among the directors a chair of the Board, a vice-chair, a secretary-treasurer, and an assistant secretary-treasurer, respectively, pursuant to the voting procedures. Article 5 of the Articles of Incorporation and Bylaws of the Cooperative outlines the election and duties of officers of the Cooperative. See Exhibit A for ECE's procedures for the nomination and election of officers.

Standing committees

A board committee may make recommendations but not act unless the full board has voted to authorize a committee to exercise board authority. This authority may not be extended to matters cited in Article 6, Section 6.7(c) of the Articles of Incorporation and Bylaws of the Cooperative.

Appointments to the various committees shall be made in a way that allows the most equitable rotation possible for directors to gain broad cooperative experience. Various committees may be combined, for the purpose of streamlining the appointment process and ensuring adequate member rotation. The chair is an ex officio member of all standing committees with a vote.

The following standing committees are hereby established:

1. Executive Committee

Composition: This committee shall be comprised of the officers who have been elected by the Board of Directors.

Duties and responsibilities: It shall be the duty and responsibility of the Executive Committee to act on behalf of the Board of Directors between meetings of the Board on all matters except those restricted under Article 6, Section 6.7 (c) of the Articles of Incorporation and Bylaws of the Cooperative. The Executive Committee will verify that all required director documents and agreements are signed and submitted each year (see Exhibits B, C & D). The committee will ensure a self-assessment is also completed

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by each director. Committee members will review the results and report their findings to the full Board of Directors in the first quarter of each year. (Exhibit E)

To be eligible for an ECE officer nomination, a Board member must achieve NRECA's Certified Cooperative Director certification.

2. Audit Committee

Composition: The Audit Committee will be comprised of at least five (5) directors appointed by the ECE Board Chair from the membership of the Board of Directors. The ECE Secretary-Treasurer will serve as the chair of the committee. Audit Committee membership will alternate with the Policy Committee.

Duties and responsibilities: The duties and responsibilities of the audit committee are outlined in Article 6, Section 6.9 of the Articles of Incorporation and Bylaws of the Cooperative. (Exhibit F)

3. Policy Committee

Composition: The Policy Committee shall be comprised of at least five (5) members appointed by the ECE Board Chair from the membership of the Board of Directors. Policy Committee membership shall alternate with the Audit Committee.

Duties and responsibilities: To review and formulate policies and bylaws for recommendation to the Board of Directors as to the operation of the Cooperative. (Exhibit G)

4. Loan Committee

Composition: The Loan Committee shall be comprised of at least five (5) members appointed by the ECE Board Chair from the membership of the Board of Directors and shall include the ECE Board Assistant Secretary-Treasurer. Loan Committee membership shall alternate with the Expense Committee.

Duties and responsibilities: It shall be the duty and responsibility of the Loan Committee to review proposals and provide recommendations on loan applications (i.e. USDA Rural Development grants and disbursement of Revolving Loan Funds) to the full Board. (Exhibit H)

5. Expense Committee

Composition: The Expense Committee shall be comprised of at least five (5) members appointed by the ECE Board Chair from the membership of the Board of Directors and shall include the ECE Board Secretary-Treasurer. Expense Committee membership shall alternate with the Loan Committee.

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Duties and responsibilities: It shall be the duty and responsibility of the Expense Committee to review and approve the expenses and reimbursements for Board members, the executive administrator and the president/CEO, and make recommendations on these expense-related items to the full Board. (Exhibit I)

GRE director positions

ECE has two director seats on the Great River Energy Board. Before GRE's annual business meeting, ECE's board will elect the GRE board of director representatives. Because ECE holds two seats on the GRE board, it will be considered by ECE that the elected director will hold a two-year term on the GRE board, and the terms will be staggered. The annual GRE delegate will be the director elected in the opposite year. Following the procedure in Exhibit A, the full ECE Board of Directors will vote to determine who will occupy the GRE seats.

To be eligible for a GRE director nomination, a board member must achieve NRECA's Certified Cooperative Director certification and complete six years on the ECE board prior to the date of appointment.

If a vacancy occurs before a term is completed, the ECE Board will elect a replacement to serve for the remainder of the unexpired term.

