

ARTICLE IV TRUSTEES

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of trustees which shall exercise all of the powers of the Cooperative except those conferred upon or reserved to the members by the law, the articles of incorporation, or these bylaws.

SECTION 2. Qualifications and Tenure. Trustees shall be elected for terms of three (3) years. If the election of trustees has not been held on or by the day designated for the annual meeting, or at any adjournment thereof, the board of trustees shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient.

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 (or is not an officer, shareholder, or trustee of an entity member) and a bonafide resident of, and physically residing in, the particular district which they are 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 is an officer, trustee or shareholder owning ten percent or more of the stock of a corporation which is in the business of selling electric energy or which competes with the Cooperative; or
- c) Who is or has been an employee of the Cooperative within the past four years; or
- d) Is related by blood within the third degree of marriage to any current employee of Lower Yellowstone Rural Electric Cooperative.

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

SECTION 3. Removal of Trustees by Members. Any member may request removal of a trustee by filing specific charges in writing with the secretary, together with a petition signed by at least ten percent of the members. The trustee against whom such charges have been submitted shall be informed in writing of the charges at least fifteen (15) 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 through counsel and to present evidence. The person or persons bringing the charges against the trustee shall have the same opportunity at the meeting. The question of the removal of such trustee shall be considered and voted upon at the meeting of the members and no trustee shall be removed unless by a vote of two-thirds (2/3) of the members present.

SECTION 4. Vacancies. Any vacancy occurring in the board shall be filled by the affirmative vote of the majority of all of the remaining trustees for the unexpired portion of the term provided. If a trustee resigns effective on a specified date, the remaining trustees may appoint a member by the affirmative vote of the majority of all of the remaining trustees to fill the vacancy before it occurs, and in such case the trustee so appointed will begin to serve on the date specified in the resignation notice. In the event the vacancy is not filled by the board within sixty (60) days after

the vacancy occurs, the members residing in the trustee voting district from which such trustee was elected shall have the right to fill such vacancy at a meeting of the members of such trustee voting district, in the same manner as set forth in these bylaws. A member appointed to fill a vacant trustee position must comply with all qualifications for a trustee. The procedure applicable to election of trustees at the expiration of a trustee term applies to any trustees appointed to fill an unexpired term.

SECTION 5. Compensation. Trustees shall not receive any salary for their services as trustees, except that by resolution of the board, a reasonable fixed sum and expenses of attendance, if any, may be allowed for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, conventions, seminars and training programs or performing committee assignments when authorized by the board. If authorized by the board, trustees also may be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses.