

PLATTE-CLAY ELECTRIC COOPERATIVE, INC.

It shall be the aim of PLATTE-CLAY ELECTRIC COOPERATIVE, INC., to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

BY-LAWS

OF

PLATTE-CLAY ELECTRIC COOPERATIVE, INC.

ARTICLE I

MEMBERSHIP

Section 1 (a). Requirements for Class I Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a Class I member of Platte-Clay Electric Cooperative, Inc. (hereinafter called the “Cooperative”) by:

- (a) making a written application for membership therein; (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified or agreeing to purchase electric energy from a wholly-owned corporate subsidiary or limited liability company of the Cooperative;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified or agreeing to purchase electric energy from a wholly-owned corporate subsidiary or limited liability company of the Cooperative;
- (c) 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 Directors;
- (d) paying the membership fee hereinafter specified. (Amended July 15, 1999)

Section 1 (b). Requirements for Class II Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a Class II member of Platte-Clay Electric Cooperative, Inc. (hereinafter called the “Cooperative”) by (i) becoming a consumer of a corporate subsidiary or limited liability company which is wholly owned by the Cooperative and (ii) being a consumer to which the Cooperative furnishes electric energy, and (a) making a written application for membership in the Cooperative; and (b) 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 Directors of the Cooperative. Class II members shall have the right to receive capital credits earned by the wholly owned subsidiary, after municipal franchise taxes, if any, paid by the Cooperative have been offset against such capital credits. (Amended July 15, 1999)

Section 1 (c). Acceptance for Membership. A person, firm, association, corporation, or body politic or subdivision shall become a member once they start receiving service from the Cooperative. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these By-laws. (Amended September 11, 2020)

Section 1 (d). Definition. Whenever the term “member” is used throughout these by-laws it shall be defined to mean both Class I and Class II members unless otherwise so specified. (Amended August 2, 1986)

Section 2. Proof of Membership. The membership list maintained by the Cooperative shall be conclusive as to membership status. (Amended July 20, 1991)

Section 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term “member” as used in these by-laws 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 holder of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of 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 shall have the effect of revoking a proxy executed by either or both 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 proxy executed by either or both shall constitute one joint proxy;
- (d) A waiver of notice signed by either or both shall constitute a joint waiver;
- (e) Notice to either shall constitute notice to both;
- (f) Expulsion of either shall terminate the joint membership;
- (g) Withdrawal of either shall terminate the joint membership;
- (h) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

Section 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement of such holder and his or her spouse to comply with the articles of incorporation, by-laws and rules and regulations adopted by the Board of Directors.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor; provided, however, that the estate of the deceased shall not be released from any debts due to the Cooperative. (Amended July 20, 1991)

Section 5. Membership and Service Connection Fees. The Board of Directors shall have the authority to establish and set a membership fee up to a maximum of \$50.00 for all new members who join the Cooperative after September 1, 1980. The payment of the membership fee shall entitle each member to one service connection. A service connection fee equal to the membership fee then in effect shall be charged for each additional service connection requested by an existing member.

Section 6. Purchasing 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 therefor monthly at rates which shall from time to time be fixed by the Board of Directors. 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 by-laws. 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 Directors 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. (Amended July 15, 1994)

Section 7. Termination of Membership.

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, by-laws or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. 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, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board of Directors. (Amended July 29, 1967)

(b) Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership, in any manner, the Cooperative will repay to the member the amount of the membership fee paid by him provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

(d) Any person, firm or corporation holding a membership of the Cooperative shall have the right, with the approval of the Board of Directors, to assign said membership to another person, firm or corporation. The form of assignment shall be in such manner and under such terms and conditions as may be fixed by resolution of the Board of Directors. (Adopted July 29, 1967)

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interests 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 by-laws, 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 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 liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held on such date within the months of April, May or June in each year as shall be established by the Board of Directors, beginning with the year 1981 at such place in Platte, Clay and Clinton Counties, State of Missouri, as shall be designated in the notice of meeting, for the purpose of electing Directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative. (Amended July 28, 2011).

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three directors, by the President, or by ten 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 Counties of Platte, Clay and Clinton, State of Missouri, specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the

Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at 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 any such meeting.

