

By Laws

East Mississippi Electric Power Association

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As of June 10, 2022

**BY-LAWS
EAST MISSISSIPPI ELECTRIC POWER ASSOCIATION**

INDEX

ARTICLE I

MEMBERS

- Section 1.01 - Qualifications, Applications and Obligations
- Section 1.02 - Joint Membership
- Section 1.03 - Purchase of Electric Energy
- Section 1.04 - Power Production by Member
- Section 1.05 - Wiring of Premises; Responsibility Therefor;
Responsibility for Meter Tampering or Bypassing and for Damage to
Association Properties; Extent of Association Responsibility;
Indemnification
- Section 1.06 - Member to Grant Easements
- Section 1.07 - Non-Liability for Debts of the Association

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

- Section 2.01 - Suspension; Reinstatement
- Section 2.02 - Termination by Expulsion; Renewed Membership
- Section 2.03 - Withdrawal of Membership
- Section 2.04 - Termination by Death or Cessation of Existence; Continuation of
Membership in Remaining or New Partners
- Section 2.05 - Effect of Termination
- Section 2.06 - Effect of Death, Legal Separation or Divorce Upon a Joint Membership
- Section 2.07 - Board Acknowledgment of Membership Termination; Acceptance of
Member Retroactively

ARTICLE III

MEETINGS OF MEMBERS

- Section 3.01 - Annual Meeting
- Section 3.02 - Special Meetings
- Section 3.03 - Notice of Members' Meetings

- Section 3.04 - Quorum
- Section 3.05 - Voting
- Section 3.06 - Proxies
- Section 3.07 - Representative Voting
- Section 3.08 - Order of Business

ARTICLE IV

DIRECTORS

- Section 4.01 - General Powers
- Section 4.02 - Counties
- Section 4.03 - Tenure and Qualifications
- Section 4.04 - Credentials Committee; Nominations to Board of Directors; Nominations by Petition; Elections Committee
- Section 4.05 - Removal of Directors and Officers
- Section 4.06 - Vacancies
- Section 4.07 - Compensation, Reimbursement
- Section 4.08 - Rules and Regulations
- Section 4.09 - Accounting Systems and Reports
- Section 4.10 - Indemnification and Liability Insurance

ARTICLE V

MEETINGS OF DIRECTORS

- Section 5.01 - Regular Meetings
- Section 5.02 - Attendance by Members at Meetings of the Board of Directors
- Section 5.03 - Special Meetings
- Section 5.04 - Notice
- Section 5.05 - Quorum

ARTICLE VI

OFFICERS

- Section 6.01 - Number
- Section 6.02 - Election and Term of Office
- Section 6.03 - Removal
- Section 6.04 - Vacancies
- Section 6.05 - President

- Section 6.06 - Vice President
- Section 6.07 - Secretary
- Section 6.08 - Assistant Secretary
- Section 6.09 - Treasurer
- Section 6.10 - General Manager and/or Chief Executive Officer
- Section 6.11 - Bonds
- Section 6.12 - Compensation
- Section 6.13 - Reports

ARTICLE VII

CONTRACT, CHECKS AND DEPOSITS

- Section 7.01 - Contracts
- Section 7.02 - Checks, Drafts, Etc.
- Section 7.03 - Deposits

ARTICLE VIII

NON-PROFIT OPERATION

- Section 8.01 - Interest or Dividends on Capital Prohibited
- Section 8.02 - Patronage Capital in Connection with Furnishing Electric Energy
- Section 8.03 - Notice to Board

ARTICLE IX

ACCESS TO ASSOCIATION RECORDS

- Section 9.01 - Access to Corporate Records

ARTICLE X

SALE OR LEASE OF ASSETS OF THE ASSOCIATION

- Section 10.01 - Vote of the Members not Required
- Section 10.02 - Vote Required
- Section 10.03 - Procedural Requirements
- Section 10.04 - Required Disclosure
- Section 10.05 - Competing Bids Disclosure

Section 10.06 - Effect of Noncompliance
Section 10.07 - Non-Application to Consolidation
Section 10.08 - Severability

ARTICLE XI

MISCELLANEOUS

Section 11.01 - Membership in Other Organizations
Section 11.02 - Area Coverage
Section 11.03 - Waiver of Notice
Section 11.04 - Fiscal Year
Section 11.05 - Seal
Section 11.06 - Amendments
Section 11.07 - Robert's Rules or Order
Section 11.08 – Alternative Dispute Resolution

ARTICLE I

MEMBERS

Section 1.01. Qualifications, Applications and Obligations.

- (a) Any person, firm, corporation, or body politic may become a member of East Mississippi Electric Power Association, here called "Association" by:
- (1) making a written application therefor which may be completed in electronic form and/or by electronic signature with proof of identity or use of security measures as determined by the Association in the Association's sole discretion; and
 - (2) paying the membership fee hereinafter specified; and
 - (3) agreeing to purchase from the Association electric energy as hereinafter specified; and
 - (4) agreeing to comply with and be bound by the certificate of Incorporation of the Association and by these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors.
- (b) All applications received more than ninety (90) days prior to an annual membership meeting and which have not been accepted by the Board of Directors at least ten (10) days prior to the meeting shall be submitted by the Board of Directors to such meeting of the members, and subject to compliance by the applicant with the conditions set forth in subdivisions (1), (2), (3) and (4) of this section, such application for membership may be accepted by a vote of the members at such meeting. The Secretary shall give any such applicant at least ten (10) days notice of the date of the member's meeting to which his application will be submitted and such applicant may be present and heard at the meeting. No person, firm, corporation or body politic may own more than one (1) membership in the Association.

