

FIRELANDS ELECTRIC COOPERATIVE, INC.

CODE OF REGULATIONS

The aim of Firelands Electric Cooperative, Inc. (hereinafter called the "Cooperative") is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

ARTICLE I

MEMBERS

SECTION 1. QUALIFICATIONS AND OBLIGATIONS

Any person, firm, corporation, or body politic may become a member in the Cooperative by:

- (a) applying for membership;
- (b) agreeing to purchase electric energy from the Cooperative as hereinafter specified; and
- (c) agreeing to comply with and be bound by the articles of incorporation of the Cooperative, this Code of Regulations and any amendments thereto, and such rules and regulations as may from time to time be adopted by the board of trustees

No person, firm, corporation, or body politic may own more than one (1) membership in the Cooperative.

A member and spouse may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the member and spouse comply jointly with the provisions of the above subdivisions (a), (b), and (c).

SECTION 2. MEMBERSHIP FEE

There shall be no membership fee required to be paid with any application for membership submitted on or after July 1, 1998. Membership fees held by the Cooperative on July 1, 1998 shall be returned to the members as provided for in Section 7 of this Article.

SECTION 3. PURCHASE OF ELECTRIC ENERGY

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in their application for membership excepting electric energy generated on said premises, and shall pay therefore monthly at rates which shall, from time to time, be fixed by the board of trustees; provided, however, that the board of trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of

service are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the board of trustees from time to time. Each member shall also pay all amounts owed by them to the Cooperative as and when the same shall become due and payable.

SECTION 4. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE

The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative, and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

SECTION 5. EXPULSION OF MEMBERS

The board of trustees of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the articles of incorporation of the Cooperative, this Code of Regulations, or any rules or regulations adopted from time to time by the board of trustees. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

SECTION 6. WITHDRAWAL OF MEMBERSHIP

Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the board of trustees may prescribe.

SECTION 7. TRANSFER AND TERMINATION OF MEMBERSHIP

- (a) Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided, and upon the death, or cessation of existence, the membership of such member shall thereupon terminate. Subject to the payment of all debts and liabilities of a member to the Cooperative, upon any such termination of membership, the Cooperative shall pay to such member or their personal representative, an amount equal to the membership fee paid by such member. Termination of membership in any manner shall not release the member from the debts or liabilities of such member to the Cooperative.
- (b) When a membership is held jointly by two individuals, upon the death of either individual, such membership shall be deemed to

be held solely by the surviving individual with the same effect as though such membership had been originally issued solely to him or her, as the case may be; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

SECTION 8. REMOVAL OF TRUSTEES BY MEMBERS

Any member may bring specific charges of malfeasance, misfeasance, or nonfeasance in office against a trustee and, by filing in writing with the secretary a detailed description of each charge and the evidentiary basis therefore, together with a petition signed by at least ten per centum (10%) of the members, may request the removal of such trustee by reason thereof. If more than one trustee is sought to be removed, individual charges against each such trustee and the evidentiary bases for each such charge shall be specified. For purposes of this Article "malfeasance, misfeasance or nonfeasance" means an act or omission amounting to gross negligence, fraud, or criminal conduct, which has a material adverse effect on the business affairs of the Cooperative. At the next regular or special meeting of the members occurring not less than forty-five days after the filing of such charges, the member bringing the charges against the trustee shall have an opportunity to be heard in person or by counsel and to present evidence in support of the charges; and the trustee shall have the opportunity to be heard in person or by counsel and to present evidence in response to the charges. No trustee shall be removed from office unless the specific charges against such trustee are supported by clear and convincing evidence. The question of the removal of such trustee shall be considered and voted upon at the meeting of members and any vacancy created by such removal may be filled, by the affirmative vote of a majority of the remaining trustees, for the unexpired portion of the term and until a successor shall have been elected and qualified. The removal of no more than two trustees may be considered or voted upon at any meeting of members.

ARTICLE II

MEETINGS OF MEMBERS, VOTING, AND ELECTIONS

SECTION 1. ANNUAL MEETING

- (a) The annual meeting of the members shall be held each year beginning with the year 1996 at such day, hour, and place within the service area of the Cooperative, as determined by resolution of the board of trustees and as shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports covering the previous fiscal year, announcing the results of any election conducted by

mail, electronic, and/or telephonic ballot, and/or transacting such other business as may come before the meeting. If the election of trustees is not held or the results of mail, electronic, and/or telephonic ballot are not announced on the day designated herein for any annual meeting, or at any adjournment thereof, the board of trustees shall cause the election to be held either at a special meeting of the members, or by mail, electronic, and/or telephonic ballot, as soon thereafter as convenient. Failure to hold the annual meeting at the designated time shall not work as a forfeiture or dissolution of the Cooperative.

