TRI-COUNTY ELECTRIC COOPERATIVE, INC.

BYLAWS

Amended: **November 18, 2023**

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BYLAWS OF
TRI-COUNTY ELECTRIC COOPERATIVE, INC.

Article I - Definitions

SECTION 1.01 - General Provisions.

Within these Bylaws of Tri-County Electric Cooperative, Inc., as currently existing or as later amended ("Bylaws"):

1. Unless otherwise provided, words and phrases used in these Bylaws have their customary and ordinary meaning;

2. The singular use of any word includes the plural use, and the plural use of any word includes the singular use;

3. The masculine use of any word includes the feminine and neutral uses, the feminine use of any word includes the masculine and neutral uses, and the neutral use of any word includes the masculine and feminine uses;

4. The present tense of any word includes the past and future tenses, and the future tense of any word includes the present tense; and

5. The words "shall" or "must" indicate a mandatory action or requirement, and the word "may" indicates a permissive action or requirement.

SECTION 1.02 - Defined Terms.

These Bylaws define certain words and phrases within Bylaw sections ("Defined Terms"). Defined Terms are:

1. Capitalized and enclosed within parenthesis and quotation marks following or otherwise located within the section of the Defined Term's definition; and

2. Capitalized when otherwise used in these Bylaws.

Unless the context requires otherwise, Defined Terms have the meaning specified in the appropriate Bylaw section. The following Defined Terms are defined in the following Bylaw sections:

Additional Payments - Bylaw Section 2.02

Amended - Bylaw Section 10.01

Annual Member Meeting - Bylaw Section 4.01

Applicant - Bylaw Section 2.01

Appraisal - Bylaw Section 9.01

Assets - Bylaw Section 9.01

Board - Bylaw Section 2.02

Board Committees - Bylaw Section 7.11

Board Meeting - Bylaw Section 6.03

Bylaws - Bylaw Section 1.01
Bylaw Provision - Bylaw Section 10.07
C & E Committee - Bylaw Section 4.12
Candidate Challenge - Bylaw Section 4.12
Capital Credits - Bylaw Section 8.02
Close Relative - Bylaw Section 5.14
Conflict of Interest Transaction - Bylaw Section 5.17
Consolidate or Merge - Bylaw Section 9.02
Consolidation or Merger Agreement - Bylaw Section 9.02
Cooperative - Bylaw Section 2.01
Cooperative Equipment - Bylaw Section 2.11
Cooperative Services - Bylaw Section 2.08
Defined Terms - Bylaw Section 1.02
Dispute Resolution – Bylaw Section 2.13
Executive Sessions – Bylaw Section 6.07
Trustee - Bylaw Section 5.01
Trustee Quorum - Bylaw Section 6.05
Trustee Term - Bylaw Section 5.04
Trustee Written Consent - Bylaw Section 6.06
Executive Committee - Bylaw Section 7.12
Governing Documents - Bylaw Section 2.02
Indemnification Advance - Bylaw Section 5.15
Indemnification Trustee or Officer - Bylaw Section 5.15
Indemnification Trustee Quorum - Bylaw Section 5.15
Indemnification Expense - Bylaw Section 5.15
Indemnification Individual - Bylaw Section 5.15
Indemnification Party - Bylaw Section 5.15
Indemnification Proceeding - Bylaw Section 5.15
Indemnification Standard of Conduct - Bylaw Section 5.15
Joint Member - Bylaw Section 2.05
Joint Membership - Bylaw Section 2.05
Member - Bylaw Section 2.04
Member Committees - Bylaw Section 7.11

Member Demand - Bylaw Section 4.02

Member Meeting - Bylaw Section 4.03

Member Meeting List - Bylaw Section 4.05

Member Petition - Bylaw Section 5.05

Member Petition Nominations - Bylaw Section 5.05

Member Quorum - Bylaw Section 4.07

Member Voting Document - Bylaw Section 4.08

Member Written Consent - Bylaw Section 4.06

Membership List - Bylaw Section 3.07

Membership Obligations - Bylaw Section 2.02

New Entity - Bylaw Section 9.02

Nominating Committee - Bylaw Section 5.05

Nominating Committee Nominations - Bylaw Section 5.05

Non-Member Patron - Bylaw Section 8.06

Non-Member Non-Patron - Bylaw 8.06

Other Officer - Bylaw Section 7.01

Patron - Bylaw Section 8.02

Reasonable Reserves - Bylaw Section 8.07

Regular Board Meeting - Bylaw Section 6.01

Required Officer - Bylaw Section 7.01

Special Board Meeting - Bylaw Section 6.02

Special Member Meeting - Bylaw Section 4.02

Suspension Reason - Bylaw Section 3.01

Term Limit – Bylaw Section 5.04

Total Membership - Bylaw Section 4.02

Transfer - Bylaw Section 9.01

Article II - Cooperative Membership

SECTION 2.01 - Membership Eligibility.

Any natural person with the capacity to enter legally binding contracts or any legal entity, including any firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or body politic (each hereinafter referred to as "Person," "Applicant," "him" or "his") shall be eligible to become a Member (hereinafter "Member") of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from, Tri-County

Electric Cooperative, Inc. (hereinafter called the "Cooperative"). No person or legal entity shall hold more than one (1) Cooperative Membership.

The existence of a legal entity shall be established by verification with the corporation's office or division of the South Carolina Secretary of State or by presentation of the legal entity's Federal Tax Identification Number.

Ref. S.C. Code Ann. § 33-49-410. Membership.

SECTION 2.02 - Application for Membership; Renewal of Prior Application.

When a person or legal entity applies to become a Member, the Applicant shall agree to purchase electric service from the Cooperative and to be bound by and to comply with all of the other provisions of the Cooperative's Bylaws, and all rules, regulations, rate classifications and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted, repealed or amended (the obligations embraced by such agreement being hereinafter called "Membership Obligations"). The application shall be made in writing on such form, whether paper or electronic, as is provided or accepted therefor by the Cooperative (collectively "Governing Documents") and may include a requirement for supplemental proof of the Applicant's right to occupy the premises. With respect to any particular classification of service for which the Board of Trustees ("Board") shall require it, such application shall be accompanied by a supplemental contract, executed by the Applicant on such form as is provided therefor by the Cooperative. The Membership application shall be accompanied by any service security deposit, service connection fee, facilities extension fee or contribution in aid of construction that may be required by the Cooperative (hereinafter "Additional Payments"), under generally applicable terms and conditions. Such fees and such Additional Payments, if any, shall be refunded in the event the application is by Board resolution denied.

Any former Member of the Cooperative may again become a Member by either executing a new Membership application or renewing and reactivating any prior Membership application as if the application had been newly made, and paying applicable fees and any outstanding account, including an account pursuant to a former Joint Membership, plus interest thereon at the legal rate as it is established in S.C. Code Ann. § 37-10-106, or its successor, and as the same is amended from time to time, compounded annually, together with any Additional Payments. Any person who has actually used and benefited from electric service which has been supplied to premises owned or directly occupied or used by him, for which service there is an outstanding indebtedness remaining due the Cooperative, may become a Member by executing a Membership application, and paying the outstanding indebtedness for the service which was supplied to the premises owned or directly occupied or used by him.

SECTION 2.03 - Service Security Deposit and Facilities Extension Fees; Contributions in Aid of Construction.

Subject to the terms of these Bylaws, the application, together with any Additional Payments, shall entitle the Member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative under generally applicable terms and conditions, together with Additional Payments, if any, shall be paid by the Member for each additional service connection requested by him.

SECTION 2.04 - Acceptance into Membership.

Upon complying with the requirements set forth in Section 2.02, any Applicant shall automatically become a Member on the date of the connection for electric service ("Member"): PROVIDED, that the Cooperative may reject or deny an application and refuse to furnish service upon its determination that the Applicant is not willing or is not able to satisfy and abide by the Membership Obligations or that such application should be denied for other good cause.

SECTION 2.05 - Joint Membership.

Written application by either spouse shall be deemed a Joint Membership ("Joint Membership"), unless the Applicant shall request in writing an individual or singular Membership and, subject to compliance with the requirements set forth in Sections 2.01 and 2.02 of this article, may be accepted for Membership. Provided that acceptance by the Board of either spouse shall be deemed acceptance of both. The terms "Member," "Applicant," "person," "his" and "him," as used in these Bylaws, shall include a spouse holding a Joint Membership ("Joint Member"), unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of Membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing —

1. the presence at a meeting of either or both shall constitute the presence of one Member and a joint waiver of notice of the meeting;
2. the vote of either or both shall constitute, respectively, one joint vote. Parties to a Joint Membership are responsible for resolving disagreements involving their vote prior to the time of the election;
3. notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
4. termination in any manner of either shall constitute termination of the Joint Membership;
5. either, but not both concurrently, shall be eligible to serve as a Trustee of the Cooperative, but only if both meet the qualifications required therefor; and
6. neither will be permitted to have any additional service connections except through their one Joint Membership.

Ref. S.C. Code Ann. § 33-49-20. Definitions; § 33-49-610. Trustees.

SECTION 2.06 - Conversion of Membership.

A Membership which is a singular Membership may be converted to a Joint Membership upon the written request of either spouse on a form provided by or otherwise acceptable to the Cooperative. Upon the conversion of a singular Membership to a Joint Membership, such Membership shall be deemed to have always been joint with all past and future capital credits being held in the name of the joint account.

SECTION 2.07 - Effect of Death, Legal Separation or Divorce upon a Joint Membership.

Upon the death of either spouse of a Joint Membership, the surviving spouse shall continue to hold the membership as though it had been originally issued solely to the survivor. The estate of the deceased spouse shall not be released from any membership debts or liabilities to the Cooperative.

Upon the legal separation or divorce of the holders of a Joint Membership, such Membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such Membership, in the same manner and to the same effect as though such Membership had never been joint. The other spouse or former spouse shall not be released from any membership debts or liabilities to the Cooperative incurred prior to the Cooperative's actual receipt of a written request to change the account from joint to single based on a legal separation or divorce.

SECTION 2.08 - Purchase of and Payment for Electric Service; Power Production by Member; Application of Payments to All Accounts.

The Cooperative shall use reasonable diligence to furnish its Members with adequate and dependable electric and any other cooperative service (collectively, "Cooperative Services"), although it cannot and therefore does not guarantee a continuous and uninterrupted supply. Except for Member-owned distributed generation operating in accordance with the Cooperative's Service Rules and Regulations and any other applicable state and/or federal laws, rules and regulations, each Member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all electric service to be used on all premises that have been served by the Cooperative pursuant to the Membership. The Member shall pay for all electric service in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric service actually used) established by the Board and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 2.02. Production or use of electric service on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each Member shall also pay all other amounts owed by the Member to the Cooperative as and when they become due and payable. As determined by the Board, Members shall pay interest, compounded periodically, and late payment fees for all amounts owed, but not timely paid, to the Cooperative. When the Member has more than one service connection from the Cooperative, any payment for service by the Member to the Cooperative may be deemed to be allocated and credited on a pro rata basis to the Member's outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration. Each Member agrees that, after written notice and an opportunity to resolve any dispute as to amount, the Cooperative may charge the Member's current accounts with any debts or other obligations owed by the Member to the Cooperative due to any prior Membership, including a prior Joint Membership, or due to any contractual or other legal obligation to the Cooperative.

