



A Touchstone Energy[®] Cooperative 

BYLAWS

Amended through April 15, 2025

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Article I

MEMBERSHIP

Section 1. Membership Requirements.

(a) Any person, firm, association, corporation or body politic or subdivision thereof may, except as hereinafter provided in subsection (b), become a member of the Cooperative by:

- (1) filing an application for membership;
- (2) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (3) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees; and
- (4) paying the membership fee hereinafter specified.

(b) All consumers having contracts with the State Rural Electrification Authority of South Carolina, which have been assumed by the Cooperative up to and including September 16, 1940, under the Williams Act, may become members of the Cooperative by:

- (1) filing a written application for membership therein;
- (2) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (3) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees; provided, however, that no membership fee shall be required of such members, and they shall be subject to the same liabilities and enjoy the same rights and privileges as all other members.

No member may hold more than one membership in the Cooperative. No person, firm, association, corporation, or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the Board of Trustees or the members, and no membership shall be transferable.

At each meeting of the members held subsequent to the expiration of a period of six (6) months from the date of incorporation of the Cooperative, all applications received more than ninety (90) days prior to such meeting and which have not been accepted or which have been rejected by the Board of Trustees shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements herein above set forth, such applications or any one or more of them may be accepted by vote of the members. The Secretary shall give each such applicant at least ten (10) days' notice of the date of the members' meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

Section 2. Membership Certificate.

Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board of Trustees. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for in cash except as herein before provided. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board of Trustees may prescribe.

An application for membership by a married person living with his or her spouse at the time of such application shall be deemed an application for joint membership by both husband and wife, unless otherwise indicated upon the application. Subject to compliance by the applicant with the requirements set forth in Section 1 of the Article, the application will be accepted as and for a joint membership. In the

event that the holders of a joint membership cease to reside together in the same household, the joint membership will automatically terminate at the point of service in question, irrespective of whether or not such point of service is at the marital home and the individual residing at the point of service will automatically become the member. The term "Member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute a notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an Officer or Trustee, provided that both meet the qualifications for such office;
- (h) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 3. Membership, Service Connection Fees and Consumer's Deposit.

The membership fee shall be five (5) dollars; connection fees and consumer's deposits may vary as set by the Board of Trustees, upon the payment of which a member shall be eligible for service connection, provided, however that members admitted to membership under the provisions of Article I, Section 1 (b), shall be entitled to one service connection without the payment of a fee.

Provided that the membership fee of any member who is in arrears with his electric energy bill and whose service had been discontinued for non-payment thereof, shall be transferred from the membership fee and deposit account and applied to the payment of said unpaid bills, and any balance remaining shall be refunded to such member upon being expelled from the membership under provisions of Article 1, Section 5, of the bylaws or any amendment thereto, pending such refund. If any, the same shall be credited to a special account for such purposes.

Section 4. 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 his application for membership, and shall pay therefore monthly at rates which shall from time to time be fixed by the Board of Trustees. 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 him to the Cooperative as and when the same shall become due and payable.

Section 5. Termination of Membership.

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of all the Trustees, expel any member who shall have refused or failed to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him has not purchased electric energy from the Cooperative, may be cancelled by resolution of the Board.

Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

Section 6. Wiring of Premises; Responsibility Thereof; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties.

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 National Electrical Code and any applicable state code or local government ordinances, and of the Cooperative. Each member shall be responsible for - and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of - such premises and all wiring and apparatus connected thereto or used thereon. Each member 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 inspection, maintenance, replacement, relocation or repair thereof at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance would have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on such premises, except that the Cooperative shall, in accordance with its applicable service rules and regulations, reimburse the member for any overcharges for service that may result from a malfunctioning of its metering equipment.

Section 7. Member to Grant Easements to Cooperative if Required.

Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easements of right-of-way over, under and on such lands owned or leased by the member and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members, or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

Article II

RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members.

Upon dissolution, after

- (a) all debts and liabilities of the Cooperative shall have been paid, and
- (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven (7) years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence.

Section 2. 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 individually liable or responsible for any debts or liabilities of the Cooperative.

Article III

MEETINGS OF MEMBERS

Section 1. Annual Meeting.

The annual meeting of members shall be held on such day in each year, beginning with the year 1952, and at such place within a county served by the Cooperative as shall be fixed and determined by the Board of Trustees, and as shall be designated in the notice of the meeting for the purpose of electing Trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture and dissolution of the Cooperative.

Section 2. Special Meetings.

Special meetings of the members may be called by resolution of the Board of Trustees or upon a written request signed by any three (3) Trustees, by the Chairman, or by ten (10) per centum 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 the County of Williamsburg, State of South Carolina, specified in the notice of the special meeting.

Section 3. Notice of Members' Meeting.

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 special business is to be transacted) the purpose or purposes for which the meeting is called shall be delivered to each member not less than ten (10) days, or thirty (30) days if the meeting includes an election, 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 Secretary, or upon default in duty by the Secretary by

the persons calling the meeting. No matter, the carrying of which, as provided by law or these bylaws, requires the affirmative votes of at least a clear 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. 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. 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 such meeting.

Section 4. Quorum.

As long as the total number of members does not exceed five hundred (500), ten (10) per centum of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred (500), fifty (50) members or five (5) per centum of the members, whichever shall be the larger, shall constitute a quorum. If less than a quorum has been registered by the commencement of any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

Section 5. Voting.

Each member shall be entitled to only one (1) vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the articles of incorporation or these bylaws. No voting by mail or proxy shall be permitted.

Section 6. Order of Business.

The order of business at the annual meetings of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Registration and casting of ballots for nominees by petition or nominating committee for election of Trustees.
2. Report as to the number of members present in order to determine the existence of a quorum.
3. 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.
4. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
5. Presentation and consideration of reports of Officers, Trustees and committees.
6. Unfinished Business.
7. New Business.
8. Adjournment.

Article IV

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, the articles of incorporation or these bylaws conferred upon or reserved to the members.

Section 2. Qualifications and Tenure.

The persons named as Trustees in the articles of incorporation shall compose the Board of Trustees until the first annual meeting or until their successors shall have been elected and shall have qualified.

Beginning with the Annual Meeting held on the first Monday in December 1949, the Trustees shall be divided into three (3) groups of three (3) members each, with the term of office of the Trustees of the first group to expire at the succeeding annual meeting of the members, the term of office of the Trustees of the second group to expire at the second succeeding annual meeting and the term of office of the third group to expire at the third succeeding annual meeting of members. At each annual meeting after such classification, a number of Trustees equal to the number in the group whose term expires at the time of such meeting shall be elected to hold office for a term of three (3) years and until their respective successors shall have been elected and duly qualified. If the election of Trustees shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Provided that if an annual meeting at which a Trustee is to be elected is not held as a result of failure of attendance of members sufficient to constitute a quorum, or for any reason, and such meeting is adjourned until the next annual meeting, Trustees for the Districts whose terms would have expired at the adjourned annual meeting immediately preceding shall be elected for terms of two (2) years so as to preserve the integrity of the staggered terms hereinbefore provided for. Provided further that in the event the adjourned meeting is not held as a result of failure of attendance of members sufficient to constitute a quorum, or for any other reason, and such meeting is adjourned until the date for the next annual meeting, the same formula shall apply so as to preserve the integrity of the staggered terms so that Trustees for Districts who have not stood for a term of two (2) years shall be elected for terms of one (1) year.

To be eligible to become or remain a Trustee, a person must:

- (a) be a natural person who has been (1) a member in good standing for at least the last five (5) years, consecutively, and (2) receiving service at his/her primary residence in the District he/she is to represent for at least the last five (5) years, consecutively. For purposes of this Section, the term "member in good standing" shall be one who has not had any service from the Cooperative cut off or terminated for nonpayment during the period described. Furthermore, the term "primary residence" shall be determined according to South Carolina voter registration law;
- (b) not have a business relationship with the Cooperative that is distinct from or in addition to the Trustee's mandatory Cooperative membership;
- (c) have the legal capacity to enter into a binding contract;
- (d) not be employed by the Cooperative nor have been employed by the Cooperative (at any time) during the preceding ten (10) years;
- (e) not miss more than two (2) regular or special meetings in succession or attend less than fifty (50) per centum of the Trustee meetings between any two annual meetings of the members (Trustee doing so shall automatically forfeit their seat as a member of the Board. A leave of absence may be requested from the Board by any member in advance of any meeting; approval shall be by majority of the Trustees present and voting);
- (f) not hold any public office which is popularly elected and with which a salary or compensation in excess of one hundred (100) dollars per annum is paid;
- (g) while a Trustee, and during the ten years immediately before becoming a Trustee, not be convicted of, or plead guilty to (1) any felony or (2) any misdemeanor that involves an element of dishonesty, fraud or theft;
- (h) not be a family member of an incumbent Trustee or of an employee of the Cooperative. For purposes of this Section, "family member" includes a spouse, parent, brother, sister, child,

- mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and a member of the individual's immediate family (provided, however, this restriction (1) shall not apply in a case where a marriage causes an incumbent Trustee to become related to an employee or another Trustee but (2) shall apply in a case where a Trustee marries an employee or another Trustee);
- (i) not have been removed as a Trustee or terminated as an employee at any time in the past;
- (j) possess a reasonable amount of business experience enabling a person to be able to read and understand financial statements as well as legal documents;
- (k) meet one (1) of the following education requirements: (1) have a minimum of three (3) years of service as an electric cooperative Trustee or (2) participate in at least one (1) education program developed by NRECA, ECSC, or SEC covering cooperative history, governance, and/or operations each year (between two (2) annual meetings).
- (l) submit to a background check involving employment histories, arrest and conviction records, and credit reports, all of which will be utilized by the Nominations Committee (if during the nominations process) or the Election and Credentials Committee (if after the nominations process) to determine a person's eligibility to serve on the Board of Trustees;
- (m) submit to the Cooperative a Statement of Economic Interest and a Campaign Disclosure between ninety (90) and thirty (30) days prior to the membership meeting in which the Candidate (Trustee) is to be elected (reelected) in accordance with the following:
- i. A Statement of Economic Interests must contain:
 - (1) Any and all employer(s) and affiliated organizations of the Candidate/Trustee.
 - (2) Source, type, and amount of any income or financial benefits received (directly or indirectly) from any groups or organizations by the Candidate/Trustee or his/her immediate family in excess of two hundred (\$200) dollars during the campaign period.
 - (3) Compensation received by the Candidate/Trustee or immediate family member(s) from an individual or business which (1) contracts with the Cooperative or (2) is a competitor of the Cooperative.
 - ii. A Campaign Disclosure must contain:
 - (1) A statement by the Candidate/Trustee whether he/she has benefited from contributions or messages intended to influence the outcome of an election by an organization other than the Cooperative. If such benefits were received, the Candidate/Trustee must identify any such organization(s) and the dollar value of such support, whether direct or indirect.
 - (2) A statement by the Candidate whether he/she was recruited by an organization other than the Cooperative. If so, the Candidate must identify each organization that recruited the candidate to run.
- (n) comply with any other reasonable qualifications outlined in any Board policy governing Trustee qualifications.

Upon establishment of the fact that a Candidate is seeking office in violation of the foregoing provisions or if he/she has submitted a false Statement of Economic Interests or a false Campaign Disclosure, it shall immediately be incumbent upon the Nominations Committee (if during the nominations process) or the Election and Credentials Committee (if after the nominations process) to notify the Candidate that he/she is disqualified from running for the Board.

Upon establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such Trustee from office. Such removal shall be accomplished only upon a vote of not less than two-thirds (2/3) of the Trustees present at the meeting or held for the purpose of such removal.

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

Section 3. Nominations.

It shall be the duty of the Board of Trustees to appoint, not less than one-hundred-and-seventy (170) days or more than one-hundred-and-ninety (190) days before the date of a meeting of the members at which Trustees are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different sections of the project area so as to ensure equitable representation. No member of the Board of Trustees may serve on such committee.

Incumbent Trustees seeking reelection shall not directly or indirectly influence the nomination or credentials process. Said Trustees shall recuse themselves from participation in appointing members to such committee(s), and Cooperative members from their Trustee Districts shall be selected without their input or participation. Trustees may not appoint, direct or cause a family member to become a member of such committee(s). For purposes of this Section, "family member" includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and a member of the individual's immediate family.