(c) With respect to any particular classification of service for which the Board of Directors shall require it, such application may be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Association or the application and supplemental contract, *e.g.* the Terms and Conditions of Electric Service Agreement, may be included in one (1) document. The membership application shall be accompanied by any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Association, which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction if any) shall be refunded in the event the application is not approved. Any former member of the Association may, by the sole act of paying a new membership fee and any outstanding account with interest (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Association), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

(d) Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction. The membership fee shall be as fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Association) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Association (together with a service security

deposit, a facilities extension deposit or contribution in aid of construction, if required by the Association), shall be paid by the member for each additional service connection requested by him if so required by the Association.

Section 1.02. Joint Membership. Husband and wife may apply for and be accepted into the membership as joint members, unless otherwise specified in the application for membership. The husband or wife may sign such application for the other if receiving service at the same connection. If one of them is already a member, they may if so desired convert such membership into a joint one upon written notice to the Association. The words “member,” “applicant,” “person,” “his” and “him,” as used in these bylaws, shall include husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing --

- (a) the execution by either or both of a proxy shall constitute one proxy, entitled to one vote.
- (b) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting and a revocation of any proxy executed by either, or both pursuant to Section 3.07 of these bylaws;
- (c) the vote of either or both shall constitute, respectively, one proxy.
- (d) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;

(e) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership except as provided by Section 2.06;

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

Section 1.03. Purchase of Electric Energy. Each member shall, as soon as electric energy is made available, purchase from the Association all electric energy used on the premises specified in the member's application for membership, and shall pay therefor monthly at the applicable rate schedule which shall from time to time be fixed by the Board of Directors. It is expressly understood that amounts paid for electric energy in excess of the operating costs and expenses of providing service are furnished by members as capital, and each member may be credited with the capital so furnished as provided in these bylaws.

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

Each member applicant shall assume liability and make payment for the following:

(a) the account for which electric power service is rendered by the Association, at the location for which application for service is made.

(b) subject to the rules and regulations of the Public Service Commission, any delinquent account or amount owed to the Association where the member or applicant has resided at the location receiving service but only for such delinquency or account which occurred while the member or applicant was a resident.

Each applicant will furnish sufficient identification to verify their true identity and any previous addresses required by the Association.

Section 1.04. Power Production by Member. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Association facilities shall be subject to appropriate regulations as shall be fixed from time to time by the Association.

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

Section 1.05. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Association Properties; Extent of Association Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the Mississippi Insurance Underwriters Association, the National Electric Code, the National Electric Safety Code, any applicable state code or local government ordinances, and of the Association, it being understood and agreed that the connection by the Association, to the member's premises shall not in any way or manner constitute the Association's approval of the member's wiring or the safety or adequacy of the same. Each member shall be responsible for and shall indemnify the Association and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of such premises and all wiring apparatuses connected thereto or used thereon. Each member shall make available to the Association a suitable site, as determined by the Association,

whereon to place the Association's physical facilities for the furnishing and metering of electric service and shall permit the Association's authorized employees, agents and independent contractors to have access thereto for meter reading and for inspection, operation, maintenance, replacement, relocation or repair of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Association's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from doing so. Each member shall also provide such protective devices to their premises, apparatuses or meter base as the Association shall from time to time require in order to protect the Association's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Association and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Association's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Association shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Association's billing procedures. In no event shall the responsibility of the Association extend beyond the point of delivery.

Section 1.06. Member to Grant Easements. Each member if legally able shall, upon being requested to do so by the Association, execute and deliver to the Association grants of easement or right-of-way over, on and under such lands owned or occupied by the member, and in accordance with such reasonable terms and conditions, as the Association shall require for the furnishing of electric service to him or other members or for the construction, extension, improvement, operation, maintenance or relocation of the Association's electric facilities.

Section 1.07. Non-Liability for Debts of the Association. The private property of the members of the Association shall be exempt from execution for the debts of the Association and no member shall be individually liable or responsible for any debts or liabilities of the Association.

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

Section 2.01. Suspension; Reinstatement. Upon the failure, after the expiration of the initial time limit prescribed in a specific written notice to a member to pay any amounts due the Association or failure to comply with the bylaws, rules & regulations of the Association or other law, a person's membership shall automatically be suspended; and such person shall not during such suspension be entitled to receive electric service from the Association or to cast a vote at any meeting of the members. For any other noncompliance with membership obligations, the Board of Directors may suspend such member five (5) days after notice of such noncompliance is given. Payment of all

amounts due the Association, including any additional charges required for service reinstatement, and/or cessation of any other noncompliance with his membership obligations within a final time limit provided in such notice or rules and regulations shall automatically reinstate the membership in which event the member shall thereafter be entitled to receive electric service from the Association and to vote at the meeting of its members.