Section 4. Quorum. Two percent of the first two thousand members and one percent of the remaining members, as provided herein shall constitute a quorum for the transaction of business at all meetings of the members; provided, however, that no member shall be allowed to cast or to count toward the establishment of a quorum more than one proxy. For purposes of this requirement, the quorum count shall include members present in person, by proxy, and members participating in alternative voting methods provided in Section 5. If less than quorum is present at any meeting, a majority of those present in person or by proxy may adjourn the meeting from time to time without further notice. (Amended June 16, 2021)

Section 5. Voting.

(a) Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon, except as otherwise provided by law, the articles of incorporation or these by-laws. In addition to voting in person, voting may also be carried out by use of a mail ballot, absentee ballot or electronic ballot, or any combination thereof, under procedures established by resolution of the Board of Directors and disclosed concurrently with the notice of any meeting of members at which mail, absentee, or electronic voting shall be allowed. (Amended June 16, 2021)

(b) Members may vote by mail, under procedure established by the Board of Directors, on any proposition submitted to the members for approval pertaining to the Cooperative merging or consolidating with one or more other rural electric Cooperatives, and pertaining to the Cooperative selling, leasing or disposing of all or any substantial portion of its property to one or more other rural electric Cooperatives. (Amended July 22, 1989)

Section 6. Proxies. Voting by proxy is only allowed if voting takes place in person at the time and place of the annual meeting. A member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be valid after sixty days from the date of its execution. No proxy shall be valid 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. A member may give his proxy only to another member. No person may hold more than one proxy at any meeting.

The presence of a member at a meeting shall revoke a 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. (Amended June 16, 2021)

Section 7. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Report as to which members are present in person in order to determine the existence of a quorum and which members are represented by proxy.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these by-laws conferred upon or reserved to the members.

Section 2. Election and Tenure of Office. The Board of Directors shall consist of the nine (9) members previously elected under the existing by-laws of the Cooperative at the time of their election for the remainder of their term. Three members of the Board of Directors shall be elected each year by secret ballot at the annual meeting of the members and all directors shall serve a term of three (3) years, or until their successors shall have been elected and have qualified to succeed those directors whose terms of office expire. For the purpose of equitable representation of the members, the Board of Directors shall be composed of three members from each of the following described districts: (Amended May 9, 2019)

North District: Clinton, Caldwell and DeKalb Counties

West District: Buchanan and Platte Counties

South District: Clay and Ray Counties

No member may be a nominee for the office of director who is not a resident of the district he represents. There shall be one director elected each year from each district. Each member of the Cooperative shall be entitled to vote for one candidate from each district from which a director is to be elected. (Amended June 16, 2021)

If an election of directors 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 directors within a reasonable time thereafter. In addition to voting in person at a special meeting voting may also be carried out by use of a mail ballot, absentee ballot or electronic ballot as outlined in Article III, Section 5. Directors may be elected by a plurality vote of the members. (Amended June 16, 2021)

Section 3. Qualifications. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who:

- (a) is not a member and bona fide resident in the area served or to be served by the Cooperative;
- (b) is in any way employed by an electric cooperative or has a financial interest in another electric cooperative, other than a current or past member, is in any way an employee, has ownership or has a financial interest in a competing enterprise or a business selling electric energy, electric services or electric supplies to the Cooperative (in an amount in excess of \$5,000 annually in the case of electric supplies), or a business primarily engaged in 1) selling electrical appliances 2) plumbing appliances 3) futures or 4) supplies to the members of the Cooperative; except where such ownership is in securities in widely-held corporations traded regularly in recognized security markets;
- (c) is the incumbent of or candidate for an elective public office in connection with which a salary or compensation in excess of one hundred dollars per annum is paid;
- (d) is an active employee of any electric Cooperative or has been an employee of Platte-Clay Electric Cooperative at any time in the prior seven (7) years; or

- (e) shall have ever been convicted of a felony or entered a plea of nolo contendere in connection with a felony charge or indictment.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such director from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors (Amended May 12, 2016)

Section 4. Nominations. It shall be the duty of the Board of Directors to appoint, not less than thirty (30) days nor more than one-hundred twenty (120) days before the date of a meeting of the members at which directors 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 so as to insure equitable representation. No active employee of any electric Cooperative may be a member of the nominating committee. No member of the nominating committee shall be a candidate for the office of director. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for directors which may include a greater number of candidates than are to be elected. Any fifteen or more members acting together may make other nominations by petition not less than seventy (70) 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 Secretary shall mail with the notice of the meeting or separately, but at least seven days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by petition, if any. (Amended June 16, 2021)