The committee on nominations shall prepare and post at the principal office of the Cooperative at least one hundred (100) days before the meeting a list of nominations for Trustees, but 1% or more of the members of the Cooperative, acting together, may make additional nominations in writing over their signatures, listing their nominee(s) in like manner and filing the same with the Cooperative, not less than eighty (80) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Board of Trustees shall, by policy, adopt a process allowing petition signatures to be collected electronically according to procedures or standards approved by the Board.

The Secretary shall mail with the notice of the meeting a list of the number of Trustees, shown by District, to be elected and the names and addresses of the candidates nominated for each District, specifying separately the nominations made by petition, if any. The names are to be arranged by Districts and in alphabetical order, except that incumbents shall be placed first on the list so arranged. At the meeting of members, the Secretary of the Cooperative shall place in nomination the names of the official candidates for each District. Election of Trustees shall be by ballots. The ballots shall list the candidates selected by the Nominating Committee and by petition. The names shall be arranged by Districts and in alphabetical order, except that the incumbents shall be placed first in order on such ballot. Each member of the Cooperative present at the meeting shall be entitled to vote for one (1) candidate for each District for which a Trustee is to be elected at that particular meeting. The candidate receiving the highest number of votes for each District at this meeting shall be considered elected as Trustee. In the event that the number of candidates seeking election does not exceed the number of Trustees required in a particular District, balloting may be dispensed with in respect to that District and, if there are no objections, the nominee may be elected by acclamation.

Section 4. Removal of Trustee by Members.

Any member may bring charges against a Trustee by filing such charges in writing with the Secretary, together with a petition signed by the lesser of 5% of the members or 2,000 members and request the removal of such Trustee by reason thereof. The Trustee against whom such charges have been brought shall be informed in writing of the charges at least five (5) days prior to the meeting 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 Trustee shall be considered and voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that the new Trustee must reside in the same District as the Trustee in respect of whom the vacancy occurs.

Section 5. Vacancies.

Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of Trustees by the members, a vacancy occurring on the Board may only be filled by the membership at the next annual meeting for the remainder of the unexpired term. However, if a vacancy occurs more than six (6) months from the next annual meeting, a Nominations Committee may be appointed by the Board of Trustees to choose an Interim Trustee to serve until the next annual meeting. At the next annual meeting, the Interim Trustee may run for the remainder of the unexpired term. In exercising its authority pursuant to this provision, the Nominations Committee may not appoint a family member of the Trustee whose departure created the vacancy. For purposes of this Section, “family member” includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and a member of the individual’s immediate family. Additionally, the Nominations Committee may not appoint an individual associated with the Trustee whose departure created the vacancy. For purposes of this Section, “associated” includes an individual with whom the person or a member of their immediate family mutually has an interest in any business of which the person or a member of their immediate family is a director, Officer, owner, employee, compensated agent or holder of stock worth one hundred thousand (100,000) dollars or more at fair market value and which constitutes 5% or more of the total outstanding stock of any class. Any Interim Trustee or successor Trustee must be from the same Trustee District as the Trustee whose office was vacated.

Section 6. Compensation.

Board members shall not receive any salary for their services as such, except that the Board may by resolution authorize a fixed reasonable sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences and training programs, or performing committee assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. The Board of Trustees may, by resolution, provide for the travel, expenses and other benefits of Trustees.

Section 7. Districts.

The territory served or to be served by the Cooperative shall be divided into nine (9) Districts, each of which shall contain as nearly as possible the same number of members. Each District shall be represented by one (1) Trustee whose term will expire as indicated in the following list. Maps showing these Districts shall be kept on file in the Cooperative Kingstree office and shall be available to all members for viewing during normal business hours. The original nine (9) Districts shall be as follows:

Term Expiration Date

1988 - District No. 1
1986 - District No. 2
1988 - District No. 3
1986 - District No. 4
1988 - District No. 5
1987 - District No. 6

