

**BYLAWS OF
CENTRAL ELECTRIC POWER ASSOCIATION
AS AMENDED July 10, 2020**

**ARTICLE 1
MEMBERSHIP**

SECTION 1.01. Qualifications, Applications and Obligations.

(a) Any person, corporation, association, partnership, other entity, or body politic may become a member of Central Electric Power Association (herein called "Cooperative") by:

- (1) making a written application therefor; and
- (2) paying the membership fee hereinafter specified; and
- (3) agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (4) agreeing to comply with and be bound by the Certificate of Incorporation of the Cooperative, these bylaws and any amendments thereto, and such rules, regulations, and policies as may from time to time be adopted by the Board of Directors.

(b) Each applicant must furnish identification to verify his true identity and any previous addresses required by the Cooperative.

(c) The membership application shall be accompanied by a membership fee and such service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction as may be required by the Cooperative, all of which shall be refunded by the Cooperative to the applicant, without interest, in the event the application is not approved.

(d) The membership fee shall be as determined and fixed from time to time by the Board of Directors. The membership fee, together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative, shall entitle the member to one service connection. An additional service security deposit (together with a service connection deposit or fee, facilities extension deposit or contribution in aid of construction, in such amounts as may be determined by the Cooperative) shall be paid by the member for each additional service connection requested by him if so required by the Cooperative.

(e) With respect to any particular classification of service for which the Board of Directors shall require it, such application shall also be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative.

(f) Any applicant, prior to being accepted as a member of the Cooperative, must pay to the Cooperative any and all amounts owed by applicant to the Cooperative for service previously rendered to such applicant, notwithstanding such service may have been rendered at a different location than that applied for, or rendered to such applicant under a different name or identity.

(g) Any former member of the Cooperative, by paying a new membership fee and any outstanding account with balance interest (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), may renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

(h) A person, corporation, association, partnership, other entity, or body politic may have multiple service connections with the Cooperative, but shall not own or hold more than one (1) membership in the Cooperative.

(i) No membership in the Cooperative shall be transferable, except as provided in these bylaws.

SECTION 1.02. Joint Membership.

Husband and wife will be accepted into the membership as joint members holding a single membership. The husband or wife may sign such application for the other if receiving service at the same connection. If one of them is already a member, they may if so desired convert such membership into a joint one upon notice to the Cooperative. The words "member," "applicant," "person," "his," and "him," as used in these bylaws, shall include husband and wife applying for or holding a joint membership, 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-

(a) the execution by either or both of a proxy shall constitute one joint proxy; PROVIDED, that if both shall execute a proxy, but be in disagreement on such vote, each shall constitute only one-half (1/2) vote;

(b) 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 and a revocation of any proxy executed by either, or both pursuant to Section 3.06 of these bylaws;

(c) the vote of either or both shall constitute respectively, one joint proxy; PROVIDED, that if both be present and disagree on such vote, each shall be entitled to cast only one-half (1/2) vote;

(d) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;

(e) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership except as provided by Sections 2.05 and 2.07;

(f) either, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefor.

SECTION 1.03. Purchase of Electric Energy.

(a) Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy provided or made available by Cooperative for use on the premises specified in the member's application for membership. Each member shall be obligated to pay and shall pay Cooperative for all such electric energy at the applicable rate(s) fixed by the Board of Directors and as and when the member is billed by the Cooperative for same.

(b) It is expressly understood that amounts paid for electric energy in excess of the operating cost and expenses of providing service are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these bylaws.

(c) The Cooperative cannot and therefore does not guarantee an uninterrupted and continuous supply of electric energy. Additionally, the Board of Directors may limit the amount of electric energy the Cooperative shall be required to furnish to any one member.

(d) Each member shall be liable for and make full payment for the account for which electric power service is rendered by the Cooperative, at the location for which application for service is made.

(e) In the event a billing or other error by the Cooperative results in a member being undercharged for the actual amount of electricity provided to the member by the Cooperative, then upon discovery of the error, and regardless of the cause or duration of the error, the Cooperative will, subject to any applicable statutory limitations, issue a supplemental billing reflecting the correct amount owed by the member, and the member shall remit payment to the Cooperative for same. The Cooperative may make arrangements for the payment of such supplemental billings on an installment basis, subject to such terms and conditions as may be approved by the Cooperative's Board of Directors.

(f) The Cooperative shall, in accordance with its applicable service rules and regulations and subject to any applicable statutory limitations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. The responsibility of the Cooperative shall not, however, extend beyond the point of delivery except as may be specifically provided otherwise in a service agreement entered between the Cooperative and a member.

SECTION 1.04. Power Production by Member.

(a) Production or use of electric energy 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.

(b) Notice of the presence or intent to construct such cogeneration facilities upon the premises shall be given to the Cooperative. Compliance with the National Electric Safety Code is a prerequisite before any interconnection with the Cooperative facilities may be allowed.

SECTION 1.05. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.

(a) Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the Mississippi Insurance Underwriters Association, the National Electric Code, the National Electric Safety Code, any applicable state code or local government ordinances, and of the Cooperative, it being understood and agreed that the connection by the Cooperative to the member's premises shall not in any way or manner constitute the Cooperative's approval of the member's wiring or the safety or adequacy of the same.