Section 5. Removal of Directors by Members. A director may be removed for cause upon the affirmative vote of a majority of the members. "Cause" for removal shall mean that the director is alleged to have committed an act or omission adversely affecting the business and affairs of the Cooperative and amounting to fraud or criminal conduct. No director shall be removed except upon certification that the following procedures have been followed:

A written petition signed by a minimum of 10% of the members of the Cooperative residing in the district from which the director is elected must be filed with the Secretary describing in detail each of the charges against the director and the basis therefor. If more than one director is sought to be removed, individual charges and petitions shall be filed for each such director. The Secretary shall deliver the

petitions to the Board. If the Board determines that the petition complies with this by-law, a special meeting of the members shall be called in accordance with these by-laws and shall be held within 60 days after receipt by the Cooperative of a written petition. The director sought to be removed shall be informed in writing of the charges within 10 days after the receipt by the Cooperative of the written petition. At the meeting of the members at which the charges are to be considered, the director challenged shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges. The person or persons bringing the charges against the director will have the same opportunity. At such meeting evidence must be presented in support of the charges. The question of the removal of such director shall be considered and voted upon at the meeting of the members. A majority of the members present and voting at the meeting called with a proper quorum obtained, shall be required to remove the director from his position. Any vacancy created by such removal may be filled by a vote of the members at such meeting without compliance with by-law provisions with respect to nominations of directors. Nothing contained herein, however, shall affect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors. (Amended July 20, 1996)

Section 6. Vacancies. Except as otherwise provided in these Bylaws, if a vacancy occurs on the Board of Directors, the vacancy shall be filled:

(1) By an affirmative vote of the majority of remaining Directors, and within a reasonable time of a Director position becoming vacant, the Board shall fill a vacant Director position, until the next Annual Member Meeting, at which time the Members must elect a new Director to fill the unexpired Director Term of the previously vacant Director position.

(2) An individual elected or appointed to fill a vacant Director position must comply with the Director Qualifications. Except as otherwise provided in these Bylaws, and as used in this Bylaw, “vacant Director position” and “Director vacancy” do not include Director positions vacated due to an expired Director Term. (Amended May 9, 2019).

Section 7. Compensation. Directors shall not receive any salary for their services as directors, except that by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. If authorized by the Board of Directors, directors or other members of committees appointed by the Board of Directors may be reimbursed a reasonable per diem allowance, or their actual expenses for attending meetings, conferences, training programs or performing committee assignments. If authorized by the Board of Directors, a director, officer, employee or agent of the Cooperative

who has acted in good faith and in a manner reasonably believed to be in the interest of the Cooperative, may be indemnified against expenses, including amounts paid in settlement, judgments, fines and attorney's fees in connection with any threatened, pending or completed action arising by reason of the fact that he is or was a director, officer, employee or agent of the Cooperative, or at the request of the Cooperative serves as a director or officer of any other corporation or Cooperative. No director shall receive compensation for serving the Cooperative in any other capacity, unless the payment and the amount of compensation shall be specifically authorized by a vote of the members or the service by such director shall have been certified by the Board of Directors as an emergency measure. The Board of Directors shall, by policy of general application, bar the employment of relatives of members of the Board and establish conditions for continued employment of any person who may become a relative of a member of the Board of Directors after the date of employment. (Amended July 15, 1994)

Section 8. Indemnification of Directors, Officers, Employees or Agents. The Cooperative shall indemnify to the fullest extent permitted by law against expenses, including attorney's fees, judgments, costs, fines and amounts paid in settlement, actually and reasonably incurred, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee or agent of the Cooperative, or is or was serving any other enterprise at the request of the Cooperative. (Adopted July 20, 1991)

Section 9. Restrictions

For a period of seven (7) years after serving as a director of the Cooperative, no person shall be eligible to become or remain an employee or to hold any position of trust in the Cooperative.

In addition, if a former director of the Cooperative becomes in any way an employee, has an ownership interest in or has a financial interest in an enterprise or a business selling products or services, the Cooperative shall not be allowed to do business with such enterprise or business in an amount in excess of \$5,000 annually for a period of seven years after such former director's service as a director of the Cooperative ended. (Adopted May 12, 2016)

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be

held without notice, immediately after, and at the same place as, the annual meeting of the members. The board shall conduct regular meetings at such times and places as the board may designate by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof. (Amended August 21, 1993)

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any three directors, 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 the directors calling the meeting shall fix the time and place within the service area of Cooperative for the meeting. (Amended August 21, 1993)

Section 3. Notice of Directors' Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director not less than five days previous thereto, either personally, by mail, or by way of electronic communication, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid. (Amended May 11, 2017).

