

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky

POLICY NO. 109

ATTENDANCE OF BOARD MEETING BY MEMBERS OR OTHER PERSONS

I. OBJECTIVE

To establish the process whereby requests by members or other persons to attend Shelby Energy's Board of Directors' ("Board") meetings for the purpose of observing or presenting an issue or complaint to the Board will be handled.

II. POLICY

Shelby Energy is owned by the members it serves. Members of Shelby Energy elect the members of Shelby Energy's Board, who are in turn charged with the exclusive responsibility to manage Shelby Energy, subject only to the provisions of the laws of the Commonwealth of Kentucky and the Articles of Incorporation and Bylaws of Shelby Energy. The Board oversees and sets policies for the management of Shelby Energy. The President and CEO is selected by the Board to run the day-to-day business of Shelby Energy.

The purpose of this structure is to provide a Board comprised of a small, diverse, and dedicated number of members of Shelby Energy who are elected by the members to efficiently and prudently represent all members in conducting the business and affairs of Shelby Energy. For the Board to fill this representative function it must be able to consider and deliberate the business and affairs of Shelby Energy in an orderly, efficient, and sometimes confidential manner.

Members of Shelby Energy, who are also its owners, may wish to attend a Board meeting for the purpose of observing the Board's activities or presenting an issue or complaint for consideration by the Board. The purpose of this policy is to establish procedures which will accommodate members' desire to attend a Board meeting, but at the same time establish procedures which will assure that such attendance does not unduly interfere with the Board performing its statutorily prescribed duty to make prudent, well-considered and fully deliberated decisions in the management of the business and affairs of Shelby Energy, as well as to maintain confidentiality when it is required in the best overall interest of Shelby Energy.

III. CONTENT

- A. Subject to the provisions of this policy, a member will be permitted to attend a Board meeting to observe the Board meeting and a member may be permitted to attend a Board meeting to present an issue or complaint to the Board.
- B. Non-members may attend Board meetings only if specifically invited by the Chairman, if they are legal counsel or possess a power of attorney and shall speak on behalf of a member, or a person providing physical assistance to a member.

- C. Representative(s) of the news media are not allowed to attend Board meetings unless they are members; however, management and the Board shall use their good faith efforts to respond to inquiries from representatives of the news media.
- D. In order to be eligible to attend a Board meeting, each member or other person must submit to Shelby Energy's headquarters office a completed and signed copy of the Request to Attend Shelby Energy Board Meeting form ("Request form") attached to this policy.
 - 1. Should the attendance be for the purpose of observing the Board meeting, the Request form must be submitted no later than three (3) days prior to the scheduled Board meeting date.
 - 2. Should attendance be for the purpose of presenting an issue or complaint to the Board, the Request form must be submitted no later than the fifth (5th) day of the month in which the Board meeting date is scheduled in order to adjust the agenda, if possible, to accommodate the request.
- E. A member may not be allowed to attend a Board Meeting if the member's attendance is for an unlawful purpose or:
 - 1. If the member fails or refuses to complete, sign and submit the Request form, or
 - 2. If the attendance is to present an issue to the Board and the member has not previously presented the issue to Shelby Energy's management and allowed reasonable time for response, or
 - 3. If the attendance is to bring a complaint before the Board and the member has not made a good faith effort to resolve the complaint with Shelby Energy's management and allowed a reasonable time for the matter to be resolved to the reasonable satisfaction of the member, if the Board believes the complaint does not have merit, or if the Board believes the nature of the complaint is something that should be addressed by management rather than by the Board, or
 - 4. If the attendance is for a purpose which is not reasonably related to the business of Shelby Energy, or
 - 5. If the issue or complaint has already been considered by the Board, or
 - 6. If the number of members desiring to attend a Board meeting exceeds the reasonable capacity of the boardroom to accommodate them. (In such event, members sharing one or more common purposes must select a maximum of two (2) representatives to attend a Board meeting for such common purpose.), or
 - 7. If the member has disrupted a previous Board or annual member meeting.
- F. A request for the purpose of presenting an issue or complaint to the Board for initial consideration will be referred to the Board Chairman, who may place the request on the agenda for the upcoming Board meeting, delay the request until a later Board meeting, refer the request to Shelby Energy's management or the Shelby Energy

directors from the member's district, decline for the Board to consider the request, or take any other action deemed appropriate by the Chairman.

G. When one or more persons attend a Board meeting, the following procedures and protocol will be followed:

1. Except when making a presentation to the Board, the person(s) shall be seated away from the Board conference table so that their physical proximity will not impair or interfere with the Board's deliberation and conduct of the business affairs of Shelby Energy.
2. If one or more person's purpose in attending a Board meeting is to present an issue or complaint for consideration by the Board, a 15-minute time limit will apply during which the Board will hear such presentation including asking questions and discussing the matter as it deems appropriate. The chairman may reduce this time limit or in exceptional circumstances extend this time limit. The Board, in order to ensure complete open and candid discussion between the Board members, will generally not discuss, respond or take action with respect to such issue or complaint until after the person has left the Board meeting. The Board shall, after deliberating such matter, promptly notify the person of any actions taken, or that no action will be taken as the case may be.
3. If a person is attending the Board meeting for the purpose of observing the meeting, the person will remain quiet unless limited questions or comments are permitted by the Chairman.
4. A person may take notes during a Board meeting, but will not be permitted to electronically record any Board proceedings. The presence of devices which might be capable of recording will not be permitted, or may be permitted only for specific purposes.

H. No person shall be entitled to attend an executive session of the Board unless requested by the Chairman.

IV. RESPONSIBILITY

The President and CEO shall be responsible for the administration of this policy and to communicate requests and associated information to the Board Chairman and Board as applicable. It shall be the responsibility of the Board to cause a response, as applicable, regarding any issue or complaint, to be communicated to the member or other person attending the meeting.

Adopted: 04/23/98

Revised: 07/01/98 07/24/99 09/15/11 01/16/14 07/16/15

REQUEST TO ATTEND SHELBY ENERGY BOARD MEETING

Name: _____ Are you a member? (Y/N) _____

Address: _____

Phone #'s: (Home) _____ (Cell) _____ (Work) _____

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List the reason for attendance:

**If the reason for attending is to observe the Board meeting process, please submit the request three (3) days prior to the scheduled meeting date.

**If the reason for attending the meeting is to present an issue and/or concern, please submit the request by the 1st day of the month for which the meeting is scheduled in order to include it on the agenda.

All presentations will be limited to a maximum of 15 minutes, unless lengthened by the Chairman for exceptional circumstances.

Please list the estimated length of time needed for your presentation _____ minutes.

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Please list the name, address, telephone number of any person you wish to attend with you.

| Name | Address | Phone # | Member (Y/N) |
|-------|---------|---------|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Requester's Signature

Date of Request