(b) The items of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

1. Call of the roll
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon
4. Presentation and consideration of, and acting upon, reports of officers, trustees, and committees
5. Election of trustees, or announcement of results of any election conducted by mail, electronic, and/or telephonic ballot
6. Unfinished business
7. New business
8. Adjournment

SECTION 2. SPECIAL MEETINGS

Special meetings of the members may be called by resolution of the board of trustees, or upon written request signed by the president or at least three (3) trustees, or upon a written request signed by at least ten per centum (10%) of all the members, and it shall thereupon be the duty of the board secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the service area of the Cooperative in the State of Ohio, designated by the board of trustees and specified in the notice of the special meeting.

SECTION 3. NOTICE OF MEMBERS' MEETINGS

- (a) Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, or an annual meeting at which business other than that specified in Section 1 (b) of this article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the board secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at their address as it appears on the records of the Cooperative, with postage thereon prepaid. In the case of a joint membership, notice given to either member shall be deemed notice to both joint members. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.
- (b) When any proposed alteration, amendment, or repeal of the Code of Regulations is proposed, the board secretary shall forward the same to the members, as provided for in Section 3 (a) above, the proposed alteration, amendment, or repeal shall be presented to the board secretary not later than ninety (90) days prior to the annual meeting. If the proposed alteration, amendment, or repeal bears the signature of at least three trustees of the Cooperative or no less than ten percent of all the members of the Cooperative, the costs of forwarding shall be borne by the Cooperative. However, if the proposed alteration, amendment, or repeal does not bear the signatures of at least three trustees or ten percent of all the members, it shall be forwarded to all the members by the secretary only after the actual costs of forwarding have been deposited with the secretary by the member or group of members proposing the alteration, amendment, or repeal.

SECTION 4. QUORUM

Fifty members either present or in person or casting a vote by mail, electronic, and/or telephonic ballot shall constitute a quorum for the transaction of business. In case of a joint membership, the presence at a meeting of either, or the mail, electronic, and/or telephonic vote of either, shall be regarded as one member. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The annual meeting shall not be adjourned more than thirty (30) days.

SECTION 5. VOTING

(a) One Vote

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote of the members. In the case of a joint membership, the membership shall jointly be entitled to one (1) vote and no more, cast by either member, upon each matter submitted to a vote of the members. Voting by proxy shall not be permitted, except that a spouse may vote their spouse's membership.

(b) Manner of Voting

Voting by the members may be conducted either in person at a meeting of the members, or by mail, electronic, and/or telephonic ballot, with or without a member meeting, in a manner consistent with this Article II, Section 5, of this Code of Regulations and as determined by the board of trustees.

(c) Mail, Electronic, and/or Telephonic Voting without a Member Meeting

A member may vote or act on any matter by mail, electronic, and/or telephonic ballot without a member meeting, but only as provided in this Code of Regulations. In such instances, the Cooperative will deliver or provide to each member entitled to vote on the matter a written mail ballot and/or access to an electronic and/or telephonic ballot. The matter or action is approved if the number of completed mail, electronic, and/or telephonic ballots received by the Cooperative equals or exceeds the quorum requirements set forth in Article II, Section 4, of this Code of Regulations, and the number of votes favoring the matter or action equals or exceeds the number of votes required to approve the matter or action.

(d) Mail, Electronic, and/or Telephonic Voting with a Member Meeting

A member may vote or act by mail, electronic, and/or telephonic ballot on any matter to be considered in conjunction with a member meeting, but only as provided in this Code of Regulations. The Cooperative will deliver or provide to each member entitled to vote on the matter a written mail ballot and/or access to an electronic and/or telephonic ballot. In such instances, all votes shall be cast by mail, electronic, and/or telephonic ballot, and voting in person at the meeting of the members shall not be permitted. The Cooperative must count as a member's vote a properly completed mail, electronic, and/or telephonic ballot received on or before the time and date stated in the ballot. The matter or action is approved if the

number of completed mail, electronic, and/or telephonic ballots received by the Cooperative equals or exceeds the quorum requirements set forth in Article II, Section 4, of this Code of Regulations, and the number of votes favoring the matter or action equals or exceeds the number of votes required to approve the matter or action. The results of the vote shall be announced at the member meeting. Whenever this Code of Regulations requires action to be taken at a member meeting, a vote by mail, electronic, and/or telephonic ballot in conjunction with a member meeting shall be deemed to be action taken at a member meeting.

(e) **Mail, Electronic, and/or Telephonic Ballot Contents**

A mail, electronic, and/or telephonic ballot must:

- 1) set forth and describe a proposed action, identify a candidate(s), and/or include the language of a motion, resolution, Code of Regulations amendment, or other written statement, upon which a member is asked to vote or act;
- 2) state the date of a member meeting at which the results of the election or voting are scheduled to be announced, or, if no member meeting is scheduled, state how the results will be announced;
- 3) provide an opportunity to vote for or against the matter;
- 4) instruct the member how to complete, return, or cast the ballot; and
- 5) state the time and date by which the Cooperative must receive the completed ballot.

(f) **Rescission of Mail, Electronic, and/or Telephonic Ballots**

Except as otherwise provided in this Code of Regulations or by the board of trustees, a member may not revoke or rescind a completed ballot received by the Cooperative. A member's failure to receive a mail, electronic, and/or telephonic ballot does not affect any vote or action taken in that balloting.

(g) **Fraudulent Mail, Electronic, and/or Telephonic Ballots**

A mail, electronic, and/or telephonic ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, a ballot procured or cast through fraud or other improper means is invalid.

(h) **Number of Votes Required**

At all meetings of the members at which a quorum is present, and for all votes conducted by mail, electronic, and/or telephonic ballot in which a quorum participates, all questions shall be decided by a vote of the majority of the members voting

thereon, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or this Code of Regulations.

(i) **Proof of Authority of Agents**

Whether voting in person at a meeting or by mail, electronic, and/or telephonic means, agents of corporations, firms, and bodies politic may be required to submit proof of their authority to vote, but in no case shall an agent delegated to vote the membership of a corporation, firm, or body politic be a member of the Cooperative; nor shall any one agent represent more than one membership.

SECTION 6. VOTING DISTRICTS

The territory served or to be served by the Cooperative shall be divided into nine districts, each of which shall contain as nearly as possible the same number of members. Each district shall be represented by one trustee. The nine districts shall be as follows:

District No. 1 – Richmond, Norwich, and Greenfield townships

District No. 2 – New Haven, Ripley, Greenwich, Ruggles, Cass, and Blooming Grove townships

District No. 3 – Peru, Bronson, Fairfield, and Hartland townships, and Fitchville Township west of State Route 250

District No. 4 – Clarksfield and Rochester townships, Fitchville Township east of State Route 250, and north of CSX rail in New London municipality, and New London Township

District No. 5 – Monroe, Green, and Lake townships

District No. 6 – Butler, Clear Creek, Orange, Weller, Milton, Mifflin, and Madison townships north of State Route 42

District No. 7 – Vermilion, Mohican, Montgomery, and Perry townships

District No. 8 – Mifflin Township south of State Route 42 in Ashland and Richland counties

District No. 9 – South of CSX rail in New London municipality and New London Township

The board of trustees shall periodically review the composition of the districts and, if it should be found that inequalities in representation have developed which can be corrected by a redelineation of districts, the board of trustees shall reconstitute the districts so that each shall contain as nearly as possible the same number of members.

SECTION 7. NOMINATION AND ELECTION OF TRUSTEES

(a) Nomination by Petition

Not less than ninety days nor more than one hundred forty-five days before any meeting at which trustees are to be elected, or in the case of an election conducted by mail, electronic, and/or telephonic ballot before any meeting at which the election results are to be announced, any member residing in a district from which a trustee is to be elected may obtain from the board secretary or their designated agent a nominating petition. The nominating petition may nominate for trustee any member residing in the district who possesses the qualifications for trustee specified in Article III, Section 2, of this code. The petition shall be signed by not less than twenty (20) members who are residents of the district, and filed with the board secretary not later than four P.M. of the ninetieth day before the date of the meeting at which the trustee election shall be held or the mail, electronic, and/or telephonic balloting results shall be announced. The board secretary or their designated agent shall verify the signatures contained in the petition. Any qualified member who timely files a petition with the verified signatures of not less than twenty (20) members who are residents of the district shall be declared an official candidate of the district. There shall be no limitation on the number of official candidates for trustee. A member may sign more than one nominating petition.