Affiliated board candidacy

If a board member wishes to run for a position on an affiliated board, other than GRE, they must notify the board chair of their interest at least one week prior to requesting board approval to run for an affiliated board position. The board will discuss the director's intent and review potential conflicts of interest. The board will provide approval or denial at a board meeting. This process ensures transparency and prevents conflicts of interest while maintaining the integrity of the cooperative's governance. Affiliated boards include MREA, WECA, CFC, RESCO, etc.

Voting delegate process

Board members will serve as voting delegates for state and national associations (NRECA, MREA, and WECA), ensuring our cooperative's representation in the industry. The President/CEO and/or vice presidents will serve as voting delegates for other industry partnerships (CFC, RESCO, NRTC, etc.). This process ensures knowledgeable and consistent representation, enabling effective advocacy and collaboration within the industry, fostering strategic alliances, and enhancing the cooperative's influence and operational insight.

New director orientation

New director orientation provides essential information and training, ensuring that newly elected directors are well-prepared to fulfill their responsibilities effectively and contribute positively to the board's governance.

A new director shall participate in Cooperative-sponsored orientation as soon as practical following their election.

Annual self-assessment

A strong, vibrant board of directors is a clear indicator of a healthy cooperative. The ECE Board of Directors believes even the best boards can benefit from a periodic review. The purpose of conducting an annual self-assessment is to determine how the board sees itself and identify strengths and weaknesses of the board as a whole. An honest, comprehensive review is a viable way to ensure a healthy and energized cooperative board well into the future.

The Executive Committee will provide (with assistance from the executive administrator) an electronic assessment to be completed by each director at the end of January each year. The Executive Committee will review the assessment results in the first quarter and then present the results to the full Board for further discussion.

Annual disclosure and agreements

At least once a year, each director shall complete, sign, and submit to the president/CEO the following documents for review by ECE legal counsel:

1. **Conflict of Interest Disclosure form:** for the purpose of disclosing and identifying any potential or actual conflicts of interest that a director may have with the Cooperative (see exhibit B);
2. **Directors Code of Conduct:** which specifies the expected conduct of a cooperative board member (see exhibit C);
3. **Confidentiality Agreement:** which outlines each director's commitment to keep sensitive affairs of the Cooperative confidential during and after his/her service on the Board (see exhibit D).

This Board Operating Policy supersedes any existing Policy, or portions thereof, which may be in conflict with the provisions of this Policy.

I, Jim Jesok, secretary-treasurer of East Central Energy, do hereby certify that this policy was adopted by the ECE Board of Directors on January 19, 2001, and revised on October 24, 2024.

Jim Jesok, secretary-treasurer

Adopted as board operating policy PD-19: 1/19/01	
Revised:	03/16/01, 12/19/03, 12/16/05, 06/23/06, 09/21/07, 12/7/07, 6/25/10, 6/24/2011, 12/21/12, 12/19/14, 8/24/18, 9/25/2020, 9/28/23, 7/25/24, 10/24/24

PD-19 Exhibit list

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Exhibit A
Procedures for the nomination
and election of ECE officers and affiliated boards

1. The board chair will issue a formal notice of the upcoming election to all board members prior to the scheduled election date. This notice will detail the positions up for election, the election date, and the nomination process.
2. All voting shall be secret and in writing on ballots provided by the company.
3. The ballots shall be uniform in all respects in order to preserve the secrecy thereof. The ballots need not be in any particular form nor prepared in advance and may be plain slips of paper.
4. Prior to the election, the Chairperson shall appoint two persons, not Board members, to act as judges of the election to count the ballots cast and report to the Board. These persons may be available employees of the company or any other reliable persons. Such appointment may be made summarily and without formality at any time before the election.
5. All offices shall be voted upon by separate ballots.
6. To be eligible for an ECE officer nomination, a Board member must achieve NRECA's Certified Cooperative Director certification. To be eligible for a GRE director nomination, a board member must achieve NRECA's Certified Cooperative Director certification and complete six years on the ECE board prior to the date of appointment.
7. The first ballot for each office shall be a nominating ballot only. A board member can choose to abstain from a nomination or voting ballot, nominate themselves, and/or remove their name from a ballot.
8. After the nomination ballot, each candidate will have an opportunity to share their interest and qualifications with the board, and each candidate will be allotted an equal amount of time to speak. When all nominations and statements have been made, the Board shall then vote upon the ballots provided.
9. Upon the completion of the vote, the ballots shall be delivered to the judges who shall count the same and immediately report the results to the Board. The ballots may immediately be canvassed by the Board, and the result may be confirmed or amended.
10. The person receiving a majority (51% or more) of the votes shall be deemed elected. If no such majority is received by any candidate on the first ballot, the candidate receiving the fewest votes shall be dropped from the ballot, and the remaining candidates shall advance to the next ballot. If two or more candidates tie for the fewest votes, each of such tied candidates shall be removed. This run-off procedure shall be repeated until a person receives a majority vote. In the event there is a tie vote among the top vote-getters on any final run-off vote, one additional ballot shall be taken, and if that ballot still results in a tie vote, the winner of the election shall be determined by drawing lots.
11. The final results of all elections shall confirmed by a resolution duly adopted by the Board.

