2027
ANNUAL MEETING

Wright-Hennepin®
Cooperative Electric Association
A Touchstone Energy® Cooperative

2027 Director Candidate Materials

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CORP-100

EMPLOYMENT OF RELATIVES

OBJECTIVE

To state the Cooperative's position on employment of close relatives of board members and employees.

Wright-Hennepin Cooperative Electric Association
A Touchstone Energy® Cooperative

I. Conditions

A. Wright-Hennepin Cooperative Electric Association ("Cooperative") has no general prohibition against hiring relatives of employees. However, if hiring a relative presents a possible conflict of interest and/or the potential for favoritism (nepotism), the Cooperative reserves the right to refrain from hiring the relative for the position. For this purpose, "relative" is defined as a spouse, domestic partner, parent, child, sibling or any of these relationships by marriage. It also includes any other member of the employee's household.

B. Applications for employment are accepted from relatives, close family members, individuals residing in the same household or in-laws. However, individuals generally are not hired or transferred into positions where they directly or indirectly supervise, where the employee would be in a position to audit the work of the other with respect to financial matters, and where confidential information accessible to one of the employees should not be accessible to the other, are supervised by another close family member, or make employment decisions involving the relative, such as hiring, termination, retention, transfer, promotion, wages, or leave requests. Also, such individuals generally will not be placed in positions where they work with or have access to sensitive information regarding a close family member.

C. Employees who become related through marriage shall not be permitted to hold positions where one of the employees would have direct supervision over the other, where the employee would be in a position to audit the work of the other with respect to financial matters, and where confidential information accessible to one of the employees should not be accessible to the other, or make employment decisions involving the relative, such as hiring, termination, retention, transfer, promotion, wages, or leave requests

D. Restrictions on employment of close relatives of Cooperative board members are as outlined in the Cooperative Bylaws.

E. In the event any close relative of an existing Cooperative board member is approved by the President and CEO for temporary employment, the President and CEO will promptly report the general details of the engagement to the board of directors in a confidential manner.

II. Responsibility

President & CEO

Effective: 12/13/2024 Supersedes: CORP-100, dated 12/16/2022

Approved: 12/12/2024 Michael J. Tieva

Michael Tieva, Secretary

Wright-Hennepin Cooperative Electric Association
A Touchstone Energy® Cooperative

THE ROLE OF A DIRECTOR

DIRECTOR TIME COMMITMENT

Being a board member requires a significant time commitment. On average, a board member can be expected to spend 6-8 hours per week on board business. This time includes training, participation in industry meetings, keeping up-to-date on electric utility trends, and preparing for regular Wright-Hennepin Cooperative Electric Association (WH) and WH Holding board meetings. Board members may also attend industry events and conferences necessitating 10-15 days of travel per year.

Board Meetings are typically held the second Tuesday of each month depending on other industry meetings. Meetings begin at 8:30 a.m. and can last until 5 p.m. Directors are paid a per diem on a per meeting basis. Board fees vary based on the length of meeting.

Each board member is supplied with an iPad and a whe.org email address. E-mail and the board portal is essential for the sharing of between-meeting information from management.

DIRECTOR ORIENTATION AND EDUCATION

All new directors are required to participate in an orientation program, which is generally conducted within the first month after the annual meeting at which new directors are elected. The orientation includes:

1. The introduction of new directors to the management team,
2. Presentations by management designed to familiarize new directors with the electric and Holding businesses, and
3. A tour of the WH headquarters.

DIRECTOR CERTIFICATE PROGRAMS

Directors are encouraged to participate in National Rural Electric Cooperative Association's (NRECA's) Director Certificate Program. This program is specifically designed to help electric cooperative directors at every stage of their service. It will help you understand your roles and responsibilities, stay up-to-date on the key issues and trends in the industry and prepare to meet the challenges facing electric cooperatives now and in the future. NRECA offers director education courses throughout the year in conjunction with a variety of NRECA educational conferences and events across the country, in partnership with statewide associations and onsite at individual cooperatives.

The Director Certificate Programs are offered in three parts, taken in progression from fundamental to advanced:

1. The Credentialed Cooperative Director Certificate
2. The Board Leadership Certificate
3. Director Gold Credential

Wright-Hennepin Cooperative Electric Association
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DIRECTOR CRITERIA

CRITERIA FOR DIRECTORS, AS IDENTIFIED BY WH'S BYLAWS, INCLUDES:

- Director provided that:
  a) They are a natural person and are purchasing and taking delivery of electric energy at their legal residence from the Cooperative or from an organization furnishing electric power to the Cooperative,
  b) They have the capacity to enter legally binding contracts;
  c) They have not been convicted of a felony.
  d) They are not employed by, materially affiliated with or have a material financial interest in any individual or entity which is:
     1. Directly and substantially competing with the Cooperative, or any subsidiaries; or
     2. Selling goods and services in substantial quantity to the Cooperative or its subsidiaries; or
     3. Possessing a substantial conflict of interest with the Cooperative or its subsidiaries.
  e) They are not in any way employed by the Cooperative or any of its subsidiaries nor have they been employed by the Cooperative or its subsidiaries within three (3) years of the director's nomination.
  f) They are not a close relative of any existing Director or existing employee of the Cooperative or its subsidiaries. For the purpose of this section only "close relative" shall mean a person who is either a spouse, child, grandchild, step-child, parent, grandparent, step-parent, brother or sister, by blood or in-law, of the principal.

Candidate's legal residence must be in the board district that is up for election.

Applications are reviewed by legal counsel to confirm eligibility as determined by the bylaws.

DIRECTOR DUTIES AND RESPONSIBILITIES

DIRECTORS HAVE THREE LEGAL DUTIES:

1. The Duty of Loyalty
   - Be loyal to the cooperative, acting in all times in good faith for its best interests and unaffected by any personal interest that is in conflict with the best interests of the cooperative. Placing the interests of the cooperatives and the membership as a whole ahead of individual interests.
   - Fulfilling this duty requires Directors to:
     - Refrain from engaging in personal activities that could be construed as conflicts of interest. If such arises: you disclose, the board discusses, they decide without your presence.
     - Maintain confidentiality of information - When the interests of the corporation may be harmed because of disclosure of specific information, directors are duty bound to maintain it as confidential.
     - Not bringing harm to the co-op as a result of a director's actions.
2. The Duty of Obedience
   - Be obedient to the cooperative by adhering to all applicable requirements of law, the cooperative's articles and bylaws, board policies, contracts, and the cooperatives duly made decisions.
3. The Duty of Due Care
   - Exercise due care and diligence by acting in good faith, in the best interests of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, devoting such time and effort to the duties of a board member as may be necessary to oversee the cooperative's business and affairs.

A director's responsibility also consists of having the ability and the knowledge to set policies and approve programs that are the basis for operating the Cooperative. A director must have the time to attend monthly board meetings and other special meetings and seminars. The bylaws allow for director removal if regular attendance becomes an issue. These sessions are necessary to keep directors informed on the various issues impacting the Cooperative and the electric utility industry.

OTHER RESPONSIBILITIES:

According to information compiled by the National Rural Electric Cooperative Association (NRECA) in Washington D.C., an electric cooperative director's responsibilities include:

- Having the ability and knowledge to set policy and approve programs that are the basis for operating the association.
- Possessing the time to attend monthly and special board meetings as well as other industry meetings.
- Being an independent thinker, but capable of cooperating.
- A willingness to acquire the knowledge necessary to cope with the issues of a modern electric utility, including finances, management and public communications.
- Possess the character and demeanor that will reflect favorably on behalf of the cooperative.
- Being of sufficient stature to command the respect of management, employees, fellow board members and the public.
- Being willing to listen and learn.
- Being able to accept and direct change.
- Being willing to commit adequate time to the work of the board and to properly discharge the duties of the board.
- Being able to subordinate personal and other business interests to the needs of the cooperative when making a decision.
- Being willing to accept the unpleasant moments of a director's experience.
- Allow management to manage.

Board of Directors Code of Conduct

Each Member of the Board of Directors will actively participate in the governance and oversight of the affairs of the Cooperative. Each Board Member will exercise his/her fiduciary duty, duty of loyalty and duty of care to the Cooperative and its Membership, acting in good faith, in a manner reasonably believed to be in the best interests of the Cooperative and its Membership, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Board Members will set aside any personal interest or benefit. In discharging the Board Member duties, a Director may, in considering the best interests of the Cooperative, consider the interests of the Cooperative's employees, customers, suppliers, and creditors, the economy of the State, and long-term as well as short-term interests of the Cooperative and its Members, including the possibility that these interests may be best served by the continued independence of the Cooperative.

