

BYLAWS
OF
COCHRANE COOPERATIVE
TELEPHONE COMPANY

Adopted on 10.27.11
Amended on 10.22.13
Amended on 04.24.24

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, partnership, limited liability company or municipal body will become a member of the Cochrane Cooperative Telephone Company (hereinafter called the "Cooperative") upon receipt of retail telephone or other communication services from the Cooperative. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws. The board will determine under rules of general application the types and amounts of revenue streams and the types and amounts of patronage required for membership in the Cooperative. No person, firm, association, corporation, limited liability company, partnership or other business entity or municipal body that sells services similar or the same as the services sold by the Cooperative may become a member of the Cooperative.

SECTION 2. Joint Membership. Any two or more persons may be accepted for joint membership, subject to their compliance with the requirements set forth in these bylaws or in any rules or policies established by the board of directors. A joint membership is considered one membership and shall be entitled to only one vote as a member. The term "member" as used in these bylaws includes persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply to the holders of a joint membership.

SECTION 3. Termination of Membership. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds of all the members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws, or rules and regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes them liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. Upon the withdrawal, death, cessation of existence or expulsion of a member or if the member ceases to receive services from the Cooperative, the membership of such member shall terminate. Termination of membership in any manner shall not release a member or the member's estate from any debts due the Cooperative.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Non-Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

SECTION 2. Property Interest of Members Upon Dissolution. Upon dissolution, after all debts and liabilities of the Cooperative have been paid and all capital furnished through patronage has been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member and former member bears to the total patronage of all members and former members on the date of dissolution, unless otherwise provided by law.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. An annual meeting of the members shall be held each year at a date, time, and place selected by the board. To the extent authorized by the board and permitted by law, however, and

subject to guidelines and procedures adopted by the board, an annual or special meeting may be held without a geographic location if the meeting is held through the internet or other remote communications technology so long as all of the following apply: (a) the Cooperative implements reasonable measures to verify that each person participating in the meeting is a member; and (b) the Cooperative implements reasonable measures to provide members a reasonable opportunity to participate in the meeting, read or hear the proceedings substantially current with their occurrence, and vote on matters submitted to the members.

SECTION 2. Special Meetings. Special member meetings may be called by the president, board, or members having one-fifth of the votes entitled to be cast at such meeting. Special meetings of the members may be held at any place as designated by the board, or held by means of remote participation as provided in Article III, Section 1 above, and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Meetings. Written notice, stating the place, day and hour, and in case of a special member meeting the purposes for which the meeting is called, shall be given not less than 7 nor more than 30 days before a member meeting. Notice shall be given either personally, by mail or by electronic transmission. If mailed, the notice is given when it is deposited, or a newsletter or other publication of the Cooperative which includes the notice is deposited in the United States mail, with postage prepaid, addressed to the member at the member's address as it appears on the records of the Cooperative. An electronically transmitted notice of a member meeting is deemed delivered when electronically sent to a member at the member's electronic mail address shown in the Cooperative records. The failure of any member to receive notice of an annual or special member meeting shall not invalidate any action taken at the meeting. If the board authorizes remote or electronic meeting attendance, then the notice of such member's meeting must include a description of the means of remote or electronic communication to be used.

SECTION 4. Quorum. A quorum at a member meeting, whether held in person or via remote or electronic means, shall be 10% of the members but shall never be more than 50 members. Members represented by signed mail ballot or electronic ballot may be counted in computing a quorum only on those questions as to which the mail ballot or electronic ballot is used.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the articles of incorporation, or these bylaws.

SECTION 6. Order of Business. The order of business at meetings of the members shall be determined by the board.

SECTION 7. Postponement of a Meeting. In the event of inclement weather or of the occurrence of a catastrophic event, any meeting of the members may be postponed by the president. Notice of the adjourned meeting shall be given in any media of general circulation or broadcast serving the area or by electronic notice to members.

SECTION 8. Ballots; Electronic Voting. Each member authorized to vote as provided in these bylaws may also vote by mail ballot or electronic means, including, but not limited to, voting on the election or removal of board members, subject to applicable law, these bylaws and any procedures adopted by the board. To the extent mail ballots or electronic voting methods are authorized by the board, a vote cast by mail ballot or electronic means shall have the same effect as a vote cast by a member present at a meeting and shall count toward the member quorum required to vote on the matter. A mail or electronic ballot must: (i) set forth and describe a proposed action, identify a candidate, and/or include the language of a motion, resolution, bylaw amendment, or other written statement, upon which a member is asked to vote or act; (ii) state the date of a member meeting at which members are scheduled to vote or act on the matter; (iii) provide an opportunity to vote for or against or to abstain from voting on the matter; (iv) instruct the member how to complete, return or cast a mail or electronic ballot; and (v) state the time and date by which the Cooperative must receive the completed mail or electronic ballot. A mail or electronic ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, a mail or electronic ballot procured or cast through fraud or other improper means is invalid.

