



2023 NCE CODE CHANGES

Your chance to vote on proposed updates to the Code of Regulations

Cooperative members will be asked to consider and vote on five issues addressing various proposed changes to the North Central Electric Cooperative Code of Regulations. These changes were recommended by the Code of Regulations Committee and the co-op's legal counsel and approved by the board for membership's consideration.

WHY THESE UPDATES ARE NEEDED NOW

The intent of the proposed changes is to bring the document up to date and uphold governance best practices based on recommendations from our national organization, the National Rural Electric Cooperative Association (NRECA), and our statewide association, Ohio's Electric Cooperatives (OEC). Similar Code of Regulations changes have been made by cooperatives throughout the nation.

AN EVOLVING GUIDE FOR THE OPERATION OF YOUR CO-OP

The Code of Regulations, also known as the cooperative's bylaws, is considered a living document and should be reviewed and updated regularly to ensure it serves the needs of cooperative members and meets all applicable laws.

The Code of Regulations contains the rules under which the cooperative operates. It addresses key issues such as memberships, annual and special meetings, board nominations and elections, corporate officers, patronage, mergers, indemnification rights, and more.

To view the Code of Regulations in its entirety, visit www.ncelec.org/membership-documents-forms.

VOTING INFORMATION

- ★ The most cost-effective method to cast a ballot is online at the cooperative's website, www.ncelec.org.
- ★ Vote for each individual issue.
- ★ **Voting is open to all North Central Electric members, regardless of your district.**
- ★ All ballots must be received by 11:59 p.m. on Tuesday, May 23. Online voting will close at this time.

ISSUE 1 - Updates to terms and language, membership certificate requirement, and membership fee

Shall Sections 1.02, 1.04, and various sections throughout the Code of Regulations be amended to remove the membership certificate requirement, increase the membership fee from \$10.00 to \$20.00, and update titles from trustee to director, President and Vice-President to Chair and Vice-Chair, and General Manager to President/CEO, and use gender neutral language?

ISSUE 2 - Joint Membership Definition

Shall Sections 1.02, 1.03, and 3.05 of the Code of Regulations be amended to revise the joint membership definition to all persons residing at the location receiving electric service?

ISSUE 3 - Member Rights

Shall Sections 2.03, 3.01, 3.02, 3.03, 4.04(b) and 5.03 of the Code of Regulations be amended to allow Members to remove a majority or more of the Board and require that Members fill the vacancies at the same meeting if such removal occurs at a single meeting, and expressly permit electronic Member meetings?

ISSUE 4 - Board Governance

Shall Sections 4.02(b), 4.04, and 4.06 of the Code of Regulations be amended to prohibit trustees from working as an employee of a Cooperative affiliate or being a close relative of an employee of a Cooperative subsidiary or affiliate, allow employees to serve as Board designees to perform ministerial duties in the trustee nomination and election process, remove runoff elections in trustee nominating process, clarify permissible Board compensation, and authorize compensation for advisory committee members?

ISSUE 5 - Capital Credits

Shall Section 8.02 of the Code of Regulations be amended to authorize the refund of capital credits to discontinued or former patrons at the Board's discretion?

A redline version of all proposed changes to the Code of Regulations is available for review on the cooperative's website at www.ncelec.org/2023-code-changes.