(b) 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 apparatuses connected thereto or used thereon.

(c) 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 access thereto for meter reading and for inspection, maintenance, replacement, relocation, operation or repair of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of Cooperative's facilities and shall accordingly desist from interfering with, impairing the operation of, or causing damage to such facilities, and shall use his best effort to prevent others from doing so. Each member shall also provide such protective devices to their 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 interferences with or damage to such facilities.

(d) In the event Cooperative's 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 the Cooperative's loss, if any, of revenues resulting from the failure or impaired functioning of its metering equipment.

SECTION 1.06. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs.

(a) Each member of the Cooperative shall, without charge to the Cooperative, grant to the Cooperative (i) easements for the construction, operation, maintenance, or relocation of poles, lines, fiber, and other materials and equipment of the Cooperative (“Cooperative’s Facilities”) on, over, under, across, and through land owned, leased, or controlled by the member; (ii) the right to use and/or allow others to use the easements and Cooperative’s Facilities thereon for the provision of broadband services; and (iii) the right to access and duly authorize third parties to access the easements to maintain the easements and the lines and other equipment thereon in such condition as may be necessary or desirable, including, without limitation, the right to cut trees, trim trees, apply herbicides for vegetation management, and remove or trim other obstacles, including trees on or adjacent to the easements which may endanger the lines or other equipment on the easements or the public. The granting by a member of such easements and rights to the Cooperative shall be effective upon the member’s admission to membership in the Cooperative, and the granting of such easements and rights shall be effective and enforceable even in the absence of a separate written easement agreement executed by the member. The member shall, nevertheless, execute a separate written easement agreement for recording purposes if requested by the Cooperative to do so.

(b) Each member shall participate in any required program that may be established by the Cooperative to enhance load management, more efficiently utilize or conserve electric energy, or conduct load research.

SECTION 1.07. Non-liability for Debts of the Cooperative.

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

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. Suspension; Reinstatement.

Upon the failure, after the expiration of the initial time limit prescribed in a specific written notice to a member to pay any amounts due the Cooperative, a person’s membership shall automatically be suspended; and such person shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members. For any other noncompliance with membership obligations, the Board of Directors may suspend such member five (5) days after notice of such non-compliance is given. Payment of all amounts due the Cooperative, including any additional charges required for service reinstatement, and/or cessation of any other noncompliance with his membership obligations within a 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 meeting of its members.

SECTION 2.02. Termination by Expulsion; Membership.

Upon the failure of a suspended member to be reinstated to membership as provided in Section 2.01, the member may, without further notice, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board. After any expulsion of a member, such person may not again become a member except upon new application therefor duly approved as provided in Section 1.01. The Board of Directors, 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 his membership obligations.

SECTION 2.03. 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 Directors may prescribe, thus terminating membership and service.

SECTION 2.04. Termination by Cessation of Energy Purchase.

(a) The membership of a member who for a period of six (6) months after service is made available to him, has not taken and purchased electric energy from the Cooperative may be canceled by a resolution of the Board.

(b) The membership of a member who has ceased to take and purchase electric energy from the Cooperative may be canceled by resolution of the Board.

SECTION 2.05. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners.

(a) Except as provided in Section 2.05(b), the death of an individual human non-joint member shall automatically terminate membership.

(b) Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that the estate of the deceased spouse shall not be released from any debts due the Cooperative.

(c) One not a joint member but who continues to reside at the location receiving service may succeed to the membership upon application therefor subject to the provisions of Section 1.01 and upon proper assignment or proof of legal entitlement.

(d) The cessation of the legal existence of any other type of member (corporate, LLC, etc.) 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 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 different

partners; PROVIDED FURTHER, that neither a withdrawing partner nor its estate shall be released from any debts then due the Cooperative.

SECTION 2.06. Effect of Termination.

(a) Upon the termination in any manner of a person's membership, said person, or its estate, as the case may be, shall be entitled to refund of the membership fee (and to his service security deposit, if any, theretofore paid the Cooperative), less any amount due the Cooperative; but neither the member nor its estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative.

(b) Notwithstanding the suspension or expulsion of a member, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from membership obligations as to entitle him to purchase from any other source any central station's electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.07. Effect of Legal Separation or Divorce Upon a Joint Membership.

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 directly occupy or own the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that neither spouse shall be released from any debts due the Cooperative accrued to the date the Cooperative is furnished a certified copy of the Judgment of Divorce.

SECTION 2.08. Board Acknowledgement of Membership Termination; Acceptance of Member Retroactively.

(a) Upon the termination of a person's membership for any reason, the Board of Directors as soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person.

(b) 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, and the Board of Directors approves, membership retroactively to that 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; PROVIDED, that if the Cooperative acquires facilities which are already providing electric services to patrons not members of the Cooperative, the Cooperative may continue furnishing such pre-existing services without requiring such patrons to become members if to do otherwise would create hardship. (But in no event shall such non-member patron revenue exceed fifteen percent (15%) of the total revenue received by the Cooperative.)

ARTICLE III
MEETING OF MEMBERS

SECTION 3.01. Annual Meeting.