ARTICLE IV BOARD MEMBERS

SECTION 1. Number; Powers. The business and affairs of the Cooperative shall be managed by a board of five (5) directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation, or these bylaws conferred upon or reserved to the members.

SECTION 2. Election and Term. Members of the board shall be elected by secret ballot at annual meetings of the members, including mail or electronic ballots, subject to applicable law, these bylaws and any procedures adopted by the board, and shall serve five-year terms. The terms of board members shall be staggered to ensure continuity. If an election of board members is not held on the day designated for the annual meeting or any adjournment thereof, a special meeting of the members shall be held for the purpose of electing board members within a reasonable time thereafter.

SECTION 3. Qualifications. No person shall be eligible to become or remain a board member of the Cooperative who: (i) is not a member and bona fide resident of the area served or to be served by the Cooperative; (ii) is in any way employed by or financially interested in a competing enterprise or business engaged in selling telephone or communication service or supplies or constructing or maintaining telephone or communication facilities; (iii) is employed by or has a financial interest in any business that sells the same or similar services sold by the Cooperative; (iv) is closely related to an incumbent director or an employee of the Cooperative; or (v) is an employee or former employee of the Cooperative (as it relates to former employees, this provision shall only be applicable for a period of 5-years following cessation of employment with the Cooperative OR if a former employee was terminated for cause or was subject to documented disciplinary action during employment with the Cooperative, in which case the 5-year limitation referenced above shall not apply). Closely related means a person who is a spouse, child, grandparent, parent, brother, sister, aunt, uncle, nephew or niece, by blood, by marriage, or by adoption. However, no incumbent director shall lose eligibility to remain a director because of a marriage to which the director is not a party. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the board shall remove such board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board.

SECTION 4. Nominations and Elections. All board members shall be elected at large. The board shall appoint, not less than 40 days nor more than 90 days before a meeting at which directors will be elected, a nominating committee consisting of at least 3 persons. No board member or close relative of a board member may serve on the committee. The committee shall prepare and post at the principal office of the Cooperative at least 20 days prior to a meeting at which directors will be elected a list of nominations for each board position that is up for election. The list shall include as many nominees for each position as the committee deems appropriate and desirable. Nominations may also be made by petition signed by at least 35 members and delivered to the principal office of the Cooperative at least 20 days before the meeting at which directors will be elected.

SECTION 5. Removal of Board Members by Members. Any member may bring charges against a board member and, by filing with the secretary such charges in writing, together with a petition signed by at least ten percent of the members or 200, whichever is less, may request the removal of such board member. Such board member shall be informed in writing of the charges at least two days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the provisions of these bylaws with respect to nominations.

SECTION 6. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of board members by the members, a vacancy occurring in the board shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the

term.

SECTION 7. Compensation. Board members shall, as determined by resolution of the board, receive a fixed sum for each day or portion of a day spent on Cooperative business, such as attendance at meetings, conferences, and training programs, or performing committee assignments when authorized by the board. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business, or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. Board members who elect to participate may be extended various forms of liability and accident insurance as well as participation in benefits provided to employees, except for benefits based on salary. No board member shall receive compensation for service to the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or close relative shall have been certified by the board as an emergency measure. For purpose of this section, “close relative” includes grandparent, parent, husband, wife, child, grandchild, brother, sister, aunt, uncle, nephew, and niece, by blood, by marriage, or by adoption, and a spouse or domestic partner of any of the foregoing.

ARTICLE V MEETINGS OF BOARD

SECTION 1. Regular Meeting. Regular meetings of the board shall be held at such times and places and dates as designated by the board.

SECTION 2. Special Meetings. Special meetings of the board may be called by the president or by any three board members. The president or board members calling the meeting shall fix the day, time and place for holding the meeting.

SECTION 3. Notice of Board Meetings. Written notice of the time, place, and purpose of any special meeting of the board shall be delivered to each board member either personally or by mail, or by email or other electronic means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the board member at the board member’s address as it appears on the records of the Cooperative, with postage prepaid, at least five days before the date set for the meeting. If sent by electronic transmission, such notice shall be deemed delivered when electronically sent to the board member at the board member’s electronic mail address as it appears on the records of the Cooperative.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided that if less than a 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 in these bylaws.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a president, vice president, secretary, treasurer, and such other officers as may be determined by the board from time to time. The offices of secretary and treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected annually by and from the board at the first meeting of the board after the annual meeting of the members. Each officer shall hold office until the first meeting of the board following the next succeeding annual meeting of the members or until a successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed

by the board may be removed by the board whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the secretary such charges in writing together with a petition signed by ten percent of the members or 200, whichever is less, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges shall have the same opportunity. In the event the board does not remove such officer, the question of such officer's removal may be considered and voted upon at the next meeting of the members.

SECTION 4. President. The president shall be the principal executive officer of the Cooperative and, unless otherwise determined by the board, shall preside at all meetings of the members and the board and in general perform all duties incident to the office of president and such other duties as may be assigned by the board from time to time.