Exhibit B
East Central Energy
Conflict of Interest Disclosure Statement
Board of Director Members

On an annual basis each director of East Central Energy, hereinafter referred to as "Cooperative", is required to complete this Conflict of Interest Disclosure Statement. Also, any candidate for a director position must complete and sign this statement prior to being placed on the ballot for such a position, as required by the Cooperative Bylaws, Article 4, Section 4.1 (b). Each director should recognize that he or she functions as a person occupying a place of trust and should not put himself or herself in a position in which self-interest conflicts with any duty the director owes to those for whom he or she acts. A conflict of interest is defined as any business or personal involvement by a director or by a close relative (as that term is defined below) of a director that may conflict with that director's responsibility to the Cooperative. This includes but is not limited to:

1. Outside interests and activities

(a) Holding, directly or indirectly, a material ownership or financial interest or employment or management position in any outside concern from which the Cooperative purchases goods or services. This includes any financial interest held by a close relative of the director. For the purposes of this disclosure statement, the term "close relative" shall mean a person who is either through blood, law, or marriage, a spouse, child, step-child, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, half-sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law; or resides in the same residence of the principal as stated in the ECE Articles of Incorporation and Bylaws Article 4, Section 4.1(b).

(b) Are employed by, materially affiliated with, or have a material financial interest in, any individual or entity which either is:

- (1) Directly and substantially competing with the Cooperative and/or any subsidiary thereof; or
- (2) Selling goods and services in substantial quantity to the Cooperative and/or any subsidiary thereof; or
- (3) Possessing a substantial conflict of interest with the Cooperative and/or any subsidiary thereof; or
- (4) In any way employed by the Cooperative and/or any subsidiary thereof, or having been so employed thereof within three (3) years of the director's nomination.

For the purposes of this qualification, the term "material" or "substantial" interest shall be interpreted as constituting a minimum of five percent (5%) of a member's total hours of employment, sales or income on an annual basis.

2. Gifts and entertainment

Accepting gifts, entertainment or other favors from any outside concern or person which does or is seeking to do business with or is a competitor of the Cooperative under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the director in the performance of his

or her duties. Excepted are items of nominal or minor value or social entertainment unrelated to any particular transaction or activity of the Cooperative.

3. Inside information

Disclosing or using information relating to the business of the Cooperative for the personal profit or advantage of the director, a close relative of the director, or any person living within the same household as said director. All affected directors must disclose any existing or potential conflicts of interest. Any doubts as to whether an interest or activity is or may constitute a conflict of interest should be resolved as if it is or were a conflict of interest. If no such interest or activities exist, the individual should write the word "NONE" in the space provided. No director may engage in any activity or interest that is defined above as a conflict of interest without approval of the Board of Directors of the Cooperative.

Name: _____

Address: _____

Occupation: _____

Place of employment, if not retired: _____

List all board of director positions (other than the Cooperative) and governmental offices currently held:

List your ownership or financial interest(s), if any, that you might have in outside business entities from which the Cooperative purchases goods or services. (Do not list associated co-ops or organizations like GRE, MREA, WECA, NRECA, CFC, etc.):

Please list any business that you have a personal or financial interest in whose products, services or labor require inspection or approval of this Cooperative before or after the furnishing or installation thereof:

To the best of your knowledge, please list ownership or financial interest(s) of any close relative in outside business entities from which the Cooperative purchases goods or services:

Please list all employment or management positions, if any, that you hold in outside business entities from which the Cooperative purchases goods or services:

Please list any other business or personal interest, membership, association, or affiliation with entities with which the Cooperative competes or does (or may do) business: (Do not list associated co-ops or organizations like GRE, MREA, WECA, NRECA, CFC, etc.):

I further certify that each of the following statements is true and correct:

1. I am a resident of the district for which I have been nominated or elected and have been so for at least one (1) year prior to the date hereof.
2. I have not been convicted of a felony within the last five (5) years.
3. The Cooperative and/or one of its subsidiaries does not employ me in any way and did not employ me during the three (3) years prior to my nomination.
4. I am not a close relative of any existing Cooperative director or Cooperative employee.