For the purpose of electing Directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the Annual Meeting of the members shall be held on the third Tuesday of the month of March each year, at such place within Leake County, Mississippi, as may be selected by the Board and which place shall be designated in the notice of the meeting, and beginning at such hour, as the Board of Directors shall from year to year fix; PROVIDED, that, for cause sufficient to it, the Board of Directors may fix a different date for such Annual Meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this section. It shall be the responsibility of the Board of Directors to make adequate plans and preparation for, and to encourage member attendance at, the Annual Meeting. Failure to hold the Annual Meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

SECTION 3.02. Special Meetings.

Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three (3) Board members, by the President, or by ten per centum (10%) or more of all the members, and it shall thereupon be the duty of the 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 Leake County as may be designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3.03. Notice of Member Meetings.

(a) Written or printed notice of the place, day and hour of the meeting (and in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting) shall be delivered to each member not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting by any reasonable means, by the Secretary (and in the case of a special meeting, at the direction of him or those calling the meeting).

(b) Reasonable means of providing such notice shall be the United States Mail, personal delivery, the Cooperative's monthly newsletter magazine, or with member service billings. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least ten (10) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted.

(c) No matter the carrying of which, as provided by law, requires the affirmative vote of at least a majority of all the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the Notice of the Meeting.

(d) The notice of the annual meeting of members shall include a statement identifying the candidates for Board member election as provided in Section 4.04(c).

(e) Failure of any member to receive notice of any annual or special meeting shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person or by proxy of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 3.04. Quorum.

Ten percent (10%) of the Cooperative's members or two hundred (200) of the members, whichever is less, present in person or represented by a valid proxy shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member. A majority of those present in person or by proxy may adjourn the meeting from time to time without further notice, but may not transact any other business.

SECTION 3.05. Voting.

(a) Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members.

(b) A member may vote in person or by proxy or mail as provided in Section 3.06.

(c) At a meeting of the members where directors are to be elected, each member present in person or by proxy may cast one vote for each director to be elected. Each member may vote his own vote plus those proxies executed in his favor, pursuant to Section 3.06 of these bylaws.

(d) 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 satisfactory evidence entitling the person presenting same to vote.

(e) 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 by the Cooperative's Certificate of Incorporation or these bylaws.

(f) Members may not cumulate their votes.

SECTION 3.06. Proxy and Mail Voting.

(a) At all meetings of members, a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the secretary of the Cooperative before or at the beginning of the meeting. No proxy shall be voted at any meeting unless

it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting.

(b) No member shall vote a proxy for more than three (3) other members at any meeting of the members.

(c) No proxy shall be valid after sixty (60) days from the date of its execution.

(d) The presence of a member at a meeting of the members shall revoke any proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

(e) In case of a joint membership, a proxy may be executed by either the husband or wife. The presence of either husband or wife at a meeting of the members shall revoke any proxy theretofore executed by either of them, and such joint membership shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

(f) Any member who is absent from any annual or special meeting of the members may vote by mail: (1) upon the election of directors for the Cooperative, and (2) upon any motion or resolution to be acted upon at any such meeting in connection with the borrowing of funds from the United States of America or any agency or instrumentality thereof. The secretary shall enclose with the notice of such meeting for the election of directors a ballot on which shall appear the nominees for directors, as provided in these bylaws. Each ballot shall provide a blocked space opposite each nominee, and the member shall indicate his or her choice by marking a cross (X) or check (✓) in the blocked space. The secretary shall also enclose with the notice of such meeting to be acted upon under (2) above, an exact copy of each motion or resolution and such absent member shall express his or her vote thereon by placing a cross (X) or check (✓) in the space provided therefor opposite each such motion or resolution. Each mail vote shall be placed by the member in an envelope furnished by the secretary with the notice of such meeting. For identification purposes the envelope shall bear the voter's name, and shall be addressed to the secretary. When such written vote so enclosed and sealed is received by mail from any absent member it shall be accepted and counted as the vote of such absent member at such meeting. If a husband and wife hold a joint membership and are absent from any annual or special meeting of the members they shall be entitled to vote jointly by mail as provided in this section, but not separately. The failure of any absent member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 3.07. Representative Voting.

Legal entity organizations and nonlegal entity organizations which are members of the Cooperative may be represented at any meeting of the members and may vote only as follows: (a) A corporate director, officer or general manager duly authorized in writing may represent and cast the vote of the corporation; (b) A church trustee, steward, deacon, clerk or pastor duly authorized in writing may represent and cast the vote of the church; (c) A school trustee, principal or superintendent duly authorized in writing may represent and cast the vote of the school; and (d) Any other association or organization not a legal

entity may be represented by and have its vote cast by any person duly authorized in writing who is a trustee, manager, part owner, or officer of such association or organization.

SECTION 3.08. Order of Business.

The order of business at the annual meeting of the members and, so far as possible, at all other meetings of members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. Report by the Secretary on the number of members present in person or by proxy in order to determine the existence of a quorum.
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, or the waiver thereof, of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors, committees or management.
5. (a) Receive report of Committee on Nominations.
(b) Secretary to present Petitions filed and posted for the nominations of Directors, if any.
(c) Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV **DIRECTORS**

SECTION 4.01. General Powers.

The business and affairs of the Cooperative shall be managed by a Board of ten (10) Directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these bylaws conferred upon or reserved to the members.

