




Midwest Electric, Inc.

A Touchstone Energy® Cooperative 

## Spring 2021 Code of Regulations proposed updates

You're not just a customer, you're a member-owner. You have a vote on any proposed changes to our Code of Regulations. The Midwest Electric Board of Directors is asking for your support to approve the following proposed Code updates. You'll receive a ballot in May for this spring's Director elections along with the proposed Code changes. You can vote by mail or online.

### Summary of Proposed Changes

- **Director Qualifications – nepotism and criminal background**

To bring our Code of Regulations up to date, the Board would like to add language that prohibits someone from serving on the Board if there is a close relative already serving on the Board or as an employee.

To uphold governance best practices, the Board also would like to add language that prohibits someone from serving on the Board if they have a felony criminal record.

We have not had problems with these issues, but the Board is seeking to be proactive.

- **Remote / virtual meetings**

The COVID impact on meetings brought to light a need to update this part of the Code of Regulations. Our Annual Meeting, which typically attracts around 800 members and their family, had to be held online due to COVID restrictions. Our monthly Board Meetings were held remotely during the first few months of the COVID restrictions.

Although, due to the emergency pandemic situation, we held remote meetings in the past year without having the remote meeting language in place, it is recommended by governance and legal experts to update the Code and specifically add such language.

The Board intends to hold in-person member and board meetings to the greatest extent possible, and reserve the remote meetings as an option.

**Below is the actual proposed language that the Board is asking you to APPROVE when you receive your ballot this May. The proposed changes are highlighted in yellow.** The Director Qualifications changes are to an existing Article / Section. The Remote Meetings changes involve adding a new Article.

### Director Qualifications

#### ARTICLE IV, SECTION 3. Qualifications.

(a) No person shall be eligible to become or remain a member of the Board who:

(i) is not of legal age;

(ii) is not a member and bona fide resident in the particular district within the service area of the Cooperative which he is to represent; or

(iii) is in any way employed by or financially interested in a competing enterprise or a business selling electric power and/or 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 member who has a distributed or renewable energy system primarily to offset their own facility use but may be selling limited overproduction to the cooperative is not excluded from serving on the Board.

(iv) has a close relative serving on the Board or as an employee of the Cooperative. Specifically, "close relative" in this Section means through blood, law, or marriage, is a spouse, child, stepchild, 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.

(v) has pled or been found guilty of any felony criminal offense and the offense has not been sealed.

- (b) No person shall be elected to or appointed as a member of the Board of this Cooperative after July 1, 2003, who is or has been an employee of Midwest Electric, Inc. or any subsidiary thereof, within three (3) years preceding the date of election or proposed appointment. Said prohibition of such ineligible persons shall not apply to election or appointments of persons to related organizations formed for charitable or benevolent purposes.
- (c) No person shall be elected to or appointed as a member of the Board of Directors who is or has been during the preceding three years an employee of a statewide association of electric cooperatives, an electric generation and transmission cooperative, or other entity in which the Cooperative is a member.

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

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## **Remote / Virtual Annual Meeting**

(Add a new Article to the end of the Code, and there would be no need to revise other Sections of the Code related to member or board meetings.)

### **Article XV**

#### **Authorized Communications Equipment**

"Authorized Communications Equipment" as used herein means any communications equipment that provides a transmission, including but not limited to, by telephone or any electronic means, from which it can be determined that the transmission was authorized by, and accurately reflects the intention of, the person participating and, with respect to meetings, allows all persons participating in the meeting to communicate through the meeting host or platform or a substantially equivalent manner.

The Cooperative shall be permitted to use Authorized Communications Equipment to the extent permitted by Ohio law for the following purposes: giving notice of meetings or any other notice required by the Code of Regulations or by Ohio Statutes; conducting meetings at which persons shall be present and shall participate by such means; providing or obtaining a written consent in lieu of meetings; giving a copy of any document or transmitting any writing required or permitted by this Code of Regulations or by Ohio statutes; and for conducting elections and obtaining Director and Member votes as further specified in Article XIV (Member Mail Voting Procedures) hereof. Where a meeting is permitted or required in this Code of Regulations, the term "meeting" shall be deemed to include any meeting held in person, in a hybrid manner which allows persons entitled to attend to elect to participate in person or by Authorized Communications Equipment, or solely by means of Authorized Communications Equipment. The Board of Directors shall determine and provide notice to persons entitled to attend any regular or special meeting, of the manner in which the meeting shall be convened and instructions for participation.

The use of Authorized Communications Equipment shall be subject to procedures and guidelines established from time-to-time by the Board of Directors.