

**BYLAWS**  
**Of**  
**COASTAL ELECTRIC COOPERATIVE, INC.**

**ARTICLE I**  
**Definitions**

**SECTION I.01 - General Provisions.** Within these Bylaws of Coastal Electric Cooperative, Inc., as currently existing or as later Amended (“Bylaws”), unless otherwise provided or unless the context requires otherwise:

1. The words and phrases used in these Bylaws have their customary and ordinary meaning;
2. The singular use of any word includes the plural use, and the plural use of any word includes the singular use;
3. The masculine use of any word includes the feminine and neutral uses, the feminine use of any word includes the masculine and neutral uses, and the neutral use of any word includes the masculine and feminine uses;
4. The present tense of any word includes the past and future tenses, and the future tense of any word includes the present tense; and
5. The words “shall” or “must” indicate a mandatory action or requirement, and the word “may” indicates a permissive action or requirement.

**SECTION I.02 - Defined Terms.** These Bylaws define certain words and phrases within Bylaw sections (“Defined Terms”). Defined Terms are:

1. Capitalized and enclosed within parentheses and quotation marks following the Defined Term’s definition; and
2. Capitalized when otherwise used in these Bylaws.

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

Affiliated Capital Credits .....	Section VII.02
Affiliated Entity .....	Section VII.02
Affiliated Entity Allocated Capital .....	Section VII.02
Amend.....	Section X.01
Annual Member Meeting .....	Section III.01
Applicant.....	Section II.02
Articles.....	Section II.02
Associated Individual.....	Section IV.12
Board.....	Sections II.02; IV.01
Board Meeting .....	Section V.03
Bylaws.....	Section I.01

Bylaw Provision.....	Section IX.06
Capital .....	Section VII.02
Capital Credits .....	Section VII.02
CEO.....	Sections IV.04; IV.06
Close Relative .....	Section IV.12
Conflict of Interest Transaction .....	Section V.07
Conflict of Interest Trustee Qualification .....	Section IV.03
Cooperative .....	Section II.01
Cooperative Equipment .....	Section II.02
Cooperative Officer .....	Section VI.08
Cooperative Service .....	Section II.01
Cooperative Service Area .....	Section IV.02
Cooperative Subsidiary .....	Section IV.03
Defined Terms .....	Section I.02
Electing Member.....	Section IV.05
Election Commission .....	Section III.14
Entity.....	Section II.01
General Trustee Qualification.....	Section IV.03
Governing Documents .....	Section II.02
Indemnification Advance.....	Section VI.15
Indemnification Expense .....	Section VI.15
Indemnification Individual.....	Section VI.15
Indemnification Party.....	Section VI.15
Indemnification Proceeding.....	Section VI.15
Indemnification Standard of Conduct.....	Section VI.15
Indemnification Trustee or Officer .....	Section VI.15
Indemnification Trustee Quorum.....	Section VI.15
Joint Member .....	Section II.05
Joint Membership.....	Section II.05
Law .....	Section II.02
Location .....	Section II.01
Member .....	Section II.03
Member Challenge.....	Section III.14
Member Demand .....	Section III.02
Member Equipment .....	Section II.02
Member Meeting.....	Section III.03
Member Meeting Issue .....	Section III.14
Member Meeting List .....	Section III.07
Member Meeting Waiver of Notice.....	Section III.08
Member Petition.....	Section IV.04
Member Petition Nominations .....	Section IV.04
Member Proxy .....	Section III.12
Member Quorum.....	Section III.09
Member Voting Document .....	Section III.13
Membership List .....	Section II.15
Membership Procedures.....	Section II.02
Membership Trustee Qualification .....	Section IV.03

Natural Person.....	Section II.01
Nominating Committee.....	Section IV.04
Nominating Committee Nominations.....	Section IV.04
Nominating Member.....	Section IV.04
Non-Member Non-Patrons.....	Section VII.05
Non-Member Patrons.....	Section VII.05
Non-Operating Margins.....	Section VII.02
Non-Operating Patronage Cost.....	Section VII.02
Non-Operating Patronage Income.....	Section VII.02
Occupy.....	Section II.01
Officer.....	Section VI.08
Operating Cost.....	Section VII.02
Operating Income.....	Section VII.02
Operating Margins.....	Section VII.02
Other Officer.....	Section VI.07
Patron.....	Section VII.02
Permanently Reside.....	Section IV.02
Person.....	Section II.01
Provide.....	Section II.01
Reasonable Reserves.....	Section VII.06
Record Date.....	Section III.06
Regular Board Meeting.....	Section V.01
Required Officer.....	Section VI.01
Special Board Meeting.....	Section V.02
Special Member Meeting.....	Section III.02
Suspension Reason.....	Section II.13
Total Membership.....	Section III.02
Trustee.....	Section II.05
Trustee District.....	Section IV.02
Trustee Qualifications.....	Section IV.03
Trustee Quorum.....	Section V.06
Trustee Term.....	Section IV.06
Trustee Written Consent.....	Section V.05
Use.....	Section II.01
Written Ballot.....	Section III.10

**ARTICLE II**  
**Membership**

**SECTION II.01 - Membership Eligibility.** Any individual (“Natural Person”) or Entity (collectively, “Person”) with the capacity to enter legally binding contracts and who consumes, receives, purchases, or otherwise Uses (collectively, “Uses”):

1. Electric power or energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided (collectively, “Provided”) by Coastal Electric Cooperative, Inc. (“Cooperative”); or
2. As determined by the Cooperative, any other good or service Provided by the Cooperative and reasonably related to the Person Using electric power or energy, the income from which may be exempt from federal income taxation;

(collectively, “Cooperative Service”) is eligible to become and remain a Member.

An Entity includes, but is not limited to, corporations and foreign corporations; business corporations and foreign business corporations; profit and nonprofit unincorporated associations; corporations sole; business trusts, estates, partnerships, limited liability companies, trusts, and two or more persons having a joint or common economic interest; states, United States of America, and foreign governments, or any agencies or divisions thereof; and any non-Natural Person (collectively, “Entity”).

Unless these Bylaws provide otherwise, or the Board makes a determination that it would be inequitable to exclude such Person as a Member, a Person is not eligible to become a Member if the Person resides at, engages in a business at, owns, controls, or otherwise occupies (collectively, “Occupies”), for ninety (90) days or more each calendar year, a residence, office, building, premise, structure, facility, or other location (collectively, “Location”) Occupied by another Member who owes the Cooperative any amount.

**SECTION II.02 – Membership Procedure.** Unless these Bylaws provide otherwise, or the Board determines otherwise, any eligible Person seeking to become a Member (“Applicant”) must complete the procedures stated in this Bylaw to the Cooperative’s satisfaction (“Membership Procedures”) before initially Using or requesting to Use the first Cooperative Service Used, or to be Used, by the Applicant.

A. Membership Application. Each Applicant must complete and sign a written membership application provided by the Cooperative in which the Applicant agrees to:

1. Comply with the membership application and the following documents and materials, all as currently existing and as later adopted or amended (collectively, “Governing Documents”), ensure that any product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Applicant (“Member Equipment”) and connected to any product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Cooperative (“Cooperative Equipment”) complies with the following Governing Documents, and ensure that

any act or omission involving any Member Equipment connected to any Cooperative Equipment complies with the following Governing Documents:

a. All applicable Laws and legally binding agreements regarding the:

- (i) Cooperative;
- (ii) Cooperative's operation;
- (iii) Cooperative's assets;
- (iv) Cooperative's Members and Patrons;
- (v) Provision and Use of Cooperative Services;
- (vi) Cooperative Equipment; and
- (vii) Member Equipment connected to Cooperative Equipment,

including, but not limited to, all applicable:

- (i) Legislative, executive, administrative, and judicial constitutions, statutes, case law, regulations, ordinances, rulings, or orders;
- (ii) Local, state, and federal constitutions, statutes, case law, regulations, ordinances, rulings, or orders;
- (iii) Contractual provisions legally enforceable by, or against, the Cooperative; and
- (iv) Legally binding contracts between the Cooperative and the Applicant (collectively, "Law");

b. The Cooperative's Articles of Incorporation ("Articles");

c. These Bylaws;

d. The Cooperative's service rules and regulations;

e. The National Electrical Code;

f. The National Electrical Safety Code;

g. The Cooperative's rate or price schedules; and

h. All rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Cooperative's Board of Trustees ("Board") or membership;

2. Be or remain a Member; and

3. At prices, rates, or amounts determined by the Board, and pursuant to the terms, conditions, time, and manner specified by the Cooperative, pay the Cooperative for all:

a. Cooperative Services Used:

(i) By the Applicant; or

(ii) At or for any Location Occupied by the Applicant (unless another Member is also responsible for payment thereof and the Board finds it would be inequitable to hold Member responsible for payment thereof); and

- b. Dues, assessments, fees, deposits, contributions, or other amounts required by the Articles, these Bylaws, the Board, or Law.

B. Information and Documents. Each Applicant must:

1. Submit to the Cooperative all information requested by the Cooperative, including federal tax identification number; and
2. Complete any additional or supplemental document or contract required by the Board for the Cooperative Service which the Applicant is seeking to Use.

Unless otherwise provided in the Articles or these Bylaws, or otherwise required by Law, or otherwise approved by the Board (on a case by case basis or as a matter of policy), the Cooperative will not release, disclose, or disseminate any personally identifiable or confidential information regarding any Member.

C. Payment of Amounts. Each Applicant must pay the Cooperative:

1. Any dues, assessment, fee, deposit, contribution, or other amount required by the Articles, these Bylaws, the Board, or Law;
2. Any outstanding amounts owed the Cooperative by the Applicant, unless waived in writing by the Board, or waived pursuant to Board policy generally applicable to all Applicants.

**SECTION II.03 – Membership**. Unless these Bylaws provide otherwise, or unless the Board determines otherwise at any time, an Applicant is automatically a member of the Cooperative (“Member”) effective the date the Applicant initially Uses or requests to Use the first Cooperative Service Used, or to be Used, by the Applicant upon:

1. Initially Using or requesting to Use the first Cooperative Service Used, or to be Used, by the Applicant; and
2. Completing the Membership Procedure.

If the Board determines that any Applicant is unable to complete the Membership Procedure as provided in these Bylaws, then the Board may refuse the Applicant membership in the Cooperative. For other good cause determined by the Board, the Board may refuse an Applicant membership in the Cooperative.

If the Board refuses any Applicant membership in the Cooperative because the Board determines that the Applicant is unable to complete the Membership Procedure as provided in these Bylaws, then the Cooperative shall return to the Applicant any amounts paid to the Cooperative by the Applicant as part of the Membership Procedure other than:

1. Amounts paid for Using any Cooperative Service; and
2. Outstanding amounts previously owed the Cooperative, and any associated interest or late payment charges.

Unless required by Law or the Articles, unless otherwise provided in these Bylaws (including, without limitation, refunding or transferring membership fees as set forth in Section II.07 of these Bylaws), and unless allowed in writing by the Board, no Cooperative membership, and no right or privilege associated with Cooperative membership, may be sold, purchased, assigned, or otherwise transferred.

**SECTION II.04 – Membership Agreement.** Every Member shall follow, abide by, and be legally bound to, the Governing Documents. As provided in these Bylaws, the Cooperative may suspend or terminate any Member or Cooperative Service for the Member’s failure to follow, abide by, or be legally bound to, the Governing Documents. Among other things, the Articles and these Bylaws are contracts between the Cooperative and each Member.

**SECTION II.05 - Joint Membership.** As provided in this Bylaw, a married couple Occupying the same Location may apply for Joint Membership in the Cooperative (“Joint Membership”).