SECTION 4.02. Election and Area of Representation.

- (a) Board members shall be elected by secret ballot for three year staggered terms. In order to give a fair and equitable representation of the entire membership of the Cooperative three (3) Directors shall be elected from Leake County, two (2) from Neshoba County, and one (1) each from the counties of Attala, Newton, Rankin and Scott, with the tenth member to be from a minority race and elected at large. All Board members shall serve until the annual membership meeting of the year of the expiration of their three-year term of office, or until their successors shall have been elected and seated on the Board. If an election of Board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special

meeting of the members shall be held for the purpose of electing Board members within a reasonable time thereafter. Board members may be elected by a plurality vote of the members voting (in person, by proxy, or by mail) at a membership meeting where a quorum is present.

- (b) If an election of Board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, and if the Board determines that a special meeting of the members for the purpose of electing Board members should not be held in a public place due to public health concerns, the Corporation shall conduct a Special Election of Directors as follows. The Special Election of Directors shall be conducted by mail ballot only. The use of proxies or in-person voting is not permitted. A Notice of Special Election of Directors explaining the circumstances warranting the special election, explaining voting procedures, and establishing a voting deadline shall be prepared by the Board and mailed by the Secretary to the Membership. The Secretary shall enclose with the notice a written ballot prepared in accordance with the provisions of Section 3.06(f). The Secretary shall deliver to the Committee on Credentials and Elections (“Elections Committee”) all ballots returned to and received by the Secretary on or before the voting deadline specified in the notice. The Elections Committee shall thereupon promptly tabulate the votes and provide written notification to the Board of the election results. As to each Director position, the candidate with the most votes will be declared the winner of that position and will thereupon be seated on the Board, with their three year term of office deemed to have begun as of the scheduled date for the Corporation’s immediately preceding annual meeting. The outcome of the Special Election will be announced to the Membership in the Corporation’s Today In Mississippi publication or by such other means as may be determined by the Board.

SECTION 4.03. Qualifications.

- (a) To be eligible to become or remain a Board member of the Cooperative, a person:
- (i) Must be a member in good standing of the Cooperative;
 - (ii) Must be a bona fide resident in the area served or to be served by the Cooperative;
 - (ii) Must not in any way be employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative;
 - (iv) Must not be the incumbent of, or candidate for, any elective public office in connection with which a salary is paid.
 - (v) Must not be a “close relative” (see Section 4.09) of a current director of the Cooperative;
 - (vi) Must not have been an employee of the Cooperative within ten (10) years prior to the beginning of the term;

- (vii) Must be an individual with the legal capacity to enter into binding contracts;
- (viii) Must not have been convicted of or pled guilty to a felony;
- (ix) Must, upon being seated on the Board, participate in director education and training programs as required by the Board; and
- (x) Must comply with any other reasonable standards of Director conduct as established by Board.

(b) Upon establishment of the fact that a Board member is holding the office in violation of any of the forgoing provisions, the Board shall remove such Board member from the office.

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

SECTION 4.04. Nominations

(a) It shall be the duty of the Board to appoint, not less than sixty (60) days nor more than ninety (90) days before the date of a meeting of the members at which Board members are to be elected, a Committee on Nominations consisting of three (3) members who shall be selected from the given areas from which Board members are to be elected so as to insure equitable representation. No existing Cooperative employees, agents, officers, directors or known candidates for director, and close relatives (as hereinafter defined) or members of the same household of existing Cooperative employees, agents, officers, directors or known candidates for director may serve on such committees. The committee shall receive and consider any suggestion as to nominees submitted in writing by members of the Cooperative. The committee, keeping in mind the principle of equitable representation, shall prepare a list of nominations for Board members, and submit its list to the Secretary not less than thirty (30) days nor more than sixty (60) days before the date of the annual meeting.

(b) Any fifty (50) or more members who are in good standing, are from the given area from which a Board member is to be elected, and acting together, may nominate a Director candidate for the area by petition. Any such petition for nomination must be submitted on a form designated and provided by the Cooperative. Each member signing such petition shall place thereon the date of signing, address, account number and service location of the member. Such nominations made by petition, if any, shall be delivered to the Secretary not less than forty-five (45) days nor more than sixty (60) days before the date of the annual meeting. Such nominations shall be posted by the Secretary at the same place where the list of nominations made by the Committee on Nominations is posted. A member may not make more than one (1) nomination by petition for each vacancy. If a member signs more than one petition for a director vacancy, then the signature of the member bearing the latest date of signing by the member will be considered and any previously dated signature by the member on any other petition(s) will be deemed invalid, null and void. If a member signs more than one petition on the same date, all signatures of the member bearing the same date of signing will be deemed invalid, null and void.

(c) The Secretary shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting a list of nominations for Board members. The Secretary shall be responsible for mailing with the notice of the meeting or separately, but at least ten (10) days before the date of the meeting, a statement of the number of Board members to be elected and the counties they will be elected from and represent, and the name and address of each of the candidates nominated by the Committee on Nominations or by petition.

SECTION 4.05. Committee on Credentials and Elections.