(b) Election of Trustees

Not less than seven (7) days before an annual or special meeting of the members at which trustees are to be elected, the board secretary shall mail to each member a list of the official candidates, the names to be arranged by districts and in alphabetical order. This list may be included with the notice of the meeting. At the meeting, the board secretary shall place in nomination the names of the official candidates of each district. Election of trustees shall be by mail, electronic, and/or telephonic ballot. The ballots shall be arranged by districts with the names of candidates appearing in alphabetical order. Each member of the Cooperative shall be entitled to vote for one candidate from each district. The candidate from each district receiving the highest number of votes shall be declared elected as trustee. In the event of a tie vote among those candidates receiving the highest number of votes, the tie shall be resolved by a coin toss conducted by the election committee chairperson.

(c) **Election Committee**

In any trustee election, each candidate shall designate a teller. Together, all designated tellers, along with a Chairperson appointed by the board of trustees, shall comprise the Election Committee. In any election conducted at a meeting of the members, it shall be the responsibility of the committee to count all ballots or other votes cast and to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast. In the exercise of its responsibility, the committee shall have available to it the advice of counsel provided by the Cooperative. The committee's decision, as reflected by a majority of those actually present and voting, shall be final. In any election or vote conducted by mail, electronic, and/or telephonic ballot, the board of trustees may retain an independent third party to conduct the election and count ballots or other votes cast. In any such election conducted by an independent third party, it shall be the responsibility of the Election Committee to review a report of the results by the independent third party and to announce the results to the membership at the member meeting.

(d) **Credentials Committee**

Any other questions relating to members voting and the election of trustees, including, but not limited to, the validity of either the nomination or the qualifications of candidates, the regularity of the nomination and election of trustees, and hearing and deciding any protest or objection filed with respect to any election or to conduct affecting the results of any election, shall be determined by a Credentials Committee appointed by the board of trustees of the Cooperative. The board shall appoint one member in good standing from each of the Cooperative's nine (9) trustee districts. A committee member cannot be a current member of the board of trustees, a close relative of a trustee, or a member of the Election Committee. The Credentials Committee shall choose its own Chairperson whenever it is called upon to meet. The committee shall have available to it the advice of Counsel provided by the Cooperative.

In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of the meeting in which the voting is conducted or the election results are announced. The Credentials Committee shall thereupon commence a meeting not less than seven (7) days after such

protest or objection is filed. The committee shall hear such evidence as is presented by the protester(s), who may be heard in person, by counsel, or both, and any opposing evidence. The committee, by a vote of a majority of those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision. The committee may, at its discretion, affirm the election, change the outcome of the election, or set the election aside. The Credentials Committee's decision, as reflected by a majority of those present and voting, shall be final.

ARTICLE III **TRUSTEES**

SECTION 1. GENERAL POWERS

The business and affairs of the Cooperative shall be managed by a board of nine (9) trustees which shall exercise all of the powers of the Cooperative except such as are by law or by the Articles of Incorporation of the Cooperative or by this Code of Regulations conferred upon or reserved to the members.

SECTION 2. QUALIFICATIONS AND TENURE

- (a) Beginning with the year 1948, trustees shall be elected by ballot, by and from the members, subject to the provisions of this Code of Regulations with respect to the removal of trustees. No member shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who is not a bona fide resident of the particular district they are to represent; or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business engaged in providing a good or service similar to a good or service provided by the Cooperative or any subsidiary of the Cooperative; or who has been an employee of the Cooperative or any subsidiary of the Cooperative at any time during the three years immediately prior to election or appointment to the board. When a membership is held jointly, either one, but not both, may be elected a trustee, provided, however, that neither one shall be eligible to become or remain a trustee or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

Trustees elected from Districts 1, 3, and 6 shall hold office for the remainder of the term of one year to the date of the 1948 annual meeting and until the election and qualification of their successors. Trustees elected from Districts 2, 7, and 9 shall hold office for the remainder of the term of two years to the date of the 1949 annual meeting and until the election and qualification of their successors. Trustees elected from Districts 4, 5, and 8 shall hold office for the remainder of the term of three years to the date of the 1950 annual meeting and until the election and qualification of their successors. Commencing with the year 1948, and thereafter, the successors to the trustees of each group whose terms shall expire in each year shall be elected to hold office for the term of three years from the date of their election and until the election and qualification of their successors.

- (b) Redelineation of the districts at the 1990 annual meeting resulted in the creation of a new District 8. A trustee from the newly constituted District 8 shall be elected at the annual meeting of the members in the year 1991. The trustee shall hold office to the date of the 1992 annual meeting and until the election and qualification of their successor. Thereafter, the trustee from District 8 shall be elected for the same term and at those elections called for in Article III, Section 2 (a), above.

