

## ARTICLE III. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board. The Board of Directors of the company shall have the authority and power to make assignments and transfers of the interest of the members. The interest of the members includes both allocated and retired capital credits.

### Section 2. Number, Tenure and Qualifications.

1. Number. The number of Directors of the Corporation shall be eleven (11).

2. Tenure. Each Director shall hold office for a term of three (3) years, and until his or her successor shall have been qualified; subject, however, to the provisions hereinafter set out concerning the termination of Directors' terms.

3. Qualifications and Eligibility.

(a) To be qualified and eligible to be nominated, elected, appointed and/or serve as a member of the Board of Directors, the following provisions apply:

(1) The person must be of legal voting age;

(2) For at least one year prior to the close of nominations, must be a member or spouse of a member, or must be an officer, director, partner, official or manager of an entity, which has been a member for one year, as entity is defined in ARTICLE II, Section 5, Paragraph 1;

(3) Where a partnership, corporation, limited liability company, firm, association, business trust, personal trust, estate, body politic or subdivision thereof, or other multiple ownership type business structure, herein an "entity" is a member, then an officer, director, partner or manager of the local entity or the local branch of an entity would be qualified to be a Director. To remain eligible to serve as a Director, the person

must continue to maintain such status. No more than one person may serve on the Board based upon any one membership.

(4) A nominee must not have been adjudged to be guilty of a felony within the seven (7) years of initial date set for filing nominations for election to the Board of Directors.

(5) Employees of the Corporation are not eligible to be nominated, elected, appointed or to serve on the Board.

(6) Persons, including an officer, director, partner, owner, manager, or principal in the ownership of an entity, who have an unpaid account with the Corporation which has been outstanding for more than ninety (90) days, or who have had an obligation to the Corporation written off as a bad debt, or who is an officer, director, partner, owner, manager, or principal in the ownership of an entity, which entity has an unpaid account with the Corporation which has been outstanding for more than ninety (90) days, or has had an obligation to the Corporation written off as a bad debt within seven (7) years of the initial date set for filing nominations for election to the Board of Directors, are not eligible to be nominated, elected, appointed or to serve as a Director.

(7) A person is not qualified to be nominated to be a Director or to be appointed a Director if such person is a former employee of the Corporation within a period of five (5) years prior to the date of closing of nominations for any election year or prior to the date of any appointment to fill a vacancy is made.

(8) To be qualified for election and have his or her name placed on the ballot for election to the Board, or for a person to be appointed to fill a vacancy on the Board, any person nominated or to be appointed, but who has not previously served

on the Board, shall be required to attend an informational workshop to be prepared and presented by the Corporation. The workshop shall be held on a date or dates selected by the Corporation, which shall be after the close of nominations on the Fourth Monday of June and prior to the Board's meeting in July of each year, or at such time as the Directors set for a person to be appointed. Reasonable travel expenses of nominated persons or persons to be appointed to attend the workshop shall be paid by the Corporation. Unless there are circumstances beyond the control of the person, should the person fail to attend the workshop at the scheduled time, the person shall not be eligible for election, appointment or to serve and may not appear on the ballot or be qualified for appointment.

(9) No person who is featured in the Company Ruralite Magazine shall be eligible for a position on the Board of Directors until six (6) months have elapsed between the date of publication of the featured article and the last date to cast a vote for Board of Directors in any election year. Written notice of such limitation of candidacy shall be provided to all persons intended to be featured before the featured article is accepted for publication.

(10) To remain eligible to continue to serve as a Director, and subject to payment by the Corporation of his or her reasonable travel expenses, each newly elected or appointed Director, who has not previously served on the Board of the Corporation, shall attend a Director's orientation workshop to be prepared and presented by the Corporation and designed and planned to orient the newly elected or appointed Director as to the operations of the Corporation and as to matters a Director should be informed relating to a Director's duties and responsibilities. The Director's orientation

workshop will be presented within one month from the date of the Director's election or appointment, unless the time period is extended by the Board. Should a newly elected or appointed Director fail, without good cause, to attend the Director's orientation workshop, said Director's term of office shall be subject to termination by the Board, creating a vacancy in the office.

