



BOARD OF TRUSTEE POLICIES

Subject: Indemnification Policy			Policy No.: 153
Original Issue: 10/27/2023	Last Revised: 10/27/2023	Last Reviewed: 10/27/2023	Page: 1 of 2
This is a new JMEC policy issued on 10/27/2023			

Purpose.

The purpose of this Policy is to make it known that the Jemez Mountains Electric Cooperative, Inc. "JMEC" wishes to create a Policy that ensures the indemnification of Trustees for their legal cost and subsequent underlying obligation associated with any actions brought against any said Trustees while discharging their lawful duties to JMEC.

Indemnification of Trustees.

If a Trustee or officer of JMEC is made a party to any civil or criminal action or proceeding in any matter arising from the performance by such Trustee or officer of his or her duties for or on behalf of JMEC, then, to the full extent permitted by law, JMEC, upon affirmative vote of the Board of Trustees, a quorum of Trustees being present at the time of the vote who are not parties to the action or proceeding, shall:

1. Advance to such Trustee or officer all sums found by the Board of Trustee, so voting, to be necessary and appropriate to enable the Trustee or officer to conduct his or her defense, or appeal, in the action or proceeding; and
2. Indemnify such Trustee or officer for all sums paid by him or her in the way of judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney's fees actually and necessarily incurred, in connection with the action or proceeding, or appeal therein, subject to the proper application of credit for any sums advanced to Trustee or officer pursuant to clause (1) of this paragraph.



Fee Shifting.

To the extent not prohibited by applicable law, in the event that (i) any trustee of JMEC, or anyone acting on such party's behalf (the "Claiming Party") initiates or asserts any claim, lawsuit, demand and/or counterclaim (a "Claim") or joins, offers substantial assistance to, or has a direct financial interest in, any Claim against JMEC and/or another other trustee of JMEC that is not a Claiming Party (a "Defendant Trustee"), including any Claim purportedly filed on behalf of JMEC; and (ii) the Claiming Party does not obtain a judgment on the merits that substantially achieves, in substance and amount, the full remedy sought, then each Claiming Party shall be obligated jointly and severally to reimburse JMEC and each Defendant Trustee, as applicable, for all fees, costs and expenses of every kind and description (including, but not limited to, all reasonable attorney's fees and other litigation expenses) that JMEC and/or a Defendant Trustee may incur in connection with such Claim.



BOARD OF TRUSTEE POLICIES

Subject: Indemnification Policy			Policy No.: 153
Original Issue: 10/27/2023	Last Revised: 10/27/2023	Last Reviewed: 10/27/2023	Page: 2 of 2
This is a new JMEC policy issued on 10/27/2023			

 Dennis Trujillo	_____, President of the Board	Date: <u>11/14/23</u>
 Marcelina Martinez	_____, Chair of the Policy Committee	Date: <u>11/14/2023</u>