MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS OF
CHERRY-TODD ELECTRIC COOPERATIVE, INC.
(May 28, 2024)

A regular meeting of the Board of Directors of Cherry-Todd Electric Cooperative, Inc. was held in the offices of the Cooperative on the 28th day of May 2024.

There was a discussion of the Gary house situation prior to the official call to order. The discussion was informational only and no action was taken.

Call to Order: The meeting was called to order at 10:20 A.M. All directors were present exception of Director Valburg.

Agenda: Director Meek moved for approval of the Agenda as presented in Call to Order, seconded by Director Yellow Eagle. Motion approved.

Minutes: Director Meek moved to approve the corrected March Minutes and the April Minutes, seconded by Director Brickner. Motion approved.

Financials: Office Mgr. Farley presented the financial report to the board. The Cooperative has not made its ratios for the last couple of months. Disconnects were done at Sunrise. Sunrise is still in arrears, approximately $47,000. The Cooperative's attorneys are pursuing collection.

Margin Approval: As a part of her report Office Mgr. Farley presented here recommendation for Margins as printed in call to order as follows $1,177,519.80, of which $487,658.23 is from the cooperative and $689,861.57 represents G&T credits. Motion by director Yellow Eagle seconded by Director Fullerton to approve Margins as suggested. Motion approved.

Manager's Report: Mgr. Grablander presented his report generally as printed in Call to Order. It was noted that current TIER ratios are in the negative but are expected to improve with increased sales.

Auditor's Report: Derrick Larson of Ide Bailey joined the meeting online to present the audit report. Following the presentation Director Yellow Eagle moved acceptance of the audit as present, seconded by Director Fullerton. Motion Approved.

Check Audit: The monthly check audit was performed by President Bordeaux and Director Antoine. Explanations for each of the selected checks were satisfactory.

Policy Approvals: The following polices were adopted by action of the Board:

- Board Attendance Policy
- Unclaimed Capital Credit Policy
- Cybersecurity Policy
- Director Employee Communications Policy

Meeting Reports:

NREA: Director Brickner reported on NREA. Subjects discussed included need to remind employees of random testing and CDL requirement, Southern Power district joining NRECA, and board resolution opposing classification of CO2 as a pollutant. The Governor of Nebraska extended his thank you to the cooperatives in responding to tornado damage. The general counsel recommended adoption of a policy specifying construction standards to aid in FEMA claims.

Keller Contract. Director Brickner moved approval of the Keller Contract, seconded by Director Yellow Eagle. Motion approved.

Rushmore: Director Brickner reported that the board had a 3 hour executive session most of which was devoted to the Crow Creek transmission line and easement issue. Rushmore had a clean audit. Basin has filed a large loan rate with FERC. Current gas prices are too low to allow DGC to be competitive .

Common Motion: Director Brickner moved approval of membership applications, membership refunds, stock water well contracts, etc. as printed in call to order, seconded by Director Meek. Motion Approved.

IBEW Negotiations: President Bordeaux named himself, Director Yellow Eagle, and Director Antoine to serve on the negotiating committee.

Adjournment: There being no further business to come before the meeting President Bordeaux declared the meeting adjourned.

(Seal)

APPROVED:

President

ATTEST:

Secretary

CHERRY-TODD ELECTRIC COOPERATIVE, INC.
POLICY # _____
REGULAR MEETING ATTENDANCE BY DIRECTORS

Understanding that it is the responsibility of a Director to attend to the business of the Cooperative all Directors are expected to attend regular monthly meetings of the Board of Directors.

In the event that a Director fails to attend two regular monthly meetings of the Board of Directors during a twelve-month period a written warning shall be issued to the Director by the Board of Directors.

When a Director is unable to be physically present at a meeting, attendance by phone or video conferencing shall satisfy the Director's attendance obligation if approved by the Board of Directors. A Director wishing to appear by phone or video conference shall give at least one business day notice of their request to do so. It is the preference of the Board of Directors that Directors attend monthly meetings in person if possible.

In the event that a Director fails to attend three regular monthly meetings of the Board of Directors in a twelve-month period, the Board of Directors shall have the discretion to take action in the manner provided in the Cooperative's bylaws to remove the Director from the Board for failure to fulfill the obligations of a Director.