I hereby acknowledge that I have carefully read and understand this Conflict of Interest Disclosure Statement and that the above statements are true and correct to the best of my knowledge.

Dated: _____ By: _____

AREAS OF ACTIVITY

For the purpose of determining whether a conflict of interest exists, the following is a summary of existing areas of activity for East Central Energy and its subsidiaries, in which a Director may not compete. This listing is not intended to be totally inclusive.

- Internet provider
- East Central Energy Trust Board for Operation Round-up
- Telecommunications*
- Performing energy audits and other consulting services on energy use
- Gas and/or electric consumer appliances
- Furnishing energy. Furnishing any devices designed to generate electricity.
- Furnishing wiring of premises and installing and repairing electrical appliances, fixtures, machinery, supplies, apparatus and equipment of any kind or character.

* Telecommunications includes, but is not limited to: telephone, cable TV, telecommunications in educational systems and facilities, telecommunications involving satellites, and all other communications media.

Exhibit C
East Central Energy Director's Code of Conduct

As a Cooperative Director I shall:

- Maintain complete loyalty to my Cooperative and actively support its objectives and programs.
- Exercise and insist upon the use of sound business principles in the conduct of the affairs of my Cooperative.
- Recognize and discharge my responsibility to uphold all laws and regulations relating to Cooperative business activities.
- Inform myself as fully as possible about the affairs of my Cooperative and the organizations with which it interrelates in the normal conduct of business.
- Maintain the confidentiality of all matters discussed by directors and staff in the conduct of Cooperative affairs until these matters become public knowledge.
- Serve all members of my Cooperative without special consideration to any individual or group.
- Issue no false or misleading statements to members or the public.
- Not exploit or permit any exploitation of the position of director.
- Abide by and support decisions and policies made by the majority of the Board.
- Accept my responsibility for cooperating in every reasonable and proper way with other Board members.
- Refrain from discussing personalities or activities of fellow directors or staff outside the proper business forum.
- Maintain high standards of personal conduct.
- Honestly assess my capability and knowledge as a director and make an honest effort to seek training and education to improve my performance in those areas where I feel deficient.
- Accept my election as director as a "trust" as well as an "honor" and will not hesitate to relinquish my position as director if circumstances prevent me from giving complete and full attention to my responsibilities as a director.

Board Policy PD-19, Board of Directors Governance Policy, requires an annual Conflict of Interest Disclosure form to be signed by each director and submitted to the president/CEO. Attached to that form shall be the Director's Code of Conduct, which shall also be signed annually.

Director, East Central Energy

Date

Exhibit D
East Central Energy Board of Directors'
Confidentiality Agreement

Each member of the East Central Energy (ECE) Board of Directors acknowledges the importance of confidentiality with respect to the affairs of the Cooperative and its subsidiaries. In light of this acknowledgement, each member of the Board agrees to keep confidential, during and after service on the Board, all information acquired pertaining to the organization and any related activities in the course of membership on the Board. This commitment to confidentiality includes:

- Information included in confidential reports to the Board, the status of individual service issues and claims; and/or personal reviews of attitudes and opinions of those who work in the Cooperative.
- Issues related to the Board's legal, moral, and regulatory responsibility for the oversight of service reliability and service quality.
- Information regarding the strategic plan, programs and process toward meeting goals in the plan and our competitive position.
- Financial information including annual budgets, revenues, expenses, long-term capital expenditure plans and equipment purchases, and any information regarding the Cooperative's financial condition that would not otherwise be considered public information.
- Performance of management executives including evaluations, compensation, employment conditions, and top management succession plans.

It is particularly important that Board members recognize the sensitivity of information regarding capital equipment decisions, real estate purchases, decisions regarding closures, mergers, acquisitions, and other strategic plans that may have impact on the Cooperative's competitive position.