Minnesota Statute 308A.328

WHAT MAKES COOPERATIVES DIFFERENT?

SEVEN COOPERATIVE PRINCIPLES

Cooperatives provide at-cost electric service to their member-owners. In contrast, investor-owned utilities exist to maximize profit for the shareholders. A co-op's net margin above expenses and reserves does not belong to the utility; it belongs to the individual consumer-owners of the co-op. Margins must be used either to improve or maintain operations or be distributed to the co-op's member-owners.

Electric cooperatives operate under the seven cooperative principles.

1. **Voluntary and Open Membership** -- Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. **Democratic Member Control** -- Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3. **Members' Economic Participation** -- Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. **Autonomy and Independence** -- Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. **Education, Training, and Information** -- Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6. **Cooperation Among Cooperatives** -- Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. **Concern for Community** -- While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

Co-ops set high standards to ensure their members receive reliable, world-class service. Electric cooperative employees live in the communities they serve. Many volunteer their time and money in regional programs and civic organizations that work to improve the quality of life for everyone.

TYPICAL BOARD CALENDAR

DIRECTOR MEETINGS AND TRAINING

January	February	March
• Wright-Hennepin (WH) and WH Holding (WHH) Board Meetings *** • MREA Washington DC Visit --- • National Rural Electric Cooperative Association (NRECA) Director Conf (5 days) ---	• WH and WHH Board Meeting *** • Great River Energy Regional Meeting (1 ½ days) --- • NRECA PowerXchange (Annual) Meeting (5 days) --- • Minnesota Rural Electric Association (MREA) Annual Meeting (2-3 days) ---	• WH and WHH Board Meeting *** • MN CoBank Customer Meeting (2 days) ---
April	**May**	**June**
• WH and WHH Board Meeting *** • WH Annual Meeting *** • NRECA Legislative Visit (4 days) ---	• WH and WHH Board Meeting ***	• WH and WHH Board Meeting *** • WH and WHH Board Strategic Issues Session *** • Scholarship Banquet *** • Great River Energy Annual Meeting (1 day) --- • CFC Forum (5 days) ---
• July	**August**	**September**
• WH and WHH Board Meeting ***	• WH and WHH Board Meeting *** • MREA Energy Issues Meeting (3 days)--- • Basin Electric Power Co-op Annual Meeting (3 days) --- • WH and WHH Board Strategic Planning Session (1-2 days)***	• WH and WHH Board Meeting *** • NRECA Regional VI Meeting (2 days) --- • MREA Washington DC Visit ---
October	**November**	**December**
• WH and WHH Board Meeting ***	• WH and WHH Board Meeting ***	• WH and WHH Board Meeting ***

*** Meetings directors normally should attend
--- For director's education and training

CEO's Memo

TIM SULLIVAN
WH PRESIDENT AND CEO

A Look at the Many Hats Worn by WH Directors

(And why each of them is so important!)

As Wright-Hennepin (WH) members, we may not often think about the critical role played by WH Directors, beyond when we receive an election ballot or a capital credit check. But the role is worth considering further because Directors are the unsung heroes of electric cooperatives like WH.

After all, it is Directors who ensure members remain in firm control of their electric cooperative. In fact, the principle of Democratic Member Control is central to the identity of electric cooperatives because it ensures Directors are chosen from among members, by members, to represent their interests and values on the Board. In stark contrast, Directors of Investor-Owned Utilities (IOUs) like Xcel are not elected by consumers but appointed to serve the interests of shareholders.

The critical role of the Director: Once elected, Directors have a legal obligation to act in a manner consistent with certain fiduciary responsibilities, including the Duty of Obedience, the Duty of Loyalty and the Duty of Care.