1986 - District No. 7
1987 - District No. 8
1987 - District No. 9

Not less than sixty (60) days before any meeting of the members at which Trustees are to be elected, the Board of Trustees shall review the composition of the several Districts, and if it should be found that inequalities in representation have developed which can be corrected by a re-delineation of Districts, the Board of Trustees shall reconstitute the Districts so that each shall contain as nearly as possible the same number of members. If at the time of adoption of these bylaws, more than one (1) incumbent Trustee resides in any given District, then the terms of all Trustees residing in that District will expire at the time shown in the preceding list and the Trustees must offer for re-election. At no time will the total number of Trustees exceed nine (9). If at the time of adoption of these bylaws there exists a District without a Trustee in residence then such District will be without a resident Trustee until the term expiration date of the District with more than one (1) resident Trustee. In the event more than one (1) District does not have a resident Trustee and more than one (1) other District has more than one (1) resident Trustee then the vacant positions shall be filled in the order of the lower District number first.

Article V

MEETING OF TRUSTEES

Section 1. Regular Meetings.

Regular meetings of the Board of Trustees shall be held at least seven (7) days after the annual meeting of the members (but not later than the next regularly scheduled Board Meeting) for election of Officers for the year. A regular meeting of the Board of Trustees shall also be held monthly at such time and place in the service area of the Santee Electric Cooperative, Inc., as the Board of Trustees may provide by resolution. Such regular monthly meetings may be held without notice to Trustees other than such resolution fixing the time and place thereof.

Section 2. Special Meetings.

Special meetings of the Board of Trustees may be called by the Chairman or by any three (3) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or the Trustees calling the meeting shall fix the time and place (which shall be in the service area of Santee Electric Cooperative, Inc.), for the holding of the meeting. During special meetings, the Board may not act regarding rates, fees, charges, Board composition or Board compensation.

Section 3. Notice of Trustees' Meetings.

Written notice of the time, place and purpose of any regular meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least ten (10) days in advance of the regular meeting. Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least twenty-four (24) hours in advance of the special meeting. Such special meeting notice shall be delivered not less than two (2) days previous thereto, by written, oral or electronic means, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered

when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 4. Quorum.

A majority of the Board of Trustees shall constitute a quorum, provided that if less than such 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. 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 VI

OFFICERS

Section 1. Number.

The Officers of the Cooperative shall be a Chairman of the Board of Trustees, Vice Chairman of the Board of Trustees, Secretary, Treasurer and such other Officers as may be determined by the Board of Trustees from time to time. The office of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office.

The Officers shall be elected by ballot, annually by and from the Board of Trustees at the meeting of the Board of Trustees held at least seven (7) days after the annual meeting of the members (but not later than the next regularly scheduled Board Meeting) for election of officers for the year. Each Officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Trustees.

Any Officers 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 served thereby. In addition, any member of the Cooperative may bring charges against an Officer by filing such charges in writing with the Secretary, together with a petition signed by ten (10) per centum of the members, and request the removal of the particular Officer by reason thereof. The Officer against whom such charges have been brought shall be informed in writing of the charges at least five (5) days prior to the meeting 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 Officer shall be considered and voted upon at the next regular or special meeting of the members.

Section 4. Chairman.

The Chairman shall:

(a) be the principal executive Officer of the Cooperative and, unless otherwise determined by the members or the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees;

- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by those bylaws 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 duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Trustees from time to time.

The term “signed,” as herein used, shall be deemed to permit the use of official signature stamps.

Section 5. Vice-Chairman.

In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 6. Secretary-Treasurer.

The Secretary-Treasurer shall be responsible for overseeing that the following are accomplished through Cooperative staff:

- (a) the keeping of minutes of the meetings of the members and of the Trustees;
- (b) the preparation and posting of notices and agendas of these meetings, and ensuring that said notices comply with the law and these bylaws;
- (c) ensuring the safe-keeping of Cooperative records;
- (d) the proper management of all funds and securities of the Cooperative;
- (e) the proper receipt and disbursement of Cooperative funds.

The Secretary-Treasurer shall also be responsible for signing documents on behalf of the Cooperative making official record of Board decisions and/or resolutions.

Finally, the Secretary-Treasurer shall be responsible for performing all other duties incident to the office and such other duties as from time to time may be assigned to the position by the Board of Trustees.

Section 7. President and Chief Executive Officer.

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

Section 8. Board of Officers.

The Treasurer and other Officers, employees or agents of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded under a liability policy or other surety in such sum as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other Officer, agent or employee of the Cooperative to be bonded under a liability policy or other surety in such amount as it shall determine.

Section 9. Compensation.

The powers, duties and compensation of any Officers, agents and employees shall be fixed by the Board of Trustees, subject to the provisions of these bylaws.

Section 10. 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 forth the condition of the Cooperative at the close of such fiscal year.

Article VII

NON-PROFIT OPERATION

Section 1. Non-Profit Operation and Cooperative Operation.

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. To operate on a cooperative basis 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, members and nonmembers 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 nonprofit basis, the Cooperative is obligated to account on a patronage basis to all of its patrons, members and nonmembers alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and all other expenses incurred in, and chargeable against, the furnishing of electric energy and the operation of all business affairs of the Cooperative. All such amounts in excess of operating costs and all other expenses of the Cooperative are received with the understanding that they are furnished by the patrons, members and nonmembers alike, as capital.

Section 3. Patronage Capital-Allocation.

The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and all other expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each calendar 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 calendar year, notify each patron of the amount of capital so credited to his 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 then furnished the Cooperative corresponding amounts for capital provided; that the Board of Trustees shall determine the date when such Capital Credits shall be accountable from, and shall provide for the method of calculating such Capital Credits and shall make such other rules and regulations concerning Capital Credits as may from time to time seem to be in the best interest of the Cooperative.

Section 4. Other Patronage Capital-Allocation.

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 part of the capital credited to the accounts of patrons, as herein provided.

Section 5. Patronage Capital from Other Organizations.

Notwithstanding any other provision of these Bylaws, the Board shall have the power to adopt rules providing for the separate accounting for and procedure for the retirement of such other amounts of capital credited to the accounts of the Cooperative by other organizations in which the Cooperative is a member.

Section 6. Patronage Capital - Dissolution.

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 to members.

Section 7. Patronage Capital Retirement.

The Board of Trustees shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital.

The amount of any Capital Credit of any patron retired at any time shall be applied first to any indebtedness or other liability owed to the Cooperative by such patron, and the balance, if any, shall be paid to the appropriate patron(s). In the event of a Capital Credit retirement occurring earlier than the time scheduled by the Board, the amount of the Capital Credit may be discounted to present value in accordance with applicable accounting standards and as the Board of Trustees may determine in order to establish the amount to be received by the patron(s) in respect of such early retirement. Should any Capital Credit retired by the Board remain unclaimed by the owner for seven years after the date of retirement, the Board may elect to use the unclaimed but retired Capital Credit amount for any purpose allowed by law.

Section 8. Patronage Capital – Assignment.

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.

Section 9. Patronage Capital – Distribution to Estates or Representatives of Deceased Members.

Notwithstanding any other provision of these bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon the death of any patron, if the legal representative of his 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 these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees, acting under the policies of general application, and the legal representatives of such patron's estate shall agree upon, provided, however, that the financial condition of Cooperative will not be impaired thereby.

Section 10. Patronage Capital – Distribution Prior to Dissolution.

Dissolution of a corporation, partnership, firm, association, body politic or subdivision thereof shall not be deemed to be death of a patron within the purview of this paragraph. Capital Credits upon such a dissolution may be assigned on the books of the Cooperative as hereinbefore provided. Notwithstanding any other provision of these bylaws, in the case of a patron that is more than six (6) months delinquent in the payment of any amount due and owing to the Cooperative, the Board of Trustees, at its discretion, acting upon the policies of general application and otherwise upon such terms and conditions as the Board of Trustees shall determine, may retire Capital Credits of such patron in an amount sufficient to satisfy such delinquency in whole or in part and apply the proceeds of such retirement for such purpose.

Notwithstanding any other provisions of these bylaws, when the Cooperative receives notice of a patron filing for bankruptcy protection, the Board of Trustees, at its discretion, acting upon policies of general application and otherwise upon such terms and conditions as the Board of Trustees shall determine, may retire prior to the time such capital would otherwise be retired under the provisions of these bylaws, the Capital Credits of such patron and pay the discounted amount to the bankruptcy estate or as otherwise directed by the bankruptcy court of applicable law.