Section 2.02. Termination by Expulsion; Renewed Membership. Upon failure of a suspended member to be automatically reinstated to membership as provided in Section 2.01, the member may, without further notice, but only after due hearing if such is requested by the member, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Association at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which the latter event such person's membership shall be reinstated retroactively to the date of expulsion. After any finally effective expulsion of a member, such person may not again become a member except upon new application therefor duly approved as provided in Section 1.01. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed memberships as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

Section 2.03. Withdrawal of Membership. Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Association and upon compliance with such terms and conditions as the Board of Directors may prescribe, thus terminating membership and service.

Section 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners. Except as provided in Section 2.06, the death of an individual human member shall automatically terminate membership. One not a joint member but who continues to reside at the location receiving service may succeed to the membership upon application there-for subject to the provisions of Section 1.01 and upon proper assignment or proof of legal entitlement. The cessation of the legal existence of any other type of member shall automatically terminate such membership; PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been different partners; PROVIDED FURTHER, that neither a withdrawing partner nor his estate shall be released from any debts then due the Association.

Section 2.05. Effect of Termination. Upon the termination in any manner of a person's membership, or his estate, as the case may be, said member shall be entitled to a refund of the membership fee (and to his service security deposit, if any, theretofore paid the Association), less any amount due the Association; but neither the member nor his estate, as the case may be, shall be released from any debts or other obligations then

remaining due the Association. Notwithstanding the suspension or expulsion of a member as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from membership obligations as to entitle him to purchase from any other source any central station's electric power and energy for use at the premises to which such service has theretofore been furnished by the Association pursuant to such membership.

Section 2.06. Effects of Death, Legal Separation or Divorce upon a Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that the estate of the deceased spouse shall not be released from any debts due the Association. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to directly occupy or own the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that the other spouse shall not be released from any debts due the Association.

Section 2.07. Board Acknowledgment of Membership Termination; Acceptance of Member Retroactively. Upon the termination of a person's membership for any reason, the Board of Directors as soon as practicable after such termination is made known to it, shall be appropriate resolution formally acknowledge such termination, effective as of the date on which the Association ceased furnishing electric service to such person. Upon discovery that the Association has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless

such person applies for, and the Board of Directors approves, membership retroactively to that date on which such person first began receiving such service, in which event the Association, to the extent practicable, shall correct its membership and all related records accordingly; PROVIDED, that if the Association acquires facilities which are already providing electric services to patrons not members of the Association, the Association may continue furnishing such pre-existing service without requiring such patrons to become members if to do otherwise would create hardship, but in no event shall such non-member patron revenue exceed fifteen percent (15%) of the total revenue received by the Association.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.01. Annual Meeting. For the purposes of electing Directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the first Saturday of the month of October each year, at such place in one of the counties of Mississippi within which the Association serves, and beginning at such hour as the Board of Directors shall from year to year fix; PROVIDED, that, for cause sufficient, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Association.

It shall be the responsibility of the Board of Directors to make adequate plans and preparation for the annual meeting, and to encourage attendance by the membership at these meetings.

Section 3.02. Special Meetings. Special meetings of the members may be called by at least a majority of directors or upon written request signed by at least ten percent (10%) of the members from Lauderdale County, ten percent (10%) of the members from Clarke County, ten percent (10%) of the members from Kemper County, and ten percent (10%) of the members from Winston County, it being provided that because the Association has some members in counties adjoining the above named counties that in computing such percentages, the members from Newton County shall be counted with those from Lauderdale County, the members from Wayne and Jasper Counties shall be counted with those from Clarke County, the members from Neshoba and Noxubee Counties shall be counted with those from Kemper County, and the members from Choctaw and Attala Counties shall be counted with those from Winston County, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the service area of the Association, in the State of Mississippi, specified in the notice of the special meeting.

Section 3.03. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) days nor more than one hundred twenty (120) days before the date of the meeting, either

personally or by mail or by electronic means, by or at the direction of the Secretary, or by the directors or members calling the meeting, to each member. If directors are to be elected at such meeting, the notice of members' meeting shall include a statement of the Board members to be elected as provided in Section 4.04. Unless contained with such notice, no matter may be acted upon a special meeting which requires the affirmative votes of at least a majority of the members. If mailed such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member as it appears on the records of the Association, with postage thereon prepaid or by acknowledgement of receipt if by electronic means. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 3.04. Quorum. At all regular and special meetings of the members, at least ten percent (10%) of the members from Lauderdale County, ten percent (10%) of the members from Clarke County, ten percent (10%) of the members from Kemper County and ten percent (10%) of the members from Winston County must be present in person, or by proxy as provided by Section 3.06 of this Article, to constitute a quorum for the transaction of business, and such percentage shall be computed upon the number of members of the Association in good standing as of the date of the meeting. Because the Association has some members in counties adjoining the above named counties, it is provided that in computing such percentage to determine a quorum, any members present from Newton County shall be counted and computed with those from Lauderdale County, those from Wayne and Jasper Counties shall be counted and computed with those from Clarke County, those from Neshoba and Noxubee Counties shall be counted and

computed with those from Kemper County and those from Choctaw and Attala Counties shall be counted and computed with those from Winston County. In case of joint memberships, the presence at a meeting of either the husband or wife, or both, shall be regarded as the presence of one member. The determination of whether or not a quorum is present shall be made by the president of the Board, or his nominee, and such determination shall be conclusive in the absence of fraud or bad faith.