Simply put, the Duty of Obedience means acting to ensure the cooperative complies with its mission, governing documents,

Back, from left to right: Audrey Britton, District 7, Duane "Butch" Lindenfelser, District 2; Timothy Young, District 1; Chair Erick Heinz, District 9; Pat Bakeberg, District 3; Chris Lantto, District 5. Front from left to right: Richard Dehmer, District 4; Secretary/Treasurer Michael Tieva, District 6; Vice Chair Mark Skinner, District 8.

and applicable laws. The Duty of Loyalty means acting in the best long-term interests of the cooperative while avoiding conflicts of interest. The Duty of Care means acting with reasonable care and prudence and avoiding foreseeable harm to others. As you can imagine, the weight of these responsibilities is not inconsiderable for an organization that generates $135 million in annual revenue and delivers an essential service to more than 100,000 people every day. But the Director's role extends well beyond these duties. They must:

Make a substantial time commitment: The role of the Cooperative Director is not for the faint of heart. WH board books typically run to 150 pages or more of material. Monthly board meetings often run eight hours and cover a dozen or more topics. In addition, WH Directors participate actively in the governance of other cooperatives, including those that provide power generation and transmission services, insurance, software solutions, financing, state and federal government affairs and marketing support. Similarly, Directors typically receive dozens of hours of ongoing education and training each year. In short, filling the Cooperative Director role effectively means signing up for a part-time job.

Master a wide range of issues: The electric utility business is complex, capital-intensive and high-stakes. Making good decisions in this setting requires deep understanding of challenging, meaty subjects ranging from power supply to electric rates to energy policy to risk management, to name just a few. As you might expect, the electric utility industry introduces a new director to dozens of unfamiliar and confusing acronyms, ranging from kWh (Kilowatt Hours) to CFC (Cooperative Finance Corporation) to MISO (Midcontinent Independent System Operator) to NERC (North American Electric Reliability Corporation). A recently-elected WH Director received a glossary of terms that ran to 178 pages!

Make a wide range of important decisions: Ultimately, the Director's role comes down to making decisions on behalf of the membership. And those decisions are incredibly varied and complex. How much should WH invest in its electric grid this year? How much should WH give back in capital credits? Should WH fund operations using debt, rates or both? Should WH extend its transmission service contract for another ten years? Should WH change its off-peak programs or its monthly basic charge? Should WH consider updating its line extension policy? Making decisions on these issues — and dozens more like them — represents the essential practical work of the Board of Directors.

Engage actively in discussion, debate and deliberation: As with any good decision, the process by which it is reached is important too. WH Directors come from different districts. They hail from different walks of life. They bring unique and varied life experiences and offer diverse opinions. In the end, consensus is reached after robust discussion, deliberation and, occasionally, even lively debate. Like other democratic organizations, the success of cooperatives depends on the quality of mutual exchange and give-and-take among the decision-makers.

So, the next time you receive your Hotline Newsletter, remember: The WH Board of Directors isn't just the body through which the cooperative is governed. The Board, chosen by our members, is an essential way WH delivers the Cooperative Advantage to you, your family and the communities we serve.

As always, thank you for your business.

THE 2026 ANNUAL MEETING SCHEDULE

The cooperative's annual meeting will be held at WH's office in Rockford on Thursday, April 22, 2027.

The following is a schedule of activities taking place at the meeting:

- Registration opens at 4:00 p.m.
- Business meeting begins at 6:30 p.m.

Results of the director election will be announced at the end of the business meeting. Ballots can be submitted by mail, electronically or at the Annual Meeting.

In the event the Annual Meeting is postponed or canceled, the election of Directors shall continue. Once certified, election results will be made available on the Cooperative website and communicated to the membership via email from the Cooperative.

The members who are elected from Districts 1,3 and 9 will begin serving as director immediately following the Annual Meeting and will serve a three-year term (2027-2030).

Directly following the Annual Meeting, directors are required to attend the annual election of officers meeting.

DIRECTOR CANDIDATE CAMPAIGN GUIDELINES

CAMPAIGN GUIDELINES FOR INCUMBENT AND CANDIDATES

1. Members may not engage in Campaigning (as that term is defined herein) on WH premises or at WH events. WH premises include parking lots, the exterior and interior of WH-operated facilities or those same areas of any facility where a Member Meeting or Board Meeting is conducted.

   "Campaigning" is: the distribution of materials designed to influence the outcome of a Cooperative election; direct communications to Members designed to influence the outcome of a Cooperative election.

2. Candidates may not deploy web pages, videos or other campaign materials that suggest that their candidacy is endorsed or supported by WH, and specifically may not use any WH logos or, trademarks.

   "Hot links" to the WH website are acceptable.

3. Candidates who are incumbent directors may not use their WH provided email addresses or any WH provided resources for correspondence related to the election.

4. Candidates shall not make a statement that a candidate is supported by another person or organization without having first obtained written permission from that person or organization.