(11) To remain eligible as a Director, and subject to the payment by the Corporation of his or her reasonable travel expenses, each Director shall attend the courses and programs approved by the National Rural Electric Cooperative Association ("NRECA"), and be subject to the provisions as follows:

(i) During a Director's first term of office, said Director shall attend sufficient additional required and elective courses to the extent that the Director obtains the Credentialed Cooperative Director's Certificate, offered by NRECA's Management Service Department. It is recommended that a Director attend the "fast track" Director Certification during the first term. The requirements to be met are as set by NRECA's Management Service Department, and as said Department may from time to time change the same.

(ii) After obtaining the Credentialed Cooperative Director's Certificate, a Director may attend such other courses or training programs related to electric cooperative matters of his or her choice as are permitted by the Corporation, however, attendance will not be required to maintain eligibility as a Director.

(iii) Should a Director be appointed and commence service during mid-term, then, and in that event, and for purposes of the requirements of this Section 2, Subsection 3(a)(9) only, the first year of the Director's service shall be

considered his or her "first year" pursuant to Subparagraph (i) above, three (3) years of the Director's service shall be considered his or her "first term" during which he or she shall attend at least the courses required by Subparagraphs (i) and (ii) hereof.

(iv) Any Director who has failed to fulfill the applicable requirements as above set out shall be eligible to only serve the balance of the term for which he or she had been elected and shall not be eligible for reelection for a period of three (3) years after the end of the term to which he or she was elected.

(12) Any judgment finding a Director guilty of a felony which occurs during a Director's term in office shall terminate the Director's term of office and create a vacancy in the office.

### Section 3. Regular Meetings.

1. A regular meeting of the Board shall be held without further notice than this By-Law, except as hereinafter provided, at 9:00 o'clock A.M., Pacific Time, on the Third Tuesday of each month of each year. The meetings shall be held at the Corporate offices at Wells, Nevada; Carlin, Nevada or West Wendover, Nevada. Meetings shall be at the Wells, Nevada corporate office unless notice of a different place or date of meeting is e-mailed, read receipt, to the Directors at least five (5) calendar days prior to the date of the meeting.

2. Meetings will only be moved for company business and not for personal reasons of Directors.

3. The definition of company business will be as set by the Board of Directors and may include:

(a) NRECA Annual Meetings;

- (b) NRECA Region IX Meetings;
- (c) NRECA Legislative Conferences; and
- (d) Company recognized holidays.

4. The December meeting of each year shall be held to include a determination of the Company business of the next calendar year and which regular meetings may be attended by telephonic or other electronic means as described in ARTICLE III, Section 12.

5. Any regular scheduled meeting that falls on a date determined to be company business will automatically be scheduled for the Second Tuesday of the month.

6. A schedule for the entire year shall be given to each Director prior to the Third Tuesday of January. The schedule shall be subject to changes that may be caused by emergencies.

7. The Board may also provide, by resolution, the date, time and place, either within or without the State of Nevada or Utah, for the holding of additional regular meetings, or special meetings without other notice than such resolutions.

Section 4. Special Meetings. Special meetings of the Board may be called by or at the request of the President or any four Directors. The person or persons authorized to call special meetings of the Board may pick any place, either within or without the State of Nevada, as the place for holding any special meeting of the Board called by them.

Section 5. Notice. Notice of any special meeting shall be given at least ten (10) calendar days prior to said meeting by e-mail, read receipt, to each Director at the e-mail address on file with the Corporation. Notice shall be deemed given at the time and date on which the e-mail is sent. If no read receipt is obtained from a Director within five (5)

calendar days from the date of the first e-mailing, the Corporation must contact the Director by telephone to advise the Director of the notice. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of such meeting.

Section 6. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time, and provided further that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by law, the Articles of Incorporation or these By-Laws.

Section 7. Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining elected Directors at any meeting at which there is a quorum of the Board. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office. Reference in these By-Laws to "elected" Directors shall include those Directors who have been appointed.

Section 8. Compensation. Board members shall not receive any salary for their services as such, except that by vote of a majority of the elected Board, said Board may by resolution authorize a fixed sum for each day or portion thereof spent on Corporation

business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. If so authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Corporation business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Corporation in any other capacity unless the payment and amount of compensation shall be specifically authorized by a vote of a majority of the elected members of the Board.

