

POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: M-7

Subject: Dispute Resolution

Policy:

- 1. Negotiation.** In the event a Dispute arises between the Cooperative and a member or members, and per the bylaws, the parties shall first try to settle the dispute through negotiation.
- 2. Mediation.** In the event the parties are not able to resolve the Dispute through negotiation, and if requested by the Cooperative or the member(s), the parties shall try in good faith to settle the dispute by mediation by a neutral third person acceptable to both parties. The mediator shall have no power to impose a decision if all of the parties do not agree to settle the dispute, but shall help the parties reach an agreement by focusing on the key issues of the Dispute, exchanging information between the parties, and exploring options for settlement. Any mediation cost shall be split equally between the parties.
- 3. Arbitration.** If the Dispute is not settled after mediation, the Dispute shall be resolved by arbitration administered pursuant to this Policy and the procedures established in Attachment A – Arbitration Process. The judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. This Policy does not apply to matters which qualify for the jurisdiction of small claims court (Chapter 799, Wisconsin Statutes) or to controversies over the acquisition of rights-of-way or the right of the Cooperative to construct, operate, inspect, repair, maintain, relocate, improve, reconstruct, and replace its facilities within any of its rights-of-way. Any Dispute subject to arbitration pursuant to this Policy must be settled as hereafter provided.
- 4. Member Arbitration Committee.**
 - a. The Cooperative’s Board of Directors (the “Board”) shall select among the members of the Cooperative a committee of three members to act as the Member Arbitration Committee (the “Committee”). To be considered for appointment, a Committee member shall be a member of the Cooperative, but not a current member of the Board. Former Board members may be eligible to serve on the Committee. The Board may consider any eligible member but may give priority of consideration to members who have experience in court administration, judicial process, or other dispute resolution.
 - b. Each Committee member shall serve for an appointed term of three calendar years. The terms of the initial Committee members shall be for one, two and three-year terms. Thereafter, one Committee member will be appointed by the Board each year.
 - c. Committee members may serve two complete, consecutive terms of three years. If a Committee member is appointed to complete an unexpired term, that member is eligible to serve two full terms following their initial appointment.
 - d. Vacancies on the Committee for any reason shall be filled for the unexpired term by appointment of the Board.
 - e. Committee members shall not serve as arbitrators and shall have no authority other than to administer the rules and procedures established in Attachment A to this Policy.

5. Appointment of Arbitrator.

- a. During the process of Arbitration, the Committee has the responsibility to appoint an Arbitrator, in accordance with the procedures set forth in Attachment A. If a single Arbitrator is unacceptable to the participants in the Arbitration, a process to select a Panel (panel of three Arbitrators) is also provided in the procedures described in Attachment A.
- b. The Arbitrator(s) shall be impartial as to all parties and qualified by experience or education in the subject matter of the dispute. Notwithstanding that experience requirement, a retired judge would be deemed qualified regardless of the nature of the claim.

6. Responsibility. The Board of Directors shall appoint the Committee and the Committee shall administer this Policy.

Edward O. Gullickson, President
April 20, 2026