If a quorum is not present, the annual meeting shall not be conducted further unless and until the meeting is adjourned or recessed to a later time or date by the president, or his nominee, and a quorum is reached. The determination by the president, or his nominee, to adjourn or recess the meeting, shall be conclusive in the absence of fraud or bad faith, and no further valid or binding action may be taken unless and until a quorum is present.

Section 3.05. Voting. Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. A member may vote in person or by proxy. At a meeting of the members where directors are to be elected, all members present in person or by proxy may cast one vote for each director to be elected; each member may vote their own vote plus those ten (10) proxies executed in their favor, pursuant to Section 3.07 of these bylaws. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Association, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by

the Association's Certificate of Incorporation or these bylaws. Cumulative voting will not be permitted.

Section 3.06. Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by electronic means in a form and using a system designated by the Association, subject to the provisions hereinafter set forth, provided, however, any member holding and intending to vote a proxy must deliver the executed proxy to the return address identified on the proxy or by hand delivery at the Association's headquarters or to any branch office, not less than three (3) days prior to the meeting. Delivery for the purpose of this section shall mean that proxy is received by the Association. The proxy must have entered thereon the account number of the member appointed to vote the proxy. If one person shall receive electric service through two (2) or more meters at different premises, he shall be entitled to not more than one (1) vote at any meeting of the members, in accordance with the Articles of Incorporation of the Association. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No proxy shall be valid after one hundred twenty (120) days from the date of its execution. No member shall vote as proxy for more than ten (10) members at any meeting of the members, but this restriction shall not apply to the Board of Directors who shall vote the proxies assigned to them according to the will of a majority of the members of the Board of Directors. The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by that member, and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if the proxy had not been

executed. In case of a joint membership, a proxy may be executed either by the husband or wife. The presence of either husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed. A standard proxy form shall be used which identifies the member by name and account number, in order to assure authenticity and facilitate the tabulation of votes. If the proxy form of a member is lost, stolen, or destroyed, the Association shall furnish the member with a replacement proxy form upon request, provided that the member executes a revocation of the lost, stolen or destroyed form, to be witnessed by an employee of the Association. Blank proxy forms will not be distributed in bulk to any member. Only the proxy form issued by the Association shall be valid.

Section 3.07. Representative Voting. Legal entity organizations and nonlegal entity organizations which are members of the Association may be represented at any meeting of the members and may vote only as follows: (a) Any director, officer or general manager and/or chief executive officer duly authorized in writing may represent and cast the vote of a corporation; (b) a trustee, steward, deacon, clerk or pastor fully authorized in writing may represent and cast the vote of a church; (c) a school trustee, principal or superintendent duly authorized in writing may represent and cast the vote of school; (d) and any other association or organization not a legal entity may be represented by and have its vote cast by any person duly authorized in writing who is a trustee, or general manager and/or chief executive officer or part owner, or any officer of such association or organization.

Section 3.08. Order of Business. The order of business at the annual meetings of the members and, so far as practicable, at all other meetings of the members shall be essentially as follows, except as otherwise determined by an officer, agent or representative of the Association who is presiding at such meeting:

1. Report on the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting.
3. Reading, or the waiver thereof, of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors and committees.
5. (a) Receive report of Credentials Committee.
(b) Secretary to present petitions filed and posted for the nominations of directors.
(c) Election of Directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

DIRECTORS

Section 4.01. General Powers. The powers, business and affairs of the Association shall be vested in, and managed and exercised by, a board of ten (10) directors. The board shall exercise all of the powers of the Association except such as are by law or by the Certificate of Incorporation of the Association or by these bylaws conferred upon or reserved by the members.

Section 4.02. Counties. In order to assure equal representation of the geographical areas of the Association on the Board of Directors of the Association, the board shall be composed of one (1) at-large director from the North System, one (1) at-large director from the South System, and two (2) directors from each of the following counties: Kemper, Winston, Lauderdale, and Clarke. The North System is comprised of the counties of Kemper, Winston, Noxubee, Neshoba, Choctaw and Attala. The South System is comprised of the counties of Lauderdale, Clarke, Wayne, Newton and Jasper.

Section 4.03. Tenure & Qualifications.

(a) As required by Section 77-5-221, Miss. Code Ann., 1972, as amended, one-third (1/3) of the total number of directors, or as nearly equal to one-third (1/3) as possible depending on the total number of directors, shall be elected annually for a term of three (3) years by the members entitled to vote at the annual meetings of the members, provided a quorum is present as provided in these bylaws. Directors presently or hereafter servicing, whether heretofore or hereafter elected by the members, or elected by the board to fill a vacancy, shall continue to remain in office until their successors shall have been duly elected. If, for any fiscal year, because of the lack of a quorum, or other valid reason, the annual members' meeting is not conducted according to these bylaws, then those directors who are then in office, and whose terms would otherwise expire unless they were re-elected, shall nevertheless continue and remain in office as directors for an additional three year term or terms until their successors in office are duly elected.