Section 9. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the actions taken unless his or her dissent or abstention shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent or abstention to such actions with the person acting as the Secretary of the meeting before the adjournment thereof.

Section 10. Nomination and Election of Directors. Nomination and election of Directors shall be by mail as herein after provided:

1. The annual election of Directors shall be by mail.
2. The Board shall appoint an Election Committee at the July meeting. The function of the Election Committee shall be to count and tally the ballots and to help in such other election matters as may be requested by staff.
3. Prior to the Second Monday in June of each year, the Corporation staff shall inform the membership by one publication in Ruralite or as otherwise directed by the Board:



(a) That on the Second Monday in June nominations will be open;

(b) That nominations shall close at 5:00 o'clock P.M. on the following Fourth Monday of June;

(c) Nominations may be made only by use of a Board of Directors Election Nomination Form (herein "Nomination Forms"), which form shall be available at the company offices and on the internet which is [www.wrec.coop](http://www.wrec.coop). The form shall also provide information as to:

(1) The period of time that nominations may be made and where they should be sent;

(2) Entering the complete name, address and communication numbers of the nominee, including e-mail;

(3) That any member in good standing may nominate himself or herself or be nominated by another member in good standing;

(4) Mandatory information that must be provided to determine the eligibility of the nominee and whether or not the nominee is an incumbent;

(5) Voluntary Biographical information relating to occupation, education and training, years of membership in Company and years on Board of Directors for any incumbent;

(6) The required signature of the nominee, if self-nominated, or the signatures of the nominee and the member making the nomination, and dates of the signatures;

(7) The name, address and communication numbers, including e-mail, of the member making the nomination;

(8) That nominees who are not incumbents shall be required to attend an informational workshop at the Corporation's headquarters at Wells, Nevada on a date set by the Board according to these By-Laws;

(9) That unless otherwise directed by the Board, the nominations and related materials shall be mailed or hand delivered to the Corporation's General Counsel at his principal place of business whose name and address will be provided in the election notices;

(10) That unless otherwise directed by the Board, nominations and related materials shall be mailed, e-mailed, facsimile transmission or hand delivered to the Corporation's General Counsel at his principal place of business whose name, address, facsimile and e-mail will be provided in the election notices; and

(11) That unless otherwise directed by the Board, nominations and related materials must be in the office, mail box or e-mail of the General Counsel of the Corporation no later than 5:00 o'clock P.M. Pacific Time, on the Fourth Monday of June. It is the responsibility of the nominee to confirm that the nomination has been received by General Counsel's office. Late nominations will not be placed on the ballot. When the time for making nominations has past, all nominations and related materials shall be turned over to staff to carry out the duties pursuant to Subparagraph 5, hereafter stated.

4. The nominated candidates who must attend the informational workshop shall be notified of the date of such meeting on the nomination form.

5. Prior to the July meeting of the Board, the General Counsel shall ascertain and report to the Board all persons nominated who are willing to serve as Directors and who are eligible to serve as Directors. In the event any nominee is unwilling to serve or

determined to be ineligible, his or her name shall be removed from nominations with such action subject to the approval of the Board, at the July meeting.

6. The Corporation staff shall review and prepare for distribution to all members the election materials described in this ARTICLE III, Section 10, Subparagraph 8. The ballots are subject to approval of each nominee as to their portion of the ballot. Incumbent Directors will be identified on the ballot. No election material shall be published or mailed until it has been submitted to and approved by the Board at the July meeting.

7. Notwithstanding the foregoing provisions of this ARTICLE III, Section 10, Subsections 1 - 14, inclusive, in the event that the procedures hereinbefore outlined in Subsections 1 - 5, inclusive, have been followed, and in the further event that the number of willing and qualified persons nominated for the office of Director does not exceed the number of Directors to be elected, then, and in such event, the procedures hereinbefore described in the following paragraphs 8 - 15, inclusive, shall be dispensed with, and

(a) The persons nominated shall at the August meeting of the Board, be declared by the Board as elected to a full term of office, effective at the beginning of the meeting of the Board in the month of October pursuant to paragraph 13 hereinafter set out; and furthermore,

(b) If the number of qualified persons elected pursuant to the foregoing does not fill all of the vacancies on the Board, the Board shall declare a vacancy or vacancies exist, and at such time as the Board may determine, appoint a person or persons to fill the same, pursuant to ARTICLE III, Section 7, provided that the person or persons complies with ARTICLE III, Section 2, Subparagraph 3(a)(8) by having previously

served on the Board, or attends an informational workshop to be presented by the Corporation at a time selected by the Board.