SECTION 2.09 - Reduction in Cooperative Services.

As required or allowed by law, and as determined by the Board, if a Member substantially reduces or ceases the use, receipt or purchase of electricity from the Cooperative, then the Cooperative may charge the Member, and the Member shall pay to the Cooperative, the reasonable costs and

expenses incurred by the Cooperative in reliance on prior assurances regarding the anticipated future use of electric service by the Member.

SECTION 2.10 - Excess Payments to be Credited as Member-Furnished Capital.

All amounts paid for electric service in excess of the cost thereof shall be furnished by Members as capital, and each Member shall be credited with the capital so furnished as provided in Article VIII of these Bylaws. Notwithstanding the forgoing, however, any amounts paid to the Cooperative due to overbilling by the Cooperative shall be promptly credited to the Member's Account as a payment on amounts currently due, or refunded to the Member.

SECTION 2.11 - Wiring of Premises; Responsibility Therefor; Load Management Devices; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.

Each Member shall cause all premises receiving electric service pursuant to the Member's Membership to become and to remain wired in accordance with the specifications of the National Electric Code, any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail. Each Member shall be responsible for - and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of - such premises and all wiring and apparatus connected thereto or used thereon. Each Member may, by separate agreement with the Cooperative, permit the installation of load management devices on such appliances and equipment, as is jointly agreed to between the Cooperative and the Member. If the Member agrees to the installation of such devices, the devices may not be permanently disconnected or removed unless the Member in writing revokes the prior authorization, or (2) the Cooperative, its employees, agents, or contractor(s) disconnect or remove the devices. Each Member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have free and safe access thereto for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. As part of the consideration for such service, each Member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use best efforts to prevent others from so doing. Each Member shall also provide such protective devices to the premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the Member, or by any other person when the Member's reasonable care and surveillance should have prevented such, the Member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment or any error occurring in the Cooperative's billing procedure. In no event shall the responsibility of the Cooperative extend beyond the point of delivery as defined in the Cooperative's Service Rules and Regulations, except that the Cooperative shall, in accordance with its applicable Service Rules and Regulations,

indemnify the Member for any overcharges for service that may result from a malfunctioning of its metering equipment, and for any damage that may result from a malfunctioning of its load management devices.

No Member shall tamper or interfere with, damage, or impair any Cooperative Equipment. Unless otherwise determined by the Board, the Cooperative owns all Cooperative Equipment. As the Cooperative's bailee of such equipment, each Member shall protect all Cooperative Equipment, and shall install, implement, and maintain any protective device or procedure reasonably required by the Cooperative. Each Member shall comply with any procedure required by the Cooperative regarding the provision of any Cooperative Service to any Member or Person. After providing the Member reasonable notice and an opportunity to comment orally or in writing, the Cooperative may suspend or terminate provision of any Cooperative Services to any Member.

However, upon:

1. Determining that a Member has tampered or interfered with, damaged, or impaired any product, equipment, structure, or facility furnished or used by the Cooperative to provide, monitor, measure, or maintain any Cooperative Service ("Cooperative Equipment");
2. Discovering the unsafe condition of any Cooperative Equipment; or
3. Discovering any imminent hazard or danger posed by any Cooperative Equipment; then, without providing the Member notice or opportunity to comment, the Cooperative may suspend provision of Cooperative Services to the Member until such equipment is repaired or replaced.

SECTION 2.12 - <u>Member to Grant Easements to Cooperative and to Participate in, if Required, Cooperative Load Management Programs.</u>

Each Member shall, at any time requested by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the Member. Such grants shall be provided to facilitate the construction, operation, maintenance or relocation of the Cooperative's electric facilities, to provide service to the granting Member and/or to facilitate the Cooperative's efforts to provide requested or anticipated services to any other existing or future Member or Members. Each Member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric service or to conduct load research.

SECTION 2.13 - <u>Dispute Resolution.</u>

By applying for service or accepting electric energy from the Cooperative, each Member agrees that any dispute the Member has against the Cooperative arising from or related to current or former Membership in the Cooperative or the receipt of electric energy from the Cooperative, or arising out of or related in any way to these Bylaws, or any agreements with or services provided by the Cooperative, if not resolved informally by the parties, will be subject to mandatory and binding arbitration in any case where the entire amount in controversy exceeds the jurisdictional limits for Magistrate Court. The arbitration of such a dispute will be commenced by the Member or former Member sending a demand for arbitration to the registered office of the Cooperative. The arbitration shall take place in the county of the Member's service address as listed in the records of the Cooperative. The arbitration shall be conducted pursuant to the Commercial Arbitration Rules and Arbitration Procedures of the American Arbitration Association in effect

at the time of the demand for arbitration, except in all cases the arbitrator may tax against the Cooperative the arbitrators' expenses and fees, together with other expenses but not including counsel fees, incurred in the conduct of the arbitration if the arbitrator enters a decision solely against the Cooperative. Each Member further agrees that no class action claim may be brought in such arbitration or in any court. Furthermore, the Cooperative and the Member each waive their respective right to a jury trial in any dispute.

Article III - Membership Suspension and Termination

SECTION 3.01 - Suspension by Non-Compliance; Reinstatement.

Upon the Member's failure, after the expiration of the initial time limit prescribed either in a specific notice to the Member or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with the Member's Membership Obligations (collectively "Suspension Reason"), a person's Membership shall be suspended; and the Member shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any Member Meeting. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with the Member's Membership Obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the Membership, in which event the Member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its Members.

SECTION 3.02 - Termination by Expulsion; Renewed Membership.

Upon failure of a Member suspended for non-compliance to be automatically reinstated to Membership, as provided in Section 3.01, the Member may, without further notice, but only after due hearing if such is requested by him, be terminated by the affirmative votes of not less than a majority of the Trustees in office at any subsequently held regular or Special Board Meeting. After termination, a Member may not again become a Member except upon new application therefor duly approved as provided in Sections 2.02, 2.03 and 2.04; but the Board, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed Membership as it determines to be reasonably necessary to assure the Applicant's compliance with all the Member's Membership Obligations.

SECTION 3.03 - Termination by Withdrawal or Resignation.

A Member may withdraw from Membership upon such generally applicable conditions as the Board shall prescribe and upon either (a) ceasing to (or, with the approval of the Board, resigning the Member's Membership in favor of a new Applicant who also shall) own, lease as lessor or lessee, or directly occupy or use all premises being furnished electric service pursuant to the Member's Membership, or (b) abandoning totally and permanently the use of electric service on all such premises.

Ref. S.C. Code Ann. § 33-49-410. Membership.

SECTION 3.04 - Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners; Limitations on Transfer of Interests.

The death of a natural person Member shall automatically terminate the Membership. The cessation of the legal existence of any other type of Member shall automatically terminate such

Membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such Membership shall continue to be held by such remaining and/or new partner or partners as continue to own, lease as lessor or lessee, or directly to occupy or use the premises being furnished electric service pursuant to such Membership in the same manner and to the same effect as though such Membership had never been held by different partners; PROVIDED FURTHER, that neither a withdrawing partner nor the estate shall be released from any debts then due the Cooperative by the partnership. No natural person's right or privilege associated with Cooperative Membership may be sold, purchased, assigned or otherwise transferred, except in conformity with Section 8.03 of these Bylaws. Except as otherwise provided herein, no legal entity's rights or privileges associated with the Cooperative may be sold, purchased or assigned unless requested in writing in connection with the sale or dissolution of the entity.

SECTION 3.05 - Effect of Termination.

Upon the termination in any manner of a person's Membership, the Member or the Member's estate, as the case may be, shall be entitled to refund of the security deposits, if any, the Member has paid the Cooperative, less any amounts due the Cooperative; but neither the Member nor the Member's estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or termination of a Member, as provided for in Section 3.01 and 3.02, such suspension or termination shall not, unless the Board shall expressly so elect, constitute such release of such person from Membership Obligations as to entitle the Member to purchase from any other person any electric service for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such Membership.

SECTION 3.06 - Board Acknowledgment of Membership Termination; Acceptance of Members Retroactively.

Upon the suspension or termination of a person's Membership for any reason, the Board, as soon as practicable after such event is made known to it, shall by appropriate resolution formally acknowledge Membership termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a Member, it shall cease furnishing such service unless such person applies for Membership and does become a Member retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its Membership and all related records accordingly.

SECTION 3.07 - Membership List.

The Cooperative, or the Cooperative's agent, shall maintain a record of current Members in a form permitting the Cooperative to alphabetically list the names and main addresses of all Members. ("Membership List").

Article IV - Meeting of Members

SECTION 4.01 - Annual Member Meetings.

For the purposes of electing Trustees, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the Annual Member Meeting ("Annual Member Meeting") shall be held each year as determined by the Board, at such place within a County served by the Cooperative as shall be designated in the notice of the meeting. Failure to hold the Annual Member Meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

Ref. S.C. Code § 33-49-420. Meetings.

SECTION 4.02 - <u>Special Meetings.</u>

A Special Member Meeting ("Special Member Meeting") may be called by resolution of the Board, by any three (3) Trustees, or by the President. A Special Member Meeting shall also be called upon written request signed by not less than ten percent (10%) of the Cooperative's total non-suspended Members ("Total Membership") requesting, and describing the purpose of, a Special Member Meeting ("Member Demand"). The Board shall be solely responsible for determining the place, date and time for any such special meeting; PROVIDED, however, that such a Special Member Meeting shall be held within one of the counties being served by the Cooperative. Upon the adoption of such a resolution calling a Special Member Meeting, it shall be the duty of the Secretary to cause notice of such meeting to be given as provided in Section 4.03.

Ref. S.C. Code Ann. § 33-49-420. Meetings.

SECTION 4.03 - <u>Notice of Member Meetings.</u>

As directed by the President, Secretary, or any Officer or Member properly calling an Annual Member Meeting or Special Member Meeting (collectively "Member Meeting"), the Cooperative shall deliver written notice of the Member Meeting:

1. Personally or by mail;
2. To all Members entitled to vote at the Member Meeting;
3. Indicating the date, time, and location of the Member Meeting;
4. At least ten (10) but not more than forty-five (45) days before and excluding the date of the meeting, except for the Annual Member Meeting or for any Special Member Meeting where the stated purpose includes an election to be voted on by the general membership, then at least thirty (30) but not more than sixty (60) days before and excluding the date of the Member Meeting;
5. Describing any matter to be considered, or voted or acted upon, under S.C. Code Ann. §§ 33-49-840 (Merger), § 33-49-260 (Sale of Assets), or 33-49-1020 (Dissolution)**;** and
6. For any Special Member Meeting, stating the purpose of, and describing any matter to be considered, or voted or acted upon, at the Special Member Meeting.