(b) No person or non-natural person as described in subsection (d) of this section shall be eligible to become or remain a director or hold any position of trust in the Association who is not an active member in good standing of the Association, has not

been a bona fide resident of the county/area from which they are to be elected for one year immediately preceding the nomination to directorship, or who is in any way employed by or financially interested in a competing enterprise.

(c) No person shall be eligible to become or remain a director who has been finally convicted of a felony or misdemeanor involving moral turpitude.

(d) In order to be eligible to become or remain a director of the Association, a person must be a member of the Association and receiving service therefrom at his residence. However, the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or its designees, shall, notwithstanding that they do not receive service from the Association at their residence, be eligible to become a director, from the county/area in which such member is located, if they or such designee:

- (1) is in substantial permanent occupancy, direction or use of the premises served by the Association, and
- (2) is a permanent and year-round resident within or in close proximity to an area served by the Association; but provided further, that no more than one (1) such person may serve on the Board of Directors at the same time.

When a membership is held jointly by a husband and wife, either one but not both may be elected a director; provided, however that neither one shall be eligible to become or remain a director or to hold a position of trust in the Association unless both shall meet the qualifications hereinabove set forth.

(e) No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Association who does not have the legal capacity to enter into a binding contract.

(f) Upon establishment of the fact that a nominee for director lacks eligibility

under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the chair presiding at the meeting at which such nominee would be otherwise voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Association lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such positions from such person, or to cause them to be removed therefrom, as the case may be.

(g) Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this section and in which one or more of the directors have an intent adverse to that of the Association.

Section 4.04. Credentials Committee; Nominations to Board of Directors; Nominations by Petition; Elections Committee.

- (a) **Credentials Committee.** Each year, it shall be the duty of the Board to appoint a Credentials Committee no earlier than January 1st and no later than the last day of February consisting of no less than five (5) and no more than eleven (11) members. The members of the Credentials Committee shall be selected to insure equitable geographic representation. The purpose of the Credentials Committee is to review any nominations by petition by members of the Association and to report and recommend persons to serve as director(s) on the Board of Directors of the Association. Members of the Credentials Committee shall have a staggered term of three (3) years. Members of said Committee shall be members of the Association for at least one (1) year and shall be members

in good standing. No Credentials Committee member duly appointed may serve more than two (2) consecutive three (3) year terms. No existing Association employee, agent, officer, director or known candidate for director and no close relative or member of the same household of existing Association employees, agents, officers, directors or known candidates for director shall serve on the Credentials Committees. The chairman of the Credentials Committee shall be appointed for a one (1) year term by the Board of Directors and shall rotate among members to insure equitable geographic representation. In the exercise of its responsibility, the Credentials Committee shall have available to it the advice of counsel provided by the Association.

- (b) **Nominations to the Board of Directors**. Any 50 members acting together may nominate a qualified member to serve as director on the Board of Directors by petition as provided herein. Any petition nominating a qualified member to serve as a director on the Board of Directors shall be submitted on a form designated and provided by the Association. Each member signing such petition shall place thereon the date of signing and the address, account number and service location of the member. Qualified nominations made by petition, if any, must be received at the principal office of the Association on or before the second Wednesday in April. The Credentials Committee shall meet in May of each year to consider candidates for directors on the Board of Directors. The Credentials Committee shall receive and consider any nominations by petition submitted by members of the Association and shall review the regularity of all nominations and all petitions for nomination and, in their discretion, approve

or reject the nomination(s). The report of the Credentials Committee shall be presented to the Board of Directors at the Directors' May meeting.

(c) **Publishing Nominations to the Board of Directors.** Following receipt and report of recommendations to the Board of Directors by the Credentials Committee, the Board of Directors shall then prepare and post a list of nominations for directors to the Board of Directors at the principal office of the Association at least twenty (20) days before the Annual Meeting. The Board Secretary shall mail a statement of the number of directors to be elected to the Board of Directors and the names and addresses of the candidates recommended by the Credentials Committee and/or nominated by petition to the members. This statement/notice shall be mailed on or before July 1st beginning with the 2021 elections. This statement may be mailed with the notice of the Annual Meeting or separately.

(d) **Elections Committee.** The Credentials Committee may also serve as the Elections Committee; or the Board may appoint a separate committee as the Elections Committee, utilizing the same procedure for appointment applicable to the Credentials Committee. It shall be the responsibility of the Elections Committee to determine and resolve all questions that may arise with respect to the registration and qualifications of voting members in person or by proxy; the regularity of all Petitions for Nominations of Directors; the qualifications of all nominees for directors; to count all ballots cast in any election of directors to the Board of Directors or other ballot vote taken; and to rule upon the effect of any ballots irregularly marked. In the exercise of its responsibility, the

Elections Committee shall have available to it the advice of counsel provided by the Association.