8. In the event the number of willing and qualified candidates exceeds the Directors to be elected, Subparagraph 7 does not apply. In that event, on the last Wednesday in July, the staff of the Corporation shall mail to all members entitled to vote the following:

(a) One (1) copy of the approved ballot with the candidates listed thereon, together with the candidate information, in an order which has been determined by lot;

(b) Whether the candidate is an incumbent;

(c) One (1) privacy envelope;

(d) One (1) business reply envelope, (the "return" envelope) addressed to the office of the General Counsel of the Corporation at Elko, Nevada, or to such other location or address as the Board may determine to have said ballots returned, and printed on the back of the envelope shall be the name, address of the member and the district of the member. The mailing envelope must also state when the ballot must be received to be counted.

(e) One (1) copy of voting procedure and instructions, printed in English which may be included on the ballot and which shall include the following advice and information:

(1) The manner and procedure for voting and mailing the ballot;

(2) The address to which the ballot must be mailed or delivered;

(3) The time and date the ballot must be returned;

- (4) How many votes the members may cast;
- (5) That no more than one vote can be cast for a candidate, and that if more votes are indicated it will count as only one vote;
- (6) That the member need not vote all of his or her votes;
- (7) That the member should cast one vote for the candidate or candidates of their choice;
- (8) That ballots showing votes for more than the number to be elected will be rejected;
- (9) That the order in which the candidates were placed on the ballot was determined by lot; and

9. Members entitled to vote for a Director shall be as described in ARTICLE II of these By-Laws.

10. The Board shall approve the form of Ballot at its July meeting of the Board.

11. Members are permitted to publicize their candidacy; however, all such publications must identify their origin.

12. To be counted the ballots must be mailed or delivered to be in the post office box or the office of the address or location where ballots are to be returned by 5:00 o'clock P.M., Pacific Time, on the Third Wednesday in August.

13. The election committee shall have the duty to count and tally the ballots, and determine the persons elected to the Board. The election committee shall be assisted by the General Counsel in its work which shall be accomplished in the office of the General Counsel, or such other place as the Board may determine and direct.

14. In the event the vote is tied between two candidates for any remaining Director position, the election committee shall re-count and tally the vote for the two candidates who are tied. If the vote still remains tied after the re-count, the tie shall be determined by lot; provided, however, in the circumstance where the tie vote is between an incumbent Director and a non-incumbent, the incumbent Director shall be declared the winner and the determination shall not be made by lot.

15. The General Counsel shall promptly inform the President of the Board and the Chief Executive Officer of the election results by telephone; however, General Counsel shall notify all candidates by personal email listed on the candidates nomination form.

16. The Board of Directors shall determine whether the election results are approved at the September Board meeting.

17. The term of office of elected Directors shall commence at the beginning of the meeting of the Board on the Third Tuesday of the month of October or such other date, in the month of October when the Board meets.

18. In the event that the Directors are not nominated and elected at the times hereinbefore set, said nomination and election procedure shall be carried out at the earliest date thereafter as may be determined by the Board.

19. The provisions for the nomination and election of Directors as hereinbefore set out shall be deemed substantive as well as procedural, as to all matters therein contained.

Section 11. Procedure. At all meetings of the Board, the business shall be conducted in accordance with Robert's Rules of Order, save and except that in the event

there is a conflict between Robert's Rules of Order and any applicable statute, Articles of Incorporation or By-Laws of the Corporation, the procedure required by the statute, articles or By-Laws shall prevail.

Section 12. Electronic Attendance. A Director may choose to attend any special meeting by telephonic or other electronic means which have been made available by the Company. Regular meetings which have been designated for voluntary electronic attendance by the Board each year may also be attended by telephonic or other electronic means. No other meetings may be attended by electronic means.

Written or electronic notice must be given to the Company by any such Director not less than five (5) calendar days before the meeting at which the Director wishes to attend by electronic means. At any such meeting, the Director must be able to hear all conversations among the Board members at the meeting. All handouts for the meeting must have been scanned and emailed to the Director choosing to attend by electronic means at least one hour before the meeting starts. The CEO shall be responsible to assure that the documents and facilities necessary to accomplish such electronic attendance comply with the terms and conditions of this By-Law Section.