SECTION 3. VACANCIES

Subject to the provisions of this Code of Regulations with respect to the removal of trustees, vacancies occurring on the board of trustees shall be filled by a majority vote of the remaining trustees for the unexpired portion of the term of the trustee in respect of whom the vacancy occurs. The member elected as trustee to fill the vacancy must reside in the same district as the trustee to whose office they succeed. A board member's seat will be considered automatically vacated if the board member misses either three (3) consecutive regular board meetings or four (4) regular board meetings in a calendar year, unless the board member's absence has been excused by a majority vote of the remaining board members.

SECTION 4. COMPENSATION

Trustees as such shall not receive any salary for their services, but by resolution of the board of trustees a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of trustees. Except in emergencies, no trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall

any close relative of a trustee receive compensation for serving the Cooperative unless such compensation shall be specifically authorized by a vote of the members; provided, however, that this Article III, Section 4, shall not apply to any employee of the Cooperative who is a close relative of a trustee, if the employee's date of hire by the Cooperative preceded the trustee's date of election to their initial term. For the purpose of this section, "close relative" means father, mother, father-in-law, mother-in-law, son, daughter, son-in-law, daughter-in-law, step-son, step-daughter, brother, sister, brother-in-law, and sister-in-law.

SECTION 5. RULES AND REGULATIONS

The board of trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative, or this Code of Regulations, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

SECTION 6. ACCOUNTING SYSTEM AND REPORTS

The board of trustees shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable law and rules and regulations of any regulatory body, shall conform to such accounting system as may, from time to time, be designated by the Administrator of the Rural Utilities Service of the United States of America. The manager/CEO of the Cooperative shall submit to the board of trustees of the Cooperative, at each monthly meeting of the board, a written report concerning the status of all accounts of the Cooperative, and the resulting financial position of the Cooperative. The board of trustees shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

ARTICLE IV **MEETINGS OF TRUSTEES**

SECTION 1. REGULAR MEETINGS

A regular meeting of the board of trustees may be held without notice other than this Code of Regulations, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of trustees shall also be held monthly at Headquarters Building, 103 Industrial Drive, New London, Ohio, or electronically at the discretion of the Board President, at such time and date as the board of trustees may

provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and date thereof, except that notice shall be given pursuant to Board policy if a meeting is to be held electronically. Individual trustees may attend meetings electronically when deemed appropriate by the Board President.

SECTION 2. SPECIAL MEETINGS

Special meetings of the board of trustees may be called by the board president or any three (3) trustees. The person or persons authorized to call special meetings of the board of trustees may fix the time and for the holding of any special meeting of the board of trustees called by them. Special meetings may be held electronically at the discretion of the Board President.

SECTION 3. NOTICE

Notice of the time, place, and purpose of any special meeting of the board of trustees shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each trustee at their last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

SECTION 4. QUORUM

A majority of the board of trustees shall constitute a quorum for the transaction of business at any meeting of the board of trustees; provided, that if less than a majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time; and provided further, that the secretary shall notify any absent trustees of the time and place of such adjourned meeting.

SECTION 5. MANNER OF ACTING

The act of the majority of the trustees present, at a meeting at which a quorum is present, shall be the act of the board of trustees.

ARTICLE V **BOARD OFFICERS**

SECTION 1. NUMBER

The officers of the Cooperative shall be a president, vice president, secretary, and treasurer and such other officers as may be determined by the board of trustees from time to time. The offices of secretary and treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE

The board officers shall be elected annually, by ballot, by and from the board of trustees at the first meeting of the board of trustees held after each annual meeting of the members. If the election of board officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of trustees following the next succeeding annual meeting of the members, or until their successor shall have been duly elected and shall have qualified, subject to the provisions of this Code of Regulations with respect to the removal of officers.

SECTION 3. REMOVAL

Any board officer or agent elected or appointed by the board of trustees may be removed by the board of trustees whenever, in its judgment, the best interests of the Cooperative will be thereby served.

SECTION 4. VACANCIES

Except as otherwise provided in this Code of Regulations, a vacancy in any board office may be filled by the board of trustees for the unexpired portion of the term.

SECTION 5. PRESIDENT

The president shall:

- (a) be the principal executive officer of the cooperative and shall preside at all meetings of the members and of the board of trustees;
- (b) on the Cooperative's behalf, sign documents properly authorized or approved by the board of trustees or members to be executed, except in cases in which the signing and execution thereof is expressly delegated by the board of trustees or by this Code of Regulations to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed; and
- (c) in general, perform all other duties, have all other responsibilities, and exercise all other authority as may be prescribed by the board of trustees from time to time.

