



2023 LMRE 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 Lorain-Medina Rural 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.lmre.org/membership-documents-forms.

VOTING INFORMATION

- ★ The most cost-effective method to cast a ballot is online at the cooperative's website, www.lmre.org.
- ★ Vote for each individual issue.
- ★ **Voting is open to all Lorain-Medina Rural Electric members, regardless of your district.**
- ★ All ballots must be received by 11:59 p.m. on Tuesday, June 21. Online voting will close at this time.

ISSUE 1 - Updates to terms and language, removal of membership certificates, and approval of memberships

Shall Article I, Sections 1, 3, Article V, Sections 5, 7, Article VII, and various other sections of the Code of Regulations be amended to use gender neutral language, remove the introductory language, add identifying language for the Cooperative, replace language regarding the purchase of electricity by the member, remove language requiring the Cooperative to issue membership certificates, and remove procedure for membership acceptance at the annual meeting?

ISSUE 2 - Board Governance Rules and Terminology

Shall Article I, Section 8, Article II, Sections 2, 7, Article III, Sections 2, 3, 4, Article V, Sections 2, 4, 7, 8, and various other sections of the Code of Regulations be amended to update the titles of Trustees to Directors, President and Vice-President to Chair and Vice-Chair, and Manager to President/CEO, to allow for removal of a majority or all of the Board by the members and provide for a procedure to fill the vacancy of a majority of the Board, to allow for employees to be appointed as Board designees to perform ministerial duties in the trustee nomination and election process, prohibit an employee or close relative of an employee from serving as trustee of the Cooperative or affiliate, include procedure to disqualify a nominee or remove a trustee who lacks eligibility, limit the Board's ability to fill a vacancy in the Board, clarify when the Board or a close relative may receive compensation, clarify the procedure and timing of the election of officers, add officer positions, and include and clarify procedure for resignation and vacancies of officers?

ISSUE 3 - Annual meeting, board compensation, elections, and capital credits

Shall Article II, Sections 1, 2, 3, 4, 5(c), 7, 8, Article III, Section 6, Article IV, Section 3, Article V, Section 12, and Article VIII, Section 2 of the Code of Regulations be amended to expressly allow for electronic meetings, allow for electronic notices, clarify that action at a member meeting includes electronic voting, add language for electronic voting, clarify language regarding scheduling the annual meeting and procedure if the annual meeting cannot be held, extend time period for adjournment of annual meeting, remove the trustee run-off election, update the reports required at the annual meeting and alterations to the order of business, and remove limitation on the capital credit balance paid out to discontinued or former patrons?

ISSUE 4 - Joint Membership definition

Shall Article I, Section 7, Article II, Sections 3, 4, 5, Article III, Section 2, Article VIII, Section 2, and Article IX of the Code of Regulations be amended to revise the joint membership definition to all persons residing at the location receiving electric service?

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