- A. Creating Joint Memberships. By jointly signing and executing a written membership application, and by jointly completing the Membership Procedures, a married couple Occupying the same Location may apply for Joint Membership. By written request, and by jointly executing a new membership application, any Member may apply to convert the Member’s individual membership to a Joint Membership with the Member’s spouse Occupying the same Location as the Member.
- B. Joint Member Rights and Obligations. Unless denied membership as provided by these Bylaws, and unless otherwise specified by these Bylaws, each individual comprising a Joint Membership (“Joint Member”) has and may enjoy all the rights, benefits, and privileges, and is subject to all the obligations, requirements, and liabilities, of being a Member. As used in these Bylaws, and unless otherwise provided in these Bylaws, Membership includes any Joint Membership, and Member includes any Joint Member.
- C. Effect of Joint Member Actions. For each Joint Membership:
  - 1. Notice of any meeting provided to either Joint Member, or waiver of notice of any meeting signed by either Joint Member, constitutes notice or waiver of notice for both Joint Members comprising the Joint Membership;
  - 2. The presence of either or both Joint Members at any meeting:
    - a. Constitutes the presence of one (1) Member at the meeting;
    - b. Waives notice of the meeting for both Joint Members comprising the Joint Membership;
  - 3. If only one (1) Joint Member votes on any matter, then the vote binds the Joint Membership and constitutes one (1) vote. If both Joint Members attempt to vote on any matter, then the vote of the Joint Member who votes first will be counted as the vote of the Joint Membership;

4. Except upon the death of a Joint Member or divorce of marriage or failure to Occupy the same Location between Joint Members, the suspension or termination of either Joint Member constitutes suspension or termination of both Joint Members; and
5. A Joint Member otherwise qualified is eligible to serve as a member of the Board (“Trustee”), regardless of whether the other Joint Member is eligible to serve as a Trustee. If both Joint Members are otherwise qualified to serve as a Trustee, then either Joint Member, but not both Joint Members simultaneously, is eligible to serve as a Trustee.

D. Joint Membership Conversion and Termination. Upon a death, divorce of marriage or failure to Occupy the same Location between Joint Members:

1. If one (1) Joint Member continues to legally Use a Cooperative Service at the same Location, then the Joint Membership converts to a membership in the name of the Joint Member continuing to legally Use the Cooperative Service at the same Location;
2. If both Joint Members continue to legally Use a Cooperative Service at the same Location, then the Joint Membership converts to a membership in the name of the Joint Member determined by the Cooperative; or
3. If neither Joint Member continues to legally Use a Cooperative Service at the same Location, then the Joint Membership terminates.

**SECTION II.06 – Transferability of Membership.** Subject to Section II.07 of these Bylaws concerning membership fees, no membership in the Cooperative shall be transferable, except as relating to Joint Membership conversion and termination.

**SECTION II.07 – Membership Fee.** The amount of the membership fee shall be set by the Board and, unless the Board otherwise determines (on a case by case basis or as a matter of policy) shall be non-refundable and non-transferable.

**SECTION II.08 – Provision of Cooperative Services.** Each Member shall comply with any reasonable procedure required by the Cooperative regarding the Provision of any Cooperative Service to any Member or Person.

- A. Limitation of Liability. The Cooperative shall Provide Cooperative Services to Members in a reasonable manner. The Cooperative, however, neither insures, guarantees, nor warrants that it will Provide adequate, continuous, or non-fluctuating electric power or energy or other Cooperative Service. The Cooperative is not liable for any damages, costs, or expenses, including attorney fees or legal expenses, caused by the Cooperative Providing any inadequate, non-continuous, or fluctuating electric power or energy or other Cooperative Service, unless the damages, costs, or expenses are caused by the Cooperative’s gross negligence or willful misconduct. All Cooperative responsibility and liability for Providing a Cooperative Service terminate upon delivery of the Cooperative Service to a Member or other Person acting for a Member.



- B. Cooperative Equipment and Member Equipment. No Member shall tamper with, alter, interfere with, damage, or impair any Cooperative Equipment. No Member shall take or omit any act involving any Member Equipment connected to any Cooperative Equipment that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide any Cooperative Service. Unless otherwise determined or indicated by the Board, the Cooperative owns all Cooperative Equipment. Each Member shall protect all Cooperative Equipment and all Member Equipment connected to Cooperative Equipment, and shall install and maintain any protective device, and implement and follow any protective procedure, required by the Cooperative.
- C. Termination of Cooperative Service. After providing the Member reasonable notice (except as otherwise provided in these Bylaws), the Cooperative may suspend or terminate the Provision of any Cooperative Services to any Member for any Suspension Reason.

Without providing the Member notice or an opportunity to comment, the Cooperative may suspend or terminate the Provision of Cooperative Services to the Member upon determining or discovering:

1. That Cooperative Equipment used to Provide Cooperative Service has been tampered with, altered, interfered with, damaged, or impaired;
2. That any act has been taken or omitted involving any Member Equipment connected to any Cooperative Equipment that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide any Cooperative Service;
3. The unsafe condition of any Cooperative Equipment or any Member Equipment connected to any Cooperative Equipment; or
4. Any imminent hazard or danger posed by any Cooperative Equipment or any Member Equipment connected to any Cooperative Equipment.

**SECTION II.09 – Use of Cooperative Services.** As required or allowed by Law, and unless otherwise specified in writing by the Board, each Member shall Use a Cooperative Service from or through the Cooperative. In Using a Cooperative Service, each Member shall comply with, and abide by, the Governing Documents.

- A. Payments to Cooperative. At prices, rates, or amounts determined by the Board, and pursuant to the terms, conditions, time, and manner specified by the Cooperative, each Member shall pay the Cooperative for all:
1. Cooperative Services Used by the Member, or at or for any Location Occupied by the Member (unless another Member is responsible for payment for such Cooperative Services Used at such Occupied Location and the Board determines it would be inequitable for the Member to also be responsible); and
  2. Dues, assessments, fees, deposits, contributions, or other amounts required by Law, the Articles, these Bylaws, or the Board.

Notwithstanding anything to the contrary in these Bylaws, the Cooperative shall not set rates or provide Services in a manner which violates Section 58-27-840 of the South Carolina Code of Laws, as amended.

Regarding any Member with or for whom the Cooperative and another Person Provide a good or service reasonably related to the Member Using electric power or energy:

1. Before paying the other Person, the Member shall pay the Cooperative; and
2. Before paying the other Person, the Cooperative shall apply amounts received from or on behalf of the Member for or toward all Cooperative Services Used by the Member, or Used at or for any Location Occupied by the Member.

B. Interest and Late Payment Fees. As determined by the Board, Members shall pay interest, compounded periodically, late payment fees for all amounts owed, but not timely paid, to the Cooperative, and all costs of collection including reasonable attorney fees. Notwithstanding the Cooperative's accounting procedures, the Cooperative may apply all amounts paid by any Member to all of the Member's accounts on a pro rata basis, or as otherwise determined by the Board.

**SECTION II.10 – Maintaining Member Location and Equipment.** As required to comply with the Governing Documents, and as required by the Cooperative to safely, reliably, and efficiently operate the Cooperative or Provide any Cooperative Service, each Member shall maintain, and take or omit all acts involving:

1. Every Location Occupied by the Member at or for which the Cooperative Provides any Cooperative Service, and any real or personal property in which the Member possesses any legal right or interest, which real or personal property surrounds or is adjacent to the Location; and
2. Any Member Equipment connected to any Cooperative Equipment.

**SECTION II.11 – Member Grant of Property Rights.** As determined or required by the Cooperative, each Member shall:

1. Provide the Cooperative temporary or permanent, and safe and reliable, access to or use of, any; and
2. Upon request from, pursuant to the terms and conditions specified by the Cooperative, grant and convey, and execute any document requested by the Cooperative to grant and convey, to the Cooperative or any designee of the Cooperative without charge, any written or oral easement, right-of-way, license, or other property interest in any

real or personal property in which the Member possesses any legal right or interest and which, as determined or required by the Cooperative, is reasonably necessary to:

1. Purchase, install, construct, inspect, monitor, operate, repair, maintain, remove, relocate, upgrade, or replace any Cooperative Equipment or any Member Equipment connected to any Cooperative Equipment;
2. Provide, monitor, measure, or maintain any Cooperative Service;
3. Authorize, permit, satisfy, or facilitate any obligation incurred, or right granted, by the Cooperative regarding any use of Cooperative Equipment; or
4. Safely, reliably, and efficiently
  - a. Operate the Cooperative; or
  - b. Provide any Cooperative Service.
5. To accommodate the installation and maintenance of distribution lines or equipment or facilities related to the Cooperative's (or its designees') provision of electric, telecommunication, television, voice or data transmission, or similar services to the Member or the Cooperative's other Members.

**SECTION II.12 – Member Indemnification.** As requested by the Board, each Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, any expenses, costs, liabilities, or damages, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative Trustee, Officer, employee, agent, representative, or contractor, because of any property damage, personal injury, or death resulting from the Member's negligence or failure to comply with the Governing Documents.

**SECTION II.13 - Member Suspension.** The Cooperative may suspend Members as provided in this Bylaw and allowed by Law.

A. Suspension Reasons. The Cooperative may suspend a Member for the following reasons ("Suspension Reasons"):

1. As otherwise provided in the Articles or these Bylaws;
2. As required or permitted by Law;
3. For good cause determined by the Board; or
4. If the Member:
  - a. Fails to timely pay any amounts due the Cooperative;
  - b. Fails to timely complete the Membership Procedure;
  - c. Fails to timely comply with the Governing Documents;
  - d. Ceases Using any Cooperative Service;
  - e. Dies, legally dissolves, or legally ceases to exist;
  - f. Tampers with, alters, interferes with, damages, or impairs any Cooperative Equipment; or
  - g. Voluntarily requests suspension.

B. Notice and Comment. Unless otherwise determined by the Board, a Member is suspended upon:

1. The Member's voluntary request for suspension; or
2. The Member's tampering with, altering with, damaging or impairing any Cooperative Equipment; or
3. Unless otherwise provided in these Bylaws, and following the occurrence of a Suspension Reason other than a Member's voluntary request for suspension or a Member's tampering with, altering with, damaging or impairing any Cooperative Equipment, the Cooperative:
  - a. Provides the Member at least five (5) days prior written notice of the Member's possible suspension and the underlying Suspension Reason; and
  - b. Notifies the Member that the Member has, and allows the Member, at least five (5) days after the effective date of the notice to comment upon the Suspension Reason, either orally or in writing.
4. Notwithstanding subsection 3, in compliance with Section 33-49-255 of the South Carolina Code of Laws, as amended, a Member who Uses Cooperative Services for residential purposes shall not be suspended and such Member's electrical service shall not be interrupted for non-payment of a bill until
  - a. twenty-five (25) days shall have elapsed from the date of billing if such Member is not voluntarily enrolled in a prepay program which meets the requirements of subsection b below; or
  - b. 10:00 a.m. on the next business day (a business day for this purpose is any day in which the Cooperative, or an agent, is accepting cash payments) following an attempt by the Cooperative to give the Member notice of the impending interruption by telephone or electronically after the balance of the Member's prepay account reaches zero, so long as service is interrupted during hours when the Cooperative is accepting cash payments, if the Member is voluntarily enrolled in a prepay program which meets the following requirements:
    - (i) the prepay program allows the Member to monitor his consumption of electricity and his account balance on a daily basis; and
    - (ii) at the time the residential Member enrolls in the prepay program, the residential Member is informed and agrees that his electric service may be interrupted when the balance of his prepay account reaches zero.
5. Notwithstanding subsection 3, the Cooperative shall comply with its written procedures for termination of service due to nonpayment for special needs account Members and all residential Members during weather conditions marked by extremely cold or hot temperatures, as established in compliance with Article 17 of Chapter 49 of Title 33 of the South Carolina Code of Laws.

Subsection 4 and subsection 5 above shall be automatically amended to match any subsequent amendment to the laws referenced therein. Any written suspension notice provided by mail must be mailed to the Member's most current address shown on the

Membership List. Unless otherwise determined by the Board, a partnership-Member continuing to Use a Cooperative Service is not automatically suspended upon the death of any partner, or following any other alteration in the partnership. A partner leaving a partnership-Member remains liable to the Cooperative for any amounts owed to the Cooperative by the partnership-Member at the time of the partner's departure.