SECTION 5. Vice President. In the absence of the president, or in the event of the president's inability or refusal to act, the vice president shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall also perform such other duties as from time to time may be assigned by the board.

SECTION 6. Secretary. The secretary shall be responsible for supervising the keeping of minutes of the meetings of the members and of the board in books, seeing that all notices are duly given in accordance with these bylaws or as required by law, and in general performing all duties incident to the office of secretary and such other duties as from time to time may be assigned by the board.

SECTION 7. Treasurer. The treasurer shall be responsible for the general performance of all the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the board.

SECTION 8. General Manager/CEO. The board shall appoint a general manager, who may also be designated as a chief executive officer ("CEO"), who may be, but who shall not be required to be, a member of the Cooperative. The general manager/CEO shall perform such duties and shall exercise such authority as the board may from time to time authorize.

SECTION 9. Bonds of Officers. Any officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property may be bonded in such sum and with such surety as the board shall determine. The board in its discretion may also require any other officer, agent, or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. Compensation. The powers, duties, and compensation of officers, agents, and employees shall be fixed by the board subject to the provisions of these bylaws with respect to compensation for a board member and close relatives of a board member.

SECTION 11. Reports. The officers of the Cooperative shall submit at each annual member meeting reports covering the business of the Cooperative for the previous fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. Patronage Capital in Connection with Furnishing Telephone and Other Communication Services. In the furnishing of telephone and other communication services the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-

profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telephone and other communication services in excess of operating costs and expenses properly chargeable against the furnishing of telephone and other communication services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to the Patron's account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for the purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby the capital credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be at the discretion and direction of the board as to timing, method and type of retirement.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of the Patron's estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 3. Lien and Set-off. The Cooperative shall have a continuing lien against patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to the Cooperative and such indebtedness to the extent of such capital so allocated and credited upon which the Cooperative has a lien shall not be extinguished by the bankruptcy of said patron or lapse of time, but shall be set off against any capital allocated and credited to said patron in any retirement of patronage capital to said patron or to the patron's estate or heirs or surviving joint member.

SECTION 4. Unclaimed Property. The board may declare any unclaimed funds or property, including unclaimed capital credits checks, forfeited as unclaimed funds as authorized by the Wisconsin Cooperative Association Act and shall follow the procedure for unclaimed funds set forth in the Act.

If subsequent to a forfeiture the owner of the funds at the time of forfeiture makes a claim to the board, the funds shall be refunded if the board determines that the person owned the funds at the time of the forfeiture. The board of directors may establish a reserve to pay claims made to the board after forfeiture.

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease, or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deed of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof; provided further that the board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is incorporated.

ARTICLE IX SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Cochrane, Wisconsin".

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these bylaws, the board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any document or instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board.

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such financial institutions as the board may select.

SECTION 4. Fiscal Year. The board shall determine the fiscal year of the Cooperative.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative may become a member of or

purchase stock or make investments in other organizations.

SECTION 2. Waiver of Notice. Any member or board member may waive in writing any notice of a meeting. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except if a member or board member attends a meeting to object to the transaction of any business on the grounds that the meeting has not been lawfully called or convened. A signed waiver of notice is equivalent to personal notice to the person so signing. The waiver may be signed at any time.

SECTION 3. Policies, Rules and Regulations. The board may make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system for the Cooperative.

SECTION 5. Indemnification. Directors and officers shall be indemnified by the Cooperative to the fullest extent authorized by the Wisconsin Cooperative Association Act and these bylaws.

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal; provided, further, that Section 5 Article III (relating to voting by members), Article VIII (relating to disposition of property), and Article XII (relating to amendment), of the bylaws may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds of all of the members of the Cooperative.

ARTICLE XIII INDEMNIFICATION OF OFFICERS, BOARD MEMBERS, EMPLOYEES AND AGENTS

SECTION 1. Scope of Indemnification. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a board member, officer, employee, or agent of the Cooperative or who is or was serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), adjustments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

SECTION 2. Indemnification for Good Faith Action. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened pending or completed action or suit by, or in the right of the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a board member, officer, employee or agent of the Cooperative, or is or was, serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith, and in a manner such person reasonably believed to be in or not

opposed to the best interests of the Cooperative. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the court in which action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

SECTION 3. Cost of Defense Indemnified. To the extent that a board member, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 and 2 above, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

SECTION 4. Amount of Indemnification. Any indemnification under Sections 1 and 2 above (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the board member, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 1 and 2 above. Such determination shall be made:

- (1) By the board by a majority vote of a quorum consisting of board members who were not parties to such action, suit or proceedings; or
- (2) If such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested board members so directs, by independent legal counsel in a written opinion; or
- (3) By the members.

SECTION 5. Expenses Advanced. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the board in the specific case, upon receipt of a firm commitment by or on behalf of the board member, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Cooperative as authorized in this Article.

SECTION 6. Rights of Person Indemnified. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested board members, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a board member, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. Insurance Coverage. The Cooperative may purchase and maintain insurance on behalf of any person who is or was a board member, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.