SECTION 6. VICE PRESIDENT

In the absence of the president, or in event of their inability or refusal to act, the vice president shall perform the duties of the president, and when so acting shall have all the power of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be prescribed by the board of trustees.

SECTION 7. SECRETARY

The secretary shall, in general, perform all duties incident to the office of secretary and such other duties as from time to time may be prescribed by the board of trustees and keep, cause, or cause to kept:

- (a) the minutes of meetings of the members and the board of trustees in one or more books provided for that purpose;
- (b) notices required to be given in accordance with this Code of Regulations or by law;
- (c) custodial oversight of and maintenance and authentication of corporate records, and the authority to affix the seal of the Cooperative to all documents, the execution of which is duly authorized in accordance with the provisions of this Code of Regulations; and
- (d) a complete copy of the Code of Regulations of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member and upon request, at the expense of the Cooperative, forward a copy of this Code of Regulations and of all the amendments thereto to any member.

Assistant Secretary. The Board may appoint an assistant secretary, who need not be a member of the Board. The assistant secretary shall assist the board secretary in the performance of the secretary's duties as requested by the secretary or the Board.

SECTION 8. TREASURER

The treasurer shall:

- (a) perform all the duties, shall have all responsibility, and may exercise all authority as from time to time may be prescribed by the board of trustees.

Assistant Treasurer. The Board may appoint an assistant treasurer, who need not be a member of the Board. The assistant treasurer shall assist the treasurer in the performance of the treasurer's duties as requested by the treasurer or the Board.

SECTION 9. GENERAL MANAGER/CEO

The board of trustees shall appoint a general manager/CEO who may be, but who shall not be required to be, a member of the Cooperative. The manager/CEO shall perform such duties as the board of trustees may, from time to time, require of them and shall have such authority as the board of trustees may, from time to time, vest in them.

SECTION 10. BONDS OF OFFICERS

The board of trustees shall require the treasurer, or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the

board of trustees shall determine. The board of trustees, at its discretion, may also require any other officer, agent, or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. In lieu of obtaining bonds, the board of trustees, at their discretion may obtain sufficient insurance coverage in such sum and surety as they determine to be warranted.

SECTION 11. 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 by the members, as provided elsewhere in this Code of Regulations, and the powers, duties, and compensation of any other officers, agents, and employees shall be fixed by the board of trustees.

SECTION 12. REPORTS

The officers of the Cooperative shall submit, at each annual meeting of the members, 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 VI **CONTRACTS, CHECKS, AND DEPOSITS**

SECTION 1. CONTRACTS

Except as otherwise provided in this Code of Regulations, the board of trustees may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC.

All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall, from time to time, be determined by resolution of the board of trustees.

SECTION 3. DEPOSITS

All funds of the Cooperative shall be deposited, from time to time, to the credit of the Cooperative in such bank or banks as the board of trustees may select.

ARTICLE VII

NON-PROFIT OPERATION

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED

The Cooperative shall, at all times, be operated on a Cooperative nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital.

The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that, at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to their account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

- (a) used to offset any losses incurred during the current or any prior fiscal year and
- (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of the dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board of trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The board shall determine the manner, method, and timing of retiring and refunding capital credited to its patrons from the Cooperative's operations, and capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. The board shall require:

- (a) separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons and
- (b) appropriate notification to patrons with respect to the power supply portion of capital credited to their accounts.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor, and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board of trustees, acting under policies of general application, shall determine otherwise, except as herein otherwise provided, and further provided that no transfer of any capital credited to the account of any patron shall be assigned unless and until the Cooperative shall have the privilege of purchasing the capital credited upon such terms and conditions as shall be determined by the board.

Notwithstanding any other provision of this Code of Regulations, the board of trustees, at its discretion, shall have the power at any time upon the death of any patron who was a natural person, if the legal representatives of their estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of this Code of Regulations, to retire capital credited to any such patron immediately on such terms and conditions as the board of trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

SECTION 3. DISPOSITION OF UNCLAIMED CAPITAL CREDITS

Notwithstanding any other provision of the Code of Regulations, or other provision of the membership certificate, if any patron or former patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within four (4) years after payment of the same has been made available to them by notice or check mailed to them at the last address furnished by them to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by such patron of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure by such patron or former patron to cash any check mailed to them at the last address furnished by them to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of four (4) years from the date when such payment was made available to such patron or former patron without claim therefore, and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication that unless such payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Cooperative to such patron or former patron at the last known address, and the notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative newsletter. The sixty (60) day period following the giving of such notice shall be deemed to terminate sixty (60) days after the mailing of such notice or sixty (60) days following the last date of publication thereof, whichever is later.