It is our Board Chair's responsibility to address infractions of confidentiality by individual Board members and to take action up to and including asking for the resignation of the individual Board member who violated this confidentiality agreement.

With my signature below, I commit to uphold the confidentiality terms stated above.

Signature

Date: _____

Adopted: 12/19/03

Exhibit E

COMMITTEE: Board Executive Committee

COMMITTEE GOAL

The Executive Committee is responsible for ensuring that the board is establishing and maintaining governance practices that represent the members' interest.

COMMITTEE PURPOSE

It will be the responsibility of the Executive Committee to act on behalf of the Board of Directors between meetings of the Board on all matters except those restricted under Article 6, Section 6.7 (c) of the Articles of Incorporation and Bylaws of the Cooperative. The Executive Committee will verify that all required director documents and agreements are signed and submitted each year (see Exhibits B, C & D). The committee will ensure a self-assessment is also completed by each director. Committee members will review the results and report their findings to the full Board of Directors in the first quarter of each year.

OPERATING GUIDELINES

This committee shall be comprised of the officers who have been elected by the Board of Directors. The committee will meet as needed.

MEMBERS, ROLES, AND RESPONSIBILITIES

Role	Responsibilities
<i>EXECUTIVE SPONSOR</i> Justin Jahnz	<ul style="list-style-type: none"> • Provide clarifying data. • Ensure resources are available and committed to the committee.
<i>CHAIR:</i> Board Chair	<ul style="list-style-type: none"> • Ensure the committee operating guidelines are followed. • Ensure full participation during meetings. • Ensure that all relevant matters are discussed. • Bring recommendations of the committee to full board.
<i>RECORDER:</i> Wendy Leibel	<ul style="list-style-type: none"> • Record minutes and action items at meetings, as needed. • Share minutes after the meeting. • Help the chair ensure action items are completed.
<i>MEMBERS:</i> Board Chair Vice Chair Secretary-Treasurer Asst. Secretary-Treasurer	<ul style="list-style-type: none"> • Assign out-of-state board development opportunities. • Conduct annual board assessments. • Review matters of a potential serious nature and present the findings to the full board. • Coordinate the full board's review of the CEOs performance and compensation. • Serve as a smaller sounding board for the CEO. • Focus the boards work and supply resources. • Coordinate the work of the full board through committee assignment.

Exhibit F

COMMITTEE: Board Audit Committee

COMMITTEE GOAL

The Audit Committee is responsible for overseeing the annual audit of the cooperative.

COMMITTEE PURPOSE

The Audit Committee is directly responsible for appointing, compensating, and overseeing the work of the registered public accounting firm employed by the Cooperative, including resolving disagreements between management and the auditor regarding financial reporting for the purpose of preparing or issuing an audit report or related work. The Audit Committee will establish procedures according to Article 6, Section 6.9 of the Articles of Incorporation and Bylaws of the Cooperative. This committee will meet at least twice each year and may request a review of ECE affiliate financials as desired.

OPERATING GUIDELINES

The Audit Committee will be comprised of at least five (5) directors appointed by the ECE Board Chair from the membership of the Board of Directors. The ECE Secretary-Treasurer will serve as the chair of the committee. Audit and Expense Committee members are congruent.

MEMBERS, ROLES, AND RESPONSIBILITIES

Role	Responsibilities
<i>EXECUTIVE SPONSOR</i> Lisa Prachar	<ul style="list-style-type: none"> • Provide clarifying data. • Ensure resources are available and committed to the committee.
<i>CHAIR:</i> Secretary-Treasurer	<ul style="list-style-type: none"> • Ensure the committee operating guidelines are followed. • Ensure full participation during meetings. • Ensure that all relevant matters are discussed. • Bring recommendation of the committee to full board.
<i>RECORDER:</i> Lisa Prachar	<ul style="list-style-type: none"> • Record minutes and action items at meetings. • Share minutes after the meeting. • Help the chair ensure action items are completed.
<i>MEMBERS:</i> Six Board Members	<ul style="list-style-type: none"> • Recommend the selection, retention or termination of the auditor to the full board of directors. • Annually receive, evaluate and discuss the auditor report. • To meet with cooperative auditors, including private meetings, as necessary. • Review all contractual services provided by the auditor. • Consider the auditors' comments with respect to the cooperative's financial policies, procedures and internal accounting controls and

	<p>management's response.</p> <ul style="list-style-type: none">• Review the form of opinion the auditors propose.• Consider the effect upon the cooperative of any changes in accounting principles or practices.• Review the annual report of the Whistleblower Policy according to Board Operating Policy PD-2.
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INFORMATION ONLY

Exhibit G

COMMITTEE: Board Policy Committee

COMMITTEE GOAL

The Policy Committee is responsible for overseeing the policies and bylaws of the board and ensuring the Cooperative has policies in place to guide the organization's operation legally and ethically.

