

Proposed MTE Bylaw Amendments of 2023

Added or changed wording is shown in red text. Omitted wording is shown in red with a strike through. Please read carefully prior to casting your vote. The proposed bylaw amendments are set forth in their entirety at mte.com/Annual Meeting.

Amendment #1

Purpose: The proposed bylaw amendment of Article VIII clarifies that approval by two-thirds vote of the membership is required prior to the disposition of the majority of MTE's assets.

ARTICLE VIII

Disposition of Property

The Cooperative may not sell, mortgage, lease, ~~or otherwise dispose of,~~ or encumber all or ~~the majority any substantial portion~~ of its property, unless such sale, mortgage, lease, ~~or other disposition,~~ or encumbrance is ~~authorized at a duly held 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, or any other provisions of law,~~ the Board of Directors of the Cooperative, ~~without authorization by the members thereof,~~ shall at all times have full power and authority to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds 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 of Directors shall determine, to secure any indebtedness of the Cooperative to the United States of America, or any instrumentality or agency thereof, or a national financial institution, organized on a Cooperative plan for the purpose of financing its members programs, projects and undertakings and, in which the Cooperative holds membership.

Amendment #2

Purpose: The proposed bylaw amendment of Article IX omits redundant language.

ARTICLE IX

Waiver of Notice

Any member or Director may waive, in writing, any notice of meetings required ~~to be given~~ by these Bylaws.

Amendment #3

Purpose: The proposed bylaw amendment of Article XIII grants authority to the Board of Directors to amend certain administrative provisions of the Bylaws, subject to compliance with Tennessee state law.

ARTICLE XIII

Amendments

~~With the exception of Article III, Sections 5, 6 and 8, Article VIII, Article IX, and Article XV herein, These these~~ Bylaws may be altered, amended or repealed by the Board of Directors ~~members~~ at any regular or special meeting of the Board of Directors following at least sixty (60) days' prior notice of the proposed alteration, amendment or repeal to the members. Any proposed alteration, amendment or repeal of these Bylaws to be considered at regular or special meeting of the members must comply with Tennessee Code Annotated § 65-25-106, as amended, and shall not be subject to amendment at such regular or special meeting. provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal and provided that in the event the amendment is to be acted upon at the regular meeting, the proposed amendment shall be submitted to the President in writing on or before June 15 for the year of the Annual Meeting at which the amendment is to be considered.

Amendment #4

Purpose: The proposed bylaw amendment of Article XIV creates an alternative dispute resolution mechanism that is intended to provide a path for resolution of claims that is quicker and less costly than traditional litigation in court.

ARTICLE XIV **Dispute Resolution**

All disputes between the Cooperative and any member ("the Parties") valued at more than \$25,000 and arising from or related in any way to accounts receivable, accounts payable, easements, and use, personal injury, or damage to personal or real property, excluding condemnations and/or eminent domain, that are not resolved by agreement shall be submitted to mediation conducted by an impartial mediator agreed to by the Parties, with the cost of such mediation, exclusive of attorneys' fees and expenses, to be paid 70% by the Cooperative. It is the express intent to exclude all issues concerning condemnations and eminent domain from this Article.

In the event a dispute does not satisfactorily resolve within thirty (30) days of the conclusion of the mediation, either the Cooperative or the member may then request that such dispute be submitted to binding arbitration to be conducted by a neutral arbitrator or three-person panel of arbitrators in Tennessee pursuant to the commercial arbitration rules and mediation procedures of the American Arbitration Association. No person shall serve as arbitrator who is in any way financially interested in the dispute or in the affairs of either the Cooperative or the member. The arbitrator(s) will apply the substantive law of the state of Tennessee and any applicable federal laws.

The Cooperative and member shall be responsible for their respective expenses in arbitration. If any position taken in arbitration by either the Cooperative or the member, or any defense or objection thereto, is deemed by the arbitrator(s) to have been unreasonable, the arbitrator(s) shall assess, as part of the award against the unreasonable party or reduce the award to the unreasonable party, that portion the arbitration expenses (including reasonable attorneys' fees) incurred by the other party deemed appropriate.

Each member agrees to abide by and comply with or perform any award made as a result of arbitration. Any arbitration award may be confirmed in state or federal court pursuant to the Tennessee Uniform Arbitration Act or Federal Arbitration Act, as needed. A member's obligation to abide by this provision shall survive the member's withdrawal from the Cooperative or termination of membership in the Cooperative.

IN THE EVENT NEITHER THE COOPERATIVE NOR THE MEMBER ELECTS TO ARBITRATE A DISPUTE UNDER THIS PROVISION AND, INSTEAD TO LITIGATE IN COURT, THE PARTIES AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY ON ANY ISSUE OR CAUSE OF ACTION IN DISPUTE AND THAT THE EXCLUSIVE VENUE FOR SUCH LITIGATION SHALL BE THE STATE OR FEDERAL COURT HAVING JURISDICTION OVER RUTHERFORD COUNTY, TENNESSEE.