



Otsego Electric Cooperative, Inc.

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SUMMARY of BYLAW CHANGES

The Otsego Electric Cooperative Board of Directors is continuing to review our Bylaws to update provisions and language to the way we do business today. We have proposed several other revisions based upon OEC's needs, review and partly upon recommendations from a National Governance Task Force that our CEO, Tim Johnson, served on with other electric cooperative representatives from around the nation. Many of our Bylaws had not been thoroughly reviewed or updated in many years. Here is a Summary of the changes:

1. **Article IV Directors.** These changes are mostly self-explanatory and we have added a few more basic qualifications to be more specific about what kind of member might become a director.
2. **Article V.** Changed last year. No new change.
3. **Article VI Officers.** Changed terminology to conform to current practices.
4. **Article VIII. Disposition of Property.** This allows OEC to seek financing with any institution that operates on cooperative principles. We currently do business with the National Rural Utilities Cooperative Finance Corporation (CFC) so this will allow us to seek other competitor's products and services in the future.
5. **Article IX.** No changes.
6. **Article X. Financial Transactions.** Very basic changes primarily to allow electronic payments and transfers by OEC to vendors.
7. **Article XI. Miscellaneous.** Basic accounting rules change to conform to current practices.