5. Candidates shall not make false statement about another candidate or a candidate's position on an issue involving WH.

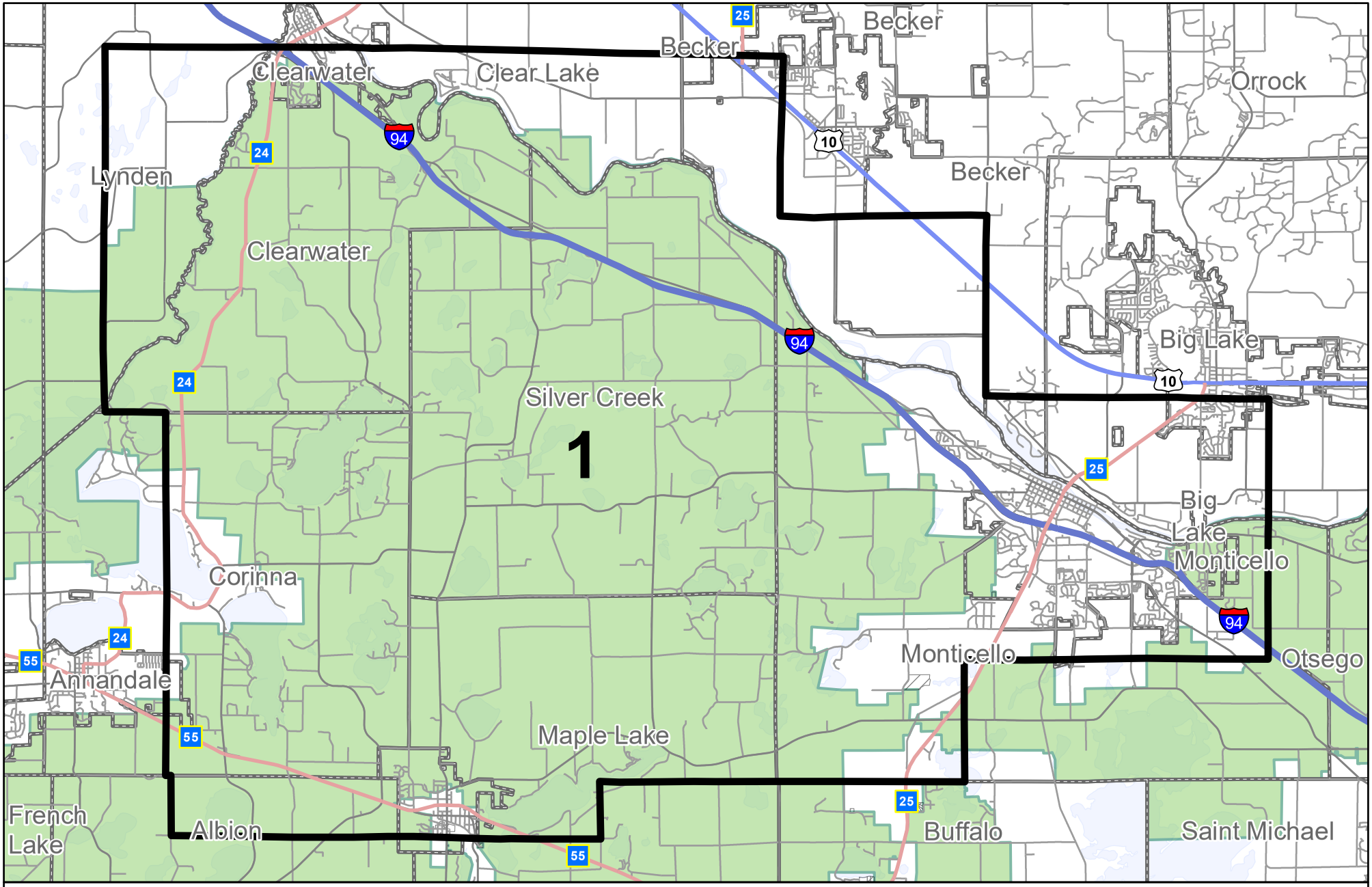
6. Candidates shall not use the term "re-elect" in connection with election of directors, unless the candidate is an incumbent director.

7. Candidates shall not threaten, coerce, restrain, or exercise undue influence over the casting of a ballot by a member.

8. Candidates shall not threaten, coerce, restrain, or exercise undue influence over an employee of WH to obtain the assistance of the employee in the candidate's election campaign.