COMMITTEE PURPOSE

To review and formulate policies and bylaws for recommendation to the Board of Directors as to the operation of the Cooperative.

OPERATING GUIDELINES

The Policy Committee will be comprised of at least five (5) members appointed by the ECE Board Chair from the membership of the Board of Directors. Policy Committee membership will alternate with the Audit Committee. A Chair will be nominated and approved by the committee. The committee will meet quarterly, or as needed.

MEMBERS, ROLES, AND RESPONSIBILITIES

Role	Responsibilities
<i>EXECUTIVE SPONSOR</i> Justin Jahnz	<ul style="list-style-type: none"> • Provide clarifying data. • Ensure resources are available and committed to the committee.
<i>CHAIR:</i> Nominated Annually	<ul style="list-style-type: none"> • Ensure the committee operating guidelines are followed. • Ensure full participation during meetings. • Ensure that all relevant matters are discussed. • Bring recommendations of the committee to full board.
<i>RECORDER:</i> Wendy Leibel	<ul style="list-style-type: none"> • Record minutes and action items at meetings. • Share minutes after the meeting. • Help the chair ensure action items are completed.
<i>MEMBERS:</i> Six Board Members	<ul style="list-style-type: none"> • Review and formulate policy recommendations. • Review and formulate bylaws recommendations. • Ensure all policies are reviewed at least every three years.

Exhibit H

COMMITTEE: Board Loan Committee

COMMITTEE GOAL

The Loan Committee is responsible for the review and approval of Revolving Loan Fund applicants.

COMMITTEE PURPOSE

To review the Cooperative's applicants of cooperative loan funds to ensure consistency with policy. To evaluate the feasibility and risk of awarding a loan.

OPERATING GUIDELINES

It will be the duty and responsibility of the Loan Committee to review proposals and provide recommendations on loan applications (i.e. USDA Rural Development grants and disbursement of Revolving Loan Funds) to the full Board.

The Loan Committee will be comprised of at least five (5) members appointed by the ECE Board Chair from the membership of the Board of Directors and will include the ECE Board Assistant Secretary-Treasurer. The Loan Committee membership will alternate with the Expense Committee. The committee will meet as needed.

MEMBERS, ROLES, AND RESPONSIBILITIES

Role	Responsibilities
<i>EXECUTIVE SPONSOR</i> Lisa Prachar	<ul style="list-style-type: none"> • Provide clarifying data. • Ensure resources are available and committed to the committee.
<i>CHAIR:</i> Nominated Annually	<ul style="list-style-type: none"> • Ensure committee operating guidelines are followed. • Ensure full participation during meetings. • Ensure that all relevant matters are discussed. • Bring recommendations of the committee to full board.
<i>RECORDER:</i> Lisa Prachar	<ul style="list-style-type: none"> • Record minutes and action items at meetings. • Share minutes after the meeting. • Help the chair ensure action items are completed.
<i>MEMBERS:</i> At Least 5 Board Members, plus Assistant Secretary-Treasurer	<ul style="list-style-type: none"> • Review and approve applications received for revolving loans.

Exhibit I

COMMITTEE: Board Expense Committee

COMMITTEE GOAL

The Expense Committee is responsible for overseeing the expenses of the board.

COMMITTEE PURPOSE

To monitor the Cooperative's Board expenses to ensure consistency with policy. To provide travel per diem recommendations to the full board for *out-of-state* travel. To monitor the expenses of administration that makes purchases for the board and for the President/CEO.

OPERATING GUIDELINES

The committee will consist of the VP/CFO and 6 directors. These directors will rotate annually after the annual meeting. A Chair will be nominated and approved by the committee. The committee will meet monthly.