- (e) **Objection or Protest to Election of Directors.** In the event a protest or objection is filed concerning any election of director(s) to the Board of Directors, such protest or objection must be filed at the principal office of the Association within three (3) business days following the adjournment of the meeting in which the voting is conducted. For example, if the Annual Meeting is held on Saturday, October 1st, any protest or objection to the election of directors must be delivered to the principal office of the Association on or before 5:00 p.m. CST on Wednesday, October 5th. The Elections Committee shall thereupon be reconvened, upon notice from its chairman, no less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence. The Elections Committee, by a vote of a majority of those present and voting, shall, within a reasonable time, but no later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof or to set it aside. The Elections Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.
- (f) **No Election of Directors.** In the event of any meeting of the members at which directors shall not be elected, the Board of Directors shall nevertheless appoint an Elections Committee with full authority to finally resolve all applicable

disputes and matters herein provided, as well as any other matters or questions which may be referred to it by the Chair of the meeting of the Board of Directors. The President of the Board, or the President's designee, shall preside at and conduct all meetings of the Members with full authority to refer any questions deemed appropriate by the President or the President's designee to the aforesaid Committee for decision.

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

Section 4.05. Removal of Directors and Officers. Any member for just cause may bring charges against an officer or director by filing them with the Secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer or director in question. "Just cause" includes but is not limited to: official misconduct, gross negligence and/or final convictions of a felony or misdemeanor involving moral turpitude while in the performance of official duties. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges shall have the same opportunity.

Section 4.06. Vacancies. Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled

by a person meeting the qualifications of Section 4.03, and elected by a majority vote of the remaining directors, and the directors thus elected shall serve the unexpired terms of the directors so replaced and until their successors shall have been elected and shall have qualified. The office of a director shall become subject to being declared vacant and subject to being filled pursuant to this Section if:

(1) the director shall have failed to attend as many as six (6) consecutive meetings of the Board, whether special or regular, and at least two-thirds of the remaining directors in office determine, in their sole judgment, that such failure did not occur for justifiable cause and will not recur; or,

(2) the director, as determined in their sole judgment by at least two-thirds of the remaining directors in office, has become incapable of performing the duties of a director and such incapability is not likely to cease within a reasonable time; or,

(3) such director is no longer a bona fide resident of the county/area such director was elected to represent, and the Board finds such change of residence is permanent.

Section 4.07. Compensation, Reimbursement. The directors shall be entitled to reimbursement for expenses incurred by them in the performance of their duties. When directors are attending meetings of, or are on business for, the Association, they shall be entitled to a per diem expense allowance and reimbursement in lieu of all expenses incurred by them in the performance of their duties, as may be fixed and determined by the Board from time to time. In addition to such allowance and reimbursement for expenses, the Board may also authorize compensation to be paid such directors for the time actually spent by them in the performance of their official duties.

Section 4.08. Rules and Regulations. The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Association or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Association.

Section 4.09. Accounting Systems and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system which among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service (RUS) of the United States of America and the Tennessee Valley Authority (TVA). The Board of Directors shall also within one hundred twenty (120) days after the close of each fiscal year cause to be made by a certified public accountant or certified public accounting firm a full and complete audit of the accounts, books and financial condition of the Association as of the end of such fiscal year. Such audit reports shall be available for inspection by any member at any reasonable time at the principal office of the Association.

Section 4.10. Indemnification and Liability Insurance.

(a) On the terms and conditions hereinafter stated, the Association or its insurer shall indemnify any director, officer or employee of the Association, including any former director, officer or employee of the Association, who is or was a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by virtue of their position within the Association, for expenses, claims, liabilities, costs, judgments, fines, including attorney's fees reasonably incurred or imposed upon such person in connection with such actual or threatened

action, suit, proceeding, or investigation and against any amount reasonably and with prior approval of the Board of Directors of the Association paid in settlement of any such actual or threatened suit, action or proceeding if:

- (1) The action complained of was undertaken in good faith; and
- (2) It was in good faith believed that:
 - (a) Actions taken in any official capacity of the Association were in its best interests;
 - (b) Conduct in any other capacity was at least not opposed to the Association's best interests; and
 - (c) In the case of any criminal proceeding, there was no reasonable cause to believe the conduct was unlawful.

The termination of a proceeding by judgment, order, settlement or conviction is not, of itself, determinative as to whether the requisite standard of conduct has been met.

(b) The purpose of this provision is to remove any financial risk in connection with the good faith service of a director, officer or employee and to this end the Association shall secure and maintain adequate liability insurance governing such indemnification, expenses and attorney's fees to the extent that it is reasonably available as determined by the Board and other provisions to the contrary notwithstanding, such indemnification as herein provided shall be provided at least to the extent of any applicable insurance coverage.

(c) The Association may pay for or reimburse the reasonable expenses incurred by a director, officer or general manager and/or chief executive officer who is a party to a proceeding in advance of final disposition of the proceeding if:

- (1) The individual furnishes the Association a written statement of their good faith belief that they have met the standard of conduct described in Section 4.10(a) above;
- (2) A determination is made that the facts then known to those making the determination would not preclude indemnification.

(d) There shall be no indemnification of any director, officer or employee of the Association if the Board of Directors affirmatively finds that they did not meet the standard of conduct outlined in Section 4.10(a) above. In making such a determination, the Board of Directors must affirmatively state that sufficient facts exist to support a finding of non-compliance with the above described standard of conduct. Such an affirmative statement must be made by a majority of Board members who are not the object of the action, suit, proceeding or investigation. Should the entire Board of Directors be made the object of such action, suit, proceeding or investigation, then there shall be appointed by the Board of Directors of the Association an independent committee made up of five (5) members whose sole purpose shall be to make such a determination on the issue of indemnification.