If mailed, notice of a Member Meeting is delivered when deposited in the United States Mail with prepaid postage affixed and addressed to a Member at the Member's address shown on the Membership List. Publication of the notice in *South Carolina Living*, or other such Member publications, and timely delivery of the same to the Member shall be an acceptable means of providing notice.

The inadvertent and unintended failure to send, or of any Member to receive, notice of any Member Meeting shall not affect any action taken at the Member Meeting.

When notifying Members of any Member Meeting, the Cooperative shall include notice of any matter which a Member may raise or discuss, and intends to raise or discuss, at the Member Meeting if:

1. Requested, in writing, by a percentage of the Total Membership entitled to call a Special Member Meeting; and
2. The Cooperative receives the written request at least thirty (30) days prior to delivering notice of the Member Meeting.

Unless otherwise provided in these Bylaws, the Cooperative shall notify Members of a Member Meeting adjourned to another date, time, or location unless:

1. The Member Meeting is adjourned to another date occurring within one hundred and twenty (120) days following the Record Date for the original Member Meeting; and
2. The new date, time, or location is announced at the Member Meeting prior to adjournment.

Members may only vote upon matters described in the notice of the Member Meeting.

Ref. § 33-49-420. Meetings.

SECTION 4.04 - <u>Record Date.</u>

1. The Record Date for the purpose of determining the Members entitled to notice of a Member meeting shall not exceed 45 days preceding the day on which notice of such meeting is given.
2. The Record Date for the purpose of determining the Members entitled to vote at a Member Meeting shall be the Cooperative's last business day preceding the date of the Member Meeting.
3. A determination of Members entitled to notice of or to vote at a Member Meeting is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

SECTION 4.05 - <u>Member Meeting List.</u>

After fixing the Record Date for determining the Members entitled to notice of a Member Meeting, and through the duration of the Member Meeting or any adjournment, the Cooperative shall prepare, update, and maintain an alphabetical list ("Member Meeting List") indicating the name and address of each Member entitled to notice of, and to vote at, the Member Meeting.

In order to facilitate communications among Members concerning the Member Meeting, the Cooperative shall make the Member Meeting List available for inspection by any Member:

1. Beginning two (2) business days after the Cooperative provides notice of the Member Meeting as outlined in Section 4.03, and continuing through the duration of the Member Meeting or any adjournment; and

2. At the Cooperative's principal office, or at a reasonable place identified in the notice of the Member Meeting and located in the city in which the Member Meeting will be held.

Upon written demand and at a reasonable time during the period a Member Meeting List is available for inspection:

1. A Member, Member's agent, or Member's attorney may inspect the Member Meeting List and copy the Member Meeting List at the Member's expense; or
2. If reasonable, as determined by the Cooperative, and upon paying the Cooperative a reasonable charge determined by the Cooperative covering the Cooperative's labor and material cost of copying the Member Meeting List, the Cooperative shall provide a copy of the Member Meeting List to the Member, Member's agent, or Member's attorney if:
    a. The written demand is made in good faith; and
    b. The Member Meeting List is not used to solicit money or property unless the money or property is used solely to solicit Member votes at the Member Meeting; and
    c. The Member Meeting List is not used for any commercial purpose, or sold to, or purchased by, any Person.

The Cooperative shall also make the Member Meeting List available at the Member Meeting. Any Member, Member's agent, or Member's attorney may inspect the Meeting List at any time during the Member Meeting or any adjournment thereof.

Before acting as allowed under this Bylaw, a Member's agent or attorney must provide written evidence satisfactory to the Cooperative that the Member properly authorized the agent or attorney to act on the Member's behalf.

Refusal or failure to prepare or make available the Member Meeting List does not affect the validity of action taken at the meeting.

SECTION 4.06 - <u>Member Action by Written Consent.</u>

Any action required or permitted to be taken or approved by Members may be taken without a Member Meeting if the action is taken by all Members entitled to vote on the action. The action shall be evidenced by one (1) or more written consents:

1. Containing the printed names and original dated signatures of all Members entitled to vote on the action; and
2. Describing the action in detail; and
3. Delivered to the Cooperative for inclusion in the minutes or filing with the corporate records.

("Member Written Consent"). Any material soliciting approval of any action by Member Written Consent must contain, or be accompanied by, a copy or summary of the proposed action.

A Member may withdraw the Member's consent any time prior to the Cooperative receiving the Member Written Consent. A Member's consent may not be procured through fraud or other improper means, and any Member consent procured through fraud or other improper means is invalid. A Member Written Consent has the effect of a vote taken at a Member Meeting, and may be so described in any document**.**

Ref. S.C. Code Ann. § 33-49-450. Disposition of propositions presented by not less than ten per cent of members.

SECTION 4.07 - Member Quorum.

Five percent (5%) of all members registered in person shall constitute a quorum for the transaction of business at all meetings of the members. ("Member Quorum"). If less than a Member Quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date at least thirty (30) days later and to any place within one of the counties permitted in Section 4.01; PROVIDED, that the Secretary shall notify any absent Members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 4.03. At all meetings of the Members, whether a Member Quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those Members who were registered as present in person. A vote cast by a Member at an early voting site counts for purposes of determining the presence of a Member Quorum.

Ref. S.C. Code Ann. § 33-49-430. Quorum.

SECTION 4.08 - Voting.

1. Each Member who is not suspended or terminated, as provided for in Article III, shall be entitled to one vote and no more upon each matter submitted to a vote at any Member Meeting. Non-member spouses are not eligible to vote but may register to receive any applicable gift or prize on behalf of the Member spouse.
2. Voting by Members other than Members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each Member Meeting, of a notarized and otherwise satisfactory resolution of the entity ("Member Voting Document") entitling the person presenting the same to vote. A person entitled to cast the vote of such an entity, who is also himself a Member, may vote the Member's own Membership as well as that of the entity the Member represents.
3. At all meetings of the Members, all questions shall be decided by a majority of the Members voting thereon, except as otherwise provided by law or these Bylaws.
4. Voting rules and procedures, including polling hours and early voting, shall be in accordance with all applicable laws, rules and regulations then in effect.

Ref. S.C. Code Ann. § 33-49-440. Voting.

SECTION 4.09 - Accepting and Rejecting Notarized Member Voting Documents.

Regarding any Member Voting:

1. Acceptance. Member Voting Documents must be notarized by a Notary Public who is outside the employ of the Cooperative. The Cooperative may accept, and give effect to, the notarized Member Voting Document if the name signed on the Member Voting Document corresponds to a Member's name, and the Cooperative acts in good faith; or the Cooperative reasonably believes the Member Voting Document is valid and authorized.
2. Rejection. The Cooperative may reject, and not give effect to, the Member Voting Document if the Cooperative acts in good faith; and has reasonable basis for doubting the

validity of the signature on the Member Voting Document; or the signatory's authority to sign on behalf of the Member.

3. Liability. Neither the Cooperative, nor any Cooperative Member, Trustee, Officer, employee, or agent, is liable to any Member for accepting or rejecting a Member Voting Document as provided in this Bylaw.

SECTION 4.10 - <u>Proxies.</u> Voting by proxy for any purpose is prohibited.

Ref. S.C. Code Ann. § 33-49-440. Voting.

SECTION 4.11 - <u>Order of Business.</u>

The order of business at the Annual Member Meeting and, insofar as practicable or desirable, at all other meetings of the Members shall be essentially as follows:

1. Report on the number of Members present in person in order to determine the existence of a Member Quorum;
2. Reading of the notice of the meeting and proof of the due delivery thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
3. Reading of unapproved minutes of previous meetings and taking of any necessary action thereon;
4. Presentation and consideration of report of officers, Trustees and committees.
5. Election of Trustees;
6. Unfinished business;
7. New business; and
8. Adjournment.

Notwithstanding the foregoing, the Board may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a Member Quorum is first established.

SECTION 4.12 - <u>Credentials and Election Committee.</u>

The Board shall, at least sixty (60) days but no more than ninety (90) days before any Annual Member Meeting, appoint a Credentials and Election Committee ("C & E Committee") consisting of an uneven number of Cooperative Members that is sufficient in number, but at least five (5), to carry out the responsibilities of the Committee. C & E Committee members shall not be members of the Nominating Committee or existing Cooperative or subsidiary employees, agents, officers, Trustees or known candidates for Trustee, or the Close Relatives (as defined elsewhere in these Bylaws) or members of the same household of persons in the excluded categories. The C & E Committee shall elect its own President and Secretary prior to the Annual Member Meeting. Acting within the parameters of these Bylaws, it shall be the responsibility of the C & E Committee:

1. To review and approve the manner of conducting Member registration and any ballot or other voting by the Members;
2. To pass upon all questions that may arise with respect to the registration of Members;
3. To pass upon all questions regarding a Member's or Member spouse's identification;
4. To pass upon all questions that may arise with respect to the eligibility of a nominee for election to the Board;
5. To supervise vote recounts when a request for recount is made and authorized as set out in this section, or in the case votes were originally counted by a third-party service or firm, to provide for a recount which may be conducted at any office or customary business location of said third-party service or firm;
6. To rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast; and
7. To rule upon all other questions that may arise relating to Member voting and the election of Trustees (including but not limited to the validity of protests and objections as allowed below); and in the event that a candidate files a request for a recount, such filing must be made by the candidate in the office of the Chief Executive Officer of the Cooperative within three (3) business days following the adjournment of the meeting in which the voting was conducted. Upon such filing, the C & E Committee shall be reconvened, not less than seven (7) days or more than thirty (30) days after such request is filed, for the purpose of supervising the recount of votes.

Candidates may only request a re-count of the specific race in which their candidacy was at issue and then only if (a) the margin of the contested race was less than 2% of the sum of the total number of valid ballots cast in the challenging candidate's race, and (b) a re-count has not already occurred at the direction of the C & E Committee. Re-counts at a remote location shall be permitted if an independent third party was retained to count ballots. The C & E Committee's decision, as reflected by a majority of at least three (3) C & E Committee members actually present and voting, shall be final on all recount matters covered by this Section.

In the event a candidate files a protest or objection to the conduct of the election ("Candidate Challenge"), such filing must be made by the candidate in the office of the Chief Executive Officer of the Cooperative within three (3) business days following the adjournment of the subject meeting. Candidates may only file protests and objections on their own behalf and may not protest or object to the results of any other candidates' races. The concerns of any candidate who does not file protests and objections as provided for herein shall be deemed waived. The C & E Committee shall be reconvened, not less than seven (7) days or more than thirty (30) days after such protest or objection is filed. It shall be the duty of the C & E Committee to rule upon any protest or objection filed with respect to any election. The C & E Committee shall hear such evidence as is presented by the protesting or objecting candidate(s), their counsel, or both. The Cooperative shall provide legal counsel for the C & E Committee, if requested. The C & E Committee, by a majority of at least three (3) C & E Committee members actually present and voting, shall within a reasonable time but not later than thirty (30) days after such hearing, issue a decision on whether to:

1. Affirm the results of the election;

2. Correct the results of the election; or
3. Set aside the election if the C & E Committee determines that there exists a reasonable likelihood that the results of the election could be different, that a re-run election would likely be a better reflection of the Membership's interest, and that a re-run election is otherwise consistent with the best interests of the Membership in its entirety.