MEMBERS, ROLES, AND RESPONSIBILITIES

Role	Responsibilities
<i>EXECUTIVE SPONSOR</i> Lisa Prachar	<ul style="list-style-type: none"> • Provide clarifying data. • Ensure resources are available and committed to the committee.
<i>CHAIR:</i> Nominated Annually	<ul style="list-style-type: none"> • Ensure the committee operating guidelines are followed. • Ensure full participation during meetings. • Ensure that all relevant matters are discussed. • Bring recommendations of the committee to full board.
<i>RECORDER:</i> Lisa Prachar	<ul style="list-style-type: none"> • Record minutes and action items at meetings. • Share minutes after the meeting. • Help the chair ensure action items are completed.
<i>MEMBERS:</i> Six Board Members	<ul style="list-style-type: none"> • Review and approve expenses paid to board members. • Review and approve credit card expenses of administration that makes purchases on behalf of the board. • Review and approve credit card expenses of the President/CEO. • Review and approve travel expense per diems for out state travel.

Exhibit J Credentials & Election Committee

GENERAL DUTIES

The Credentials & Election Committee ("Committee") shall consider and decide all questions, issues, or disputes regarding the following:

1. Member Meeting Issues, as defined in ECE Bylaws Article III, Section 3.13b. (4)
 - a. Member registration and voting.
 - b. Tabulation of member votes.
 - c. Director nomination.
 - d. Whether a Director nominee or seated Director satisfies the Director qualifications set forth in the Bylaws.
 - e. Campaign ethics and/or practice complaints (collectively, "Member Meeting, Election and Campaign Issues").

2. Campaign Issues
Campaign Rules. No candidate for the Board of Directors, nor any current Director, whether a candidate or not, shall intentionally engage in any of the following activities, nor shall any such candidate or Director conspire, solicit, or arrange for any member or group of members to engage in such activities:
 - a. Use the ECE logo on any campaign materials;
 - b. Cast more than one ballot per member;
 - c. Alter or tamper with a ballot;
 - d. Duplicate a ballot;
 - e. Distribute a ballot to a member by any unauthorized means;
 - f. Make a statement that the candidate is supported by another person or organization without having first obtained the written permission from that person or organization;
 - g. Disseminate, publish, circulate, or in any way (verbal, printed, or electronic) make a false or malicious statement about another candidate or a candidate's position on an issue involving ECE;
 - h. Use the term "re-elect" in connection with the election for Directors, unless the candidate is the current ECE Director;
 - i. Threaten, coerce, restrain, or exercise undue influence over the casting of a ballot;
 - j. Threaten, coerce, restrain, or exercise undue influence over an ECE employee to obtain the assistance in the candidate's election campaign;
 - k. Accept a financial contribution or other financial assistance from a person, corporation, or entity that competes directly with the business of ECE or its subsidiaries;
 - l. Disseminate, publish, or circulate any campaign materials (printed or electronic) without a disclaimer of the name and address of the candidate or the

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candidate's committee responsible for the preparation, dissemination, publication, or circulation of such materials. The disclaimer shall read: "Prepared and paid for by [name and address of candidate or candidate's committee]"; the name of any such candidate's committee shall clearly state the name of the candidate;

- m. Offer any item of monetary value to a member to induce the member to vote for a particular candidate, or on an issue in a particular way.

SPECIAL DUTIES

It is expected that the ECE Board of Directors may occasionally request that the Committee consider and decide upon special questions, issues, or disputes that might arise when there is no election in process but would be best addressed by the Committee.

CHALLENGE/COMPLAINT PROCEDURES

1. Member Meeting Issue or Election Issue Challenge

- a. Any member may comment upon a Member Meeting Issue or challenge the Committee's decision regarding a Member Meeting Issue and/or Election Issue by filing a written complaint ("Complaint") at any time during the campaign and election process, but no later than three business days following the Member Meeting.
- b. The Complaint must be filed with the Committee at the Braham Headquarters office of ECE, together with any supporting documents.
- c. Signed Complaints that are emailed or faxed to ECE's Braham Headquarters office within three business days of the Member Meeting will be regarded as timely filed, provided the original Complaint bearing a notarized signature of the Complainant is received by ECE within one business day.
- d. The Complainant must send a copy of the Complaint to the candidate or Director against whom the Complaint is made (the "Respondent"), if applicable.
- e. A filing fee of \$250 must be paid by the person issuing the challenge at the time of filing the Complaint.
- f. The filing fee will be refunded if the Committee determines the Complaint or challenge has sufficient merit.
- g. If the Committee finds the Complaint to be frivolous or without sufficient merit, the fee may be retained by the Cooperative to help offset legal fees and other costs associated with addressing the Complaint.
- h. The Committee has the authority to initiate a Complaint on its own without receiving a Complaint filed by a member.
- i. No filing fee will apply if the Committee initiates the Complaint on its own.

