



Green underline is proposed Bylaw amendment language.

~~Red strikethrough is deleted Bylaw~~

This is one (1) amendment proposal that includes five (5) separate changes to Section 4.10.

<p>ARTICLE IV: TRUSTEES Section 4.10 Compensation; Expenses; Indemnification</p>	<p>Summary of Proposed Amendment</p>	<p>The Board of Trustees Opinion</p>
<p>(1) For their attendance at meetings of the Board of Trustees, trustee shall, on a per diem basis, receive such fee as is fixed by the members. The per diem basis is calculated at \$550.00, for the first per diem each month and then \$50.00 per day thereafter for all meetings attended within the cooperative's service area. Per diem for meetings attended out of the cooperatives' service area shall be calculated at \$100.00 per day.</p> <p>(2) <u>other meetings attended. No trustee shall receive compensation from any other business associated with the cooperative. This includes, but not limited to: Western Farmers Electric Cooperative.</u></p> <p>(3) Trustees may participate in cooperative health benefits at their own expense. Trustees shall not be entitled to any additional benefits greater than any member of the cooperative receives. This includes, but not limited to: cooperative health insurance and purchasing goods from the cooperative at cost. They shall also receive reimbursement for travel and out of pocket expenses incurred as a result of performing necessary duties relative to their positions as trustee.</p> <p>(4) <u>If a trustee is accompanied by another person(s) that person(s) is responsible for his/her travel and out of pocket expenses.</u> No trustee or relative of a trustee shall receive compensation for serving the cooperative in any other capacity.</p> <p>(5) Trustees will get <u>receive</u> the current IRS rate for food.</p>	<p>(1) This change reduces trustees per diem from \$100 per day to \$50 per day for meetings outside of the cooperative's service area. Trustees spend significant time and energy serving in a highly complex and rapidly changing industry. Electric co-op boards may be compensated for their leadership role in guiding the direction of the co-op. That compensation is paid to trustees who fulfill the role of being a co-op leader and accept the risk and responsibilities of being a trustee.</p> <p>(2) Trustees would no longer receive compensation for their time serving on the Western Farmers Electric Cooperative board or on any other business associated with the cooperative. Serving on the Western Farmers Electric Cooperative board requires significant time and commitment. It is important CEC has a representative on the Western Farmers Electric Cooperative board. Approximately 65% of CEC's annual budget is paid to Western Farmers Electric Cooperative in the form of wholesale power cost. CEC would continue to pay its share of all other Western Farmers trustees' compensation as a part of its wholesale power costs. Trustees from other electric cooperatives would continue to receive compensation, but the trustee from CEC would not receive compensation.</p> <p>(3) Trustees have the option to participate in CEC's health insurance plan at their own expense. This change would eliminate trustees' participation all together. Choctaw Electric is self-insured. Currently, trustees are allowed to participate in the health insurance plan if they pay the monthly premium. This amendment would prohibit trustees' from receiving any benefit greater than a member.</p> <p>(4) This adds language that anyone accompanying a trustee is responsible for their expenses. This is current CEC practice. The cooperative does not cover expenses for another person(s) who accompany a trustee.</p> <p>(5) This is only a word change.</p>	<p>_____ For the Proposed Amendment – Yes</p> <p>✓ _____ Against the Proposed Amendment – No</p> <p>_____ Is Neutral</p>

CHOCTAW ELECTRIC

Cooperative



Proposed Bylaw Amendments Ballot

Cast your vote:

For the Proposed Amendment - Yes

Against the Amendment – No

ARTICLE IV: TRUSTEES

Section 4.10 Compensation; Expenses; Indemnification

This is one (1) amendment proposal that includes five (5) separate changes to Section 4.10. Choctaw Electric members will vote FOR the changes or AGAINST the changes in its entirety whether they agree or disagree with the amendments within Section 4.10

(1.) The change reduces trustee per diem from \$100 to \$50 per day for all out of cooperative service area meetings. (2.) Trustees would no longer receive compensation for their time serving on the Western Farmers Electric Cooperative Board or on any other business associated with the cooperative. (3.) This removes language that allows trustees to participate in the cooperative health insurance plan. Currently, trustees have the option to participate at their own expense. This amendment would prohibit trustees from receiving any benefit greater than a member. (4.) This adds language that anyone accompanying a trustee is responsible for their expenses. This is current CEC practice concerning accompanied travel expenses. (5.) This changes the word **get** to **receive**.

For the Proposed Amendment – Yes

Against the Proposed Amendment - No