The decision of the C & E Committee shall be final.

As determined by the Board, and as allowed by the Governing Documents, the Cooperative may reasonably compensate or reimburse C & E Committee Members.

The C & E Committee may delegate responsibilities to outside election professionals.

Article V - Trustees

SECTION 5.01 - Number and General Powers.

The business and affairs of the Cooperative shall be governed by a Board of nine (9) Trustees ("Trustees"), which shall exercise all of the powers of the Cooperative except such as are by law or these Bylaws conferred upon or reserved to the Members or otherwise delegated.

Ref. S.C. Code Ann. § 33-49-610. Trustees.

SECTION 5.02 - Qualifications.

Any Trustee or Trustee candidate must comply with this Bylaw.

1. General Trustee Qualifications. A Trustee or Trustee candidate must:
    a. Be a natural person;
    b. Have the capacity to enter legally binding contracts;
    c. While a Trustee and during the 365 days immediately preceding the Trustee election, maintain their primary residential abode within the boundaries of the applicable residential Trustee District;
    d. While a Trustee, and during the twenty-five (25) years immediately prior to becoming a Trustee, not:
        i. Be, nor have been, convicted of a felony; or
        ii. Plead, nor have pled, guilty to a felony.

2. Membership Qualifications. While a Trustee, and during the 365 days immediately prior to becoming a Trustee, a Trustee or Trustee candidate must:
    a. Be a Member using, receiving, and purchasing electric service from the Cooperative at the Trustee's or Trustee candidate's principal residence, as determined by South Carolina voter registration law; and
    b. Be current in all respects regarding payment to the Cooperative of Additional Payments and obligations, and not be subject to disconnection for non-payment of electric service at the Trustee or Trustee candidate's primary residence.

3. Conflict of Interest Disqualification. A Trustee or Trustee candidate must not be or have been:

   a. A spouse or Close Relative of any existing Trustee, Cooperative employee, or Cooperative subsidiary employee;

   b. Employed by, materially affiliated with, or share a material financial interest with, any other Trustee;

   c. Engaged in, nor employed by, materially affiliated with, or have a material financial interest in, any individual or entity:

      i. Directly and substantially competing with the Cooperative or any Cooperative subsidiary; or

      ii. Possessing a substantial conflict of interest with the Cooperative or any Cooperative subsidiary.

   d. Previously subject to an involuntary separation of employment from the Cooperative or any Cooperative subsidiary; or

   e. While a Trustee or during the five (5) years immediately prior to becoming a Trustee, employed by the Cooperative or any Cooperative subsidiary, or engaged contractually (as an employee, principal, owner, partner, or shareholder, except through passive investment) with a firm that contracts with the Cooperative or any Cooperative subsidiary as a prime or sub-contractor.

4. Continuing Qualifications. Only natural persons complying with the General Trustee Qualifications and the Membership Qualifications, and not disqualified due to a Conflict of Interest Disqualification may serve, or continue to serve, as a Trustee.

   a. Within a reasonable period of time after becoming a Trustee, and unless excused by the Board for good cause, a Trustee is expected to receive a Trustee's Certificate or similar certification of education and training as specified by the Board;

   b. Unless excused for good cause by the Board or Members, a Trustee shall attend at least two-thirds (2/3) of all Board Meetings during any calendar year;

   c. Trustees shall maintain the physical and mental capacity to perform the essential functions of the role of Trustee, with or without reasonable accommodation;

   d. Except as allowed by S.C. Code Ann. § 33-49-639, a Trustee may not:

      i. knowingly use the position as a Trustee to obtain an economic interest in addition to the Trustee's compensation, if any, for serving as a member of the Board of Trustees for (1) himself, (2) a Close Relative, (3) a business with which the Trustee is associated, or (4) any individual with whom the Trustee or any Close Relative mutually has an interest in any business of which the Trustee or Close Relative is a director, officer, owner, employee, compensated agent, or holder of stock beyond any applicable statutory limit;

      ii. have a business relationship with the Cooperative that is distinct from or in

addition to the Trustee's cooperative membership or service on the Board of Trustees; or

iii. appoint, direct, or cause a family member to become a member of a committee or an employee of the Cooperative.

e. Trustees shall comply with any other reasonable qualifications determined by the Board.

Ref. S.C. Code Ann. § 33-49-610. Trustees; § 33-49 -630. Compensation or employment of trustee.

SECTION 5.03 - Election.

At each Annual Member Meeting, Trustees shall be elected by secret written or electronic ballot by the Members, with poling and early voting as required by state law; PROVIDED, that in the event of an uncontested race, secret balloting shall be dispensed with and the particular election shall occur by acclamation. Trustees shall be elected by a plurality vote of the Members. Drawing by lot shall resolve, where necessary, any tie votes.

The Cooperative shall prohibit campaigning within a distance of the polling place so as to reasonably ensure that Members are able to vote without harassment, intimidation, or interference. Any information or materials provided to an incumbent Trustee for use in campaigning for the Board of Trustees will be provided to all candidates on the same terms and conditions.

Ref. S.C. Code Ann. § 33-49-440. Voting; § 33-49-640. Annual election and term of trustees; § 33-49-645. Conduct of election.

SECTION 5.04 - Tenure.

Except when a different number is required by virtue of Section 5.09, Trustees shall be nominated and elected such that three (3) shall be elected for three (3) year terms at an Annual Member Meeting ("Trustee Term"). Upon their election, Trustees shall, subject to the provisions of these Bylaws with respect to the removal of Trustees, serve until the Annual Member Meeting of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of Trustees shall not be held at an Annual Member Meeting duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special or the next Annual Member Meeting. Failure of an election for a given year shall allow the incumbents whose Trusteeships would have been voted on to hold over only until the next Annual Member Meeting at which a Member Quorum is present.

SECTION 5.05 - Nominations.

1. Nominations by Committee: It shall be the duty of the Board to appoint at least five (5) but no more than 15 Cooperative Members to serve on a Nominating Committee ("Nominating Committee"). The appointment shall be made at least sixty (60) days but no more than ninety (90) days prior to the date of an Annual Member Meeting at which Trustees are to be elected. Neither employees of the Cooperative or any Cooperative subsidiary, incumbent Trustees, Close Relatives of such Trustees, nor known candidates to become Trustees, shall be eligible to serve on the Nominating Committee. At least thirty

(30) days before the meeting, the Committee shall prepare and post at the principal office of the Cooperative a list of nominations for Trustees ("Nominating Committee Nomination"). The list may include a greater number of nominees than are to be elected. As determined by the Board, and as allowed by the Governing Documents, the Cooperative may reasonably compensate or reimburse Nominating Committee Members.

2. Member Petition Nominations. Without regard to the actions of the Nominating Committee, Cooperative Members are also entitled to nominate additional individuals to run for election for any Trustee position for which Members are scheduled to vote at any Annual Member Meeting ("Member Petition Nominations"). The Cooperative shall announce a deadline for Member Petition Nominations that is at least forty-five (45) days but no more than sixty (60) days prior to the Annual Member Meeting. Members make such Member Petition Nominations by delivering to the Cooperative a written petition ("Member Petition") for each Member Petition Nomination:

   a. Listing the name of the Member Petition Nominee;

   b. Indicating the Trustee District from which the Member Petition Nominee will run; and

   c. Containing the printed names, main addresses, telephone numbers and original dated signatures of at least fifty (50) Members. Each Member's signature must be presented in the same name as the Member is billed by the Cooperative and dated within 90 days of the election. The Member's main address must be stated as it appears on said Member's account, without regard to any other address used for billing purposes.

After verifying that a Member Petition complies with this Bylaw, the Cooperative shall post the Member Petition Nominations in approximately the same location as the Nominating Committee Nominations.

Nominations for Trustees shall be made only by the Nominating Committee or by written Member nominations as set forth herein. All nominations, however made, shall specify the nominee's district. Write in candidates and/or floor nominees are not eligible for election to the Board.

The Secretary shall mail to the Members, either with the notice of the meeting or separately but at least seven (7) days prior to the date of the meeting, a statement of the number of Trustees to be elected and the names and addresses of all nominees. The statement shall separately list nominations made by the Committee from any nominations made by petition.

Failure to comply with the provisions of this Section shall not affect the validity of any action taken by the Board after its election.

Ref. S.C. Code Ann. § 33-49-645. Conduct of election.

SECTION 5.06 - Trustee Districts.

The entire territory served by the Cooperative shall be divided into (9) districts.

Each district shall be represented by one (1) resident member from the district.

Descriptions and boundaries constituting each of the nine (9) districts are maintained by the Secretary of the Board, shall be posted or otherwise published from time to time to facilitate accessibility, and are otherwise available for inspection and copying by any Member at the Cooperative's headquarters office.

The Board shall review the composition of the districts and if it should be found that imbalances in populations have developed which can be corrected by re-delineation of the districts and subdivisions, the Board shall reconstitute the districts and subdivisions.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Ref. S.C. Code Ann. § 33-49-620. Voting districts for trustees and for delegates; § 33-49-650. Division of trustees into classes.

SECTION 5.07 - Voting for Trustees.

In the election of Trustees, all Trustee elections and all Member voting are held and conducted on a district-only basis. Members are entitled to vote for a representative from their own district but shall not vote in other district races. The candidate obtaining the highest number of votes in the candidate's respective election contest shall prevail.

Ref. S.C. Code Ann. § 33-49-650. Division of trustees into classes.

SECTION 5.08 - Removal of Trustees.

Removal of any Trustee is allowed as follows:

1. A temporary suspension of a trustee for cause may occur upon the affirmative vote of at least two-thirds of the members of the Board until the next Annual Member Meeting or Special Member Meeting. At that meeting the membership may remove the suspended Trustee for cause from the Board by an affirmative vote of a majority of the Members present and voting. In the event the membership refuses to vote to remove the Trustee, the Trustee must be reinstated immediately with all the powers of the office and continue to serve for the remainder of the elected term. "Cause" for removal of a Trustee under this section means fraudulent or dishonest acts, or gross abuse of authority in the discharge of duties to the Cooperative and must be established after written notice of specific charges and opportunity to meet and refute charges.

2. Upon a Trustee's loss of Membership status under Article III of these Bylaws or disqualification or failure to possess or maintain qualifications under Section 5.02, such Trustee's seat shall be declared vacant by the remaining Members of the Board and such vacancy shall be filled in accordance with Section 5.09.

Ref. S.C. Code. Ann. § 33-49-610. Trustees.

SECTION 5.09 - Vacancies.

A vacancy in the office of Trustee occurring for any reason other than expiration of a term may be filled only for the remainder of the unexpired term by a vote of the membership at the next Annual Member Meeting.