2. Preliminary Review, Investigation and Determination of Probable Cause so as to Merit a Hearing

The Committee will promptly investigate the Complaint and, if it finds that the Complaint is not frivolous and has sufficient merit so as to warrant further review, shall

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arrange for a hearing date as soon as possible so as to ensure that the Committee will be able to consider, decide, and rule upon the Complaint no later than 30 days after receiving the Complaint.

The Committee may dismiss any Complaint without convening a hearing on the same if, in its sole discretion, it determines that either: (i) the Complaint does not contain sufficient specific allegations which, even if proven by the Complainant, would constitute a claim upon which the Committee would take punitive or remedial action, or (ii) that the Complaint and written Responses thereto, if any, contain sufficient information so as to enable the Committee to reach a decision without the necessity of a hearing.

3. Hearing Rules and Guidelines

- a. The Complainant and Respondent shall be entitled to appear at the hearing with counsel and present evidence for and against the charges made in the Complaint.
- b. The Complainant shall bear the burden of proof. It is the obligation of the Complainant to provide the Committee with all evidence necessary to substantiate the allegations in the Complaint.
- c. Any hearing conducted by the Committee shall not be deemed a legal or judicial hearing with all the formalities that those types of hearings might entail.
- d. While the parties are entitled to have legal counsel present, no court reporters, tape recorders, and/or other recording devices are permissible.
- e. Parties and witnesses shall not be put under oath.
- f. Media and other people and entities not formally involved in the hearing process shall not be entitled to be present.
- g. ECE shall make arrangements for legal counsel to represent the Committee if requested by the Committee Chair, at no expense to the Committee and/or its individual members.
- h. The Committee, through its Chair, shall have the right to request the availability of any ECE employees that it deems appropriate for the furnishing of information to the Committee for background purposes and/or to respond to allegations in the Complaint against ECE or its employees.

4. Penalties

If the allegation(s) in the Complaint are a challenge to the C&E Committee's decision regarding a Member meeting, Election or Campaign Issue, the Committee will determine whether any action is appropriate under the circumstances. If the allegation(s) in the Complaint pertain to a candidate or Director, penalties may include an order to cease and desist from further violations, a reprimand, a censure, a disqualification of the Respondent's candidacy or, in the event of a sitting Director, a recommendation to the Board of Directors that the Director resign or be removed from office, or such other penalty or remedial action as the Committee determines is

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appropriate under the circumstances. The penalty must be appropriate to the violation committed.

5. Finality

The determination of the Committee shall be final, except that in those circumstances where the Committee determines that a Director or a candidate for a Director position should be removed from office or from the election; then such Committee determination shall not be final but instead shall be forwarded to the Board of Directors as a recommendation for final action by the Board of Directors alone. In such instances, the Board of Directors shall confirm the recommendation of the Committee as it pertains to the removal of a seated Director, or a candidate for a Director position, unless the determination and/or penalty are clearly erroneous based on the evidence presented.

CONFIDENTIALITY

All communications, deliberations, activities and functions of the Committee shall be maintained in strict confidence by the Committee members and no member of the Committee shall respond or communicate directly with the media. If contacted by the media, Committee members shall notify the Chair who, in turn, shall promptly notify the office of the ECE President/CEO for proper handling.

DIRECTOR CANDIDATE ACKNOWLEDGMENT REQUIREMENT

As part of the director nomination and election process, all candidates are required to formally acknowledge their understanding and agreement with the policies and procedures outlined in Board Operating Policy PD-19, Exhibit K. This acknowledgment confirms that the candidate has received, read, and agrees to comply with the following:

1. The general duties of the Credentials & Election Committee.
2. The campaign rules.
3. The challenge and complaint procedures.

Each candidate must sign an acknowledgment form affirming their understanding of and commitment to abide by these policies and rules. This form must be submitted to the Credentials & Election Committee prior to being officially placed on the ballot. Failure to submit a signed acknowledgment form will result in disqualification from the election process.