C. Effect of Member Suspension Upon Cooperative. Upon a Member's suspension, and other than the Cooperative's:

1. Obligation to retire and refund Capital Credits and Affiliated Capital Credits as set forth in Section VII.03 of these Bylaws; and
2. Obligations regarding the distribution of property and assets amongst the Members upon the Cooperative's dissolution as required by Law,

then:

1. The Cooperative's duties, obligations, and liabilities imposed by these Bylaws for the Member cease; and
2. The Cooperative may cease Providing any Cooperative Service to the Member.

D. Effect of Member Suspension Upon Member. Other than the right to receive retired and refunded Capital Credits and Affiliated Capital Credits, and other than rights property and assets amongst the Members upon the Cooperative's dissolution as required by Law, a suspended Member forfeits and relinquishes all rights provided in the Governing Documents. In particular, a suspended Member forfeits and relinquishes any voting rights provided by Law, the Articles, or these Bylaws. A suspended Member, however, remains subject to all obligations imposed by the Governing Documents.

E. Lifting of Suspension. Unless otherwise determined by the Board, a Member's suspension is automatically lifted upon the Member rectifying, to the Cooperative's reasonable satisfaction, the underlying Suspension Reason within fifteen (15) days of the suspension. The Board may lift any Member suspension for good cause as determined by the Board.

**SECTION II.14 – Member Termination.** Upon approval by the Board, and as allowed by Law, a suspended Member is terminated. Termination of a Member does not release the Member from any debts, liabilities, or obligations owed the Cooperative. Upon a Member's termination from the Cooperative, and after deducting any amounts owed the Cooperative, the Cooperative shall return to the Member any amounts authorized by the Board and generally returned to terminated Members.

**SECTION II.15 – Membership List.** The Cooperative, or the Cooperative's agent, shall maintain a record of current Members ("Membership List") in a form permitting the Cooperative to alphabetically list the names and addresses of all Members.

Unless otherwise determined by the Board (on a case by case basis or as a matter of policy) or otherwise provided in these Bylaws, no Member may inspect, copy, or receive a copy of the Membership List or any similar list of Members.

Upon five (5) business days' prior written notice or request and:

1. At a reasonable time and location specified by the Cooperative, a Member may inspect and copy the names and addresses included in the Membership List; or
2. If reasonable, as determined by the Cooperative, and upon a Member paying the Cooperative a reasonable charge determined by the Cooperative covering the Cooperative's labor and material cost of preparing and copying the Membership List, the Cooperative shall provide to the Member a copy of the names and addresses in the Membership List

if, and to the extent that:

1. The Member's demand is made in good faith and for a proper purpose;
2. The Member describes with reasonable particularity the Member's purpose for inspecting or copying the Membership List; and
3. The Membership List is directly connected with the Member's purpose.

Without the Board's consent (on a case by case basis or as a matter of policy), a Member may not inspect, copy, or receive a copy of, the names and addresses included in the Membership List for any purpose unrelated to the Member's interest as a Member. Without the Board's consent (on a case by case basis or as a matter of policy), the names and addresses included in the Membership List may not be:

1. Used to solicit money or property unless the money or property is used solely to solicit Member votes;
2. Used for any commercial purpose; or
3. Sold to, or purchased by, any Person.

Notwithstanding the foregoing, in the conduct of the annual election of Trustees, if the Membership List is provided to an incumbent Trustee for use in campaigning for the Board, the Membership List must be provided to all candidates for the Board on the same terms and conditions.

**SECTION II.16 – Member Liability for Debts of the Cooperative.** A Member is generally not liable to third parties for the Cooperative's acts, debts, liabilities, or obligations. A Member, however, may become liable to the Cooperative as allowed by Law and:

1. Provided in these Bylaws; or
2. Otherwise agreed to by the Cooperative and Member.

Unless otherwise provided in these Bylaws, by Law, or agreed to by the Cooperative and Member, the private property of the Members shall be exempt from execution or other liability for debts of the Cooperative.

**ARTICLE III**  
**Member Meetings and Member Voting**

**SECTION III.01 – Annual Member Meetings.** Within a county that the Cooperative Provides electric power or energy or any other good or service reasonably related to the Cooperative Providing electric power or energy, the Cooperative shall annually hold a meeting of Members (“Annual Member Meeting”).

The Board shall determine the date, time, and location of any Annual Member Meeting.

At the Annual Member Meeting, the Cooperative shall provide a written report, or oral presentation, regarding the Cooperative’s activities and financial condition. The Cooperative’s failure to hold an Annual Member Meeting does not affect any action taken by the Cooperative.

**SECTION III.02 – Special Member Meetings.** The Cooperative shall hold a special meeting of Members at a date, time, and location within a county in which the Cooperative Provides electric power or energy or any other good or service reasonably related to the Cooperative Providing electric power or energy determined by the Board (“Special Member Meeting”) upon the Cooperative receiving:

1. A written request from the Board or President;
2. A written request signed by at least three (3) Trustees currently in office; or
3. One (1) or more written demands signed and dated, within sixty (60) days following the first signature, by not less than ten percent (10%) of the Cooperative’s total current non-suspended Members (“Total Membership”) and, on each page of each written demand, requesting and describing the purpose of a special meeting of Members (“Member Demand”).

**SECTION III.03 – Conduct and Attendance at Member Meetings.** Unless otherwise determined by the Board before or at any Annual Member Meeting or Special Member Meeting (collectively, “Member Meeting”), the President:

1. Shall preside at all Member Meetings;
2. May remove, or provide for the removal of, any Person from any Member Meeting for unruly, disruptive, or similar behavior; and
3. May exercise any power reasonably necessary for efficiently and effectively conducting any Member Meeting.

Before or at any Member Meeting, the Board may limit attendance at the Member Meeting to Members and one (1) guest per Member only.

**SECTION III.04 – Member Action at Member Meetings.** Unless otherwise determined by the Board before or at any Member Meeting, and unless these Bylaws provide otherwise, Members attending the Member Meeting may consider, vote, or act only upon a matter for which:



1. Unless otherwise provided in these Bylaws, the Board and Members were notified properly;
2. The Members are authorized to consider, vote, or act; and
3. For a Special Member Meeting, the purpose of the Special Member Meeting was properly described.

**SECTION III.05 – Notice of Member Meetings.** As directed by the President, Secretary, or any Other Officer or Member properly calling a Member Meeting, the Cooperative shall deliver written notice of the Member Meeting:

1. Personally or by mail;
2. To all Members entitled to vote at the Member Meeting;
3. Indicating the date, time, and location of the Member Meeting;
4. At least ten (10), but no more than forty-five (45), days prior to the Member Meeting, provided, however, that if there are any Member Petition Nominations for the Annual Member Meeting, or if one of the purposes of a Special Member Meeting is the election of Trustees, the notice shall be delivered at least thirty (30) days prior to the Member Meeting, provided, further, however, that for purposes of calculation when notice should be given, the day of the Member Meeting should not be included in the count.; and
5. For any Annual Member Meeting, stating the purpose of, and describing any matter to be considered, or voted or acted upon, at the Annual Member Meeting; and
6. For any Special Member Meeting, stating the purpose of, and describing any matter to be considered, or voted or acted upon, at the Special Member Meeting.

Unless these Bylaws provide otherwise, a mailed notice of a Member Meeting is delivered when deposited in the United States Mail in a sealed envelope with prepaid postage affixed and addressed to a Member at the Member's address shown on the Membership List.

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

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

1. The Member Meeting is adjourned to another date occurring within sixty (60) days following the Record Date for the original Member Meeting; and
2. The new date, time, or location is announced at the Member Meeting prior to adjournment.

All notices of Member Meetings must also be posted at a location accessible and visible to the Cooperative membership on the Cooperative's website and at the Cooperative's principal place of business at least ten (10) days prior to the Member Meeting.

**SECTION III.06 – Record Date.** The Board may fix a date (“Record Date”) for determining the Total Membership and the Members entitled to:

1. Receive notice of a Member Meeting; and
2. Vote at a Member Meeting (including early voting as authorized by these Bylaws and Law).

Respectively, no Board determined Record Date may be more than sixty (60) days prior to the date of the Member Meeting.

Unless otherwise fixed by the Board, the Record Date for determining the Total Membership and the Members entitled to:

1. Receive notice of a Member Meeting is the close of business on the business day preceding the day the Cooperative notifies Members of the Member Meeting; and
2. Vote at a Member Meeting is the close of business on the business day preceding the date early voting as authorized by these Bylaws takes place.

The Record Date for determining the Total Membership and the Members entitled to sign a Member Demand is the close of business on the day prior to the Cooperative’s receipt of the Member Demand.

The Record Date for determining the Total Membership and the Members entitled to notice of, or to vote at, a Member Meeting is effective for any Member Meeting adjourned to a date not more than sixty (60) days following the Record Date for determining the Total Membership and the Members entitled to notice of the original Member Meeting.

**SECTION III.07 – Member Meeting List.** The Cooperative shall prepare, update, and maintain an alphabetical list (“Member Meeting List”) indicating:

1. Members entitled to receive notice of, and to vote at, the Member Meeting; and
2. The name and address of each Member listed.

For communicating with Members concerning the Member Meeting:

1. The Cooperative shall make the Member Meeting List available for inspection by any Member at the Cooperative’s principal office, or at a reasonable place identified in the notice of the Member Meeting and located in the city in which the Member Meeting will be held; and
2. Upon written demand and at a reasonable time a Member Meeting List is available for inspection:
  - a. A Member may inspect the Member Meeting List and copy the Member Meeting List at the Member’s expense; or
  - b. If reasonable, as determined by the Cooperative, and upon paying the Cooperative a reasonable charge determined by the Cooperative covering the

Cooperative's labor and material cost of copying the Member Meeting List, the Cooperative shall provide a copy of the Member Meeting List to the Member

if:

- a. The written demand is made in good faith and for a proper purpose;
- b. The Member Meeting List is not used to solicit money or property unless the money or property is used solely to solicit Member votes at the Member Meeting; and
- c. The Member Meeting List is not used for any commercial purpose, or sold to, or purchased by, any Person.

The Cooperative shall make the Member Meeting List available at the Member Meeting. Any Member may inspect the Member Meeting List at any time during the Member Meeting.

Notwithstanding the foregoing, in the conduct of the annual election of Trustees, if the Member Meeting List is provided to an incumbent Trustee for use in campaigning for the Board, the Member Meeting List must be provided to all candidates for the Board on the same terms and conditions.

**SECTION III.08 – Member Waiver of Notice.** A Member may waive notice of a Member Meeting, or waive notice of any matter to be considered, or voted or acted upon, at a Member Meeting, by signing and delivering to the Cooperative a written waiver of notice (“Member Meeting Waiver of Notice”) either prior to the Member Meeting, or within thirty (30) days following the Member Meeting.

Unless a Member objects to holding, or to transacting business at, a Member Meeting, a Member's attendance in person at a Member Meeting, or the casting of a ballot in early voting by a Member as authorized by these Bylaws and Law, waives the Member's objection to lack of notice, or to defective notice, of the Member Meeting. Unless a Member objects to considering a matter at a Member Meeting, a Member's attendance in person at the Member Meeting, or the casting of a ballot in early voting by a Member as authorized by these Bylaws and Law, waives the Member's objection to considering, or voting or acting upon, the matter at the Member Meeting.

**SECTION III.09 - Member Quorum.** A quorum of Members is Five percent (5%) of the Total Membership (“Member Quorum”). A Member who casts a ballot in early voting as authorized by these Bylaws and Law is considered present at the Member Meeting for purposes of determining a quorum. If less than the Member Quorum are present at any Member Meeting, then a majority of Members attending the Member Meeting in person may adjourn the Member Meeting without further notice.

**SECTION III.10 - Member Voting.** Upon presenting identification or proof of Cooperative membership as reasonably required by the Cooperative, and regardless of the value or quantity of Cooperative Services Used, each non-suspended Member may cast one (1) vote on any matter for which the Member is entitled to vote. Individuals voting on

behalf of Entity Members must present evidence satisfactory to the Cooperative that the individual is duly authorized to vote for the Entity Member.

A Natural Person may not cast votes on behalf of another Natural Person. A Natural Person may cast a vote as a designee on behalf of an Entity Member but a Natural Person may not cast votes on behalf of more than three (3) Members. The Natural Person may cast votes on behalf of himself as a Member and as a designee on behalf of Entity Members. If not casting votes on behalf of himself as a Member, a Natural Person may cast votes as designee to vote on behalf of two (2) Entity Members.

Unless otherwise provided by Law, the Articles, or these Bylaws, Members approve a matter and act if:

1. A Member Quorum is present in person; and
2. A majority of Members entitled to vote on a matter, and voting on the matter, vote in favor of the matter.

The Members shall vote by Written Ballot (“Written Ballot”).

Members may not cumulate votes. Agreements signed by Members providing the manner in which a Member will vote are not valid.

Polling locations must be open for a minimum of four hours. The Board must provide a method by which Members may cast a ballot on a day other than, and before, the Annual Member Meeting. The method for this alternative early voting should allow for voting by Member from the hours of 7 a.m. to 7 p.m. and should include reasonable accommodations for elderly, disabled, or infirmed Members.

**SECTION III.11 - Election of Trustees.** Trustees shall be elected at the Annual Member Meeting of the Cooperative. If the only candidate for election for any seat is the candidate selected by the Nominating Committee, said candidate shall be presented to the Members for acceptance or rejection. If the candidate is rejected, the office shall be considered vacant and filled at the next Annual Member Meeting. In the event more than one Person is running for any respective seat, the Person receiving the highest number of votes cast in the election for that seat shall be declared elected. In case of a tie Trustee election, the Nominating Committee candidate shall fill the vacancy, but another election shall be held for the Trustee position at the next Annual Member Meeting.

In the conduct of a Trustee election, the Cooperative will prohibit advocacy or campaigning within a distance of the polling place that reasonably ensures that Members are able to vote without harassment, intimidation, or interference. The polling place, for purposes of this paragraph, is the location where votes are collected for tabulation.

**SECTION III.12 - Member Voting by Member Proxy.** A Member may not appoint another individual (“Member Proxy”) to vote on any matter for the Member. The Cooperative shall not accept votes taken by a Member Proxy on a Member’s behalf as the Member’s vote.

**SECTION III.13 - Accepting and Rejecting Member Voting Document.** Regarding any Member Meeting, Waiver of Notice, Entity Member authorization of an individual to vote, or other document allegedly executed by, or on behalf of, a Member (collectively, “Member Voting Document”):

- A. Acceptance. Unless otherwise provided in these Bylaws, the Cooperative may accept, and give effect to, the Member Voting Document if the Cooperative reasonably believes the Member Voting Document is valid and authorized.
- B. Rejection. Unless otherwise provided in these Bylaws, the Cooperative may reject, and not give effect to, the Member Voting Document if the Cooperative:
  - 1. Acts in good faith; and
  - 2. Has reasonable basis for doubting the validity of same.
- C. Liability. Neither the Cooperative, nor any Cooperative Member, Trustee, Officer, employee, attorney, agent or member of the Credentials and Election Commission, is liable to any Member for accepting or rejecting a Member Voting Document as provided in this Bylaw.

**SECTION III.14 – Credentials and Election Commission.** Prior to any Member Meeting, the Board may create a Credentials and Election Commission (“Election Commission”) for the Member Meeting consisting of an uneven number of Members, not less than five (5) nor more than eleven (11).

- A. Election Commission Members. An Election Commission member may not be:
  - 1. A member of the Nominating Committee;
  - 2. A Cooperative employee,
  - 3. A Cooperative Trustee; or
  - 4. A Trustee, a candidate for Trustee or a Close Relative or an Associated Individual of either, or member of the same household of a candidate for Trustee or a Trustee.

As allowed by the Governing Documents, and as determined by the Board, the Cooperative may reasonably compensate or reimburse Election Commission members.

The Election Commission shall be responsible for conducting all contested elections for the office of Trustee for the Cooperative at any meeting of the Members called for the purpose of electing Trustees.

- B. Election Commission Duties. The Election Commission shall:
  - 1. Select its own chairman and secretary, the latter of whom may be the Cooperative’s legal counsel;
  - 2. Receive from the CEO a list of certified candidates selected by the Nominating Committee and those nominated by petition;

3. Approve the final ballot format subject to provisions of these Bylaws.
4. Establish, or approve, the manner or method of Member registration and voting;
5. Oversee or supervise Member registration and voting, and the tabulation of Member votes; and
6. Consider and decide all questions, issues, or disputes regarding:
  - a. Member registration and voting; and
  - b. The tabulation of Member votes

(collectively, “Member Meeting Issues”).

The Election Commission may meet, consider, or decide Member Meeting Issues, or otherwise act, only if a majority of Election Commission members are present. Any Election Commission decision or action requires a vote of at least a majority of the Election Commission members present. Unless properly challenged under this Bylaw, all Election Commission decisions prior to, at, or within a reasonable time following, a Member Meeting are final.

At the Cooperative’s expense, the Cooperative shall make available legal counsel to the Election Commission.

C. Member Challenge. Any Member may:

1. Comment upon a Member Meeting Issue; or
2. Challenge the Election Commission’s decision regarding a Member Meeting Issue by filing a written description of the Member’s comments or challenge (“Member Challenge”) with the Cooperative within three (3) business days following the Member Meeting addressed by the Member Challenge.

Within thirty (30) days of receiving any Member Challenge, the Election Commission shall:

1. As determined by the Election Commission, meet and receive oral or written evidence from any Member, or legal counsel representing any Member, directly and substantially implicated in, or affected by, the Member Challenge;
2. Consider, decide, and rule upon the Member Challenge.

The decision of the Election Commission shall be final.

The failure of the Cooperative or Election Commission to act as required by this Bylaw shall not, by itself, affect any vote, Trustee election, or other action taken at a Member Meeting.

**SECTION III.15 – Member Meeting Order of Business**. The Board shall determine the agenda and order of business for Member Meetings.

**ARTICLE IV**  
**Trustees**

**SECTION IV.01 – General Powers.** The business and affairs of the Cooperative shall be managed by a board of nine (9) Trustees (“Board”). The Board shall exercise all of the powers of the Cooperative except those powers conferred upon or reserved to the Members by Law, the Articles or these Bylaws.

Except as otherwise provided by Law, the Articles, or these Bylaws:

1. All Cooperative powers must be exercised by the Board, or under the Board’s authority;
2. All Cooperative affairs must be managed under the Board’s direction; and
3. The Board shall reasonably administer and enforce these Bylaws, or shall ensure that these Bylaws are reasonably administered and enforced.

To the extent the Law, the Articles, or these Bylaws authorize any Person to exercise any power that the Board would otherwise exercise, the Person exercising the power has, and is subject to, the same duties, responsibilities, and standards of care of the Board.

**SECTION IV.02 – Trustee Districts.** Based upon geographic, population, and any other equitable consideration determined by the Board, the Board shall divide the general area in which Members Occupy a Location at or for which Members Use a Cooperative Service (“Cooperative Service Area”) into nine (9) districts that equitably represent the Members (“Trustee Districts”). Each Trustee District shall be represented by one Trustee who shall physically inhabit a residence which is considered such Trustee’s principal residence under South Carolina voter registration law for at least one hundred eighty three (183) days in each calendar year (“Permanently Reside”) within that district. Periodically, based upon geographic, population, and any other equitable consideration determined by the Board, the Board may re-divide the Trustee Districts to ensure that the Trustee Districts equitably represent the Members.

**SECTION IV.03 – Trustee Qualifications.** Any Trustee or Trustee candidate must comply with this Bylaw.

- A. General Trustee Qualifications. To become or remain a Trustee, a Person must comply with or meet the following general qualifications (“General Trustee Qualifications”):
1. Be a Natural Person;
  2. Have the capacity to enter legally binding contracts;
  3. While a Trustee, and during the ten (10) years immediately prior to becoming a Trustee, not:
    - a. Be, nor have been, convicted of a felony; or
    - b. Plead, nor have pled, guilty to a felony;

4. Within six (6) years of becoming a Trustee, and unless excused by the Board for good cause, receive a Credentialed Cooperative Director designation, Director's Certificate, or similar certification from the National Rural Electric Cooperative Association;
5. Unless excused for good cause by the Board or Members, attend at least a majority of all Board Meetings during any calendar year; and
6. Within ten (10) years of becoming a Trustee, not have worked as an employee of the Cooperative.
7. Comply with any other reasonable qualifications determined by the Board.

B. Membership Trustee Qualifications. To become or remain a Trustee, an individual must and during the one (1) year immediately prior to becoming a Trustee, comply with or meet the following membership qualifications ("Membership Trustee Qualifications"):

1. Be a Member;
2. Not commit or omit a Suspension Reason;
3. Permanently Reside at a Location within any Trustee District from which the Trustee is elected or chosen;
4. Use a Cooperative Service at a Location within the Trustee District from which the Trustee is elected or chosen; and
5. Be a Member in 'good standing' of the Cooperative or any subsidiary. A Member is not in 'good standing' when that Member has had services from the Cooperative or any subsidiary cut off or terminated by the Cooperative.
6. If a Joint Member, not have a spouse serving as Trustee.

C. Conflict of Interest Trustee Qualifications. To become or remain a Trustee, an individual must annually sign a conflict of interest certification approved by the Board, (false statements thereon shall create a disqualification) and, while a Trustee and during the one (1) year immediately prior to becoming a Trustee, comply with or meet the following conflict of interest qualifications ("Conflict of Interest Trustee Qualifications"):

1. The candidate for Trustee and/or Trustee shall not be, nor have been engaged in any business, nor employed by, materially affiliated with, nor have a material financial interest in any individual or Entity, other than an Entity in which the Cooperative owns an interest which
  - a. regularly, directly, and substantially competes with the Cooperative or any Entity that the Cooperative controls or in which the Cooperative owns a majority interest ("Cooperative Subsidiary"); or
  - b. possesses a substantial conflict of interest with the Cooperative or a Cooperative Subsidiary.
2. The candidate for Trustee and/or Trustee, on or after May 16, 2019, has not and shall not knowingly use his position as a Trustee to obtain an economic interest in



addition to his compensation, if any, for serving as a Trustee, for himself, a Close Relative, an Associated Individual, or a business with which he is associated.

3. The candidate for Trustee and/or Trustee, on or after May 16, 2019, has not and shall not have a business relationship with the Cooperative that is distinct from or in addition to the candidate for Trustee and/or Trustee's mandatory cooperative membership pursuant to Section 33-49-610(A) of the South Carolina Code of Laws or his service on the Board.
4. The candidate for Trustee and/or Trustee, on or after May 16, 2019, has not and shall not appoint, direct, or cause a Close Relative to become a member of a committee or an employee of the Cooperative.

D. Trustee Disqualification. Only individuals complying with or meeting the General Trustee Qualifications, Membership Trustee Qualifications, and Conflict of Interest Trustee Qualifications (collectively, "Trustee Qualifications") may become or remain a Trustee.

After being elected, designated, or appointed, if any Trustee fails to comply with or meet any Trustee Qualification, then, unless otherwise determined by the Board for good cause, the Board may, upon the affirmative vote of at least two-thirds of the members of the Board, disqualify the Trustee:

1. If the Board notifies the Trustee in writing of the basis for, and provides the Trustee an opportunity to comment regarding, the Board's proposed disqualification; and
2. Within thirty (30) days after the Board notifies the Trustee of the proposed disqualification, the Trustee neither complies with nor meets the Trustee Qualification.

A disqualified Trustee is temporarily suspended until the Trustee complies with or meets the Trustee Qualification or until the next Member Meeting. At the next Member Meeting, the Members may remove the disqualified Trustee for cause by an affirmative vote of a majority of the Members present and voting. In the event the Members refuse to vote to remove the disqualified Trustee, the individual must be reinstated immediately with all the powers of his office and continue to serve the remainder of his term.

A Trustee's failure to disclose noncompliance with any Trustee Qualification may constitute a fraudulent or dishonest act or gross abuse of authority in the discharge of the Trustee's duties to the Cooperative.

If at least a majority of Trustees authorized by these Bylaws comply with and meet the Trustee Qualifications and approve a Board action, then the failure of any Trustee to comply with or meet the Trustee Qualifications does not affect the Board action.

E. Candidate Disqualifications. Only individuals complying with or meeting the General Trustee Qualifications, Membership Trustee Qualifications, Conflict of Interest Trustee Qualifications (Collectively, "Trustee Qualifications") may be a Candidate for the

office of Trustee (hereinafter referred to as “Candidate”). Upon receipt of a request to disqualify a Candidate the CEO must notify the Candidate in writing within twenty four (24) hours of the basis for the request to disqualify. The alleged disqualified Candidate may have forty eight (48) hours to submit a rebuttal to the Trustees. Thereafter the Board shall consider both sides and make its decision. If any Candidate fails to comply with or meet any Trustee Qualifications, then, unless otherwise determined by the Board for good cause, the Board may, upon the affirmative vote of at least two-thirds of the members of the Board, disqualify the Candidate. The decision of the Board based upon the two-thirds (2/3) vote shall be final. There shall be no appeal therefrom. Said disqualified Candidate shall not be on the ballot and shall not be registered as a Qualified Candidate for Election.

**SECTION IV.04 – Trustee Nominations.** For each Trustee position nominated by Members Using a Cooperative Service at a Location within a Trustee District (“Nominating Members”), and scheduled for election by Members at any Member Meeting, the Nominating Members shall nominate individuals as provided in this Bylaw.

A. Nominating Committee Nominations. At least one hundred five (105) days prior to the Member Meeting, the Board shall appoint a committee consisting of at least three Members (“Nominating Committee”). Any Trustee who is up for election at the Member Meeting shall withdraw themselves from the appointment of the Members of the Nominating Committee and shall not otherwise directly or indirectly influence the nomination or credentials process.

At least seventy five (75) days prior to the Member Meeting at which Members are scheduled to elect Trustees, and on behalf of the Nominating Members, the Nominating Committee shall:

1. Nominate one (1) individual to run for election for each Trustee position nominated by the Nominating Members and scheduled for election by Members at the Member Meeting (“Nominating Committee Nominations”); and
2. Post the Nominating Committee Nominations at the Cooperative’s principal office.

The Cooperative may reasonably compensate or reimburse Nominating Committee members.

B. Member Petition Nominations. Members may nominate additional individuals to run for election for any Trustee position nominated by Nominating Members and scheduled for election by Members at the Member Meeting (“Member Petition Nominations”). Nominating Members make Member Petition Nominations by delivering to the Cooperative’s Chief Executive Officer (“CEO”) at least seventy five (75) days prior to the Member Meeting<sup>1</sup> a writing for each Member Petition Nomination (“Member Petition”):

---

<sup>1</sup> If in any year, seventy five (75) days prior to the Member Meeting falls on a weekend or legal holiday, then the close of business on the next business day shall be considered the deadline.

1. Listing, on each page of the Member Petition, the name of the Member Petition Nominee;
2. Indicating, on each page of the Member Petition, the Trustee position for which the Member Petition Nominee will run; and
3. Containing the printed names, addresses, and telephone numbers, and original dated signatures signed within sixty (60) days of the first signature of the lesser of fifty (50) non-suspended Members or one percent (1%) of the total non-suspended Members.

The CEO shall be responsible for reviewing and certifying that all petitions comply with the requirements of these Bylaws. After verifying that a Member Petition complies with this Bylaw, the CEO shall post the Member Petition Nomination in approximately the same location as the Nominating Committee Nominations.

The CEO shall, within five (5) days of receipt of any petitions, notify the proposed petition candidate in writing as to whether said petition meets the requirements for nomination. Any Person aggrieved by the written report of the CEO shall have five (5) days of the date of the CEO's report to file an appeal. In order to perfect an appeal, the aggrieved party must file an objection in writing within five (5) days of the date of the CEO's report to the office of the Cooperative addressed to the Election Commission chairman. The CEO shall immediately deliver the objection to the Election Commission chairman. Upon receipt of said objection, the Election Commission chairman shall immediately call a special meeting of the Election Commission. At the special meeting, both the CEO and the aggrieved party shall have the right to present any testimony or evidence in support of their position. The Election Commission shall render a ruling on the appeal within twenty-four (24) hours of the hearing of this evidence. The aggrieved party must exhaust administrative remedies set forth in this Bylaw before resorting to any court of competent jurisdiction.

- C. Notice of Trustee Nominations. The Cooperative shall deliver with the Notice of Member Meeting at which an election will take place written notice of the Trustee Nominations, personally or by mail, to all Members entitled to vote at the Member Meeting, indicating:
1. Trustee positions scheduled for election by Members;
  2. Names and corresponding Trustee positions of all Nominating Committee Nominations; and
  3. Names and corresponding Trustee positions of all Member Petition Nominations.

**SECTION IV.05 – Trustee Elections.** At each Member Meeting at which a Trustee position is scheduled for election by Members entitled to vote at the Member Meeting (“Electing Members”), the Electing Members shall elect the Trustee from the Nominating Committee Nominations or Member Petition Nominations by votes cast by Electing Members with a Member Quorum present in person.

Polling locations must be open for a minimum of four hours. The Board must provide a method by which Members may cast a ballot on a day other than, and before, the Annual

Member Meeting. The method for this alternative early voting should allow for voting by Member from the hours of 7 a.m. to 7 p.m. and should include reasonable accommodations for elderly, disabled, or infirmed Members. A Member who casts a ballot in early voting as authorized by these Bylaws and Law is considered present at the Member Meeting for purposes of determining a quorum.

If the only candidate for election for any seat is the candidate selected by the Nominating Committee, said candidate shall be presented to the Members for acceptance or rejection. If the candidate is rejected, the office shall be considered vacant and filled at the next Annual Member Meeting. In the event more than one Person is running for any respective seat, the Person receiving the highest number of votes cast in the election for that seat shall be declared elected. In case of a tie Trustee election, the Nominating Committee candidate shall fill the vacancy, but another election shall be held for the Trustee position at the next Annual Member Meeting.

In addition to other information required by these Bylaws, any ballot for electing Trustees must:

1. List the names, corresponding Trustee positions, and manner of nomination for all Nominating Committee Nominations and Member Petition Nominations; and
2. Identify any Trustee whose Trustee Term is expiring.

The order, listing or placement of names on any ballot shall be as follows:

1. The incumbent candidate's name shall be listed first, identifying the incumbent candidate as Trustee whose Trustee Term is expiring.
2. The name of the Nominating Committee's nomination, if other than the incumbent candidate, shall be listed next and so designated.
3. The names of Member Petition Nominations shall be listed next in alphabetical order and so designated.
4. Candidate names may be the full name or any accepted nickname as desired by the candidate. No other reference to affiliation or occupation is allowed.

In the conduct of a Trustee election, the Cooperative will prohibit advocacy or campaigning within a distance of the polling place that reasonably ensures that Members are able to vote without harassment, intimidation, or interference. The polling place, for purposes of this paragraph, is the location where votes are collected for tabulation.

**SECTION IV.06 – Trustee Terms.** A Trustee's term is three (3) years ("Trustee Term"). A Trustee shall remain in office until a successor is duly qualified. The Cooperative shall stagger Trustee Terms by dividing the total number of authorized Trustees into groups of approximately equal number. Members, therefore, will annually elect an equal number of Trustees. At the Annual Meeting for the year 2004, Members will elect Trustees to represent Districts 2, 4 and 5. At the Annual Meeting for the year 2005, Members will elect Trustees to represent Districts 3, 7 and 9. At the Annual Meeting for the year 2006, Members will elect Trustees to represent Districts 1, 6 and 8.

**SECTION IV.07 – Trustee Resignation.** A Trustee may resign at any time by delivering written notice of resignation to the Board, President, or Secretary. Unless the written notice of resignation specifies a later effective date, a Trustee’s resignation is effective upon the Board, President, or Secretary receiving the written notice of resignation. If a Trustee’s resignation is effective at a later date, and if the successor Trustee does not take office until the effective date of the Trustee’s resignation, then the pending Trustee vacancy may be filled before the effective date of the Trustee’s resignation.

**SECTION IV.08 – Trustee Removal.** Trustees may be removed from office and their successors selected in the following manner consistent with the Law, the Articles, and these Bylaws:

1. A temporary suspension of a Trustee for cause may occur upon the affirmative vote of at least two-thirds (2/3) of the members of the Board until the next Member Meeting. At the next Member Meeting, the Members may remove the suspended Trustee from the Board for cause by an affirmative vote of a majority of the Members present and voting. In the event the Members refuse to vote to remove the Trustee, the suspended Trustee must be reinstated immediately with all the powers of the office and continue to serve for the remainder of the elected term.

Cause for removal means fraudulent or dishonest acts, or gross abuse of authority in the discharge of duties to the Cooperative and must be established after written notice of specific charges and opportunity to meet and refute charges. A Trustee’s failure to disclose non-compliance with any Trustee Qualification may constitute a fraudulent or dishonest act or gross abuse of authority in the discharge of the Trustee’s duties to the Cooperative.

2. Neither a temporary suspension of a Trustee nor a removal of a Trustee affects any Board action.

**SECTION IV.09 – Trustee Vacancy.**

1. Notwithstanding any provisions in these Bylaws to the contrary, a vacant Trustee position occurring for any reason other than expiration of a term will be filled for the remainder of the unexpired term by a vote of the Members at the next Annual Member Meeting and shall remain vacant until filled. If the vacant Trustee position occurs after the deadline for the Nominating Committee to nominate individuals to run for election at the next Annual Member Meeting, then the vacant Trustee position shall remain vacant until the second Annual Member Meeting following the occurrence of such vacancy.
2. The Members may fill any Trustee vacancy that will occur at a later specified date before the vacancy occurs, but the new Trustee will not take office until the vacancy occurs.
3. An individual elected to fill a vacant Trustee position must comply with the Trustee Qualifications. As used in this Bylaw, “vacant Trustee position” and “Trustee vacancy” do not include Trustee positions vacated due to an expired Trustee Term.

**SECTION IV.10 – Trustee Compensation.** Trustees shall not receive any salary for their services. As allowed by Law and the Articles, and as determined or approved by the Board, the Cooperative may provide insurance or other benefits to Trustees, and pay Trustees a fixed fee and reasonably reimburse expenses for attending any:

1. Board Meeting;
2. Function, meeting, or event involving or relating to the Cooperative; or
3. Function, meeting, or event involving, relating to, or reasonably enhancing the Trustee’s ability to serve in, the role of Trustee.

The Board shall determine or approve the manner, method, and amount of any Trustee benefits, fees or expense reimbursements.

A Trustee must not be employed by the Cooperative in any other capacity involving compensation.

A Trustee is not prohibited by this section from accepting goods or services such as lodging, transportation, entertainment, food, meals, beverages, or any other thing of value provided that:

1. the value of the good or service is reasonable and the purpose relates to his duties as a Trustee;
2. the good or service is furnished on the same terms or at the same expense to a member of the general public or to general attendees of functions considered reasonable by the Board for the fulfillment of his duties as a Trustee; or
3. if the good or service is of more than twenty-five dollars in value and is furnished to the Trustee by a company that the Trustee knows has or seeks a business relationship other than a Cooperative membership with the Cooperative, on whose board the Trustee serves and the Cooperative is not an owner or a member of that company, the Trustee must disclose the acceptance of the good or service to the Board.

The Board must disclose at a location accessible and visible to the Members on its website by May fifteenth of each year, all compensation or benefits by category paid to or provided for Trustees during the previous calendar year. For purposes of this section, categories include, but are not limited to:

- (1) daily per diem amount;
- (2) total per diem compensation for attendance at Regular Board Meetings;
- (3) total per diem compensation for attendance at Special Board Meetings, including Board committee meetings;
- (4) total per diem compensation for attendance at meetings of cooperative service organizations;
- (5) total per diem compensation for Trustee training and certification;
- (6) total expenses paid or reimbursed, including mileage, subsistence, entertainment or travel expenses paid in conjunction with subsection (2) through (5);
- (7) the total value of and a description of any other fringe benefits provided; and

(8) the total value of and a description of any goods or services required to be disclosed by Section IV.11(D) of these Bylaws.

The provisions of the preceding paragraph first apply to the 2019 calendar year with the unaudited disclosures required by this section to be made no later than May 15, 2020.

**SECTION IV.11 – Trustee Conduct.** Unless modified or prohibited by Law:

A. Trustee Standard of Conduct. A Trustee shall discharge the Trustee’s duties, including duties as a Board committee member:

1. In good faith;
2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the Trustee reasonably believes to be in the Cooperative’s best interests.

B. Trustee Reliance on Others. Unless a Trustee possesses knowledge concerning a matter making reliance unwarranted, then in discharging a Trustee’s duties, including duties as a Board committee member, a Trustee may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:

1. One (1) or more Cooperative Officers or employees whom the Trustee reasonably believes to be reliable and competent in the matters prepared or presented;
2. Legal counsel, public accountants, or other individuals regarding matters the Trustee reasonably believes are within the individual’s professional or expert competence; and
3. A Board committee of which the Trustee is not a member regarding matters within the Board committee’s jurisdiction, if the Trustee reasonably believes the Board committee merits confidence.

C. Trustee Liability. All Trustees of the Cooperative are immune from suit arising from the conduct of the affairs of the Cooperative. This immunity from suit is removed when Trustee’s conduct amounts to willful, wanton, or gross negligence.

D. No Impermissible Benefit.

1. The Trustee shall not knowingly use his position as a Trustee to obtain an economic interest in addition to his compensation, if any, for serving as a Trustee, for himself, a Close Relative, an Associated Individual, or a business with which he is associated.
2. The Trustee shall not have a business relationship with the Cooperative that is distinct from or in addition to the candidate for Trustee and/or Trustee’s mandatory cooperative membership pursuant to Section 33-49-610(A) of the South Carolina Code of Laws or his service on the Board.

3. The Trustee shall not appoint, direct, or cause a Close Relative to become a member of a committee or an employee of the Cooperative.

A Trustee is not prohibited by this section from accepting goods or services such as lodging, transportation, entertainment, food, meals, beverages, or any other thing of value provided that:

1. the value of the good or service is reasonable and the purpose relates to his duties as a Trustee;
2. the good or service is furnished on the same terms or at the same expense to a member of the general public or to general attendees of functions considered reasonable by the Board for the fulfillment of his duties as a Trustee; or
3. if the good or service is of more than twenty five dollars in value and is furnished to the Trustee by a company that the Trustee knows has or seeks a business relationship other than a Cooperative membership with the Cooperative, on whose board the Trustee serves and the Cooperative is not an owner or a member of that company, the Trustee must disclose the acceptance of the good or service to the Board.

**SECTION IV.12 – Close Relative; Associated Individual.** As used in these Bylaws, the term “Close Relative” means an individual who:

1. Is, either by blood, Law, or marriage, including half, step, foster, and adoptive relations, a spouse, child, grandchild, parent, grandparent, or sibling; or
2. Resides in the same residence;

(collectively, “Close Relative”).

As used in these Bylaws, the term “Associated Individual” means an individual with whom the person or a member of his immediate family mutually has an interest in any business of which the person or a member of his immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Any individual properly qualified and elected or appointed to any position does not become a Close Relative or Associated Individual while serving in the position because of any marriage or legal action to which the individual was not a party.



**ARTICLE V**  
**Meetings of Trustees and Trustee Voting**

**SECTION V.01 – Regular Board Meetings.** The Board shall meet monthly at the date, time, and location determined by the Board (“Regular Board Meeting”). With respect to each Regular Board Meeting occurring on or after August 1, 2020, a notice of each Regular Board Meeting must be posted at a location accessible and visible to the Cooperative membership on the Cooperative’s website and at the Cooperative’s principal place of business at least ten (10) days prior to such Regular Board Meeting. The notice must state the time, place, location and purpose of such Regular Board Meeting. For good cause, the President may change the date, time, or location of any Regular Board Meeting.

Any Trustee not attending any Board Meeting at which the Regular Board Meeting date, time, or location is changed is entitled to receive written notice of the Regular Board Meeting change at least five (5) days before the next Regular Board Meeting. All Trustees are entitled to receive notice of a President’s change in a Regular Board Meeting date, time, or location at least five (5) days before the changed Regular Board Meeting. With respect to each Regular Board Meeting occurring on or after August 1, 2020, a notice of the changed Regular Board Meeting must be posted at a location accessible and visible to the Cooperative membership on the Cooperative’s website and at the Cooperative’s principal place of business at least ten (10) days prior to such changed Regular Board Meeting. The notice must state the time, place, location and purpose of such changed Regular Board Meeting.

**SECTION V.02 – Special Board Meetings.** The Board, the President or at least three (3) Trustees may call a non-emergency special meeting of the Board (“Special Board Meeting”) by providing each Trustee at least ten (10) days’ prior written notice indicating the date, time, and location and purpose of the non-emergency Special Board Meeting. With respect to each non-emergency Special Board Meeting occurring on or after August 1, 2020, a notice of each non-emergency Special Board Meeting must be posted at a location accessible and visible to the Cooperative membership on the Cooperative’s website and at the Cooperative’s principal place of business at least ten (10) days prior to such non-emergency Special Board Meeting. The notice must state the time, place, location and purpose of such non-emergency Special Board Meeting.

The Board, the President or at least three (3) Trustees may call an emergency Special Board Meeting by providing each Trustee at least twenty-four (24) hours prior written notice indicating the date, time, and location and purpose of the emergency Special Board Meeting. With respect to each emergency Special Board Meeting occurring on or after August 1, 2020, a notice of each emergency Special Board Meeting must be posted at a location accessible and visible to the Cooperative membership on the Cooperative’s website and at the Cooperative’s principal place of business at least twenty-four (24) hours prior to such emergency Special Board Meeting. Emergency Special Board Meetings may be called when appropriate to deal with extraordinary circumstances, but the Board must not make decisions regarding rates, fees, charges, Board composition or Trustee compensation at an emergency meeting.

**SECTION V.03 – Conduct of Board Meetings.** Unless otherwise provided in these Bylaws, any Regular Board Meeting or Special Board Meeting (“Board Meeting”) may be:

1. Held in a county served by the Cooperative; however, the Trustees by vote of two-thirds (2/3) or greater and upon written notice, may hold a Board Meeting in or out of, any state in which the Cooperative Provides any Cooperative Service; and
2. Conducted with absent Trustees participating, and deemed present in person, through any means of communication by which all Trustees participating in the Board Meeting may reasonably and verifiably identify themselves, and simultaneously and approximately instantaneously communicate with each other during the Board Meeting.

If a Trustee Quorum is present at any Board Meeting, then:

1. In descending priority, the following Officers may preside at the Board Meeting: President, Vice-President, Secretary, and Treasurer; and
2. If no Officer is present, or desires, to preside over any Board Meeting, then the Trustees attending the Board Meeting shall elect a Trustee to preside over the Board Meeting.

The Board may promulgate or approve rules, policies, and procedures regarding:

1. The attendance at, participation in, or presentation during Board Meetings by Persons other than Trustees;
2. Subject to the provisions of these Bylaws, the right to access, inspect, or copy any minutes, record, or other document relating to any Board Meeting by Persons other than Trustees; or
3. The conduct of Board Meetings.

**SECTION V.04 – Waiver of Board Meeting Notice.** At any time, a Trustee may waive notice of any Board Meeting by delivering to the Cooperative a written waiver of notice signed by the Trustee and later filed with the Board Meeting minutes or the Cooperative’s records. Unless a Trustee:

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

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

**SECTION V.05 – [Intentionally Left Blank].**

**SECTION V.06 – Trustee Quorum and Voting.** A quorum of Trustees is a majority of the Trustees in office immediately before a Board Meeting begins (“Trustee Quorum”).

If a Trustee Quorum is present at the time a matter is voted or acted upon, and unless the vote of a greater number of Trustees is required, then the affirmative vote of a majority of Trustees present and voting is the act of the Board.

All votes cast by Trustees at Board Meetings must be taken in open session except where discussions include:

- (1) matters related to employees of the Cooperative;
- (2) matters related to contracts or agreements with vendors or suppliers;
- (3) matters related to particular Members that involve account or personal information;
- (4) matters related to economic development that involve the discussion of potentially identifiable information about businesses or industries that might be locating or expanding in or near the Cooperative's service territory;
- (5) matters related to information or physical security measures;
- (6) matters related to legal advice; and
- (7) matters not specifically listed but determined by the Board, on the advice of counsel, to constitute a reasonable risk of damage to the Cooperative membership due to the release of proprietary, personnel, member, or account information.

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

With respect to each Board Meeting occurring on or after August 1, 2020, approved minutes detailing the actions taken at a Board Meeting must be provided within ten (10) days of their approval to the Members in the same manner that notice of the Board Meeting was provided.

**SECTION V.07 – Conflict of Interest Transaction.** A conflict of interest transaction is a substantial transaction with the Cooperative in which a Trustee has a direct or indirect interest (“Conflict of Interest Transaction”).

- A. Indirect Interest. A Trustee has an indirect interest in a Conflict of Interest Transaction if at least one (1) party to the transaction is another Entity:
  1. In which the Trustee has a material interest or is a general partner; or
  2. Of which the Trustee is a director, Officer, or Trustee.
- B. Approval of Conflict of Interest Transaction. Regardless of the presence or vote of a Trustee interested in a Conflict of Interest Transaction, a Conflict of Interest Transaction may be approved, and any Trustee Quorum or Member Quorum satisfied, if the Conflict of Interest Transaction's material facts, and the Trustee's interest, are disclosed or known to the Board, and a majority of more than one (1) Trustee member with no interest in the Conflict of Interest Transaction votes to approve the Conflict of Interest Transaction.

- C. Fair Conflict of Interest Transaction. A Conflict of Interest Transaction that is fair when entered is neither:
1. Voidable; nor
  2. The basis for imposing liability on a Trustee interested in the Conflict of Interest Transaction.
- D. No Impermissible Benefit. Notwithstanding the foregoing, the Board shall not be entitled to approve a Conflict of Interest Transaction which would be prohibited by Section IV.11(D) of these Bylaws.

**ARTICLE VI**  
**Officers**

**SECTION VI.01 – Required Officers.** The Cooperative must have the following Officers: President, Vice-President, Secretary, and Treasurer (“Required Officers”). No additional compensation shall be paid to the Required Officers beyond the compensation to which the Required Officers are entitled to as Trustees. The President may also be designated as Chairman and the Vice-President may also be designated as Vice-Chairman. The Board shall elect Required Officers:

1. At the first (1<sup>st</sup>) Regular Board Meeting following each Annual Member Meeting, or as soon after each Annual Member Meeting as reasonably possible and convenient;
2. By affirmative vote of a majority of Trustees in office; and
3. By secret Written Ballot without prior nomination.

Only Trustees may be elected, and serve, as a Required Officer. One (1) Trustee may simultaneously be Secretary and Treasurer. Unless allowed by Law, this Trustee may not execute, acknowledge, or verify any document in more than one (1) capacity.

Subject to removal by the Board, each Required Officer shall hold office until the Required Officer’s successor is duly elected. The Board shall fill any vacant Required Officer’s position for the remaining unexpired portion of the Required Officer’s term. As allowed by Law, Required Officers may delegate their duties and responsibilities to a non-Trustee Cooperative Officer, employee, agent, or representative.

**SECTION VI.02 – President.** Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaws, the President:

1. Shall preside, or designate another individual to preside, at all Board and Member Meetings;
2. On the Cooperative’s behalf, may sign any document properly authorized or approved by the Board or Members; and
3. Shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION VI.03 – Vice-President.** Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaws, the Vice-President:

1. Upon the President’s death, absence, disability, improper refusal, or inability to act, shall perform the duties, and have the powers, of the President; and
2. Shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION VI.04 – Secretary.** Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaws, the Secretary:

1. Shall be responsible for preparing minutes of Board and Member Meetings;
2. Shall be responsible for authenticating the Cooperative's records;
3. May affix the Cooperative's seal to any document authorized or approved by the Board or Members; and
4. Shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION VI.05 – Treasurer.** Unless otherwise determined by the Board, and unless otherwise required by Law, the Articles, or these Bylaws, the Treasurer shall perform all duties, shall have all responsibility, and may exercise all authority, prescribed by the Board.

**SECTION VI.06 – Chief Executive Officer.** The Board shall appoint a Chief Executive Officer (“CEO”) who shall perform such duties and exercise such authority as empowered by the Trustees. The CEO cannot be a Trustee. A Trustee may not appoint, direct or cause a Close Relative to become CEO.

**SECTION VI.07 – Other Officers.** The Board may elect or appoint other Officers (“Other Officers”). Other Officers:

1. May be Cooperative employees, or other individuals;
2. Must be elected or appointed by the affirmative vote of a majority of current Trustees;
3. May be elected by secret Written Ballot and without prior nomination;
4. May assist Required Officers; and
5. Shall perform all duties, shall have all responsibilities, and may exercise all authority, prescribed by the Board.

The same individual may simultaneously hold more than one (1) office. Unless allowed by Law, this individual may not execute, acknowledge, or verify any document in more than one (1) capacity.

Other Officers cannot be a Trustee. A Trustee may not appoint, direct or cause a Close Relative to become an Other Officer.

**SECTION VI.08 – Officer Resignation and Removal.** At any time, any Required Officer, CEO or Other Officer (collectively, “Officer” or “Cooperative Officer”) may resign by delivering to the Board a written resignation. Unless the resignation specifies a later effective date, an Officer resignation is effective when received by the Board. If an Officer resignation is effective at a later date, then the Board may fill the vacant Officer position before the later effective date, but the successor Officer may not take office until the later effective date. At any time, the Board may remove any Officer for any reason with or without cause.

**SECTION VI.09 – Officer Standard of Conduct.** Every Officer shall discharge the Officer's duties:

1. In good faith;

2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the Officer reasonably believes to be in the Cooperative's best interests.

**SECTION VI.10 – Officer Immunity.** All Officers of the Cooperative are immune from suit arising from the conduct of the affairs of the Cooperative. This immunity from suit is removed when the Officer's conduct amounts to willful, wonton, or gross negligence.

**SECTION VI.11 – Officer Contract Rights.** The election or appointment of any Officer, by itself, does not create a contract between the Cooperative and the Officer. An Officer's resignation does not affect the Cooperative's contract rights, if any, with the Officer. An Officer's removal does not affect the Officer's contract rights, if any, with the Cooperative.

**SECTION VI.12 – Authority to Execute Documents.** On the Cooperative's behalf, any two (2) Required Officers may sign, execute, and acknowledge any document properly authorized or approved by the Board or Members. The Board may authorize additional Cooperative Trustees, Officers, employees, agents, or representatives to sign, execute, and acknowledge any document on the Cooperative's behalf.

**SECTION VI.13 – Officer Compensation.** Unless otherwise provided in a Bylaw addressing Trustee compensation, reimbursement, salaries, or benefits, and as determined by the Board, the Cooperative may reasonably compensate, reimburse, pay a salary to, or provide insurance or benefits to, any Officer, except that no additional compensation shall be paid to the Required Officers beyond the compensation to which the Required Officers are entitled to as Trustees.

**SECTION VI.14 – Bonds.** The Trustees may require an Officer, agent or employee of the Cooperative to give bond in such amount and with such surety as the Trustees shall determine.

**SECTION VI.15 – Indemnification.** As allowed by Law and the Articles, and as determined by the Board:

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

1. An individual who is, or was, a Trustee or Officer; or an individual who, while a Trustee or Officer, is, or was, serving at the Cooperative's request as a director, officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise; or the estate or personal representative of such an individual (collectively, "Indemnification Trustee or Officer");
2. Who was wholly successful, on the merits or otherwise, in defending any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative, and whether formal or informal ("Indemnification Proceeding");

3. To which the Indemnification Trustee or Officer was, is, or is threatened to be made a named defendant or respondent (“Indemnification Party”);
4. Because the Indemnification Trustee or Officer is, or was, a Trustee or Officer;
5. Against reasonable expenses, including counsel fees (“Indemnification Expenses”), actually incurred by the Indemnification Trustee or Officer in connection with the Indemnification Proceeding.

B. Indemnification Individual. The Cooperative may indemnify:

1. An individual who is, or was, a Cooperative Trustee, Officer, employee, or agent (“Indemnification Individual”)
2. Made an Indemnification Party to any Indemnification Proceeding other than an Indemnification Proceeding:
  - a. By, or in the right of, the Cooperative in which the Indemnification Individual was adjudged liable to the Cooperative; or
  - b. Charging, and in which the Indemnification Individual was adjudged liable for receiving, improper personal benefit to the Indemnification Individual, whether or not involving action in the Indemnification Individual’s official capacity because the Indemnification Individual is, or was, a Cooperative Trustee, Officer, employee, or agent;
3. Against reasonable Indemnification Expenses incurred in connection with an Indemnification Proceeding by, or in the right of, the Cooperative; or against the obligation to pay a judgment, settlement, penalty, fine, or reasonable expense, including counsel fees, actually incurred in connection with any other Indemnification Proceeding;
4. Incurred in the Indemnification Proceeding, if the Indemnification Individual:
  - a. Acted in good faith;
  - b. Reasonably believed:
    - (i) For conduct as a Cooperative Trustee, Officer, employee, or agent, that the Indemnification Individual’s conduct was in the Cooperative’s best interest; and
    - (ii) For all other conduct, that the Indemnification Individual’s conduct was not opposed to the Cooperative’s best interests.
  - c. In the case of any criminal Indemnification Proceeding, had no reasonable cause to believe the Indemnification Individual’s conduct was unlawful(collectively, “Indemnification Standard of Conduct”)
5. After a majority vote of the Trustee Quorum, excluding Trustees currently Indemnification Parties to the Indemnification Proceeding (“Indemnification Trustee Quorum”), determines:



- a. That the Indemnification Individual met the Indemnification Standard of Conduct; and
  - b. Reasonable Indemnification Expenses.
- C. Advance for Expenses. Prior to the final disposition of an Indemnification Proceeding, the Cooperative may pay for, or reimburse, the reasonable Indemnification Expenses incurred by an Indemnification Trustee or Officer or Indemnification Individual who is an Indemnification Party to the Indemnification Proceeding (“Indemnification Advance”) if:
1. The Indemnification Trustee or Officer or Indemnification Individual furnishes the Cooperative a written:
    - a. Affirmation of the Indemnification Trustee’s or Officer’s or Indemnification Individual’s good faith belief that the Indemnification Trustee or Officer or Indemnification Individual has met the Indemnification Standard of Conduct; and
    - b. Unlimited general obligation of the Indemnification Trustee or Officer or Indemnification Individual which:
      - (i) Need not be secured;
      - (ii) May be accepted without reference to financial ability to repay;
      - (iii) May be executed personally or on the Indemnification Trustee’s or Officer’s or Indemnification Individual’s behalf; and
      - (iv) Obligates the Indemnification Trustee or Officer or Indemnification Individual to repay the Indemnification Advance if a majority of the Indemnification Trustee Quorum ultimately determines that the Indemnification Trustee or Officer or Indemnification Individual did not meet Indemnification Standard of Conduct.
  2. A majority of the Indemnification Trustee Quorum determines that the facts then known to them would not preclude indemnification for the Indemnification Trustee or Officer or Indemnification Individual under this Bylaw.

**SECTION VI.16 – Insurance**. Regardless of any indemnification authority or requirements, the Cooperative may purchase and maintain insurance on behalf of any individual who is, or was, a Cooperative Trustee, Officer, employee, agent or representative against any:

1. Liability, including judgment, settlement, or otherwise; or
2. Reasonable expenses, including reasonable attorney fees,

asserted against, or incurred by, the Cooperative or the individual in his or her individual capacity, or arising from the individual’s status, as a Cooperative Trustee, Officer, employee, agent, or representative.

**SECTION VI.17 – Reports.** The Officers or CEO shall submit at each Annual Member Meeting reports covering the business of the Cooperative during the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of the previous fiscal year.

**ARTICLE VII**  
**Nonprofit Operations**

**SECTION VII.01 – Interest or Dividends on Capital Prohibited.** The Cooperative:

1. Shall operate on a nonprofit basis;
2. Shall operate on a Cooperative basis for the mutual benefit of all Members; and
3. May not pay interest or dividends on Capital furnished by Patrons.
4. Patronage Capital Contributions allocations and retirements shall comply with the South Carolina Law (statute or judicial decision).

**SECTION VII.02 – Allocating and Crediting Capital.** In operating the Cooperative:

A. Patron. A Cooperative Patron (“Patron”) is a:

1. Member who:
  - a. Uses any Cooperative Service; and
  - b. Prior to Using the Cooperative Service, is entitled to an allocation of, and payment by credit to a Capital account for, Capital Credits regarding the Cooperative Service.

B. Capital Credits. Patrons shall furnish and contribute to the Cooperative, and the Cooperative shall receive from Patrons, as Capital (“Capital”) the amount (“Operating Margins”) by which the funds and amounts received by the Cooperative from Patrons for Providing a Cooperative Service (“Operating Income”) exceed the Cooperative’s costs and expenses of Providing the Cooperative Service (“Operating Cost”).

For each Cooperative Service, the Cooperative shall annually allocate to each Patron, and pay by credit to a Capital account for each Patron, Operating Margins from the Cooperative Service in proportion to the value or quantity of the Cooperative Service Used by each Patron during the applicable fiscal year (“Capital Credits”). Capital Credits must be treated as though the Cooperative paid the Capital Credit amounts to each Patron in cash pursuant to a preexisting legal obligation, and each Patron furnished or contributed the Capital to the Cooperative in the corresponding Capital Credit amounts.

C. Affiliated Capital Credits. If the Cooperative is a member, owner, or Patron of an Entity Providing a good or service Used by the Cooperative in Providing a Cooperative Service (“Affiliated Entity”), then, to the extent the Affiliated Entity allocates or credits funds, amounts, or Capital to the Cooperative in proportion to the value or quantity of the goods or services Used by the Cooperative in Providing the Cooperative Service (“Affiliated Entity Allocated Capital”), the Cooperative may separately allocate and credit to Patrons the Affiliated Entity Capital (“Affiliated Capital Credits”):

1. In proportion to the value or quantity of the Cooperative Service Used by each Patron; and

2. If the Cooperative determines, and separately identifies, the Affiliated Capital Credits.

For the purposes of these Bylaws, Affiliated Entity Allocated Capital is Operating Income.

- D. Non-Operating Margins. Other than Operating Margins, funds and amounts received by the Cooperative that exceed the Cooperative's costs and expenses ("Non-Operating Margins") may be:

1. Allocated as Capital Credits to Patrons in the same manner as the Cooperative allocates Operating Margins to Patrons;
2. Allocated to defray expenses of the Cooperative and of the operation and maintenance of its facilities during the fiscal year;
3. Allocated to pay interest and principal obligation of the Cooperative coming due in the fiscal year;
4. Retained or used to provide a reserve for the financing of the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board;
5. Retained or used by the Cooperative to provide a reasonable reserve for working Capital;
6. Retained or used by the Cooperative to provide a reserve for the payment or indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year; and
7. Retained or used to provide a fund for education in cooperation and for the dissemination of information concerning the effective use of electric energy and other service made available by the Cooperative.

Nothing herein contained shall be construed to prohibit the payment by the Cooperative of all or any part of its indebtedness prior to the date when the indebtedness shall become due.

To the extent the Cooperative receives funds, amounts, or gains, other than Operating Income, from any Person regarding business done with or for Patrons ("Non-Operating Patronage Income"), the Cooperative shall treat the Non-Operating Patronage Income as Operating Income. To the extent the Cooperative incurs costs, expenses, or losses, other than operating costs, regarding business done with or for Patrons ("Non-Operating Patronage Cost"), the Cooperative shall treat the Non-Operating Patronage Cost as operating cost.

- E. Assignment and Notification. Unless otherwise determined by the Board or provided in these Bylaws, Capital Credits and Affiliated Capital Credits may be assigned or transferred only upon:

1. a Patron delivering a written assignment or transfer to the Cooperative; 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
2. the Board, acting under policies of general application, shall determine otherwise.

F. Notification. The Cooperative may annually notify each Patron in writing of the dollar amount of Capital Credits or Affiliated Capital Credits allocated or credited to the Patron.

G. Joint Memberships. Upon the termination, conversion, or alteration of a Joint Membership, and upon the Cooperative receiving written notice and adequate proof of the Joint Membership termination, conversion, or alteration:

For any Joint Membership comprised of two (2) married Joint Members that is:

1. Terminated or converted through the death of one (1) Joint Member, the Cooperative shall re-allocate and re-credit to the surviving Joint Member all Capital Credits and Affiliated Capital Credits previously allocated and credited to the Joint Membership; or
2. Otherwise terminated or converted, and unless otherwise instructed by a court or administrative body of competent jurisdiction, the Cooperative shall re-allocate and re-credit to each Joint Member one-half (1/2) of the Capital Credits and Affiliated Capital Credits previously allocated and credited to the Joint Membership.

H. State Law. Notwithstanding the provisions of the Uniform Unclaimed Property Act, S.C. Code of Laws Section 27-18-10, et seq., Capital Credits that have been retired by the Cooperative but remain unclaimed for a period of seven years shall become abandoned Patronage Capital. The Cooperative shall, nonetheless, pay any validated claims by Members or former Members for unclaimed or abandoned Patronage Capital. With respect to abandoned Patronage Capital, the Cooperative must follow the procedures set forth below. Each year, the Cooperative may impose a reasonable administrative fee for abandoned or unclaimed Patronage Capital and may offset the fee against such abandoned or unclaimed Patronage Capital. Abandoned Patronage Capital shall be designated as equity and, at the Board's direction, can be used only by the Cooperative for:

- (1) energy efficiency programs and education;
- (2) renewable energy initiatives; or
- (3) educational or charitable purposes.

Notwithstanding the provisions of the Uniform Unclaimed Property Act, S.C. Code of Laws Section 27-18-10, et seq., the Cooperative must pay any validated claims from Members or former Members for abandoned Patronage Capital in accordance with the provisions of this subsection.

- (1) Patronage Capital, presumed abandoned, which is due to Members or former Members of the Cooperative and whose last known address is in South

Carolina, may be retained by the Cooperative provided that the Cooperative performs the following due diligence duties to locate the rightful owners:

- (a) the Cooperative shall publish, for two consecutive years, in a newspaper of general circulation in the county of the Cooperative's principal place of business, the names and addresses of each Person appearing from the Cooperative's records to be the owner of the unclaimed Patronage Capital of fifty dollars or more, together with instructions on how to claim such property. Such publication will commence within one year after the check representing Patronage Capital was returned to the Cooperative as undeliverable or has gone uncashed;
  - (b) the Cooperative shall publish, no less than annually, in its official publication, either in print or electronically, the names and addresses of each Person appearing from the Cooperative's records to be the owner of unclaimed Patronage Capital of fifty dollars or more, together with instructions on how to claim such property. Such publication will commence within one year after the check representing Patronage Capital was returned to the Cooperative as undeliverable or has gone uncashed and will continue for the earlier of two consecutive years or until the Patronage Capital has been paid to the rightful owner; and
  - (c) the Cooperative shall maintain a searchable website on which will be listed the names and addresses of each person appearing from the Cooperative's records to be the owner of unclaimed and abandoned Patronage Capital of fifty dollars or more, together with instructions on how to claim the property. The listings will commence within one year after the check representing Patronage Capital was returned to the Cooperative as undeliverable or has gone uncashed and will continue until the Patronage Capital has been paid to the rightful owner.
- (2) The Cooperative shall consider each claim filed by a Person claiming an interest in Patronage Capital within ninety days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. If a claim is allowed, the Cooperative shall pay over or deliver to the claimant the Patronage Capital owed to the claimant at the time the Patronage Capital became abandoned.

**SECTION VII.03 – Retiring and Refunding Capital Credits.** At any time prior to the Cooperative's dissolution or liquidation, and if the Board, in its discretion, using its business judgment determines the retirement is consistent with sound business and management practices and the long-term financial stability of the Cooperative:

1. The Board may authorize the Cooperative to, and the Cooperative shall, wholly or partially retire and refund Capital Credits to Patrons and former Patrons; or
2. After an Affiliated Entity retires and refunds Affiliated Entity Allocated Capital to the Cooperative, the Board may authorize the Cooperative to, and the Cooperative

shall, retire or refund the corresponding Affiliated Capital Credits to Patrons and former Patrons.

The Board may, in its discretion and using its business judgment, retire Capital Credits or Affiliated Capital Credits to Members early either upon their death, termination of electric service, or bankruptcy. The retirement may be discounted from the Board's approved retirement cycle to present-day value when deemed appropriate by the Board in the exercise of its business judgment.

When the Board has determined, pursuant to this Section VII.03, that Capital Credits or Affiliated Capital Credits shall be retired, the retirement may be accomplished by a bill credit or by the mailing of payment or notice of payment to the Person's last known address of record on file with the Cooperative. No interest shall be paid or payable by the Cooperative on any Capital Credits or Affiliated Capital Credits.

To secure payment of any amounts owed by a Patron or former Patron to the Cooperative, including any reasonable compounded interest and late payment fee determined by the Board, the Cooperative has a perfected security interest in the Capital Credits and Affiliated Capital Credits of every Patron and former Patron. Before retiring and refunding any Capital Credits or Affiliated Capital Credits, the Cooperative may deduct from the Capital Credits or Affiliated Capital Credits any amounts owed to the Cooperative by the Patron or former Patron, including any reasonable compounded interest and late payment fee determined by the Board.

**SECTION VII.04 – Patron Agreement.** Each Patron agrees that:

1. Neither Capital Credits, Affiliated Capital Credits nor similar amounts are securities under state or federal Law;
2. A Patron's right to receive Capital Credits, Affiliated Capital Credits, or similar amounts vests, accrues, and becomes payable only upon the Cooperative retiring or refunding the Capital Credits or similar amounts as provided in these Bylaws, and not upon the Cooperative allocating or crediting the Capital Credits, Affiliated Capital Credits, or similar amounts; and
3. To the extent required by local, state, or federal Law, each Patron will:
  - a. Report to the appropriate Entity allocated, credited, retired, or refunded Capital Credits, Affiliated Capital Credits, and similar amounts;
  - b. Pay to the appropriate Entity any tax or similar amount on allocated, credited, retired, or refunded Capital Credits, Affiliated Capital Credits, and similar amounts.

**SECTION VII.05 – Non-Member Patrons and Non-Member Non-Patrons.** As a condition of Using any Cooperative Service, and unless otherwise determined by the Board:

1. To the same extent as Members, Patrons who are not Members (“Non-Member Patrons”) and Persons using any Cooperative Service who are neither Members nor Patrons (“Non-Member Non-Patrons”) shall abide by, and be bound to:
  - a. All the duties, obligations, liabilities, and responsibilities imposed by the Governing Documents upon Members; and
  - b. These Bylaws, unless otherwise provided by these Bylaws;
2. Non-Member Patrons and Non-Member former Patrons shall have none of the rights granted by the Governing Documents to Members, other than the rights to:
  - a. Be allocated and paid by credit to a Capital account Capital Credits and Affiliated Capital Credits; and
  - b. Receive retired and refunded Capital Credits and Affiliated Capital Credits; and
3. Non-Member Non-Patrons shall have none of the rights granted by the Governing Documents to Members.

**SECTION VII.06 – Reasonable Reserves.** Regardless of any contrary Bylaw, and to meet the Cooperative’s reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses (“Reasonable Reserves”). The Cooperative shall keep records necessary to determine, at any time, each Member’s rights and interest in any Reasonable Reserves.



**ARTICLE VIII**  
**Disposition of Cooperative Assets**

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized by an affirmative vote of not less than two-thirds (2/3) of the Members.

This Article may only be Amended by an affirmative vote of not less than two-thirds (2/3) of the Members.

Notwithstanding anything contained in this Bylaw:

1. The Board may, without authorization of the Members, mortgage, pledge, dedicate to repayment, or encumber any Cooperative asset.
2. The Cooperative may be merged or consolidated with another cooperative organization pursuant to the Law and these Bylaws upon resolution of the Board being affirmed by a vote of the Members at the Member Meeting upon proper notice to the Members of the proposed merger or consolidation.

**ARTICLE IX**  
**Miscellaneous**

**SECTION IX.01 – Fiscal Year.** Unless otherwise provided by Law or in the Articles, the Board shall determine, and may modify, the Cooperative’s fiscal year.

**SECTION IX.02 – Accounting System and Reports.** The Board shall cause to be established and maintained a complete accounting system which the Board shall also, after the close of each fiscal year, cause to be made, by a Certified Public Accountant, full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the Members at the following Membership Meeting.

**SECTION IX.03 – Rules of Order.** Unless the Board determines otherwise at any time, and to the extent consistent with Law, the Articles, and these Bylaws, the latest edition of *Robert’s Rules of Order* governs all:

1. Member Meetings;
2. Board Meetings; and
3. Other Cooperative meetings.

**SECTION IX.04 – Governing Law.** These Bylaws must be governed by, and interpreted under, the Laws of the State of South Carolina.

**SECTION IX.05 – Titles and Headings.** All titles and headings of Bylaw Articles, sections, and sub-sections are for convenience and reference only, and do not affect the interpretation of any Bylaw article, section, or sub-section.

**SECTION IX.06 – Partial Invalidity.** When reasonably possible, every Bylaw article, section, sub-section, paragraph, sentence, clause, or provision (collectively, “Bylaw Provision”) must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any Entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invalidate the remaining Bylaw Provisions.

**SECTION IX.07 – Entire Agreement.** Between the Cooperative and any Member, the Governing Documents:

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

**SECTION IX.08 – Successors and Assigns.** To the extent allowed by Law:

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

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

**SECTION IX.09 – Waiver.** The failure of the Cooperative to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

**SECTION IX.10 – Lack of Notice.** To the extent allowed by Law and the Articles, the failure of any Member or Trustee to receive notice of any Meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Members or Board.

## **ARTICLE X** **Amendment**

**SECTION X.01 – Bylaw Amendments.** Unless otherwise provided in these Bylaws, these Bylaws may be adopted, Amended, or repealed (“Amended”) by the affirmative vote of two-thirds (2/3) of Members present at a Member Meeting. Unless otherwise stated in a Bylaw Amendment, the Amendment is effective immediately.

**SECTION X.02 – Sponsorship of Bylaw Amendments.** The Board may sponsor or propose Bylaw Amendments. Unless otherwise determined by the Board, Members may not sponsor or propose Bylaw Amendments.

**SECTION X.03 – Notice of Bylaw Amendment.** Notice of any Member Meeting at which Members will consider a proposed Bylaw Amendment must:

1. State that the purpose, or one (1) of the purposes, of the Member Meeting is to consider the proposed Bylaw Amendment; and
2. Contain, or be accompanied by, a copy or summary of the proposed Bylaw Amendment.

AMENDED October [ ], 2019 last and this edition includes the Bylaws and all Amendments as of this date.