If a vacancy in the office of Trustee occurs more than six (6) months from the date of the next Annual Member Meeting, a new Trustee may be appointed to fill the vacancy on an interim basis

by the Nominations Committee of the Cooperative, as said committee is constituted from the preceding Annual Meeting, provided:

1. the new Trustee is not a Close Relative of the Trustee whose departure created the vacancy;

2. the new Trustee is not an individual with whom the departing Trustee or any Close Relative mutually has an interest in any business of which the departing Trustee or Close Relative is a director, officer, owner, employee, compensated agent, or holder of stock beyond any applicable statutory limit;

3. the new Trustee cannot continue to serve as a Trustee past the date of the next annual meeting occurring after the appointment, subject to Annual Member Meeting notice requirements, without being duly elected by the membership to fill the remainder of the unexpired term.

4. the decision to make an appointment or leave the seat vacant shall be at the discretion of the Nominating Committee.

Ref. S.C. Code Ann. § 33-49-610. Trustees.

SECTION 5.10 - Trustee Compensation.

As determined by the Board, Trustees may be compensated but only for actual attendance upon activities (ii) specifically authorized by the Board through resolution in the minutes and (ii) specifically related to issues of Cooperative governance or Trustee training and education.

Compensation shall not be paid for participation in community or charitable events, employee events, contractor-hosted events, national or statewide industry events where the Trustee's participation has not been specifically invited by the event host, or any event where compensation or payment is available from the host or some other organization.

Attendance at Regular Meetings of the Board via telephonic or other electronic means of communication, if authorized by the Chairman, shall be compensated at the same rate as in-person attendance.

Attendance at Special Meetings of the Board via telephonic or other electronic means of communication shall be compensated at same rate as in-person as long the meeting time is a minimum of one hour in duration. Meetings lasting less than a full hour shall be uncompensated.

A maximum of one (1) day of travel to authorized out-of-state events, and one (1) day of return travel from authorized out-of-state events, if actually necessary, is authorized. No more two (2) attendance days between authorized out-of-state meeting or class dates will be compensated.

No Trustee will be eligible to participate in any employee or Trustee benefit programs by virtue of their service as a Trustee

No payments shall be made to former Trustees based on their prior service as a Trustee.

Total annual compensation for each Trustee shall not exceed the average annual compensation for trustees at electric distribution cooperatives in the State of South Carolina, as reported on the most recent Form 990s available for public inspection via the Internet as of October 1 of the preceding

calendar year, with the exception that annual compensation for the President may exceed the average annual compensation level by no more than ten percent (10%).

Trustee compensation shall be reported as required by law.

Trustee expenses and miscellaneous items shall be paid, reimbursed or allowed but only as authorized by law.

Ref. S.C. Code Ann. § 33-49-615. Disclosure of board member compensation and benefits; § 33-49-630. Compensation or employment of trustee.

SECTION 5.11 - Trustee Conduct.

Unless modified or prohibited by law:

1. Trustee Standard of Conduct. A Trustee shall discharge the Trustee's duties, including duties as a Board Committee Member:
   a. In good faith;
   b. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
   c. In a manner the Trustee reasonably believes to be in the Cooperative's best interests.
2. Trustee Reliance on Others. Unless a Trustee possesses knowledge concerning a matter making reliance unwarranted, then in discharging a Trustee's duties, including duties as a Board Committee Member, a Trustee may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:
   a. One (1) or more Cooperative Officers or employees whom the Trustee reasonably believes to be reliable and competent in the matters prepared or presented;
   b. Legal counsel, public accountants, or other individuals regarding matters the Trustee reasonably believes are within the individual's professional or expert competence; and
   c. If the Trustee reasonably believes a Board Committee of which the Trustee is not a Member merits confidence, then the Board Committee regarding matters within the Board Committee's jurisdiction.
3. Non-Interference with Cooperative Management and Operations. Trustees shall specifically refrain from:
   a. Interfering with, or endeavoring to exercise undue influence upon, the Chief Executive Officer or any other employee or agent of the Cooperative in the performance of duties;
   b. Acting in any manner as to encourage or promote insubordination on the part of employees of the Cooperative or to undermine proper support of, and respect for, the Chief Executive Officer or any other employee or agent of the Cooperative;
   c. Directing or attempting to direct employees or contractors, or otherwise interfering in operational matters;

d. Interfering or attempting to interfere in personnel matters (including hiring, firing, disciplinary or individual compensation or performance issues);

e. Attempting to adjust individual member concerns on behalf of the Cooperative;

f. Reviewing individualized confidential member data or individual account information; or

g. Attempting to influence vendor selections or interfere with equipment specifications and bidding procedures.

4. Trustee Non-Interference with Elections. Incumbent Trustees seeking reelection shall not attempt to directly or indirectly influence the nomination or credentials process and shall recuse themselves from any votes related thereto.

5. Trustee Liability. If a Trustee complies with this Bylaw, then the Trustee is not liable to the Cooperative, any Member, or any other individual or entity for action taken, or not taken, as a Trustee.

Ref. S.C. Code Ann. § 33-49-640. Annual election and term of trustees.

SECTION 5.12 - Policies, Rules, Regulations, Rate Schedules and Contracts.

The Board shall have power to make, adopt, amend, abolish and promulgate such policies, rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 5.13 - Accounting System and Reports.

The Board shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be published to the Members as soon after their completion as practicable. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 5.14 - "Close Relative" Defined.

As used in these Bylaws, the term "Close Relative" means an individual who is a spouse, parent (including step and in-law), grandparent (including step and in-law), child (including step and in-law), grandchild (including step and in-law), sibling (including step and in-law), aunt, uncle, nephew, or niece of the principal person. The term also includes any individual who resides in the same household as the principal person, regardless of relationship. ("Close Relative").

Ref. S.C. Code Ann. § 8-13-100(15), Definitions; § 33-49-630. Compensation or employment of trustees.

SECTION 5.15 - Indemnification of Trustees, Officers and Employees.

As allowed by law and as determined by the Board:

1. Indemnification Trustee or Officer. The Cooperative shall indemnify:

   a. An individual who is or was a Trustee or Officer;

   b. An individual who, while a Trustee or Officer is or was serving, at the Cooperative's request, as a trustee, officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; or

   c. The estate or personal representative of such an individual (collectively, "Indemnification Trustee or Officer").

   who was wholly successful, on the merits or otherwise, in defending any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative, and whether formal or informal ("Indemnification Proceeding") to which the Indemnification Trustee or Officer was, is, or is threatened to be made a named defendant or respondent ("Indemnification Party") because the Indemnification Trustee or Officer is or was a Trustee or Officer.

This indemnification is against reasonable expenses, including counsel fees, ("Indemnification Expenses") actually incurred by the Indemnification Trustee or Officer in connection with the Indemnification Proceeding.

2. Indemnification Individual.

   a. The Cooperative shall indemnify an individual who is or was a Cooperative employee or agent ("Indemnification Individual"), and was made, because the Indemnification Individual is or was a Cooperative employee or agent, an Indemnification Party to any Indemnification Proceeding other than an Indemnification Proceeding:

      i. By or in the right of the Cooperative in which the Indemnification Individual was adjudged liable to the Cooperative; or

      ii. Charging, and in which the Indemnification Individual was adjudged liable for receiving improper personal benefit to the Indemnification Individual, whether or not involving action in the Indemnification Individual's official capacity.

   b. This indemnification is against reasonable Indemnification Expenses incurred in connection with an Indemnification Proceeding by or in the right of the Cooperative, or against the obligation to pay a judgment, settlement, penalty, fine or reasonable expense, including counsel fees, actually incurred in connection with any other Indemnification Proceeding, if the Indemnification Individual:

      i. acted in good faith;

      ii. reasonably believed:

         1. for conduct as a Cooperative Trustee, Officer, employee or agent, that the Indemnification Individual's conduct was in the Cooperative's best interest; and

         2. for all other conduct, that the Indemnification Individual's conduct was not opposed to the Cooperative's best interests; and

iii. in the case of any criminal Indemnification Proceeding, had no reasonable cause to believe the Indemnification Individual's conduct was unlawful (collectively, "Indemnification Standard of Conduct").

c. To provide this indemnification, a majority vote of the Trustee Quorum, excluding Trustees currently Indemnification Parties to the Indemnification Proceeding ("Indemnification Trustee Quorum"), must determine:

i. that the Indemnification Individual met the Indemnification Standard of Conduct; and

ii. incurred reasonable Indemnification Expenses.

3. Advance for Expenses. Prior to the final disposition of an Indemnification Proceeding, the Cooperative may pay for or reimburse the reasonable Indemnification Expenses incurred by an Indemnification Individual who is an Indemnification Party to the Indemnification Proceeding ("Indemnification Advance") if:

a. The Indemnification Individual furnishes the Cooperative a written:

i. affirmation of the Indemnification Individual's good faith belief that the Indemnification Individual has met the Indemnification Standard of Conduct; and

ii. unlimited general obligation of the Indemnification Individual which need not be secured, may be accepted without reference to financial ability to repay, may be executed personally or on the Indemnification Individual's behalf, and obligates the Indemnification Individual to repay the Indemnification Advance if a majority of the Indemnification Trustee Quorum ultimately determines that the Indemnification Individual did not meet the Indemnification Standard of Conduct; and

b. A majority of the Indemnification Trustee Quorum determines that the facts then known to them would not preclude Indemnification for the Indemnification Individual under this Bylaw.

Ref. S.C. Code Ann. § 33-49-680. Definitions; indemnification of officers, trustees, employees, and agents, insurance.

SECTION 5.16 - Insurance.

Regardless of any indemnification authority or requirements, the Cooperative may purchase and maintain insurance on behalf of any individual who is, or was, a Cooperative Trustee, Officer, employee, agent or representative against any:

1. Liability, including judgment, settlement, or otherwise; or
2. Reasonable expenses, including reasonable attorneys' fees, asserted against, or incurred by, the individual in the individual's capacity, or arising from the individual's status, as a Cooperative Trustee, Officer, employee, agent, or representative.

Ref. S.C. Code Ann. § 33-49-680. Definitions; indemnification of officers, trustees, employees, and agents, insurance; *see also* § 33-49-690. Immunity.

SECTION 5.17 - Conflict of Interest Transaction.

A Conflict of Interest Transaction is a transaction with the Cooperative in which a Trustee has a direct or indirect interest ("Conflict of Interest Transaction").

1. Indirect Interest. A Trustee has an indirect interest in a Conflict of Interest Transaction if at least one (1) party to the transaction is another entity:

   a. In which the Trustee or Close Relative of a Trustee has a material financial interest or is a general partner; or

   b. Of which the Trustee or Close Relative is a Trustee, officer, or trustee.

2. Approval of Conflict of Interest Transaction. Regardless of the presence or vote of a Trustee interested in a Conflict of Interest Transaction, a Conflict of Interest Transaction may be approved, and any Trustee Quorum satisfied, if the Conflict of Interest Transaction's material facts, and the Trustee's interest, are:

   a. Disclosed or known to the Board or Board Committee, and a majority of more than one (1) Trustee or Board Committee Member with no interest in the Conflict of Interest Transaction votes to approve the Conflict of Interest Transaction; or

   b. Disclosed or known to the Members, and a majority of votes cast by Members not voting under the control of a Trustee or entity interested in the Conflict of Interest Transaction approves the Conflict of Interest Transaction.