9. Candidates shall not disseminate, publish, or circulate any materials or information, whether printed or electronic, that are factually false.

10. WH will not participate in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any director candidate, nor will WH publish a director candidate's political party affiliation in any director election materials (e.g., director biography published on WH website, election ballot, etc.).



Wright-Hennepin Cooperative Electric Association

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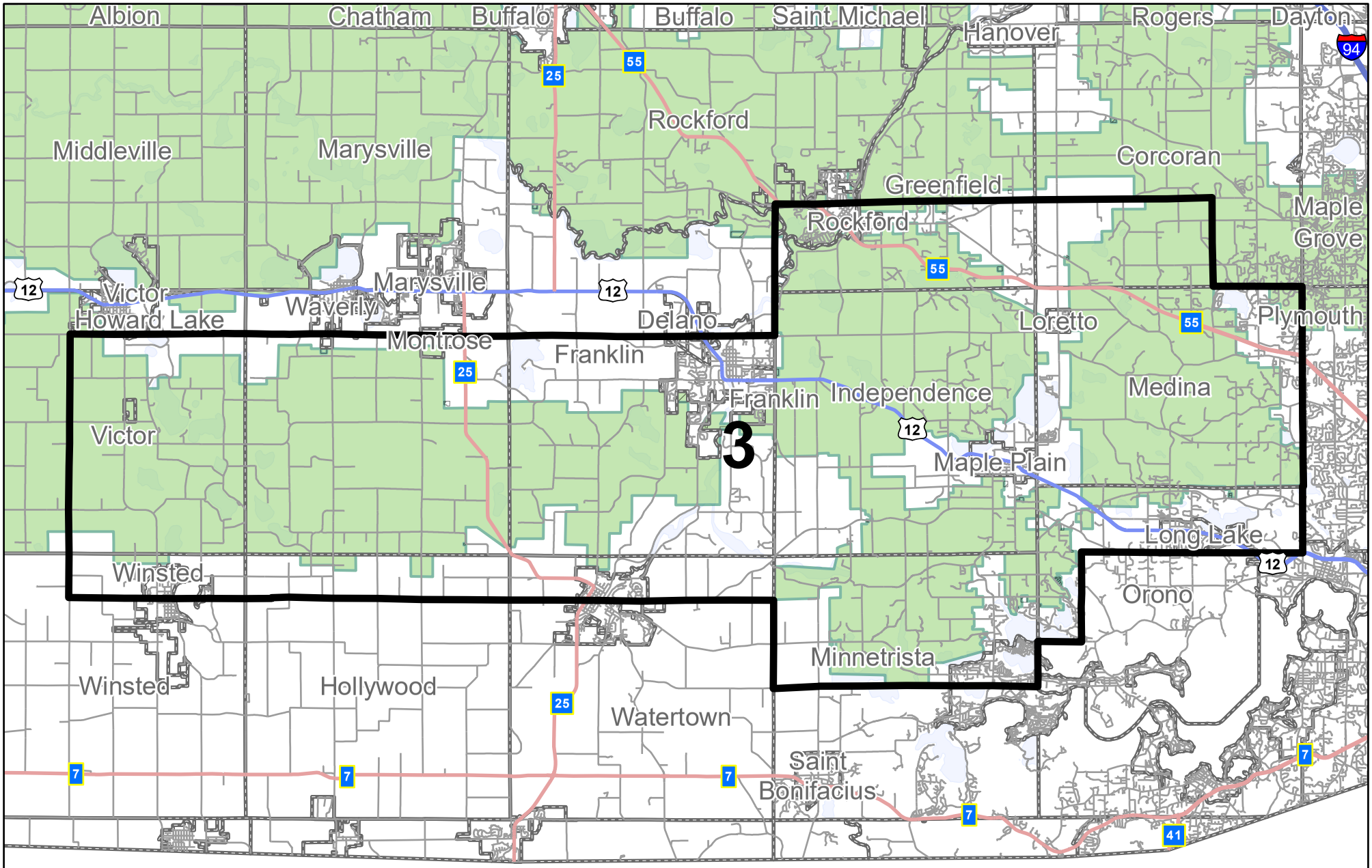
Wright-Hennepin Cooperative Electric Association
Board District 1 with WHE Service Area