SECTION 4. CAPITAL CREDITED AS AN OFFSET AGAINST DEBTS TO THE COOPERATIVE

No capital credited shall be retired, paid, transferred, or assigned so long as any debts are due and owing to the Cooperative. 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 set off an amount owed to the Cooperative by the patron or former patron, including any late payment fees, reducing the amount of retired capital credits paid to the patron or former patron by the amount owed to the Cooperative.

SECTION 5. PROVISIONS CONSTITUTE A MUTUAL CONTRACT

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and this Code of Regulations shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had

individually signed a separate instrument containing such terms and provisions. The provisions of this article of this Code of Regulations shall be called to the attention of each patron of the Cooperative by posting it in a conspicuous place in the Cooperative's office.

SECTION 6. ASSIGNMENT OF UNCLAIMED CREDITS

The irrevocable assignment and gift by patrons of unclaimed capital credits or other payments described under Article VII, Section 2, above, shall be assigned to those members who are patrons of the Cooperative at the time the assignment and gift shall become effective.

ARTICLE VIII **WAIVER OF NOTICE**

Any member or trustee may waive, in writing, any notice of meetings required to be given by this Code of Regulations. In case of a joint membership, a waiver of notice signed by either member shall be deemed a waiver of notice of such meeting by both joint members. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in the case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

ARTICLE IX **MERGER, CONSOLIDATION AND DISPOSITION OF PROPERTY**

The Cooperative shall not sell, mortgage, lease, or otherwise dispose of, or encumber all or any substantial portion of its property, or merge or consolidate with any other corporation unless such sale, mortgage, lease, other disposition, encumbrance, merger, or consolidation is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, other disposition, encumbrance, merger, or consolidation shall have been contained in the notice of the meeting; provided, however, that notwithstanding any other provision of this Article, the board of trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of mortgages, deeds of trust, security agreements, and financing statements or otherwise pledge, encumber, subject to a lien, or security interest, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as

the board of trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America, or any instrumentality or agency thereof, or to any other bona fide lender, lending institution, or investor. Notwithstanding the foregoing provisions of this Article, the board of trustees may, upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to, or merge or consolidate with, another nonprofit corporation which is an electric distribution cooperative that was previously at any time a borrower from the Rural Utilities Service or the Rural Electrification Administration or a generation and transmission cooperative whose members are electric distribution cooperatives.

ARTICLE X
FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

ARTICLE XI
SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Ohio".

ARTICLE XII
AMENDMENTS

This Code of Regulations may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal. Any alteration, amendment or repeal of this Article or Article IX shall require the affirmative vote of at least two-thirds of the members of the Cooperative. No other provision of this Code of Regulations may be altered, amended, or repealed by an affirmative vote which is less in number or different in character than the affirmative vote required for action under that provision.

ARTICLE XII

INDEMNIFICATION OF TRUSTEES AND OFFICERS

SECTION 1. THIRD-PARTY ACTION INDEMNIFICATION

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding, including all appeals (other than an action, suit, or proceeding by or in the right of the Cooperative), by reason of the fact that such person is or was a trustee, officer, employee, or volunteer as defined in section 1702.01 (N) of the Ohio Revised Code ("Volunteer"), of the Cooperative, or is or was serving at the request of the Cooperative as a trustee, director, officer, employee, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit, or proceeding, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that such person's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Cooperative or undertaken with reckless disregard for the best interests of the Cooperative and that, with respect to any criminal action or proceeding, such person had reasonable cause to believe that such person's conduct was unlawful; the termination of any action, suit, or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, constitute such proof.

SECTION 2. DERIVATIVE ACTION INDEMNIFICATION

Other than in connection with an action or suit in which the liability of a trustee under Section 1702.55 of the Ohio Revised Code is the only liability asserted, the Cooperative shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit, including all appeals, by or in the right of the Cooperative to procure a judgment in its favor by reason of the fact that such person is or was a trustee, officer, employee, or volunteer of the Cooperative, or is or was serving at the request of the Cooperative as a trustee, director, officer, employee, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or a partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of the action or suit unless it is proved by clear and convincing evidence in a court of competent jurisdiction that such person's action or failure to act involved an act or

omission undertaken with deliberate intent to cause injury to the Cooperative or undertaken with reckless disregard for the best interests of the Cooperative, except that the Cooperative shall indemnify such person to the extent the court in which the action or suit was brought determines upon application that, despite the proof but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

SECTION 3. DETERMINATIONS OF INDEMNIFICATION RIGHTS

Any indemnification under Sections 1 or 2 hereof (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case upon a determination that indemnification of the trustee, director, officer, employee, or volunteer is proper in the circumstances. The determination shall be made (a) by a majority vote of those members of the board of trustees who in number constitute a quorum of the board of trustees and who also were not and are not parties to or threatened with any such action, suit, or proceeding or (b), if such a quorum is not obtainable (or even if obtainable) and a majority of disinterested members of the board of trustees so directs, in a written opinion by independent legal counsel compensated by the Cooperative or (c) by the court in which the action, suit, or proceeding was brought.