3. Fair Conflict of Interest Transaction. A Conflict of Interest Transaction that is fair when entered is neither:

   a. Voidable; nor

   b. The basis for imposing liability on a Trustee interested in the Conflict of Interest Transaction.

Article VI - Meetings of Trustees

SECTION 6.01 - Regular Meetings.

A regular meeting of the Board ("Regular Board Meeting") shall be held, without notice, immediately after, and at the same place as, the Annual Member Meeting; PROVIDED, however, that upon unanimous consent of all the Trustees present, the meeting may be moved to another place, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the Annual Member Meeting.

A Regular Board Meeting shall also be held not less frequently than bi-monthly at such date, time and place within the Cooperative's service territory as the Board may provide by resolution. Except when business to be transacted thereat shall require special notice, such regular monthly or bi-monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof; PROVIDED, any Trustee absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board.

SECTION 6.02 - Special Meetings.

Special meetings of the Board ("Special Board Meeting") may be called by Board resolution, by the President, or by any three (3) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 6.03. The Board, the President or Trustees calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties in which the Cooperative operates unless all Trustees consent to its being held in some other place in South Carolina or elsewhere. Special Board Meetings may also be held via telephone conference call, without regard to the actual location of the Trustees at the time of such a telephone conference meeting, if all the Trustees consent thereto. The Board shall not make decisions regarding rates, fees, charges, board composition, or Trustee compensation at any Special Board Meeting.

Ref. S.C. Code § 33-49-625. Notices, votes, and minutes.

SECTION 6.03 - Notice of Trustees' Meetings.

Written notice of the time, place, and purpose of any regular meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least ten (10) days in advance of the Regular Board Meeting. Written notice of the time, place, and purpose of any Special Board Meeting shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least twenty-four in advance of the meeting. Such Special Meeting notice shall be delivered not less than two days previous thereto, by written, oral, or electronic means, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at the Trustee's address as it appears on the records of the Cooperative, with postage thereon prepaid.

Ref. S.C. Code § 33-49-625. Notices, votes, and minutes.

SECTION 6.04 - Waiver of Board Meeting Notice.

At any time, a Trustee may waive notice of any Board Meeting by delivering to the Cooperative a written waiver of notice signed by the Trustee and later filed with the Board Meeting minutes or the Cooperative's records. Unless a Trustee:

1. Upon arriving at a Board Meeting or prior to the vote on a particular matter, objects to lack of, or defective, notice of the Board Meeting or a matter being considered at the Board Meeting; and
2. Does not vote for, or assent to, an objected matter;

then the Trustee's attendance at, or participation in, a Board Meeting waives notice of the Board Meeting and any matter considered at the Board Meeting.

Ref. S.C. Code Ann. § 33-49-30. Waiver of notice.

SECTION 6.05 - Trustee Quorum.

The presence in person of a majority of the Trustees in office shall be required for the transaction of business ("Trustee Quorum") and the affirmative votes of a majority of the Trustees in office

present and voting shall be required for any action to be taken except that any action by the Trustees under Article IX of these Bylaws shall require three-fourths (3/4) affirmative votes of the Trustees in office present and voting; PROVIDED, a Trustee who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Trustees in office or present; AND PROVIDED FURTHER, if less than a Trustee Quorum be present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time, but shall cause the absent Trustees to be duly and timely notified of the date, time and place of such adjourned meeting.

For purposes of this Section 6.05, Trustees may be deemed present in person if participating through any means of communication by which all Trustees participating in the Board Meeting may simultaneously hear each other during the Board Meeting.

Ref. S.C. Code Ann. § 33-49-660. Quorum of trustees.

SECTION 6.06 - Board Action by Written Consent.

Without a Board Meeting, the Board may take any action required, or permitted, to be taken at a Board Meeting if the action is:

1. Taken by all Trustees; and
2. Evidenced by one (1), or more, written consents ("Trustee Written Consent"):
    a. Describing the action taken;
    b. Signed by each Trustee; and
    c. Included with the Cooperative's Board Meeting minutes. Unless the Trustee Written Consent specifies a different effective date, action taken by Trustee Written Consent is effective when the last Trustee signs the Trustee Written Consent. A Trustee Written Consent has the effect of, and may be described as, a Board Meeting vote.

SECTION 6.07 – Executive Sessions

The Board of Trustees shall conduct votes in open session, except votes on the following topics are permitted during Executive Sessions:

- employees of the Cooperative;
- contracts or agreements with vendors or suppliers;
- particular Cooperative Members on matters relating to account or other personal information;
- economic development that involves the discussion of potentially identifiable information about businesses or industries that might be locating or expanding in or near the cooperative service territory;
- information or physical security measures;
- legal advice; and
- topics not specifically listed but determined by the Board, on the advice of counsel, to constitute a reasonable risk of damage to the cooperative membership due to the release of proprietary, personnel, member, or account information.

Where votes are taken in Executive Session, the vote then must be ratified in open session in a manner that does not compromise the purpose of the executive session.

Ref. S.C. Code § 33-49-625. Notices, votes, and minutes.

Article VII - Officers; Miscellaneous

SECTION 7.01 - Number and Title.

The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer ("Required Officer"), and such other officers ("Other Officer") as may from time to time be determined by the Board. The offices of Secretary and Treasurer may be held by the same person. The Board may also elect an Assistant Secretary and an Assistant Treasurer. Such assistant offices may likewise be held by the same person.

Ref. S.C. Code Ann. § 33-49-670. Officers and employees.

SECTION 7.02 - Election and Term of Office.

The officers named in Section 7.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board at the first meeting of the Board held after the Annual Member Meeting. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding Annual Member Meeting or until a successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Trustees by the Members and to the removal of officers by the Board. Any Other Officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board may from time to time deem advisable. When necessary, tie votes for any election shall be resolved by drawing of lots.

Ref. S.C. Code Ann. § 33-49-670. Officers and employees.

SECTION 7.03 - Removal.

Any officer, agent or employee elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served; PROVIDED, however, as required by law, the Board shall be obligated to honor the terms of any employment contract previously entered into by the existing or a prior Board.

Ref. S.C. Code Ann. § 33-49-670. Officers and employees.

SECTION 7.04 - Vacancies.

A vacancy in any office elected or appointed by the Board shall be filled by the Board for the unexpired portion of the term.

SECTION 7.05 - President and Chairman of the Board.

The President:

1. Shall be the principal executive officer of the Cooperative;
2. Preside as Chairman at all meetings of the Board, and unless determined otherwise by the Board, at all meetings of the Members;
3. May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some Other Officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
4. In general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 7.06 - Vice President.

In the absence of the President, or in the event of an inability or refusal to act, the Vice President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to the Vice President by the Board.

SECTION 7.07 - Secretary and Assistant Secretary.

The Secretary shall:

1. Keep, or cause to be kept, the minutes of meetings of the Members and of the Board in one or more books provided for that purpose and ensure the minutes are posted as required by law;
2. See that all notices are duly given in accordance with these Bylaws or as required by law;
3. Have charge of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;
4. Keep, or cause to be kept, a register of the name and post office address of each Member, which address shall be furnished to the Cooperative by such Member;
5. Have general charge of the books of the Cooperative in which a record of the Members is kept;
6. Keep on file, at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any Member, and at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any Member; and
7. In general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to the Secretary by the Board.

The Assistant Secretary shall, in the absence of the Secretary, or in the event of their death, inability or refusal to act, unless otherwise determined by the Board, perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary.

Ref. S.C. Code § 33-49-625. Notices, votes, and minutes.

SECTION 7.08 - Treasurer and Assistant Treasurer.

The Treasurer shall:

1. Have charge of and be responsible for all funds and securities of the Cooperative;
2. Receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected or approved in accordance with the provisions of these Bylaws; and
3. Perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board.

The Assistant Treasurer shall, in the absence of the Treasurer, or in the event of their death, inability or refusal to act, unless otherwise determined by the Board, perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer.

SECTION 7.09 - Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 7.07 and 7.08, the Board by resolution may, except as otherwise limited by law, delegate wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, and to Other Officers or employees of the Cooperative who are not Trustees. To the extent the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 7.10 - Chief Executive Officer.

The Board shall appoint a Chief Executive Officer, who may be, but who shall not be required to be, a Member of the Cooperative. Such officer shall perform such duties as the Board may from time to time require of the Chief Executive Officer and shall have such authority as the Board may from time to time vest in him. General management of the Cooperative's affairs is expressly delegated to the Chief Executive Officer, subject to policies established from time to time by the Board.

SECTION 7.11 - Committees.

The President may create committees of the Board ("Board Committees") and appoint Trustees to serve on the Board Committees. Each Board Committee must consist of two or more Trustees and serves at the President's discretion. The Board may create committees of the Members ("Member Committees") and appoint Members, including Trustees, to serve on the Member Committees.

1. Conduct of Committee Meetings. To the same extent as the meetings of the Board, these Bylaws addressing Regular Board Meetings, Special Board Meetings, Waiver of Board Meeting Notice, Board Action by Written Consent, and Trustee Quorum and Voting apply

to Board Committees and Trustees serving on Board Committees, and to Member Committees and Members serving on Member Committees.

2. Board Committee Authority. Except as prohibited or limited by law or this Bylaw, the Board may authorize a Board Committee to exercise Board authority. Although a Board Committee may recommend, a Board Committee may not act, to:

   a. Retire and refund Capital Credits and Affiliated Capital Credits;

   b. Recommend to Members or approve the Cooperative's dissolution or merger, or the sale, pledge, or Transfer of all, or substantially all, Cooperative Assets;

   c. Elect, appoint, or remove Trustees, or fill any Board or Board Committee vacancy; or

   d. Adopt, amend, or repeal these Bylaws or the Articles of Incorporation.

3. Member Committee Authority. Member Committees may act as specified by the Board, but may not exercise Board authority.

4. Compensation of Trustees on Board Committees. Except in extraordinary circumstances requiring immediate or advanced attention, as specifically identified in regularly-approved Board minutes, Board Committees shall meet on the same day as Regular Board Meetings or Special Board Meetings and shall not entitle any Trustee to receive an additional per diem for service on a Board Committee.

SECTION 7.12 - Executive Committee.

Unless otherwise determined by the Board:

1. An Executive Committee is comprised of the President, Vice President, Secretary, and Treasurer ("Executive Committee"); and

2. When impracticable or inconvenient for the Board to timely meet to consider a matter, and except as prohibited by law or these Bylaws, the Executive Committee may exercise all Board authority regarding a matter, if granted by the Board.

The Executive Committee:

1. Is a Board Committee;

2. May exercise all Board authority granted by the Board and permitted by law and these Bylaws; and

3. At the next Board Meeting following any exercise of Board authority, shall report to the Board regarding the Executive Committee's exercise of Board authority.

SECTION 7.13 - Bonds.

The Board shall require the Treasurer and any Other Officer, agent or employee of the Cooperative charged with responsibility of any of its funds or property be bonded under a liability policy or other surety in such sum as the Board shall determine. The Board in its discretion may also require that any Other Officer, agent or employee of the Cooperative be bonded in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

SECTION 7.14 - Compensation.