(a) It shall be the duty of the Board to appoint, not less than sixty (60) days nor more than ninety (90) days before the date of the meeting of the membership at which Board members are to be elected, a Committee on Credentials and Elections consisting of five (5) members who shall be selected from the area served by the Cooperative at large. No existing agents, officers, directors or known candidates for director, and close relatives (as hereinafter defined) or members of the same household of existing agents, officers, directors or known candidates for director may serve on such committee; provided, however, that the committee may utilize clerical help of the Cooperative in checking proxies and registering members for attendance and voting. It shall be the responsibility of this committee to pass upon all questions that may arise with respect to the registration and qualifications of members in person or by proxy, the regularity of all Petitions for Nominations of Directors, the qualifications of all nominees for directors, to count all ballots cast in any election or other ballot vote taken, and to rule upon the effect of any ballots irregularly marked. In the exercise of its responsibility, the Credentials and Election 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. The Credentials and Election Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Credentials and Election 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 result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Credentials and Election Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

(b) Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

SECTION 4.06. Removal of Board Member By Directors or Members.

(a) A director may not be removed by the members or by the Board of Directors during his term or continued term except for malfeasance, misconduct in office, disability, or other good cause shown.

(b) Any member may bring charges for good cause against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the members, or 300, whichever is the lesser, may request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the Board pursuant to Section 4.07.

(c) Any director may bring charges for good cause against another director and may request the removal of such Board member by the Board of Directors by reason thereof. Such Board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the Board at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the director bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the Board and any vacancy created by such removal may be filled by a vote of the majority of the remaining Board members for the unexpired portion of the term. The affirmative vote of at least two-thirds (2/3) of the Board directors shall be required for the removal of a director under this subsection.

SECTION 4.07. Vacancies.

Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of board members by the Board or by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term.

SECTION 4.08. Compensation, Reimbursement.

(a) Directors shall be entitled to compensation and to reimbursement for reasonable expenses incurred by them in the performance of their duties. Compensation of directors shall be in such amounts as may be authorized by the Board of Directors from time to time. Reimbursement to directors for expenses incurred while performing duties as such may be made either (1) by payment of the actual amount of such expenses upon presentation of an itemized account therefor, or (2) by the payment of such fixed sum for each occasion involving the performance of duties for the Cooperative as may be authorized and deemed reasonable by the Board of Directors.

(b) No close relative of any director shall receive compensation for serving the Cooperative unless the relative (1) has been in regular employ of the Cooperative for at least one year immediately preceding the time the director to whom they are related became a director; or (2) performs services certified by the Board as an emergency measure; or (3) receives compensation by authorization of the membership. A director must recuse himself from all discussions and decisions pertaining to matters directly and personally affecting any close relative of the director.

SECTION 4.09. "Close Relative" Defined.

As used in these bylaws, "close relative" means a person who by blood or in-law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother or sister of the principal.

SECTION 4.10. Director Standard of Conduct.

A Director shall discharge the Director'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 Director reasonably believes to be in the Cooperative's best interests.

SECTION 4.11. Director Reliance on Others.

Unless a Director possesses knowledge concerning a matter making reliance unwarranted, then in discharging a Director's duties, including duties as a Board Committee member, a Director 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 Director reasonably believes to be reliable and competent in the matters prepared or presented;
- (b) Legal counsel, public accountants, or other individuals regarding matters the Director reasonably believes are within the individual's professional or expert competence; and

(c) A Board Committee of which the Director is not a member regarding matters within the Board Committee's jurisdiction, if the Director reasonably believes the Board Committee merits confidence.

SECTION 4.12. Director Liability.

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

SECTION 4.13. Indemnification.

Each Director, the General Manager/Chief Executive, and each officer (past, present and future) of the Cooperative shall be jointly and severally indemnified by the Cooperative against any and all claims and liabilities to which such person has or shall become subject by reason of serving or having served in such capacity or by reason for any action alleged to have been taken, omitted, or neglected by such said person as such Director, General Manager/Chief Executive Officer, or officer; and the Cooperative shall reimburse such said person in connection with any such claim or liability; provided, however, that no person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence, but in no case shall indemnification be less than to the full extent permitted by law. The Cooperative shall have the power to purchase insurance covering such liability and expense.

SECTION 4.14. Rules and Regulations.

The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 4.15. Accounting Systems and Reports.

The Cooperative's accounting system shall be of the type and form as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America, National Rural Utilities Cooperative Finance Corporation, and/or Tennessee Valley Authority, and subject to all applicable laws, rules and regulations of any lawful regulatory body. A complete audit of the accounts, books and financial condition of the Cooperative shall be made as of and as soon as practical after the end of each fiscal year by a certified public accountant. A report on such audit shall be submitted to the members in the following annual meeting. If deemed practical by the management of the Cooperative, a summary of the financial status of the Cooperative may be published annually, and such summary will be furnished to any member of the Cooperative but only upon written request made therefor.

ARTICLE V
MEETINGS OF DIRECTORS

SECTION 5.01. Regular Meetings.

A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly on the first Friday of the month, at such specific time and place in Carthage, Mississippi, as the Board of Directors may fix. The Board of Directors may by resolution change the date, time, or location of any regular Board meeting.

SECTION 5.02. Attendance by Members at Meetings of the Board of Directors.