Section 4. Quorum. A majority of the Board of Directors shall constitute a quorum, provided that, if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE VI

OFFICERS

Section 1. Number. The officers of the Cooperative shall be a president, a vice president, a secretary and a treasurer, who shall be elected annually from among the members of the Board of Directors. From time to time the Board of Directors may also elect or appoint such other officers as it shall deem necessary or advisable and shall prescribe the power and duties thereof.

Section 2. Election and Term of Office. The officers shall be elected annually by the Board of Directors at a meeting of the Board of Directors 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 of Directors following the next succeeding annual meeting of the 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 Directors for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Directors. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members, may request removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board 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. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

Section 4. President. The president of the Board of Directors shall preside at all meetings of the Board of Directors. He shall exercise such supervisory powers in reference to the affairs of the Cooperative as from time to time may be directed by the Board of Directors and he shall perform such duties as usually pertain to the office.

Section 5. Vice President. The vice president shall preside at all meetings of the Board of Directors in the absence of the president. He shall exercise such supervisory powers in reference to the affairs of the Cooperative as from time to time may be directed by the Board of Directors and shall perform such duties as usually pertain to the office.

Section 6. Secretary. The Secretary shall:

- (a). keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- (b). see that all notices are duly given in accordance with these by-laws or as required by law;
- (c). be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issue thereof and 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 by-laws; (Amended July 20, 2011)

- (d). keep a register of the names and post office addresses of all members;
- (e). have general charge of the books of the Cooperative;
- (f). keep on file at all times a complete copy of the articles of incorporation and by-laws 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, forward a copy of the by-laws and of all amendments thereto to each member; and
- (g). perform such other duties on behalf of the Cooperative as are authorized by specific resolution of the Board of Directors.

Section 7. Treasurer.

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks or other financial institution or organization, including but not limited to CFC, AECl, and N.W. Electric Power Cooperative, Inc. as shall be selected in accordance with the provisions of these by-laws; and (Amended July 28, 2011)
- (c) in general perform 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 of Directors.

Section 8. Bond 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 give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

Section 9. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Directors, subject to the provisions of these by-laws with respect to compensation for directors and close relatives of directors.

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. (Adopted July 20, 1991)

ARTICLE VII

DISPOSITION OF REVENUES AND RECEIPTS

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative non-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 2. Patronage Capital in Connection with Patronage Business. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis the Cooperative is obligated to account on a patronage basis to all its members and to declare a patronage dividend in an amount equal to the Cooperative's net income from its patronage sourced business done with or for its members (computed before the reduction for income taxes and patronage dividends paid by the Cooperative and after reduction for any losses incurred during the prior fiscal years and not previously offset against prior years' income). In computing its obligation to pay patronage dividends and allocating such amounts to its members, business done by a single member limited liability company owned by the Cooperative shall be treated as business done directly by the Cooperative and the limited liability company members shall be treated as members of the Cooperative. 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 members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

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 of directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part, The board of directors shall determine the method, basis, priority and order of retirement, if any, of all amounts heretofore and hereafter furnished as capital and credited to the capital credit account.

Capital credited to the account of each member 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 members' premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to such member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby; provided, further however, that the aggregate amounts so retired in any one year shall not exceed one (1 %) per cent of patronage capital assigned to members; and provided further, however, that, if acting under policies of general application the amount mentioned above is not sufficient to retire the capital credited to any such member or members, such member or members shall have the capital credited to them retired in the next succeeding year before any other retirements are made in such succeeding year. (Amended July 15, 1999).

Section 3. Unclaimed Credits or Funds. Notwithstanding any provisions herein contained to the contrary, the Cooperative shall recover, after a period of two (2) years, any unclaimed capital credits, patronage refunds, utility deposits, membership fees, or account balances for which the owner (member or former member) cannot be found and are the result of distributable savings of the Cooperative, giving sixty (60) days notice in a newspaper of general circulation, published in the county in which the Cooperative locates its general headquarters. Such notice shall state the web page and/or other source(s) that can be accessed to view the owner's name and approximate amount of owner's interest and that if not duly claimed within sixty (60)

days of said notice being printed in the newspaper, the same shall be turned over to the Cooperative which shall reallocate the same to other members. If no provable claim shall have been filed within sixty (60) days after the one-time publication of said notice, the Cooperative may credit against said account any amounts due and owing the Cooperative by said member and thereafter allocate to the other members of the Cooperative on a pro rate basis. Such amounts of said members (the allocations herein contemplated) shall be allocated to those who are members as of the year and on a pro rate basis for the year in which the 60th day falls after the published notice. Any member or former member who fails to claim any capital credit or other payment within two (2) years after payment has been made available to such person, shall have made an irrevocable assignment and gift to the Cooperative of such capital credits or other payments. (Amended September 11, 2020)