(e) There shall be no indemnification of any director, officer or employee wherein the individual is adjudged by the Board of Directors to be guilty of misconduct, gross negligence, or illegal act or acts in the performance of his or her duties.

(f) The provisions of this Section shall be inapplicable to any action brought by the Association against any officer or director otherwise indemnified thereunder or in connection with any other proceeding charging improper personal benefit to the one so charged, whether or not involving action in an official capacity, in which they are adjudged liable on the basis that personal benefit was improperly received.

(g) The provisions of this section shall be applicable to actions or proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof, and to any such officers or directors who should hereinafter cease to be officers and directors, and shall inure to the benefit of their heirs and legal representatives.

ARTICLE V

MEETINGS OF DIRECTORS

Section 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held monthly at such time and place as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing time and place thereof. The Board of Directors by a majority vote may change the time and date of a regular board meeting.

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

(a) Regular meetings of the Board of Directors shall be open to the members of the Association unless the Board goes into executive session. Meetings of the Board of Directors shall not be open to nonmembers except upon express invitation of the Board.

Executive sessions which are not open to members may be held when the Board of Directors discusses any of the following:

- (1) transaction of business and discussion of personnel matters concerning the character, professional confidence, or physical or mental health of a person;

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

(b) Members of the Association may address the Board at a regular meeting regarding any suggestions for better service, grievances, or any other matter affecting the

Association, provided that the member has at least fifteen (15) days in advance of the meeting executed a written request, in a form and manner prescribed by the Association, which will include the subject matter to be addressed and provide such information as is necessary to enable the Association to investigate the matter. The President or acting president of the Board of Directors may limit the format and length of any member or

nonmember's presentation. The Board of Directors may defer any presentation by a member to the next scheduled Board meeting due to the number of members seeking to address the Board of Directors at the meeting, or due to the length of any address or addresses. A nonmember of the Association may not address the Board of Directors unless specifically invited by the Board of Directors, after executing a written request as provided above.

Section 5.03. Special Meetings.

(a) Special meetings of the Board of Directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place which shall be in Lauderdale County, Mississippi at the Association's main office, for the holding of any special meeting of the Board of Directors called by them;

(b) but in case of any emergency or unusual circumstances rendering such action expedient, special meetings may be held in some other part of the territory served by the Association, unless two-thirds (2/3) of the directors object to its being held in some other place than Lauderdale County.

Section 5.04. Notice. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by or at the direction of the Secretary, or upon a default in this duty by the Secretary, by those directors calling a special meeting or by any director in the case of a meeting whose date, time and place have already been fixed by board resolution, at least five (5) days previous thereto, by written notice, delivered personally or mailed to each director at their last known address. If mailed,

such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope as addressed, with postage thereon prepaid. The attendance of the director at any meeting shall constitute a waiver of notice of such meeting, except when a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 5.05. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, provided, that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time provided that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. A director who by law or these bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action of that matter, be counted in determining the number of directors in officer or present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except that a two-thirds (2/3) majority shall be required to sell assets of the system.

ARTICLE VI

OFFICERS

Section 6.01. Number. The officers of the Association shall be a President, Vice President, Secretary, Treasurer, and Assistant Secretary, and other such officers as from

time to time be deemed desirable by the Board of Directors. The offices of Secretary and of Treasurer may be held by the same person.

Section 6.02. Election and Term of Office. The officers may be elected annually by secret, written ballot or by any other proper method, without prior nomination, by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members, or until a successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

Section 6.03. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 6.04. Vacancies. Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.05. President.

The President shall:

- (a) be the principal executive officer of the Association, and he, or his nominee, shall preside at all meetings of the members or the Board of Directors;
- (b) sign, with the secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or

by these by-laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed;

- (c) and in general perform all duties incident to the officer of president and such other duties as may be prescribed by the Board of Directors from time to time;
- (d) have all necessary power, authority and discretion to act at all times in the best interest of the Association and all its members and property, including the specific power and authority to name and nominate a person to act in his place and stead to preside over member and director meetings, to determine presence of a quorum, and to adjourn and recess such meetings as he, or his nominee, sees fit in the best interest of the Association and its members and property.

Section 6.06. Vice President.

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

Section 6.07. Secretary.

The Secretary shall:

- (a) keep the minutes of the meeting of the members and of the Board of Directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these by-laws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Association and affix the seal to all certificates of membership prior to the issue thereof and all documents, the execution of which on behalf of the Association under its seal is authorized in accordance with the provisions of these bylaws;
- (d) keep a register of the names and post office addresses of all members;

- (e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members;
- (f) have general charge of the books of the Association;
- (g) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Association containing all amendments thereto (which copy shall always be open to the inspection of any member); and
- (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 6.08. Assistant Secretary.