(a) Regular meetings of the Board of Directors shall be open to members of the Cooperative unless the Board goes into executive session. Meetings of the Board of Directors shall not be open to nonmembers except upon express invitation of the Board. Executive sessions which are not open to members may be held when the Board of Directors discusses any of the following:

- (1) Transaction of business and discussion of personnel matters concerning the character, professional confidence, or physical or mental health of a person, and terms of employment;
- (2) Strategy sessions or negotiations with respect to prospective litigation, or issuance of an appealable order when an open meeting would have a detrimental effect on the litigating position of the Cooperative;
- (3) Transaction of business and discussion regarding the report, development, of course of action regarding security personnel, plans, or devices;
- (4) Investigative proceedings regarding allegations of misconduct or violation of law;
- (5) Cases of extraordinary emergency which would pose immediate or irrevocable harm or damage to persons and/or property;
- (6) Transaction of business and discussion regarding the prospective purchase, sale or leasing of lands or the negotiations for or acquiring of easements or rights-of-way;
- (7) Transaction of and/or discussion of negotiations regarding the location, relocation, or expansion of Cooperative facilities;
- (8) Discussion of employment or termination of employees;
- (9) Discussion of such matters as would be recognized by the courts as legally privileged;
- (10) Any other business which the Board in its discretion deems to be of a sensitive nature.

(b) Members of the Cooperative may address the Board at a regular meeting regarding any suggestions for better service, grievances, or any other matter affecting the Cooperative, provided that the member has at least fifteen (15) days in advance of the meeting executed a written request, in a form and manner prescribed by the Cooperative, which will include the subject matter to be addressed and provided such information as is necessary to enable the Cooperative to investigate the matter.

(c) A nonmember of the Cooperative may not address the Board of Directors unless specifically invited by the Board or Directors, after executing a written request as provided above.

(d) The President or acting president of the Board of Directors may limit the format and length of any member's or nonmember's presentation. Unless otherwise approved by the President or acting president, a member's or non-member's presentation shall not exceed fifteen (15) minutes. The Board of Directors may defer any presentation by a member to the next scheduled Board meeting due to the number of members seeking to address the Board of Directors at the meeting, or due to the length of any address or addresses.

SECTION 5.03. Special Meetings.

Special meetings of the Board may be called by the President or by any three (3) Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the time for holding of any special meetings, which shall be held in Carthage, Leake County, Mississippi, or may be held telephonically or through video-conferencing.

SECTION 5.04. Notice of Board Meetings.

Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally, by mail, or electronically, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President of the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Board member at this address as it appears on the records of the Cooperative, with postage thereon prepaid, at least three (3) days before the date set for the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director 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. By unanimous consent of the directors, a special meeting of the Board may be held without notice at any time and at any place.

SECTION 5.05. Quorum.

A majority of the Board shall constitute a quorum; provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of

a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board of Directors, except that a two-thirds (2/3) majority of the members constituting the full Board shall be required to sell assets of the system.

SECTION 5.06. Conference Calls.

One or more Directors may participate in a meeting of the Board of Directors, by means of conference telephone, video conference, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by such means shall constitute presence in person at such meeting for purposes of determining the presence of a quorum. Meetings of committees established by the Board of Directors may also be conducted by conference telephone, video conference, or similar communications equipment.

ARTICLE VI **OFFICERS**

SECTION 6.01. Number.

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as the Board of Directors may from time to time determine. The offices of Secretary and Treasurer may be held by the same person. The office of President and Vice President shall be filled from the duly-elected members of the Board of Directors, and the offices of Secretary and Treasurer may or may not be members of the Board of Directors. In event the Secretary and/or Treasurer is not a member of the Board of Directors, he shall be entitled to the same compensation for expenses and attending of meeting as allowed the Directors, but shall not be entitled to vote on any matter coming before the Board.

SECTION 6.02. Election and Term of Office.

The officers shall be elected annually by the Board at the first meeting of the Board held immediately after the annual meeting of the members. If the election of 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 following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

SECTION 6.03. Removal of Officers and Agents by the Board.

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 be served thereby.

SECTION 6.04. Vacancies.

Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 6.05. President.

The President shall be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board, shall (a) preside at all meetings of the members and the board; (b) sign, with the Secretary, 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 executing 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 and executed; (c) appoint all committees of the Board of Directors and of the Cooperative, both standing committees and temporary committees except where otherwise provided by these bylaws, and shall serve as an ex officio member of all committees except the Committee on Nominations and the Credentials and Election Committee; and (d) in general 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 6.06. Vice President.

In the absence of the President, or in the event of his 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. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 6.07. Secretary.

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative 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;
- (d) keeping a register of the names and post office addresses of all members;
- (e) signing, with the President, certificates of membership, the issue of which shall have been authorized by the Board or the members;
- (f) keeping on file at all times a complete copy of the Articles of Incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall

always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the current bylaws to any member upon request; and

(g) in general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 6.08. Treasurer.

The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 6.09. 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 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the authority for, and the regular or routine administration of, one or more of each such officer's duties to one or more agents, other officers or employees of the Cooperative who are not directors.

SECTION 6.10. Manager.

The Board shall appoint a manager who may be, but shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in him.

SECTION 6.11. Bonds of Officers.

The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to 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 6.12. Compensation.