SECTION 4. ADVANCES OF EXPENSES

Unless the action, suit, or proceeding referred to in Sections 1 or 2 hereof is one in which the liability of a trustee under Section 1702.55 of the Ohio Revised Code is the only liability asserted, expenses (including attorneys' fees) incurred by the trustee, director, officer, employee, or volunteer of the Cooperative in defending the action, suit, or proceeding shall be paid by the Cooperative as they are incurred, in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the trustee, director, officer, employee, or volunteer in which such person agrees both (a) to repay the amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that such person's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Cooperative or undertaken with reckless disregard for the best interests of the Cooperative and (b) to cooperate with the Cooperative concerning the action, suit, or proceeding.

SECTION 5. PURCHASE OF INSURANCE

The Cooperative may purchase and maintain insurance or furnish similar protection, including, but not limited to, trust funds, letters of credit, and self-insurance, for or on behalf of any person who is or was a trustee, officer, employee, agent, or volunteer of the Cooperative, or is or was

serving at the request of the Cooperative as a trustee, director, officer, employee, agent, or volunteer of another domestic or foreign nonprofit corporation or corporation for profit, or partnership, joint venture, trust, or other enterprise, against any liability asserted against them and incurred by them in any such capacity, or arising out of their status as such, whether or not the Cooperative would have the power to indemnify them against liability under the provisions of this Article XIV or of the Ohio nonprofit corporation law. Insurance may be purchased from or maintained with a person in which the Cooperative has a financial interest.

SECTION 6. MERGERS

Unless otherwise provided in the agreement of merger pursuant to which there is a merger into this Cooperative of a constituent corporation that, if its separate existence had continued, would have been required to indemnify board members, directors, officers, employees, or volunteers in specified situations, any person who served as a trustee, officer, employee, or volunteer of the constituent corporation, or served at the request of the constituent corporation as a trustee, director, officer, employee, or volunteer of another domestic or foreign nonprofit corporation, or corporation for profit, or a partnership, joint venture, trust, or other enterprise, shall be entitled to indemnification by this Cooperative (as the surviving corporation) to the same extent such person would have been entitled to indemnification by the constituent corporation if its separate existence had continued.

SECTION 7. NON-EXCLUSIVITY; HEIRS

The indemnification provided by this Article XIV shall not be deemed exclusive of, and shall be in addition to, any other rights granted to a person seeking indemnification as a matter of law or under the Articles of Incorporation, this Code of Regulations, any agreement, vote of the members of the Cooperative or the disinterested members of the board of trustees, any insurance purchased by the Cooperative, any action by the board of trustees to take into account amendments to the Ohio nonprofit law that expand the authority of the Cooperative to indemnify a trustee, officer, employee, or volunteer of the Cooperative, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding an office or position, and shall continue as to a person who has ceased to be a trustee, officer, employee, or volunteer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

SECTION 8. LIABILITY OF A BOARD MEMBER OR OFFICER

Other than in connection with an action or suit in which the liability of a trustee under Section 1702.55 of the Ohio Revised Code is the only liability

asserted, a trustee or officer of the Cooperative shall be liable in damages for any action they takes or fails to take as a trustee or as an officer, as the case may be, only if it is proved, by clear and convincing evidence, in a court with jurisdiction that their act or omission was one undertaken with deliberate intent to cause injury to the Cooperative or was one undertaken with a reckless disregard for the best interests of the Cooperative.

STATEMENT OF NONDISCRIMINATION

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, gender identity (including gender expression), sexual orientation, religion, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.), should contact the responsible Agency or USDA's Target Center at 202-720-2600 (voice and TTY) or contact the USDA through the Federal Relay Service at 1-800-877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call 1-866-632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: 202-690-7442; or (3) email: program.intake@usda.gov.

This institution and USDA are an equal opportunity provider and employer. For the latest version of this statement, please go to www.usda.gov/non-discrimination-statement.

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