The compensation, if any, of any officer, agent or employee who is also a Trustee or Close Relative of a Trustee shall be determined as provided in Section 5.10 of these Bylaws, and the powers, duties and compensation of any Other Officers, agents and employees shall be fixed or a plan therefor approved by the Board.

SECTION 7.15 - Reports.

The officers of the Cooperative shall submit at each Annual Member Meeting reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

Article VIII - Cooperative Operation

SECTION 8.01 - Nonprofit and Cooperative Operation.

The Cooperative:

1. shall operate on a nonprofit and Cooperative basis for the mutual benefit of all Members; and
2. may not pay interest or dividends on capital furnished by Patrons.

SECTION 8.02 - Allocating Capital Credits.

1. Patron. The term "Patron" means, during a fiscal year: (1) a Member; and (2) any other Person or entity using a Cooperative Service to whom the Cooperative is obligated to allocate Capital Credits.
2. Allocating Patronage and Non-Patronage Earnings.
   a. Patronage Capital. Patronage capital is the amount by which the Cooperative's electric revenues exceed its costs of doing business.

      On an annual basis, patronage capital shall be determined and allocated on the Cooperative's books to each Patron based upon and in proportion to:

      (1) the revenue from each Patron or group of similar Patrons;

      (2) the contribution of each Patron or group of similar Patrons to the Cooperative's overall patronage capital; or

      (3)any combination of items (1) and (2) as determined by the Board.

   b. Non-patronage Earnings. As determined by the Board, the Cooperative may use, retain, or equitably allocate all the Cooperative's non-patronage sourced earnings. Notwithstanding other provisions of these Bylaws, the Cooperative may offset non-patronage earnings with current or prior losses whether derived from patronage sources or non-patronage sources. If during the year the Cooperative incurs a non-patronage loss, then the Cooperative may offset this non-patronage loss with its unallocated and retained equity, or offset patronage earnings of the year; provided, however, the non-patronage loss does not exceed the amount of patronage earnings. The excess of any non-patronage loss over patronage earnings may be utilized in a

manner consistent with accepted accounting practices, loan covenants and federal cooperative tax law.

3. Allocating Patronage Sourced Losses. To the extent the Cooperative incurs a patronage loss for a Cooperative Service or good during the fiscal year, the Cooperative shall have the authority under accepted accounting practices, loan covenants and federal cooperative tax law to prescribe the manner in which such patronage loss shall be handled.

4. Capital Credits. For each amount allocated to a Patron, the Patron is deemed to have contributed a corresponding amount to the Cooperative as capital. The Cooperative shall credit all capital contributions from a Patron to a capital account for the Patron. The Cooperative shall maintain books and records reflecting the capital contributed by each Patron. At the time of receipt by the Cooperative, each capital contribution is treated as though the Cooperative paid the amount allocated to the Patron in cash pursuant to a pre-existing legal obligation and the Patron contributed the corresponding amount to the Cooperative as capital. The term "Capital Credits" means the amounts allocated to a Patron and contributed by the Patron to the Cooperative as capital.

   Consistent with this Bylaw, the allocation of Capital Credits is in the discretion of the Board and the Board must determine the manner, method, and timing of allocating Capital Credits. The Cooperative may use or invest unretired Capital Credits as determined by the Board.

5. Different and Separate Allocations. As reasonable and fair, the Cooperative may allocate Capital Credits to classes of similarly situated Patrons under different manners, methods, and timing, provided the Cooperative allocates Capital Credits to similarly situated Patrons under the same manner, method, and timing. If the Cooperative is a Member, patron, or owner of an entity from which the Cooperative uses a good or service in providing a Cooperative Service and from which the Cooperative is allocated a capital credit or similar amount, then, as determined by the Board and consistent with this Bylaw, the Cooperative may separately identify and allocate to the Cooperative's Patrons this capital credit or similar amount allocated by the entity.

Ref. S.C. Code Ann. § 33-49-460. Patronage capital contributions, allocations, and retirements.

SECTION 8.03 - Notification and Assignment of Capital Credits.

Within a reasonable time after the end of each fiscal year, the Cooperative shall publish or deliver to the Patron, in writing or electronically, the stated dollar amount of Capital Credits or the formula for calculating the dollar amount of Capital Credits allocated to the Patron for the preceding fiscal year. Such notice shall not impair allocation of losses, as provided herein.

Except as otherwise provided by the Board or these Bylaws, to assign or transfer a Patron's Capital Credits: (1) the Cooperative must receive a written request signed by the Patron to assign or transfer the Capital Credits; (2) the Patron and the assignee or transferee must comply with all reasonable requirements specified by the Cooperative; and (3) the Board must approve the assignment or transfer.

Ref. S.C. Code Ann. § 33-49-460. Patronage capital contributions, allocations, and retirements.

SECTION 8.04 - Retiring Capital Credits.

Retirement of patronage capital is the actual payment of patronage capital to the Patrons to whom it has previously been allocated. The Board may, in its discretion, utilize its business judgment to retire patronage capital as allocated on the books of the Cooperative when the retirement is consistent with sound business and management practices and the long-term financial stability of the Cooperative. If the Cooperative retires and pays Capital Credits, they will be retired and paid in the Patron's name as shown in the Cooperative's records, regardless of the Patron's marital status.

1. General Capital Credit Retirements. Subject to financial conditions and business judgment, the Cooperative will endeavor to maintain a rotation cycle for retiring Capital Credits and repaying patronage capital of not more than thirty-three (33) years.

2. Discounted Capital Credit Payments. If the Board, in its discretion, authorizes retirement of patronage capital to Patrons either upon their death, termination of electric service, or bankruptcy, then the retirement may be discounted from the Board's approved retirement cycle to present-day value when deemed appropriate by Board in the exercise of its business judgment. Any resulting net savings shall be used or retained as permanent, unallocated equity, or equitably allocated.

3. Capital Credit Recoupment and Offset. Regardless of a statute of limitation or other time limitation, after retiring Capital Credits allocated to a Patron or former Patron, the Cooperative may recoup, offset, or setoff an amount owed to the Cooperative by the Patron or former Patron, including any compounded interest and late payment fee, by reducing the net present value amount of retired Capital Credits paid to the Patron or former Patron by the amount owed to the Cooperative. Net present value shall be determined using the then-applicable discount rate for discounted capital credits in accordance with Board-approved discounting guidelines and any other terms and conditions generally published to the membership or otherwise specifically agreed upon by the Cooperative, the Patron or the Patron's legal representative.

4. Capital Credit Retirement Discretion. The Cooperative may retire and pay Capital Credits only if the Board determines that the retirement and payment will not adversely impact the Cooperative's financial condition. Consistent with this Bylaw, the retirement and payment of Capital Credits are in the sole discretion of the Board and are not affected by previous retirements and payments. The manner, method, and timing of retiring and paying Capital Credits may be determined only by the Board.

5. Different and Separate Capital Credit Retirements. As reasonable and fair, the Cooperative may retire and pay Capital Credits to classes of similarly situated Patrons and former Patrons under different manners, methods, and timing, provided the Cooperative retires and pays Capital Credits to similarly situated Patrons and former Patrons under the same manner, method, and timing. If the Cooperative separately identified and allocated Capital Credits representing Capital Credits or similar amounts allocated to the Cooperative by an entity in which the Cooperative is or was a Member, patron, or owner, then the Cooperative may retire and pay these Capital Credits only after the entity retires and pays the Capital Credits or similar amounts to the Cooperative.

6. Payment by Bill Credit or Mailing. When the Board has determined that patronage capital shall be retired, the retirement may be accomplished by a bill credit or by the mailing of

payment or notice of payment to the person's last known address of record on file with the cooperative.

7. Unclaimed Capital Credits. Notwithstanding the provisions of the Uniform Unclaimed Property Act, S.C. Code of Laws § 27-18-10, *et seq*., patronage capital that has been retired by the Cooperative but remains unclaimed for a period of seven years shall become abandoned patronage capital. The Cooperative shall, nonetheless, pay any validated claims by Patrons for unclaimed or abandoned patronage capital. With respect to abandoned patronage capital, the Cooperative will follow the procedures set forth herein. Each year, the Cooperative may impose a reasonable administrative fee for abandoned or unclaimed patronage capital and may offset the fee against such abandoned or unclaimed patronage capital. Abandoned patronage capital shall be designated as equity and, at the Board's direction, can be used only by the Cooperative for:

   a. Energy efficiency programs and education;
   b. Renewable energy initiatives; or
   c. Educational or charitable purposes.

8. Procedures for Payment of Unclaimed Capital Credits. Patronage capital, presumed abandoned, which is due to Patrons and whose last known address is in South Carolina, may be retained by the electric cooperative provided that the electric cooperative performs the following due diligence duties to locate the rightful owners:

   a. The Cooperative shall publish, for two consecutive years, in a newspaper of general circulation in Calhoun County, South Carolina, the names and addresses of each person appearing from the Cooperative's records to be the owner of the unclaimed patronage capital of fifty dollars or more, together with instructions on how to claim such property. Such publication will commence within one year after the check representing patronage capital was returned to the cooperative as undeliverable or has gone uncashed;

   b. The Cooperative shall publish, no less than annually, in its official publication, either in print or electronically, the names and addresses of each person appearing from the Cooperative's records to be the owner of unclaimed patronage capital of fifty dollars or more, together with instructions on how to claim such property. Such publication will commence within one year after the check representing patronage capital was returned to the cooperative as undeliverable or has gone uncashed and will continue for the earlier of two consecutive years or until the patronage capital has been paid to the rightful owner; and

   c. The Cooperative shall maintain a searchable website on which will be listed the names and addresses of each person appearing from the Cooperative's records to be the owner of unclaimed and abandoned patronage capital of fifty dollars or more, together with instructions on how to claim the property. The listings will commence within one year after the check representing patronage capital was returned to the Cooperative as undeliverable or has gone uncashed and will continue until the patronage capital has been paid to the rightful owner. The Office of State Treasurer shall maintain a link on the state's Unclaimed Property Website to the cooperative's searchable website to increase public awareness and access.

d. The Cooperative shall consider each claim filed by a person claiming an interest in patronage capital within ninety days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. If a claim is allowed, the cooperative shall pay over or deliver to the claimant the patronage capital owed to the claimant at the time the patronage capital became abandoned. A person aggrieved by a decision of the Cooperative or whose claim has not been acted upon within ninety days after its filing may bring an action to establish the claim in the Court of Common Pleas of Calhoun County. The action must be brought within ninety days after the Cooperative's decision or within one hundred eighty days after the filing of the claim if the Cooperative has failed to act on it.

e. The patronage capital accounts still unpaid that were included on previously filed annual unclaimed property reports for which no property was delivered will be returned to the Cooperatives and will be treated in the same manner as provided by this section for patronage capital. The State Treasurer, including any agents and representatives, shall not be responsible or held liable for any unclaimed patronage capital accounts retained by a Cooperative pursuant to this section.

Ref. S.C. Code Ann. § 33-49-460. Patronage capital contributions, allocations, and retirements.

SECTION 8.05 - <u>Patron Agreement</u>.