The Board of Directors shall, from time to time, fix, amend or increase the compensation of the Manager. The wages and salaries of all employees of the Cooperative shall be fixed by the Manager, subject to the approval of the Board of Directors.

SECTION 6.13. 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. Such reports shall set for the conditions of the Cooperative at the close of such fiscal year.

ARTICLE VII

CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01. Contracts.

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

SECTION 7.02. Checks, Drafts, Etc.

All checks, drafts and other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Cooperative shall be signed and countersigned by an officer or officers of the Cooperative or by the General Manager or other employee as designated by the Board and in such manner as shall from time to time be determined by a resolution of the Board of Directors.

SECTION 7.03. Deposits and Investments.

All funds of the Cooperative except petty cash shall be deposited or prudently invested from time to time to the credit of the Cooperative in such banks, trust companies, and financial institutions as the Board of Directors may select, not inconsistent with Section 75-5-247, Mississippi Code of 1972, as amended.

ARTICLE VIII

NOT-FOR-PROFIT OPERATION

SECTION 8.01. Interest or Dividends on Capital Prohibited.

The Cooperative shall at all times be operated on a cooperative, not-for-profit 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 8.02. Patronage Capital in Connection with Furnishing Electric Energy.

(a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a not-for-profit basis, the Cooperative may account on a patronage basis to all its patrons, members and nonmembers alike, 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, members and non-members alike, as capital. The Cooperative shall maintain such books and records as will enable it at any time to compute, on reasonable notice, the amount of capital contributed during any given period by each of the members and nonmembers.

(b) All credit allocated to the amount 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.

(c) The revenues and receipts of the Cooperative shall first be devoted to its operating and maintenance expenses and the payment of principal and interest on such obligations, and thereafter to such reserves for improvement, new construction, depreciation and contingencies as the Board may from time to time prescribe. Revenues and receipts not needed for these purposes shall be returned to the members by such means as the Board may decide, including through the reimbursement of membership fees, the implementation of general rate reductions, the limitation or avoidance of future rate increases, or such other means as the Board may determine.

(d) In the event of 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 shall determine that the financial condition of the Cooperative will not be impaired thereby, Capital Credits may be retired in full or in part, subject to the approval of the Tennessee Valley Authority, the Rural Utilities Service, and Cooperative Finance Corporation mortgage restrictions and requirements. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

(e) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions 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, acting under policies of general application, shall determine otherwise.

SECTION 8.03. Dissolution or Liquidation.

(a) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, any outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account or property rights of members.

(b) The remaining liquidation proceeds, if any, shall be distributed ratably among all members of the Cooperative during the period of its existence.

SECTION 8.04. Patronage Refunds in Connection with Furnishing Other Services.

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons, from whom such amounts were obtained.

ARTICLE IX

ACCESS TO COOPERATIVE RECORDS

SECTION 9.01. Access to Corporate Records.

Members of the Cooperative will be entitled to examine and receive copies of the Cooperative's records and information only in strict accordance with the Board's rules, regulations, and policies pertaining to same.

ARTICLE X

SALE OR LEASE OF ASSETS OF THE COOPERATIVE

SECTION 10.01. Vote of the Members not Required.

The Board of Directors may, without authorization of the members, sell, mortgage, lease or otherwise encumber or dispose of

(a) any of its property which, in the judgment of the Board of Directors, is neither necessary nor useful in operating and maintaining the Cooperative's system in which in any one (1) year shall not exceed ten percent (10%) in value of all of the property of the Cooperative, or

(b) merchandise.

This Section and the other provisions of this article, however, shall have no application to the mortgaging or encumbering of the property of the Cooperative for the purpose of borrowing money.

SECTION 10.02. Vote Required.

(a) For property of the Cooperative to be sold, leased, or disposed of other than in Section 10.01, the same must be first authorized by the affirmative vote of at least three-fifths (3/5) of the members of the Cooperative, in person or by proxy.

(b) Any proxy authorizing a vote for or against a proposal to sell, lease or otherwise dispose of property of the Cooperative must satisfy the requirements set by the Securities and Exchange Commission Rule 14A-4. Any proxy authorizing a vote for or against a proposal to sell, lease or otherwise dispose of property of the Cooperative obtained prior to the date notice is mailed shall be deemed invalid for purposes of

determining whether the required member vote pursuant to this Section has been obtained.

SECTION 10.03. Procedural Requirements.

(a) A proposal to sell property of the Cooperative may be considered and voted on at the annual meeting of members or a special meeting of members called for such purpose. A meeting of the members of the Cooperative for the purpose of considering and voting upon the sale, lease or other disposition of property of the Cooperative to a particular purchaser or to any person controlling, controlled by, or under common control with such purchaser (an "affiliate") shall not be held more than once in any twelve month period.

(b) In order for any proposal to sell, lease, or otherwise dispose of property of the Cooperative to be properly brought before an annual or special meeting of the members, the requirements of Section 77-5-237, Mississippi Code of 1972, as amended, must be met, and in addition the following requirements must be satisfied.