Section 13. Removal of Directors. A Director may be removed from office only for cause. Removal shall be by the vote of members of the Corporation representing not less than a majority of the voting power of the members or by the affirmative vote of two-thirds (2/3) of the Directors in office under the following terms and conditions:

1. Cause for removal shall include:

(a) The Director committing an act or omission adverse to and affecting the business and affairs of the Corporation and amounting to intentional misconduct, fraud, or a knowing violation of law; and

(b) The Director being in violation of and not qualified to serve under the terms provided in ARTICLE III, Section 2, Subsection 3(a)(1)-(10), inclusive.

2. The procedure for removal of a Director by the Board is as follows:

(a) The removal of a Director must be authorized by the approval of a majority of the Board members who are not being considered for removal;

(b) After investigation directed by a majority of the Board members not being considered for removal, a decision must be reached by those Board members that there is or is not cause for removal of the Director;

(c) The Director subject to removal shall be given notice of the finding by the Board and if cause for removal is found the Director subject to removal must, within twenty (20) calendar days after notice either resign or respond in writing to the Board the Director's position if opposed to removal. If the Director resigns, no further action will be taken regarding the removal of the Director;

(d) If the Director subject to removal does not respond or if the response does not cause the Board to find that no cause exists, then the Director subject to removal shall be given written notice that action will be taken upon his or her removal at a regular or special meeting of the Board to be held not less than twenty (20) calendar days or more than forty (40) calendar days from the date of the notice;

(e) At the date set for action upon the removal of the Director, the Board will take the matter up for consideration; and in that regard:



(1) The Director subject to removal shall be entitled to be represented by counsel and shall have the opportunity to refute such charges and present evidence in his or her defense before a vote of the Directors is taken;

(2) The Board may postpone the meeting and the action thereon from time to time on any reasonable grounds, including if all the members of the Board, excluding the Director charged with the removal, are not present;

(3) The Director subject to removal shall be given reasonable notice of any postponement of action and may be entitled to appear and be represented at any postponed meetings where action is to be taken; and

(4) Final action by the Board for removal of a Director must be by a two-thirds (2/3rds) affirmative vote of the Directors in office who are not being considered for removal.

3. The procedure for the removal of a Director by the members shall be as follows:

(a) A written petition must be presented to the Board which shall:

(1) Describe in detail each of the charges against the Director the members seek to remove and the basis therefore. If more than one Director is sought to be removed, individual charges for removal shall be specified for each; and

(2) The petition must be dated and signed by a minimum of ten percent (10%) of the members of the Corporation who would be entitled to vote on the date of the petition. The petition must contain the legibly printed names and signatures of said members within sixty (60) calendar days of the date of the petition. For the petition to be accepted, the member or members initiating the petition must notify the Chief

Executive Officer in writing within five (5) calendar days of the date that the petition was initiated.

(b) If the Board determines that the petition complies with paragraph 3(a) above and if the Secretary of the Corporation certifies that the names on the petition are members of the Corporation, there shall be a vote of the members who were members of record as of the date of the petition as to the removal of the Director or the non-removal of the Director pursuant to NRS 82.276 and NRS 82.296 in lieu of a meeting of the members to be held for such purpose.

(1) All members entitled to vote may vote for removal of the Director charged with removal or vote against said Director's removal.

(2) There shall be mailed to all members entitled to vote on the matter:

(i) One copy of the "ballot";

(ii) One privacy envelope;

(iii) One business reply envelope addressed to the office of the General Counsel in Elko, Nevada, or to such other location or address as the Board may determine to have said ballots returned;

(iv) One copy of voting procedure and instructions which shall include advice of the date for final return of the ballots;

(v) A copy of the petition calling for the removal; and

(vi) At the request of the Director sought to be removed, a statement of 250 words or less in opposition to the removal.

(c) The voting materials for removal, above described, shall be approved by General Counsel.

4. Affirmative action taken by the Board or the members as aforesaid shall remove the Director from office and shall create a vacancy in said office to be filled as provided by the By-Laws of the Corporation.

5. Nothing contained herein, however, shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.