Section 11. Patronage Capital – Contract with Member.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patron 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 the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Section 12. Recoupment.

The right to receive capital credit payments is dependent upon the member's compliance with member obligations, including the payment of all service and other charges due from the member to the Cooperative. In the event that the member is delinquent or in default in payment of charges due to the Cooperative, or the member has otherwise breached or failed to comply with the Cooperative's member obligations, the Cooperative will withhold payment of capital credit payments to the member until such time as the member has cured the payment default or the breach of member obligations.

In the event a member owes a delinquent account indebtedness or other debt obligation to the Cooperative, the Cooperative will apply any capital credit payments that would be due to the member as payment (full or partial payment, as may result from the payment) of the account indebtedness or other debt obligation, as a recoupment based upon member rights and obligations. This right of recoupment shall exist without regard to the age of the unpaid indebtedness and without regard to any bankruptcy discharge of the member, as a requirement of member rights with regard to capital credit payments to members.

Section 13. Unclaimed Property.

Notice of unclaimed property will be administered in the manner prescribed by South Carolina law. The Cooperative may regularly impose a reasonable dormancy fee for each year an owner fails to claim property held by the Cooperative.

Article VIII

DISPOSITION OF PROPERTY

Section 1. Sale, Lease or Exchange of Property.

(a) A sale (which term shall include a sale, lease, exchange or any other disposition of assets, except a mortgage of or other security interest in the assets) of all, or substantially all, the property and assets, with or without the goodwill, of a Cooperative may be made upon such terms and condition and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares of any other corporation, domestic or foreign, as shall be authorized in the following manner.

(1) The Board of Trustees shall adopt a resolution recommending such sale, and directing the submission thereof to a vote at a meeting of members, which may be either an annual or a special meeting.

(2) Written or printed notice shall be given to each member of record entitled to vote at such meeting within the time and in the manner provided for the giving of notice of meetings of members, and whether the meeting be an annual or special meeting, shall state that the purpose, or one of the purposes, of the meeting is to consider the proposed sale.

(3) At such meeting, the members may authorize such sale, and may fix, or may authorize the Board of Trustees to fix, any or all of the terms and conditions thereof and the consideration to be received by the Cooperative therefor. Each member of the Cooperative shall be entitled to vote thereon. Such authorization shall require the affirmative vote of at least two-thirds (2/3) of all the members of the Cooperative.

(b) After such authorization by a vote of the members, the Board of Trustees nevertheless, in its discretion, may abandon such sale of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by members.

Section 2. Mortgage of Property.

To secure any indebtedness of the Cooperative, the Board of Trustees may, without authorization from its members, mortgage or pledge all or part of the assets of the Cooperative, whether or not in the usual and regular course of its business, to the United States of America or any agency thereof or any other lending agency or institution upon such terms and conditions as the Board of Trustees may determine.

Article IX

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, South Carolina."

Article X

FINANCIAL TRANSACTIONS

Section 1. Contracts.

Except as otherwise provided in these bylaws, 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.

Section 4. Fiscal Year.

The fiscal year of the Cooperative shall begin on the first (1st) day of July of each year and end on the thirtieth (30th) day of June of the following year, or on such dates as determined by the Board of Trustees.

Article XI

MISCELLANEOUS

Section 1. Membership in Other Organizations.

The Cooperative shall not become a member of any other organization without an affirmative vote of the Board of Trustees.

Section 2. Waiver of Notice.

Any member or Trustee may waive in writing any notice of a meeting required to be given by these bylaws. 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 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.

Section 3. 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 these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4. 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 laws 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 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. A report of such audit shall be submitted to the members at the following annual meeting.

Section 5. Area Coverage.

The Board shall make 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.

Article XII

AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meetings shall have contained a copy of the proposed alteration, amendment or repeal.

These bylaws are subject to Law and the Articles of Incorporation of the Cooperative. If, and to the extent that, a Bylaw conflicts with Law or the Articles, then the Law or Articles control.

Nondiscrimination Statement

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.

Persons 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 TTY) 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 www.ascr.usda.gov/complaint_filing_cust.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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