For purposes of this policy attendance shall be measured from annual meeting to annual meeting.

SIGNATURE:

Amanda Antoine
Board Secretary

ADOPTED:

REVISED:

CHERRY-TODD ELECTRIC COOPERATIVE, INC.
POLICY # _____
UNCLAIMED CAPITAL CREDITS

If the Cooperative takes reasonable measures to notify any Patron or former Patron of retired or refunded Capital Credits or Affiliated Capital Credits, and if the Patron or former Patron fails to claim the retired or refunded Capital Credits or Affiliated Capital Credits within six (6) years, then the Patron or former Patron is deemed to have contributed the unclaimed amounts to the Cooperative, and the Cooperative may claim the unclaimed amounts from the Patron or former Patron, as permanent, non-allocated capital. Publication in the Cooperative newsletter twice annually or posting on the Cooperative website shall be considered reasonable notice.

SIGNATURE:

Amanda Antoine

Board Secretary

ADOPTED: 04/23/2024

REVISED:

CHERRY-TODD ELECTRIC COOPERATIVE, INC.
POLICY # _____
CYBERSECURITY RISK POLICY

I. Objective: To prevent, mitigate, and promptly manage cybersecurity risk. The Cooperative Board of Directors ("Board") realizes that cybersecurity will continue to pose a serious risk that the Board needs to actively measure and continuously monitor as part of their governance responsibility and the Cooperative's strategy. The Board's oversight of cyber risk management is critical to ensuring the Cooperative is taking adequate steps to prevent, and prepare for, the harms that can result from such attacks.

II. Policy: The Board plays an important role in facilitating and encouraging a culture that views cybersecurity as a risk that impacts all levels of the Cooperative and in emphasizing Employee training and awareness. The Board shall encourage the development of comprehensive policies, procedures and contractual protections (including, but not limited to, cybersecurity insurance) that address cybersecurity risk.

A. Expectations:

1. Directors should understand and appreciate cyber risk as an enterprise-wide management issue, not just an IT issue.

2. Participate in cyber risk education, including the potential retention of cyber security experts and consultants to provide periodic updates to the Board on new developments.

3. Orientation for new Directors and ongoing training programs for all Directors will be encouraged to enable Directors to maintain an understanding of the Cooperative's cyber risk profile and to help keep Directors abreast of current cybersecurity threats the Cooperative is facing.

4. Continuously assess Director Key Staff's capacity to address cybersecurity risks, both in terms of their own fiduciary responsibility, as well as their oversight of management's activities.

5. Require an internal audit to provide an semi-annual "health check" report of the Cooperative's cybersecurity program. This report shall cover all domains of the cyber risk and be conducted by either the internal audit staff or an external security organization.

B. Directors should understand the legal and regulatory compliance implications of cyber risks as they relate to Cooperative's specific circumstances.

1. Review and understand the cyber risks associated with third-party service providers including IT outsourcing, business process outsourcing and cloud solutions.

2. Receive an semi-annual report of all the Cooperative's cybersecurity activity and compliance.

3. Be made aware of all major cybersecurity incidents that occurred at the Cooperative, not just the actual incidents but the major attempts as well.

C. The Board shall have adequate access to cybersecurity expertise and discussions about cyber-risk management.

1. Engage third-party experts to provide "deep dive" briefings, as necessary.

2. Verify that Management has established relationships with the appropriate national and local authorities who are responsible for cybersecurity or cyber-crime responses.

3. Board agendas and meeting minutes should regularly reflect that cybersecurity was present on the agenda of the full Board.

D. The Board will set the expectation that Management will establish an enterprise-wide risk management framework with adequate staffing, training and budget.

1. Ensure that Management communicates the enterprise risk management organization structure and provide staffing and budget details.

2. Require orientation for new Employees and ongoing training programs for all Employees to enable them to maintain an appropriate level of understanding of the Cooperative's cyber risk profile and specific developments and specialized issues dealing with cybersecurity.