Wright-Hennepin Electric Service Area

Board District

WH GIS - Sep 2025



Wright-Hennepin
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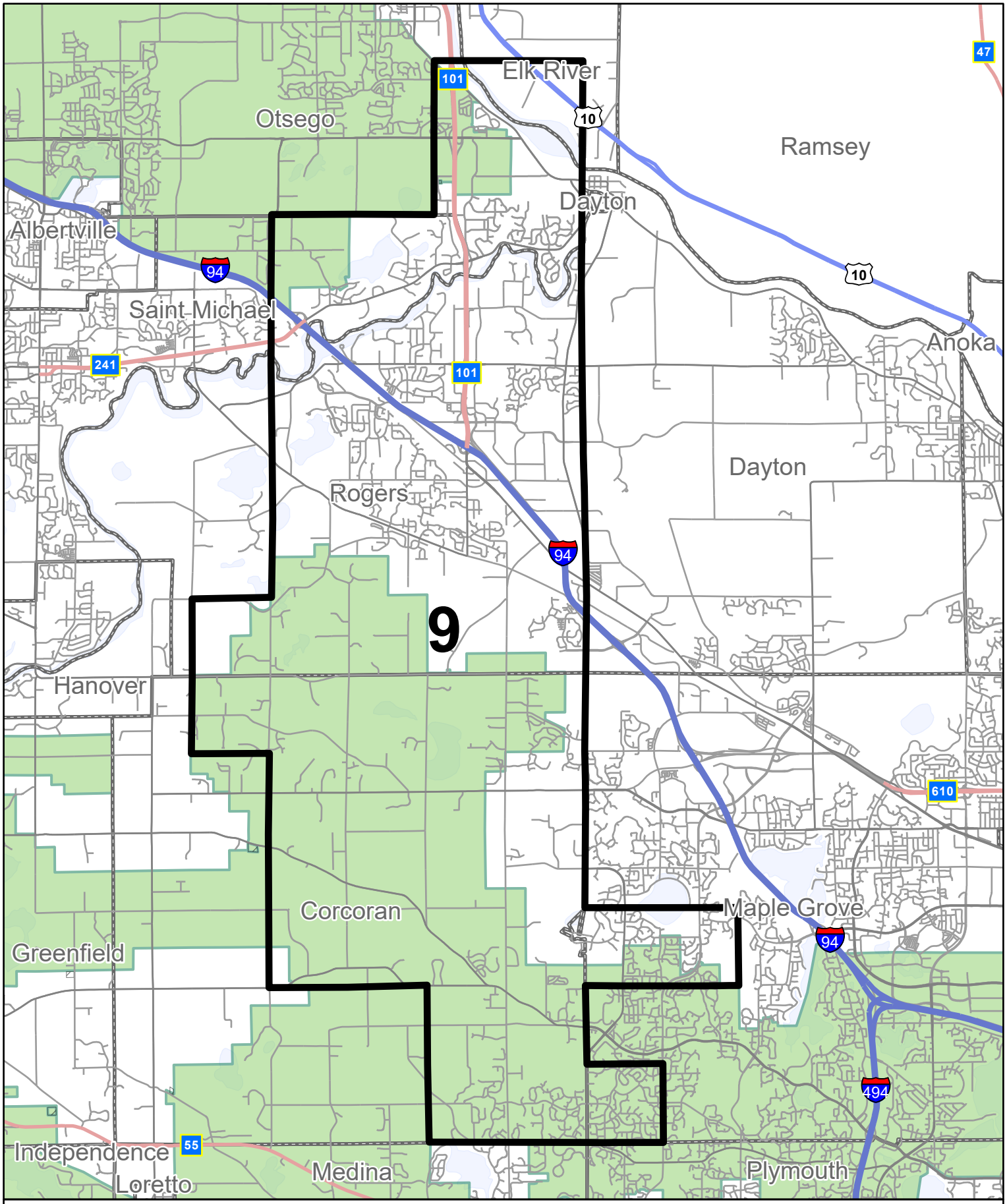
Wright-Hennepin Cooperative Electric Association
Board District 3 with WHE Service Area

Wright-Hennepin Electric Service Area
Board District

WH GIS - Sep 2025



Wright-Hennepin Cooperative Electric Association
Board District 9 with WHE Service Area

Wright-Hennepin Electric Service Area
Board District

WH GIS - Sep 2025