- (1) The Cooperative must have provided written notification of the offer of purchase to any lender desiring to receive such notification or to any generation and transmission association of which the Cooperative is a member. The notification of the offer of purchase must contain all of the information provided to the Cooperative, its management and Board of Directors, or which is filed with the Public Service Commission.
- (2) The disclosure required by Section 77-5-237, Mississippi Code of 1972, as amended, and any additional disclosure required by these bylaws must have been received in a form to allow management and the Board of Directors ample opportunity to review same.
- (3) The purchaser must have agreed in writing to assume those obligations of the Cooperative as required by Section 77-5- 237, Mississippi Code of 1972, as amended, and other provisions of these bylaws.
- (4) The purchaser must have agreed in writing to indemnify the Cooperative and its members against any damage, liability or loss (including, without limitations, reasonable attorneys' fees, interest, penalties, judgments and amounts paid in settlement of, any claim, suit, action or proceeding) sustained, incurred, paid or required to be paid by the Cooperative arising out of any act or omission of the Cooperative or purchaser occurring before or after the sale of property of the Cooperative to the purchaser.

SECTION 10.04. Required Disclosure.

Any purchaser shall prepare and deliver to the Board of Directors of the Cooperative a written disclosure statement containing the following information and documents:

(a) The information as required by Section 77-5-237, Mississippi Code of 1972, as amended;

(b) Any plans or proposal of the purchaser or an affiliate of the purchaser concerning the future conduct of the business of the Cooperative including, but not limited to:

- (1) Resale of any of the property of the Cooperative;
- (2) Termination of employment of persons employed by the Cooperative;
- (3) Changes in benefits of employees of the Cooperative under any employee benefit plan;
- (4) Changes in rates for electricity to be charged in the service area served by the Cooperative; and
- (5) Any reduction in service, change in service area, or requirements as to minimum charges which would affect members of the Cooperative;

(c) An opinion of counsel to the purchaser setting forth the tax consequences of the acquisition to the Cooperative and its members; and

(d) Any other information which a reasonable person would consider important in deciding whether to vote for approval of a proposal to sell, lease or otherwise dispose of the property of the Cooperative.

SECTION 10.05. Competing Bid Disclosure.

Any competing bids given to the Cooperative members of the proposed purchase shall include any other offers to purchase received from any lender of the Cooperative or any generation and transmission association of which the Cooperative is a member and shall include the terms of the offer and such other information as the lender or generation and transmission association may request to be transmitted to the members and which is material to the future generation of the assets to be purchased.

SECTION 10.06. Effect of Noncompliance.

Any sale, lease or other disposition of the property of the Cooperative that is not effected in strict compliance with the provisions of Section 77-5-237, Mississippi Code of 1972, as amended, and the provisions of Section 10 of these bylaws shall be void. Any purchaser or affiliate of a purchaser which in providing the disclosures required by Section 10, or in any other communication with the members of the Cooperative, written or oral, makes false or misleading statements concerning material facts or omits information necessary to make the information disclosed not misleading shall be liable to the Cooperative and its members for any damages incurred thereby, including, but not limited to, the difference in the consideration paid for the property of the Cooperative by the purchaser and the fair value of such property and any increases paid or to be paid in the future for electricity by the members of the Cooperative.

SECTION 10.07. Non-application to Consolidation.

The provisions of Section 10 do not apply to the consolidation of Cooperatives effectuated pursuant to Section 77-5-217, Mississippi Code of 1972, as amended.

SECTION 10.08. Severability.

If any section of Section 10, or any provision thereof, is determined by any court to be invalid, such invalidity shall not affect the validity of the other sections or provisions of Section 10.

ARTICLE XI
MISCELLANEOUS

SECTION 11.01. Membership in Other Organizations.

(a) The Cooperative may become a member, on approval of the Board, of any community, area or state organization, organized on a non-profit basis, for the economic or industrial development of the area served by the Cooperative.

(b) The Cooperative shall not purchase stock in any other organization without the approval of a majority vote of members present at any membership meeting.

SECTION 11.02. Waiver of Notice.

Any member or Board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. In case of a joint membership, a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

SECTION 11.03. Fiscal Year.

The fiscal year of the Cooperative shall begin on the first day of July of each year and end on the last day of June of the following year.

SECTION 11.04. Seal.

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

SECTION 11.05. Amendments.

These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the Directors. This may be done at any regular meeting or

special meeting, provided the notice of such meeting shall have contained a proposed alteration, amendment or repeal.

SECTION 11.06. Robert's Rules of Order.

Parliamentary procedure shall be governed by the most recent edition of Robert's Rules of Order at all Cooperative meetings, including committee meetings which may be duly established by the Board of Directors, except to the extent such procedure is otherwise determined by law or by the Cooperative's Certificate of Incorporation or these bylaws.

SECTION 11.07. Area Coverage.

The Board shall make a diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 11.08. Gender and Number.

Whenever applicable, a pronoun herein designating the masculine or feminine will equally apply to all genders; and the singular will include the plural and the plural will include the singular.

The foregoing Bylaws of Central Electric Association as Amended were adopted by the Board of Directors of the Cooperative on the 10th day of July, 2020.

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, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, 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.

Person with disabilities who require alternative means of communication for program information (e.g., braille, large print audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and Trv) or contact USDA through the Federal Relay Service at (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

<http://www.ascr.usda.gov/complaintfilingcust.html>

and 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 (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

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