E. Board-Management discussion of cyber risk should include identification of which risks to avoid, accept, mitigate, or transfer through, among other things, insurance, as well as specific plans associated with each approach.

1. Verify that the insurance coverage is sufficient to address the potential cyber risks.

F. Responsibilities:

1. The Board President shall see that this policy is carried out.

2. The Board is responsible for:

a) Ensuring that Cooperative's cyber risk plan considers a breadth of potential risks;

b) Understanding the nature and magnitude of significant cyber risks to which the Cooperative is exposed;

c) Providing adequate resources;

d) Monitoring the cyber risk process;

e) Ensuring the Cooperatives internal controls are working effectively; and

f) Revisiting this policy regularly, and updating this it as needed.

3. The General Manager is responsible for:

a) Development and implementation of a comprehensive cyber risk plan;

b) Providing regular reports to the Board regarding the status of the plan and any major attempts or actual incidents incurred by the Cooperative; and

c) Providing ongoing Employee training on cybersecurity.

SIGNATURE:

Amanda Antoine

Board Secretary

ADOPTED:

REVISED:

CHERRY-TODD ELECTRIC COOPERATIVE, INC.
POLICY # _____
DIRECTOR EMPLOYEE INTERACTIONS

I. Purpose: To encourage appropriate communication between the Board of Directors and Employees, while respecting the role of Management and encouraging appropriate use of the chain of command.

II. Definitions:

A. Social Interaction: Incidental social contacts and conversation not directly related to Cooperative subjects.

B. Director Initiated Interaction: Director initiated contacts and communications relating to or involving Cooperative issues or subjects.

C. Employee Initiated Interaction: Employee initiated contacts and communications relating to or involving Cooperative issues or subjects. Employee Initiated Interactions are further classified as Positive Communications, or Communication of Complaints or Concerns.

III. Guidelines for Director Employee Interaction:

A. Social Interaction: Directors and Employees should feel free, and are encouraged, to engage in normal social interaction involving personal, non-work, or Cooperative subjects.

B. Director Initiated Interactions: Employees should feel free to respond to Director Initiated Interaction and inquiries seeking general information regarding Cooperative issues or subjects. Examples include, but are not limited to, technical information, operations and procedures, Cooperative tool and equipment needs or recommendations, outage information and response, safety practices and policies, and work conditions generally. Directors should direct their inquiries to obtaining information and refrain from engaging in conversations negatively impacting or interfering with Management's authority or Employee adherence to the chain of command. Directors are encouraged to have positive interactions with Employees and to express their appreciation for services to the Cooperative and members.

C. Employee Initiated Interactions: Employees and Directors should both understand that Directors do not have individual authority to act or make decisions for the Cooperative, and that a Director's role is first to listen and then act on such information through appropriate channels, by discussing the communication with the Manager, Board President, Cooperative Attorney, or Board as appropriate. A Director may maintain the confidentiality of the Employee when appropriate.

D. Positive Interactions: Employees should feel free to engage in communications with Directors, to express appreciation for tools and equipment provided, wage and benefit increases, bonuses, policy changes or implementation, or to make positive recommendations for equipment purchases, safety improvements, or suggestions for improving consumer service and working conditions generally.

E. Complaints or Concerns: Employees are generally discouraged from initiating contact with Directors to express complaints or concerns without first following the chain of command. An Employee wanting to express complaints or concerns outside the chain of command should be prepared to explain why the chain of command is not being followed. When issues involve decisions or actions of the Manager which cannot be handled through the chain of command, it is preferred that the Employee contact the Board President or Cooperative Attorney. In dealing with such communications, Directors are reminded that their primary duty is to listen, determine whether the Employee has followed the appropriate chain of command, and discuss the matter with the Manager, or if relating to the Manager, report the matter to the Board President or Cooperative Attorney for appropriate follow up. Directors should remind the Employee that a Director does not have independent authority to act for the Cooperative but will follow up according to proper procedures. The results of such follow up should be communicated to the Employee by appropriate means. A Director may, but is not required to, follow up with the Employee to determine if the matter has been handled in a satisfactory manner.

SIGNATURE:

Amanda Antoine

Board Secretary

ADOPTED:

REVISED: