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Warren Rural Electric Cooperative Corporation

BYLAWS

Bowling Green, Kentucky 42101

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ARTICLE I - Membership

Section 1. Requirements of Membership.

Any person, firm, association, corporation, entity, body politic, or subdivision thereof will become a member of Warren Rural Electric Cooperative Corporation (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided the applicant has first:

- (a) Made an application for membership.
- (b) Agreed to purchase electric energy from the Cooperative.
- (c) Agreed to comply with the Articles of Incorporation, Bylaws, Policies and Procedures, and the Tennessee Valley Authority (TVA) Rules and Regulations, as well as any others adopted by the Board of Directors
- (d) Paid the membership fee established by the Board of Directors. No member may hold more than one membership in the Cooperative.

Section 2. Non-Discrimination.

Warren Rural Electric Cooperative Corporation is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA); therefore, we must comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any assistance program.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is the Vice President of Administrative Services. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Section 3. Evidence of Membership.

Membership in the Cooperative shall be evidenced by enrollment of the member's name upon the records of the Cooperative.

Section 4. Membership.

The term "member" as used in the Bylaws shall be deemed to be an individual or their legal representative, a partnership, or a corporation holding a membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of the membership. Spouses, married persons, cohabitating persons, and roommates shall constitute one member with one vote. One member equals one vote. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a membership shall be as follows:

- (a) The presence of either at a meeting shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) In order to be eligible to vote, a spouse, married person, cohabitating person, or roommate must have his/her name on the membership. However, only one spouse, married person, cohabitating person, or roommate may vote for the membership.
- (c) The vote of either separately or jointly shall constitute one vote;
- (d) A waiver of notice signed by either or jointly shall constitute a waiver;

- (e) Notice to either, or jointly, shall constitute notice to all;
- (f) Expulsion of either, separately or jointly, shall terminate the membership;
- (g) Withdrawal of either, separately or jointly, shall terminate the membership;
- (h) Only one individual party to a membership may be elected or appointed as an officer or Board member provided the qualifications for such office are met.

Section 5. Transfer of Membership.

No membership in the Cooperative shall be transferable from one person to another except in cases of death, divorce, or other special circumstances.

Section 6. Membership Fee.

A membership fee determined by the Board of Directors shall be paid by each member of the Cooperative. No member shall be entitled to more than one vote at any membership meeting.

Section 7. Purchase of Electric Energy.

As soon as electric energy is available, each member shall purchase from the Cooperative all electric energy for use on the premises specified in the application for membership and shall pay rates fixed by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as fixed by the Cooperative. It is expressly understood that amounts paid for electric energy in excess of the cost of power, the cost of service, and margins are furnished by members as capital and each member shall be credited with the capital as provided in these Bylaws. Each member shall pay the Cooperative a minimum amount regardless of the amount of electric energy consumed for cost of service as shall be fixed by the Board of Directors. Each member shall pay all amounts owed to the Cooperative when due and payable.

The Cooperative shall provide cooperative services to Members in a reasonable manner. The Cooperative, however, does not insure, guarantee, or warrant that it will provide adequate, continuous, or non-fluctuating electric energy or other Cooperative Service. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by the Cooperative providing inadequate, non-continuous, or fluctuating electric energy or other Cooperative Service, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct. The Cooperative's responsibility and liability for providing a Cooperative Service terminate upon delivery of the Cooperative Service to a Member. In case of emergency, or as requested by government or emergency officials or representatives, the Cooperative may interrupt the provision of cooperative services to Members.

Section 8. Member Equipment Connect to Cooperative Equipment.

Except as otherwise provided by the Board, before member equipment is connected to Cooperative Equipment, the Cooperative must approve the connection in writing. Before and while member equipment is connected to Cooperative Equipment, the Member:

- (a) shall comply with, and shall ensure that the Member Equipment, the connection, and any act or omission regarding the Member Equipment and the connection comply with the Governing Documents, including terms, conditions, requirements, and procedures required by the Cooperative regarding the Member Equipment and the connection;
- (b) shall ensure that the Member Equipment and the connection do not adversely impact the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide a Cooperative Service;
- (c) grants the Cooperative the right to inspect the Member Equipment and the connection to determine whether the Member Equipment and connection comply with the Governing Documents; and

(d) grants the Cooperative the right to disconnect or temporarily operate Member Equipment that does not comply with the Governing Documents or that adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide a Cooperative Service.

If Member Equipment is connected to Cooperative Equipment, then: (1) the Member is, but the Cooperative is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the Member Equipment; (2) the Cooperative is not liable for damage to, or for the performance of, the Member Equipment; (3) the Cooperative is not liable for damage to Member Property; (4) the Member is responsible for knowing the concerns, risks, and issues associated with operating the Member Equipment and connecting the Member Equipment to Cooperative Equipment; (5) the Member is liable for damage to, and for the nonperformance of, the Cooperative Equipment caused by the Member Equipment or the connection; and (6) the Member is liable for, and must indemnify the Cooperative against, injury or death to any Person and damage to any property caused by, or resulting from, the Member Equipment or the connection.

Section 9. Grant of Property Rights.

As required by the Cooperative for a Cooperative Purpose, a Member shall: (1) provide the Cooperative safe and reliable access to or use of Member Property; and (2) pursuant to terms and condition specified by the Cooperative, and without compensation from the Cooperative, grant or convey to the Cooperative a written or oral easement, right-of-way, license, or other right or interest in Member Property, and execute a document regarding this grant or conveyance.

Section 10. Termination of Membership.

- (a) Termination of membership in any manner shall not release a member or their estate from any debts due the Cooperative.
- (b) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by the member, However, the Cooperative shall deduct from the amount of the membership fee any debts or obligation owed by the member to the Cooperative.

ARTICLE II - Rights and Liabilities of Members

Section 1. Property Interest of Members.

Upon dissolution, after: (a) All debts and liabilities of the Cooperative shall have been paid, and (b) All capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed according to law.

Section 2. Non-Liability for Debts of the Cooperative.

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

ARTICLE III - Meetings of Members

Section 1. Annual Membership Meeting.

The Annual Membership Meeting of the members shall be held during the months of June or July of each year, or on a date as otherwise selected by the Board of Directors, beginning with the year 2014, at such a place as selected by the Board of Directors within a county served by Warren RECC.

The date, time, and location of the meeting shall be designated in the Notice of the Meeting for the purpose of electing Board members, passing reports for the previous fiscal year, and transacting business that may come before the meeting. Failure to hold the Annual Membership Meeting at the designated time shall not cause a forfeiture or dissolution of Warren RECC.

Section 2. Special Meetings.

A Special Meeting of the Members may be called by resolution of the Board of Directors or upon a written request signed and dated by 10 percent or more of members in good standing recorded on the Warren RECC billing system. No signatures shall be more than 60 days old when petition is presented for the Special Meeting.

It shall be the duty of the Secretary of the Board of Directors to cause notice of such meeting to be given. Special Meetings of the members may be held at any place within one of the counties served by Warren RECC as designated by the Board and shall be specified in the Notice of the Special Meeting.

Section 3. Notice of Members' Meetings.

Published notification of the Notice of a Meeting in local news media, the Kentucky Living magazine, the Warren RECC website, a bill insert, a bill message, social, and other electronic media for the Annual Membership Meeting or a Special Meeting of the Members stating the date, time, location, and business to be transacted shall be given to all members before a meeting of the members.

This Notice of a Meeting shall be given to all members at the direction of the Secretary of the Board of Directors, or upon a default in duty by the Secretary, by the person(s) calling the meeting.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail and addressed to the member at the address as it appears on the Warren RECC billing system. Failure of any member to receive Notice of a Meeting shall not invalidate any action taken by the members of such meeting.

Section 4. Record Date.

The Record Date for determining the total membership and the members entitled to receive a Notice of the Meeting to vote at the Annual Membership Meeting shall be the close of business on April 1 of any year. The Record Date for determining the members entitled to receive a Notice of the Meeting to vote in a Special Meeting of the Members is forty-five (45) days before the date of the Special Meeting of the Members. A Record Date is the date for determining the total membership and the members entitled to:

- Sign a member petition, request, demand, consent, appointment, or similar document.
- Receive an Official Ballot, Notice of a Meeting of Members, or similar document.
- Vote, or otherwise act.

Members who sign up for electric service after the Record date and before the Annual Membership Meeting and/or Special Meeting of the Members are eligible to attend the meeting but not eligible to vote in that year.

If a member is suspended after the Record Date, then the member may not sign a document, receive a document, vote, or otherwise act.

Section 5. Quorum.

Two hundred and fifty (250) members in good standing, present and in person, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present and in person may adjourn the meeting without further notice.

Section 6. Voting.

Each member, as described in Article I, Section 4, shall be entitled to only one vote upon each matter submitted for a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting, present and in person, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

Section 7. Official Ballot.

The Official Ballot of any election shall contain the names of all candidates who meet all the Director Qualifications outlined in Article IV, Section 4, and as certified by the Elections Committee.

The Official Ballot will exclude any candidates or nominees who do not meet all the Director Qualifications as determined by the Elections Committee. The excluded nominees will be informed of their exclusion by the Elections Committee and given three (3) days to submit additional information to the Elections Committee prior to the release of the Elections Committee Report to the Nominating Committee. Only nominees and candidates approved by the Elections Committee, but not by the Nominating Committee, who obtain the necessary signatures on the petition, will be on the Official Ballot.

Section 8. Order of Business.

The order of business at the Annual Membership Meeting and, so far as possible, all other meetings of the members of Warren RECC shall essentially be as follows, except as otherwise determined by the members at such meetings:

- Report on the number of members present in person in order to determine the existence of a quorum.
- Reading of the Notice of the Meeting and proof of the due publication for mailing and electronic media and/or the Waiver or Waivers of Notice of the Meeting.
- Reading of unapproved minutes of previous meeting of the members and the taking of necessary action.
- Presentation and consideration of any reports of officers, Directors, and/or committees.
- Election of Board members.
- Unfinished business.
- New business

ARTICLE IV - Board Members

Section 1. General Powers.

The business and affairs of Warren RECC shall be managed by a Board of Directors consisting of seven (7) members, one from each District, which shall exercise all the powers of Warren RECC as outlined in Article IV, Section 2.

Section 2. District Representation and Term of Service.

At each Annual Membership Meeting beginning with the year 1950, Directors shall be elected by and from the members of Warren RECC to succeed those Directors whose terms of service have expired and to serve a term of three (3) years or until their successor shall have been elected and shall have qualified. An outgoing Director's term shall run through the end of the month during which the Annual Membership Meeting and election occurred. Once a winner is determined, the newly-elected Director's term shall commence on the first day of the month following the Annual Membership Meeting

and election.

Warren RECC shall be divided into seven (7) districts as described below and shall be represented by one member of the Board of Directors from each district.

District 1: Southeast Warren County, commences at a point where Barren River enters Warren County on the east; thence, with the boundary of Warren County and Allen County in a southwest direction; thence, with the boundary of Warren County and Simpson County to the point where U.S. 31W enters Simpson County; thence, clockwise in a northerly direction with U.S. 31W towards the William H. Natcher Parkway where it intersects with Memphis Junction Road; thence, with the service area boundary with Bowling Green Municipal Utilities thereof to Barren River; thence, with Barren River in an easterly direction to the point of beginning.*

District 2: West Warren County, commences at the service area boundary with Bowling Green Municipal Utilities where it intersects with U.S. 31W and Memphis Junction Road; thence, with U.S. 31W in a southerly direction to the point where it enters Simpson, Logan, and Butler Counties to a point where KY 185 crosses Green River; thence, with KY 185 in a southerly direction to where it intersects the service area boundary with Bowling Green Municipal Utilities and Garvin Lane; thence, with the service area boundary with Bowling Green Municipal Utilities, counter-clockwise, to the point of beginning.*

District 3: Northeast Warren County, commences at the service area boundary with Bowling Green Municipal Utilities where it intersects with KY 185 and Garvin Lane; thence, with KY 185 in a northerly direction to the point where KY 185 crosses Green River; thence, with Green River in a northerly direction, clockwise, with the boundary of Warren County and Edmonson and Barren Counties thereof to Barren River; thence, with Barren River, in a westerly direction to the point where it intersects with the service area boundary with Bowling Green Municipal Utilities near KY 3225, Old Louisville Road; thence, with the service area boundary with Bowling Green Municipal Utilities, counter-clockwise, to the point of beginning.*

District 4: that portion of Edmonson County and that portion of Barren County served by Warren RECC.

District 5: that portion of Simpson County and that portion of Logan County served by Warren RECC.

District 6: that portion of Butler County and that portion of Ohio County served by Warren RECC.

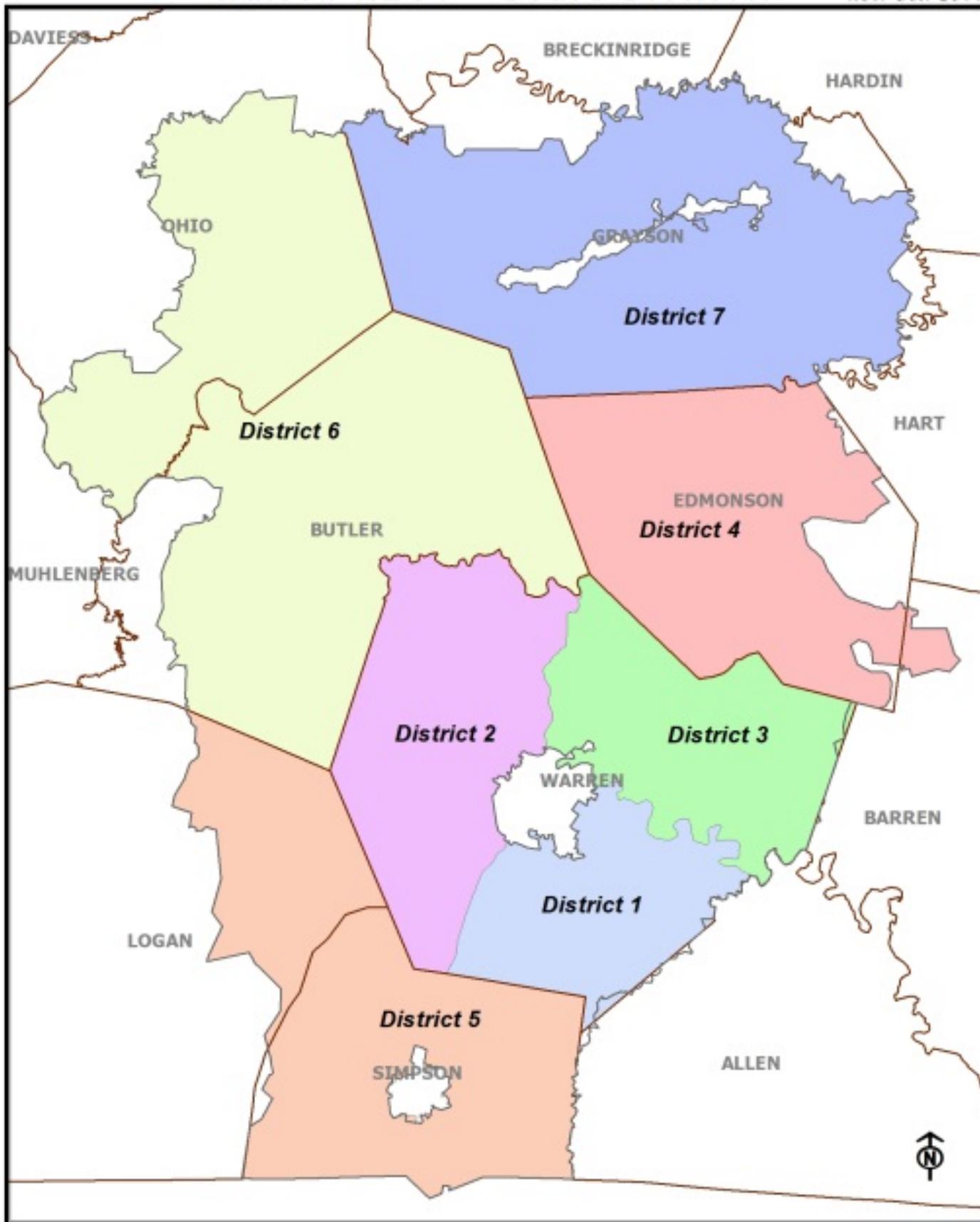
District 7: that portion of Grayson County served by Warren RECC.

*Boundaries determined according to service agreements with other utilities.

In the event that Director district changes are made for the betterment of the Warren RECC, any elected Director will remain on the Board of Directors until his/her current term expires.

Warren RECC - Board Districts

Rev. Oct. 2014



Section 3. Compensation.

Directors shall not receive any salary for their services as a Director of Warren RECC, except that by Resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board and a stipend for attendance to Warren RECC business. No Director shall receive compensation for serving Warren RECC, unless the payment and amount of compensation shall be specifically authorized by a vote of the Board, or the service by such Director or close relative shall have been certified by the Board as an emergency measure.

Section 4. Qualifications.

To become or remain a Board member of Warren RECC, a person shall:

- a. Be a high school graduate or equivalent.
- b. Have been a U.S. citizen for at least five (5) years and be able to speak, read, write, and understand English, subject to verification by Warren RECC.
- c. Be a member of Warren RECC. The prospective Board member must receive electric service from Warren RECC at his/her primary or principal residence, within the district the candidate will represent, for at least one year prior to election and continuously through the term to which he/she is elected. In the event a member represents a corporation, a notarized letter must be received from that corporation stating the individual is representing the corporation. The individual representing a corporation must also meet the same residency requirements as an individual member as noted above.
- d. Have the capacity to enter into a legally binding contract.
- e. Not have been removed or disqualified as a director in any system within the rural electric cooperative program.
- f. Not have been convicted of, or pled guilty to, a felony.
- g. Commit to attend Board meetings in person, with no more than two (2) meetings per calendar year being attended by electronic media. After three (3) absences, including the two (2) attendances by electronic media during a calendar year, unless excused by a majority vote of the remaining Board members, the Director may be removed from his/her position or shall forfeit the meeting per diem and stipend for subsequent meetings missed during a calendar year.
- h. Submit, during the year of their District election, as follows:
 - 1) A Letter of Nomination from one (1) member of Warren RECC in good standing who resides in the same Director district which the candidate will represent.
 - 2) A Letter of Acceptance of the Nomination from the Candidate.
 - 3) A completed and signed Director Qualification Disclosure Form.
 - 4) A signed Conflict of Interest Agreement,
 - 5) A completed and signed Acknowledgement and Agreement as to Official Duties, Confidential Information, Drugs/Alcohol, Non-Compete, Indemnification, Defend and Hold Harmless to restrict involvement with any business competing with Warren RECC and/or any of its subsidiaries, as determined by Warren RECC in its sole discretion.
 - 6) A completed and signed Acknowledgment and Authorization for a Background/Criminal Check.
 - 7) A signed Disclosure Regarding Background Investigation for validation of business reputation, a drug test, and a check of, or full disclosure of, pending or settled litigation and/or arbitration that may adversely affect or reflect on Warren RECC, as determined by Warren RECC in its sole discretion.
 - 8) A completed Candidate Profile Information Form.

- i. Not be a director, officer, employee, business agent, former employee, or a consultant/representative/volunteer of a union or other entity seeking to represent Warren RECC employees under the regular terms and conditions of employment with Warren RECC.
- j. Not be a current employee or former employee of Warren RECC.
- k. Not be a close relative or cohabitant of any Warren RECC employee or Director by blood, adoption, or marriage. Close relative is defined as spouse, child, grandchild, parent, grandparent, brother, sister, cousin, aunt, uncle, nephew, or niece. A cohabitant is defined as two people who live in the same dwelling, regardless of gender, both of who are at least 18 years of age.
- l. Not be an employee or volunteer worker for any Warren RECC employee or Director.
- m. Not be a candidate so long as he or she is, or ever has been, a party to any mediation, claim, arbitration, lawsuit, or other legal action against Warren RECC or its subsidiaries.
- n. Not be a candidate for, or hold, an elected public partisan office.
- o. Be a member in good standing and agree to support the Bylaws, Articles of Incorporation, TVA Rules and Regulations, Warren RECC policies and procedures, cooperative principles, laws of the Commonwealth of Kentucky, as well as applicable federal laws and regulations such as OSHA regulations and tax laws. A member in good standing is defined as a member whose bills are current, has no returned checks, has not been disconnected for non-payment within the past 24 months, and has not been found in violation of any Warren RECC policies within the past 24 months.
- p. Have met all deadlines and complete the application process for the Warren RECC Board of Directors in a timely manner.
- q. Obtain NRECA Credentialed Cooperative Director Certification within two years of election or appointment to the Board and the NRECA Board Leadership Certificate within five years of election or appointment to the Board.
- r. Agree to be trained on electronic equipment needed for the position, as determined by Warren RECC at its sole discretion.

Upon establishment of the fact that a Board member is holding the office in violation of any of the foregoing provisions, he/she may be removed by a majority vote of the remaining Board members who meet all of the required qualifications.

Nothing contained in this Section shall affect in any manner, whatsoever, the validity of any action taken at any meeting of the Board by a majority vote.

Section 5. Nomination Process.

No later than January 15 of each calendar year, Warren RECC will give notice of the terms of the Directors that expire that year of which will be elected at the Annual Membership Meeting. This notice will be advertised in all newspapers within the service area. In addition, this notice will be publicized through social media, the Kentucky Living magazine, the Warren RECC website, and/or various other media outlets.

At the regular January Meeting of the Board of Directors, the Board Chairman will appoint an Elections Committee. This committee will consist of three (3) members of Warren RECC, who are not members of the Board of Directors or employees of Warren RECC, to review all documents submitted by candidates for election. This committee will also determine the validity of documents obtained by Warren RECC related to qualifications of all candidates. The Elections Committee cannot be members of the Nominating Committee and must meet the same qualifications as the Nominating

Committee. The qualifications for members of the Elections Committee are as follows:

Elections Committee

- 1) A member in good standing as defined in Article IV, Section 4, o.
- 2) A community leader, preferably with a known business and professional background.
- 3) Appointed by the Board Chairman.
- 4) Cannot reside in a district where the term of the current Director is expiring and/or seeking re-election.
- 5) No member of the Board of Directors, no current employee of Warren RECC or any subsidiary of Warren RECC, and/or no close relative or cohabitant of any Board member, employee of Warren RECC, or employee of any subsidiary of Warren RECC, may serve on the Elections Committee. A close relative or cohabitant is defined in Article IV, Section 4, k.

At the regular January Board Meeting, the Board of Directors shall also appoint a Nominating Committee consisting of seven (7) members – one from each of the seven (7) districts. The qualifications for members of the Nominating Committee are as follows:

Nominating Committee

- 1) A member in good standing as defined in Article IV, Section 4, o.
- 2) A community leader, preferably with a known business and professional background.
- 3) Appointed by the Director currently serving in each District.
- 4) No member of the Board of Directors, no current employee of Warren RECC or any subsidiary of Warren RECC, and/or no close relative or cohabitant of any Board member, employee of Warren RECC, or employee of any subsidiary of Warren RECC shall serve on the Nominating Committee. A close relative or cohabitant is defined in Article IV, Section 4, k.

The filing deadline is February 15 of any calendar year for all candidates who desire to seek a seat on the Board of Directors at Warren RECC. Persons who wish to be nominated as a candidate for the Board of Directors must request a Director Candidate Packet from the Office of the President and CEO of Warren RECC, personally pick up the Director Candidate Packet from the Office of the President and CEO of Warren RECC, and present for copying a valid Kentucky photo ID showing proof of residence in the district which the candidate will represent at the time the packet is picked up. The following information must be received in order to declare the candidate's intention to seek a Director position:

- 1) A Letter of Nomination from one (1) member of Warren RECC in good standing who resides in the same Director district which the candidate will represent.
- 2) A Letter of Acceptance of the Nomination from the Candidate.
- 3) A completed and signed Director Qualification Disclosure Form.
- 4) A signed Conflict of Interest Agreement.
- 5) A completed and signed Acknowledgement and Agreement as to Official Duties, Confidential Information, Drugs/Alcohol, Non-Compete, Indemnification, Defend and Hold Harmless to restrict involvement with any business competing with Warren RECC and/or any of its subsidiaries, as determined by Warren RECC, in its sole discretion.
- 6) A completed and signed Acknowledgment and Authorization for a Background Check.
- 7) A signed Disclosure Regarding Background Information for validation of business reputation, a drug test, and a check of, or full disclosure of, pending or settled litigation and/or arbitration that may adversely affect or reflect on Warren RECC, as determined by Warren RECC in its sole discretion.
- 8) A completed Candidate Profile Information Form.

All completed materials must be received by the Office of the President and CEO of Warren RECC no later than 4:30 p.m. on February 15. If the 15th falls on a Saturday, Sunday or official holiday, the materials will be accepted until 4:30 p.m. on the next business day.

Warren RECC will obtain a criminal background check, a drug test, and any other information needed prior to presentation to the Elections Committee.

The Elections Committee will meet before March 1 of any calendar year to review and validate filing materials for all candidate(s). A report of their findings will be given to the Office of the President and CEO to be forwarded to the Nominating Committee. The Office of the President and CEO will also notify the candidates whether or not they qualify to be considered for nomination.

The Nominating Committee will meet no later than March 15 of any calendar year. The Nominating Committee will review the report of the Elections Committee as well as interview all candidates verified and approved by the Elections Committee. It will be the duty of the Nominating Committee to prepare a list of nominations comprised of one Director Candidate from each of the districts in which terms are expiring that year. This list of nominations will be posted in all Warren RECC offices within three (3) business days after the Nominating Committee meeting and will remain posted until after the Annual Membership Meeting. The nominees selected by the Nominating Committee will then continue as a candidate for election to the Board of Directors at the Annual Membership Meeting.

Other candidates approved and qualified by the Elections Committee, but not nominated by the Nominating Committee, will also be eligible to go farther in the election at the Annual Membership Meeting contingent upon presentation of a petition to the Office of the President and CEO containing a minimum of fifty (50) signatures of Warren RECC members in good standing, as defined in Article IV, Section 4, o., who reside in the district which the candidate will represent. This petition must be physically received no later than 4:30 p.m. by the Office of the President and CEO within three (3) business days after the selection of nominees by the Nominating Committee. The signatures on the petition will be reviewed by the Office of the President and CEO to determine if all signatures are those of members in good standing whose residency is within the candidate's district, using the Warren RECC billing system. This validation will be completed within three (3) business days after the presentation of the petition. Information regarding all additional candidates whose petition has been validated by the Office of the President and CEO will also be posted in all Warren RECC offices and remain posted until after the Annual Membership Meeting. A member in good standing can sign only one petition for one candidate.

The Secretary of the Board of Directors shall be responsible for notifying all members of the number of Directors to be elected and the names and addresses of all candidates for election. This information may, at Warren RECC's sole discretion, be published/included in one or more of the following: the Legal Notice of the Annual Membership Meeting, separate mailings, local newspapers, the Kentucky Living magazine, the Warren RECC website, various other media outlets, and/or as an insert in the electric bills. This information shall be distributed at least seven (7) days prior to the date of the Annual Membership Meeting.

Section 6. Election

In order to not disrupt the Annual Membership Meeting and its purpose, no campaigning of any kind, including speeches, will be allowed to take place on, in, and/or outside the premises at the Annual Membership Meeting. In addition, to avoid disruption of business, no campaigning will be allowed on the premises of any Warren RECC office or property.

At the Annual Membership Meeting, the Cooperative Attorney shall present the list of nominations by the Nominating Committee and those additional candidates verified by the Elections Committee but not nominated by the Nominating Committee, whose petition was validated by the Office of the President and CEO. An elections management company, as determined by Warren RECC in its sole discretion, shall provide, run, monitor, oversee, and maintain the voting stations, voting ballots, and calculation/tally of votes at the election. At-large voting will take place at the Annual Membership Meeting. Only those members in attendance at the Annual Membership Meeting will be eligible to vote – one member, one vote. A member is defined in Article I, Section 4, of these Bylaws. Membership shall be verified at the time of registration for the meeting, and voting credentials will be issued. Directors shall be elected by a majority vote of ballots cast at the election.

When tally tapes are printed by the election company, and election results known, the Cooperative Attorney will present the results to all candidates at the same time. All candidates will be asked to sign an Acknowledgment of Receipt of

Election Results. The unsuccessful candidate(s) will be asked to sign a Concession of Election. If the Concession of Election form is signed by all unsuccessful candidate(s), the election process ends.

If any candidate requests an Election Recount or an Election Recanvass, the following shall apply:

1. If a candidate refuses to sign the Concession of Election form and requests a recanvass, all of the paper tapes from the voting machines will again be added to confirm the vote total. Any recanvass of the actual ballots shall be performed by the election company.
2. The unsuccessful candidate(s) will again be requested to sign a Concession of Election.
3. If any unsuccessful candidate desires a recount, he/she shall file a written and signed petition requesting a recount of the ballots within 10 days after the date of the election with the Office of the President and CEO at Warren RECC.
4. Any recount of the ballots shall be performed by the election company.
5. Any candidate requesting a recount of the ballots shall be liable and responsible for all costs and expenses incurred by Warren RECC for the recount including, but not limited to, election company invoices and attorney fees related to the recount of the ballots.
6. The Cooperative Attorney will announce the total vote count and the status of the election to the members during the business meeting at the Annual Membership Meeting.
7. In the event of a tie after the recount, the winner shall be determined by a coin toss.

Section 7. Vacancies.

A vacancy on the Board is defined as a resignation, retirement, termination, or death of a Board member. Vacancies shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term. The following steps shall be complied with for filling the vacancy:

1. No steps will be taken to fill any vacancy until the next regularly-scheduled or special-called Board meeting following the creation of the vacancy.
2. The Board Chairman will appoint a Vacancy Committee of two (2) current Board members and the Nominating Committee member from the district in which the vacancy occurs to make recommendations for the vacancy. If the Nominating Committee member is unable or unwilling to serve, the two remaining members of the Vacancy Committee and the Board Chairman will select a member in good standing from the district in which the vacancy exists, to serve on the Vacancy Committee.
3. Any solicitation for candidates for the position shall be at the discretion of the full Board.
4. The Vacancy Committee will select candidates from the membership of the vacant district. Candidates will be required to complete and sign a Director Qualifications Disclosure Form outlined in Article IV, Section 4, in the same manner as any other member desiring to run for a Board position.
5. After all candidates have completed and signed the Director Qualification Disclosure Form, and verification by the Vacancy Committee that all candidates meet all the Director Qualifications outlined in Article IV, Section 4, the Vacancy Committee will submit up to three (3) names for consideration by the remaining Board. The remaining Board will decide if up to three (3) candidates will be interviewed, at the Board's sole discretion.
6. After the interviews are complete, the position will be filled by the affirmative vote of a majority of the remaining Board members.

ARTICLE V - Meetings of Board of Directors

Section 1. Regular Meetings.

A regular meeting of the Board shall be held without notice immediately after and at the same place as the Annual Membership Meeting of the members. A regular meeting of the Board shall also be held monthly at such time and place as designated by the Board. Such regular monthly meetings may be held without notice other than such action fixing the time and place thereof.

Section 2. Notice of Board Meetings.

Written notice of the time, place, and purpose of any regular meetings of the Board shall be delivered to each Board member, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Board member at his/her address, with postage thereon prepaid, at least three days before the date set for the meeting. If sent by electronic media, such notice shall be deemed to be delivered when sent electronically addressed to the Board member at his/her email address at least three days before the date set for the meeting.

Section 3. Special Meetings.

Special meetings of the Board may be called by the Chairman or by a majority of Board members, and it shall be the duty of the Secretary to cause notice of such meetings to be given as outlined in Article V, Section 2, above. The Chairman or Board members calling the meeting shall schedule the time, place, and/or electronic remote communication for holding of the meeting.

Section 4. Quorum.

A majority of the Board shall constitute a quorum. If less than a majority of the Board is present at said meeting, either in person or by electronic communication, a majority of the Board present may adjourn the meeting. The Secretary shall notify any absent Board member of the time and place of such adjourned meeting. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws. Directors will be allowed attend and to be present by electronic remote communication for no more than two meetings per calendar year.

ARTICLE VI – Officers

Section 1. Number.

The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary/Treasurer, the President and Chief Executive Officer, Assistant Secretaries as may be appointed, and such other officers as may be determined by the Board of Directors.

Section 2. Election and Term of Office.

The officers shall be elected annually by and from the Board at the Annual Meeting of the Board of Directors held immediately following the Annual Membership Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon as conveniently possible thereafter. Each officer shall hold office until the first meeting of the Board following the next succeeding Annual Membership Meeting of the members or until a successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by a majority vote of the remaining Board for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by the Board.

Any officer or agent elected or appointed by a majority vote of the Board may be removed by a majority vote of the Board whenever, in its sole discretion, the best interests of the Cooperative will be served thereby.

Section 4. Chairman.

The Chairman shall:

- (a) preside at all meetings of the members and the Board;
- (b) sign any TVA Power Contract Supplements, RUS and supplemental lender agreements, real estate sales contracts,

deeds, mortgages, deeds of trust, notes, bonds, contracts (other than documents necessary for the day-to-day operation of the Cooperative) or other instruments authorized by the Board to be executed, except in cases in which the signing, negotiation, and execution thereof is expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

- (c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

Section 5. Vice Chairman.

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

Section 6. Secretary/Treasurer.

The President and CEO shall designate a Recording Secretary to work in conjunction with the elected Secretary/Treasurer.

The elected Secretary/Treasurer and the Recording Secretary shall be responsible for:

- (a) keeping the minutes of the meeting of the members and of the Board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keeping a register of the names and addresses of all members;
- (e) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request, and
- (f) in general performing all duties incident to the office of Recording Secretary and such other duties as may be assigned by the Board under supervision of the President and CEO.

The President and CEO shall designate a Financial Officer to work in conjunction with the elected Secretary/Treasurer.

The elected Secretary/Treasurer and the Financial Officer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- (c) the general performance of all the duties incident to the office of Financial Officer and such other duties as may be assigned by the Board under supervision of the President and CEO.
- (d) the elected Secretary/Treasurer shall be a permanent member of the Audit Committee.

Section 7. Assistant Secretary.

Upon election by the Board of Directors, the Attorney will be elected as Assistant Secretary to fill such duties for the Secretary/Treasurer as may arise. Other Assistant Secretaries may be elected, at the sole discretion of the Board of Directors, to fill such duties as may arise.

Section 8. President and CEO.

The Board may appoint a President and CEO who shall be the principal executive officer of the Cooperative and who shall perform such duties and shall exercise such authority as the Board may authorize. The President and CEO may be, but shall not be required to be, a member of the Cooperative. The President and CEO shall reside within the exterior service boundaries of the Cooperative and cities therein.

Section 9. Fiduciary Insurance Coverage.

The Treasurer, the Financial Officer, and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be insured in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, board member, attorney, agent, or employee of the Cooperative to be insured in such amount and with such surety as it shall determine. All employees of the Cooperative are covered under the Cooperative's Errors and Omissions Policy with Federated Rural Electric Insurance Exchange.

Section 10. Reports.

The President and Chief Executive Officer shall present a report at each Annual Membership Meeting covering the business of the Cooperative for the previous fiscal year. Such report shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII - Not-For-Profit-Operation

Section 1. Interest or Dividends on Capital Prohibited.

The Cooperative shall at all times be operated on a cooperative, not-for-profit basis, for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members. The Cooperative's current contract with its regulator and power supplier, the Tennessee Valley Authority (TVA), does not allow for retirement or payment of capital credits.

Section 2. Retirement of Capital Credits.

Notwithstanding the provisions of these Bylaws, no member shall have any right to compel the Board of Directors to make retirements on a patronage basis, or otherwise, of patronage capital, the retirement thereof being a matter within the sole discretion of the Board of Directors to be exercised or not in accordance with the applicable law and subject to the provisions of any contracts from time to time duly entered into on behalf of the Cooperative. The Cooperative's current contract with its regulator and power supplier, TVA, does not allow for retirement or payment of capital credits.

Section 3. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all members will, through their patronage, furnish capital for the Cooperative. All amounts received and receivable from the furnishing of electric energy to members in excess of operating costs and expenses properly chargeable against the furnishing of electric energy are, at the moment of receipt by the Cooperative, received with the understanding that such amounts are furnished by the members as capital. Capital contributed by the members shall be used only for capital purposes including without

limitation new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (1) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital assigned to the accounts of members, as herein provided. The Cooperative shall maintain such books and records as will enable it at any time to compute upon reasonable notice, the amount of capital contributed during any given period by each of its members. All such amounts shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding aggregate amounts for capital.

In the event of dissolution of the Cooperative, its affairs shall be liquidated in the manner provided by law. The Directors in charge of such liquidation shall use the proceeds derived from liquidation to satisfy and discharge all outstanding liabilities and obligations of the Cooperative. To the extent permitted by law, any remaining proceeds of liquidation shall be disposed of as follows:

The aggregate amount of capital contributed by members of the Cooperative during the period of its existence shall be determined and such remaining proceeds up to such aggregate amounts shall be returned to such members in proportion to the respective amounts of capital contributed by them.

If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts, if any, may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the period in which the capital was furnished and credited, the capital first received by the Cooperative being first retired. In no event, however, may any such capital be retired unless after the proposed retirement, the capital of the Cooperative shall equal between 32 and 37 percent of the total assets of the Cooperative.

Capital credited, if any, to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successor's in occupancy in all or a part of such member's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of his estate shall request in writing that any capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws to retire capital credited, if any, to any such member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of member's estate shall agree upon, provided however, that the financial condition of the Cooperative will not be impaired thereby. The Cooperative's current contract with its regulator and power supplier, Tennessee Valley Authority (TVA), does not allow for retirement of capital credits.

The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member and both the Cooperative and the members are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

ARTICLE VIII - Disposition of Real Property

The Cooperative may not sell, lease, or otherwise dispose of any of its real property unless authorized by the Board of Directors by a majority vote of the Board of Directors. The Board of Directors, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired, or to be acquired, and wherever situated, as well as the revenues and income there from, upon such terms and conditions as the Board of Directors shall determine, to secure any obligation of the Cooperative, any provision

of the Articles of Incorporation or Bylaws of the Cooperative to the contrary notwithstanding.

Sale of property, other than merchandise and property acquired for resale, shall not in anyone year exceed 10 percent in value of all of the property of the Cooperative.

ARTICLE IX – Seal

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

ARTICLE X - Financial Transactions

Section 1. Contracts.

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

Section 2. Checks, Drafts, and Other Commercial Paper.

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

Section 3. Deposits.

All funds, except petty cash of the Cooperative, shall be deposited daily to the credit of the Cooperative in such bank or banks as selected by the Cooperative.

Section 4. Change in Rates.

Any change in rates will be authorized by the Board of Directors and approved by the Tennessee Valley Authority.

Section 5. Fiscal Year.

The fiscal year of the Cooperative shall begin on July 1 of each year and shall end on June 30 of the following year.

ARTICLE XI – Miscellaneous

Section 1. Waiver of Notice.

Any member or Board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Board member at any meeting shall constitute a Waiver of Notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

Section 2. Policies, Rules, and Regulations.

The Board shall have power to make and adopt such policies, rules, and regulations, not inconsistent with law, the Articles of Incorporation, or these Bylaws as it may deem advisable for management of the business and affairs of the Cooperative. Parliamentary procedures for meetings of the Board of Directors and of members of the Cooperative shall follow Robert's Rules of Order.

Section 3. Accounting System and Reports.

The Board shall cause to be established and maintained a complete accounting system which shall conform to applicable laws, rules, and regulations. The Board shall also, after the close of each fiscal year, cause to be made by a certified public accountant a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year.

Section 4. Area Coverage.

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

ARTICLE XII – Amendments

These Bylaws may be altered, amended, or repealed at any meeting of the Board by the affirmative vote of not less than a 2/3 majority of the entire Board of Directors, provided a notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal.

ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS: August 22, 2018