Each Patron and former Patron agrees that:

1. Capital Credits are not securities under state or federal law;
2. The allocation of patronage capital to a Patron's account does not vest until such time that the Board determines in its exercise of business judgment that retirement is proper.
3. The Patron's right to Capital Credits becomes redeemable and payable only upon the Cooperative retiring the Capital Credits as provided in these Bylaws; and
4. As required by law, each Patron will:
   a. Report to the appropriate entity all allocated or retired Capital Credits; and
   b. Pay the appropriate entity any tax or similar amount on allocated or retired Capital Credits.

Ref. S.C. Code Ann. § 33-49-460. Patronage capital contributions, allocations, and retirements.

SECTION 8.06 - <u>Non-Member Patrons and Non-Member Non-Patrons</u>.

As a condition of Using a Cooperative Service, and except as otherwise provided by the Board:

1. To the same extent as a Member, a Patron who is not a Member ("Non-Member Patron") and a Person Using a Cooperative Service who is not a Member or Patron ("Non-Member Non-Patron") must abide by and be bound to the duties, obligations, liabilities, and responsibilities imposed by the Governing Documents upon Members;
2. A Non-Member Patron or Non-Member former Patron has none of the rights granted by the Governing Documents to Members, other than the rights to:
   a. Be allocated Capital Credits; and

b. Be paid retired Capital Credits; and

3. A Non-Member Non-Patron has none of the rights granted by the Governing Documents to Members.

SECTION 8.07 - Reasonable Reserves.

Regardless of a contrary Bylaw, and to meet the Cooperative's reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses ("Reasonable Reserves"). The Cooperative must keep records necessary to determine, at any time, each Patron's rights and interest in Reasonable Reserves.

Article IX - Disposition of Cooperative Assets

SECTION 9.01 - Transfer of Cooperative Assets.

The Cooperative shall not sell, mortgage, lease or otherwise encumber or dispose (collectively "Transfer") of any Cooperative property or Assets (other than merchandise and property which lie within the limits of an incorporated city or town, or which shall represent not in excess of ten percent (10%) of the total value of the Cooperative's Assets ("Assets"), or which in the judgment of the Board are not necessary or useful in operating the Cooperative) unless:

1. The Circuit Court Resident Judge for the Judicial District in South Carolina in which the Cooperative's headquarters are located, or if such judge refuses to make such designations, the Board, appoints three (3) independent appraisers, each of whom, within a reasonable time, evaluates the Cooperative's Assets and renders an Appraisal valuing the Cooperative's Assets ("Appraisal");
2. The Board approves the Transfer;
3. At least two-thirds (2/3) of the Total Membership, without proxies, approves the Transfer;
4. At least seventy-five percent (75%) of the holders of bonds of the Cooperative approves the Transfer;
5. Notice of any Member Meeting at which Members will consider the Transfer states that one (1) of the purposes of the Member Meeting is to consider the Transfer, and includes a copy or summary of the Transfer; and
6. In proportion to the value or quantity of Cooperative Services used, received, or purchased by Members during the period in which the Cooperative owned a Cooperative Asset, the Cooperative allocates and credits to Members as Capital Credits any consideration received for the Cooperative's Assets that exceeds the Cooperative's debts, obligations, and liabilities.

Unless otherwise determined by the Members, after the Members approve a Transfer, the Board may abandon the Transfer.

The Board may (1) borrow money from any source and in such amounts as the Board may from time to time determine, (2) mortgage or otherwise pledge or encumber any or all of the Cooperative's property or Assets as security therefor, and (3) sell and lease back any of the Cooperative's property or Assets, if the Members by an affirmative majority of votes cast in person at any Member Meeting, has delegated to the Board such power and authority.

Ref. S.C. Code Ann. § 33-49-260. Sale of assets; § 33-49-270. Mortgage or pledge of assets.

SECTION 9.02 - Merger or Consolidation.

In a manner determined by the Board that is consistent with this Bylaw, the Cooperative may consolidate or merge with any other entity incorporated under the same act as the Cooperative that provides electric power ("Consolidate or Merge").

1. Board Approval. The Board must approve an agreement or plan to Consolidate or Merge ("Consolidation or Merger Agreement") stating the:
    a. Terms and conditions of the Consolidation or Merger and the mode of carrying the same into effect;
    b. Name and address of the principal office of each entity Consolidating or Merging;
    c. Name and address of the principal office of the new or surviving Consolidated or Merged entity ("New Entity");
    d. Manner and basis, if any, of converting Memberships, or ownership rights, of each Consolidating or Merging entity into Memberships or ownership rights of, or payments from, the New Entity;
    e. A statement that each Cooperative agrees to the Consolidation or Merger;
    f. Names and addresses of New Entity Trustees who will serve until the New Entity's first annual meeting; and
    g. Any other information required by law or necessary or advisable for the conduct of the business of the New Entity.
2. Member Approval. After the Board approves a Consolidation or Merger Agreement, two-thirds (2/3) of the Members present and voting in person must approve the Consolidation or Merger Agreement, at a meeting held thereon.
3. Notice. The Cooperative shall notify Trustees of any Board Meeting, and Members of any Member Meeting, at which Trustees or Members may consider a Consolidation or Merger Agreement. This notice must contain, or be accompanied by, a copy of the Consolidation or Merger Agreement.
4. Other Requirements. The New Entity Trustees named in the Consolidation or Merger Agreement must sign and file articles of Consolidation or Merger in a manner, and stating the information, required by law. The Cooperative shall comply with all other requirements for Consolidation or Merger specified by law.

Ref. S.C. Code Ann. § 33-49-830, *et seq*. Consolidation of cooperatives.

SECTION 9.03 - Distribution of Cooperative Assets Upon Dissolution.

Upon the Cooperative's dissolution:

1. The Cooperative shall pay, satisfy, or discharge all Cooperative debts, obligations, and liabilities, including retiring and refunding without priority all Capital Credits and Affiliated Capital Credits to all Patrons and former Patrons in proportion to the value or

quantity of Cooperative Services used, received, or purchased by each Patron or former Patron; and

2. After paying, satisfying, or discharging all Cooperative debts, obligations, and liabilities:

   a. To the extent practical, the Cooperative shall first distribute gains from selling any appreciated Cooperative Asset to Members who used, received, or purchased Cooperative Services during the period in which the Cooperative owned the Cooperative Asset in proportion to the value or quantity of Cooperative Services used, received, or purchased by the Member during the period the Cooperative owned the Cooperative Asset; and

   b. To the extent practical, the Cooperative shall then pay or distribute any remaining Cooperative Assets, and any amounts received from selling any remaining Cooperative Assets, to:

      i. The Members in proportion to the value or quantity of Cooperative Services used, received, or purchased by each Member during the seven (7) years prior to the Cooperative's dissolution; or

      ii. Any nonprofit charitable or educational entity or organization exempt from paying Federal income tax.

Ref. S.C. Code Ann. § 33-49-1020, *et seq*., Dissolution.

Article X – Miscellaneous

SECTION 10.01 - Bylaw Amendments.

The Cooperative's Bylaws may be adopted, amended or repealed by the Members at any Regular Member Meeting or Special Member Meeting, provided the notice of such meeting shall have contained a copy or summary of the proposed alternation, amendment or repeal, or such copy or summary has been identified and made available via electronic or other published means.

Ref. S.C. Code Ann. § 33-49-280. Bylaws.

SECTION 10.02 - Rules of Order.

Unless the Board determines otherwise, and to the extent consistent with law and these Bylaws, all:

1. Member Meetings;
2. Board Meetings;
3. Member Committee meetings; and
4. Board Committee meetings;

are intended to be governed by the latest edition of Robert's Rules of Order.

SECTION 10.03 - Fiscal Year.

The Board shall determine, and may modify, the Cooperative's fiscal year.

SECTION 10.04 - Notice.

In these Bylaws:

1. Notice Type. Unless otherwise provided in these Bylaws, notice may be:
    a. Oral or written; and
    b. Communicated:
        i. In person;
        ii. By telephone, telegraph, teletype, facsimile, electronic communication, or other form of wire or wireless communication;
        iii. By mail or private carrier; or
        iv. If the above-listed forms of communicating notice are impractical, then by:
            (1) Newspaper of general circulation in the area where published; or
            (2) Radio, television, or other form of public broadcast communication.

    If addressed, or delivered, to an address shown in the Membership List, then a written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to Members constitutes a written notice or report to all Members:

        1. Residing at the address; or
        2. Having the same address shown in the Membership List.

2. Notice Effective Date. If communicated in a comprehensible manner, then unless otherwise provided in these Bylaws:
    a. Oral notice is effective when communicated; and
    b. Written notice is effective upon the earliest of:
        i. When received;
        ii. With the postmark evidencing deposit in the United States Mail, if correctly addressed:
            1. Mailed with first class postage affixed, then five (5) days after deposit in the United States Mail; or
            2. Mailed with other than first class, registered, or certified postage affixed, then thirty (30) days after deposit in the United States Mail; or
    c. If sent by registered or certified mail, return receipt requested, and if the return receipt is signed by, or on behalf of, the addressee, then on the date indicated on the return receipt.

Written notice is correctly addressed to a Member if addressed to the Member's address shown in the Membership List.

SECTION 10.05 - Governing Law.

These Bylaws are governed by, and interpreted under, the laws of the State of South Carolina, which shall control over any conflicting provision herein.

SECTION 10.06 - Titles and Headings.

All titles, headings, tables, indexes, and citations provided herein are for convenience and reference only, and do not affect the interpretation of any Bylaw article, section, or sub-section. Changes or adjustments thereto shall not constitute an amendment.

SECTION 10.07 - Partial Invalidity.

When reasonably possible, every Bylaw article, section, sub-section, paragraph, sentence, clause, or provision (collectively, "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invalidate the remaining Bylaw Provisions.

SECTION 10.08 - Cumulative Remedies.

The rights and remedies provided in these Bylaws are cumulative. The Cooperative or any Member asserting any right or remedy provided in these Bylaws does not preclude the Cooperative or Member from asserting other rights or remedies provided in these Bylaws.

SECTION 10.09 - Entire Agreement.

Between the Cooperative and any Member, the Governing Documents:

1. Constitute the entire agreement; and
2. Supersede and replace any prior or contemporaneous oral or written communication or representation.

SECTION 10.10 - Successors and Assigns.

To the extent allowed by law:

1. The duties, obligations, and liabilities imposed upon the Cooperative or any Member by these Bylaws are binding upon the successors and assigns of the Cooperative or Member; and
2. The rights granted to the Cooperative by these Bylaws inure to the benefit of the Cooperative's successors and assigns.

The binding nature of the duties, obligations, and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative and any Member does not relieve the Cooperative or Member of the duties, obligations, and liabilities imposed by these Bylaws upon the Cooperative or Member.

SECTION 10.11 - Waiver.

The failure of the Cooperative to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

SECTION 10.12 - Lack of Notice.

To the extent allowed by law, the failure of any Member or Trustee to receive notice of any Meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Members or Board.

Amended: **November 18, 2023**.

APPENDIX

COOPERATIVE SERVICE AREA