ARTICLE VIII

DISPOSITION OF PROPERTY

Section 1. Sale, Lease, or Disposition. The Cooperative may not sell, lease or otherwise dispose of, except by mortgage, all or any substantial portion of its property unless such sale, lease, or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting.

Section 2. Mortgage. That notwithstanding anything here contained in these Bylaws, or any other provisions of law, the Board of Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof, or to any bank or other financial institution or organization, including but not limited to CFC, AEI, and N.W. Electric Power Cooperative, Inc. (New Article VIII adopted July 21, 1970.) (Amended July 28, 2011)

Section 3. Transfer to Subsidiary. The Board of Directors, from time to time, may transfer title to portions of the Cooperative's property and assets to wholly owned subsidiary corporations when in the Board of Directors' judgment such transfers are

necessary or appropriate to protect the Cooperative's interest or property. Such transfers shall be a change in nominal title only and shall not require membership approval as set forth in Section I of this Article. (Adopted August 2, 1986)

Section 4. Offers for Purchase of Assets. Supplementary to the first sentence of the foregoing Section 1 and any other applicable provisions of law or these by-laws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or any substantial portion of the Cooperative's properties and assets shall be authorized except in conformity with the following:

(1) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Presiding Judge for the 7th Judicial District in Missouri. If such judge refuses to make such designations, they shall be made by the Board of Directors.

(2) If the Board of Directors, after receiving such appraisal (and other terms and conditions which are submitted, if any) determines that the proposal should be submitted for consideration by the members, it shall first give every other electric Cooperative corporately sited and operating in Missouri (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric Cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric Cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held no less than ten (10) days or more than twenty-five (25) days after the giving of notice thereof to the members; PROVIDED, that consideration and action by the members may be

given at the next annual member meeting if the Board so determines and if such annual meeting is held not less than ten (10) nor more than twenty-five (25) days after the giving of notice of such meeting.

(4) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of this Section 4 shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric Cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric Cooperatives. No proposal to sell or transfer all or a substantial portion of the assets of the Cooperative shall be submitted to a vote of the membership unless such proposal is approved by the Cooperative's Board of Directors as provided in this bylaw. "Substantial portion" means ten percent (10%) or more of the Cooperative's total assets as reflected on its books at the time of transaction. (Amended July 20, 1996)

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, Missouri."

ARTICLE X

FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these by-laws, 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 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 evidence 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 Directors.

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, or other financial institution or organization, including but not limited to CFC, AECI, and N.W. Electric Power Cooperative, Inc. as the Board of Directors may select. (Amended July 28, 2011)

Section 4. Change in Rates. The Cooperative shall timely file all required notices concerning rate changes or other financial transactions with the appropriate governmental authorities. (Amended May 11, 2017).

Section 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI

MISCELLANEOUS

Section 1. Membership in other Organizations. The Cooperative may, upon the authorization of the Board of Directors, and subject to any applicable federal regulatory approvals, purchase or otherwise obtain stock in or become a member or beneficiary of any Cooperative or organization which may be necessary, convenient or appropriate to accomplish the purpose for which the Cooperative is organized, as consistent with Missouri law. (Amended August 2, 2001)

Section 2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director 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.

Section 3. 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 or these by-laws, as it may deem advisable for the management of the business and affairs of the Cooperative. (Amended July 28, 2011)

Section 4. Accounting System and Reports. The Board of Directors shall cause to

be established and maintained a complete accounting system that complies with all applicable laws, rules, regulations and contractual obligations. The records of the Cooperative shall be reviewed regularly by the Board of Directors or a committee of the board. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be available to members upon request. (Amended May 11, 2017).

ARTICLE XII

AMENDMENTS

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

ARTICLE XIII

CONSTRUCTION OF CERTAIN TERMS

Whenever used herein, words in singular number shall be held to include the plural, and vice versa, unless the context requires otherwise, and words of any gender used herein shall be held and construed to include any other gender.