The Assistant Secretary shall:

- (a) be an employee of the Association and may or may not be a member thereof;
- (b) be authorized under the direction of the Board of Directors or General Manager and/or Chief Executive Officer of the Association to perform any and all acts of the secretary in the absence or inability of the secretary to act;
- (c) perform such other functions and duties as may be prescribed by the Board of Directors from time to time.

Section 6.09. Treasurer.

The Treasurer shall be responsible for:

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

Section 6.10. General Manager and/or Chief Executive Officer.

The Board shall appoint a General Manager and/or Chief Executive Officer, who may be, but who shall not be required to be, a member of the Association. The General Manager and/or Chief Executive Officer shall perform such duties and shall exercise such authority as the Board may from time to time so vest.

Section 6.11. Bonds. The Board of Directors in its discretion may require any officer, agent or employee of the Association to give bond in such amount and with such surety as it may determine. The costs of all such bonds shall be borne by the Association.

Section 6.12. Compensation. The Board of Directors shall, from time to time, fix, amend or increase the compensation of the General Manager and/or Chief Executive Officer. The wages and salaries of all employees of the Association shall be fixed by the General Manager and/or Chief Executive Officer, subject to the approval of the Board of Directors.

Section 6.13. Reports. The officers of the Association shall submit at each annual meeting of the members reports covering business of the Association for the fiscal year and showing the condition of the Association at the close of such fiscal year.

ARTICLE VII

CONTRACTS, CHECKS AND DEPOSITS

Section 7.01. Contracts. Except as otherwise provided in these bylaws, the Board of Directors may authorize any officer or officers, the General Manager and/or Chief Executive Officer, agent or agents, to enter into any contract or execute and deliver

any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

Section 7.02. Checks, Drafts, Etc. All checks, drafts and other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed and countersigned by an officer or officers of the Association or by the General Manager and/or Chief Executive Officer or other employee as designated by the Board and in such manner as shall from time to time be determined by a resolution of the Board of Directors.

Section 7.03. Deposits. All funds of the Association except petty cash shall be deposited or invested from time to time to the credit of the Association in such bank or banks or in such financial securities or institutions as the Board of Directors may select, not inconsistent with Miss. Code Ann. Section 77-5-247 (1972).

ARTICLE VIII

NONPROFIT OPERATION

Section 8.01. Interest or Dividends on Capital Prohibited. The Association shall at all times be operated on an Association nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Association on any capital furnished by its patrons, unless otherwise required by law or regulatory authority.

Section 8.02. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Association's operations shall be so conducted that all patrons will through their patronage furnish capital for the Association.

In order to induce patronage and to assure that the Association will operate on a nonprofit basis, the Association will maintain records to account on a patronage basis to all its patrons for all amounts received by the Association in excess of operating costs and expenses. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the patrons as capital. The Association will assign by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. In order to assure a fair and equitable method of determining the amount of such capital, if any, to be credited to each patron's capital account, it is provided that for so long as it is necessary for the Association to maintain within its organization two separate and individual system operations, being the North System and the South System, each system will be treated as a separate unit for the purpose hereof, and allocation and retirement of capital credits will be made individually and separately for each system. The books and records of the Association shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron may be reflected and credited in an appropriate record to the capital account of each patron, and the Association may, or upon request will, within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Association corresponding amounts for capital.

All other amounts received by the Association from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses

incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Association all outstanding indebtedness of the Association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis. The remaining liquidation proceeds, if any, shall be distributed ratably among all members of the Association during the period of its existence. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement on any such retirements of capital credits. It is specifically provided, however, that before any such retirement is made, any debt, account, bill or indebtedness due by the patron to the Association shall be deducted from the patron's account.

Capital credited to the account of each patron shall be assignable only on the books of the Association pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Association 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, but without being obligated to do so, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing

that the capital credited to such patron be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application and the legal representatives of such patron's estate, shall agree upon; provided, however, that the financial condition of the Association will not be impaired thereby.

The patrons of the Association, by dealing with the Association, acknowledge that the terms and provisions of its Certificate of Incorporation, policies, bylaws and rules and regulations shall constitute and be a contract between the Association and each patron, and both the Association and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Association by posting the same in a conspicuous place in the Association's offices and/or made available electronically to the membership.

Section 8.03. Notice to Board. To the extent the membership disagrees with the decisions of the Board of Directors with respect to the allocation or retirement of capital credits, the member may seek arbitration pursuant to Section 11.08 of these Bylaws but only after the member has first provided written notice to the Board of Directors at least fifteen (15) days in advance of the next scheduled regular monthly Board meeting and provided the Board of Directors with a reasonable time to investigate and respond to the matter.

ARTICLE IX

ACCESS TO ASSOCIATION RECORDS

Section 9.01. Access to Corporate Records. Upon timely and reasonable written request, in a form and manner prescribed by the Association, members of the Association will be entitled to examination of Association records and information where the General Manager and/or Chief Executive Officer and the Association's General Counsel, or the Board of Directors agree that the request is in good faith, that the information requested and the purpose for which it is requested are materially germane to the requesting person's status and interest as a member of the Association, where the furnishing of information will not be inimical to the Association's welfare and interest, and where the release of such information will not subject the Association to litigation or invade the privacy of any person.

The Association's response to requests from members for Association information shall be governed by the following rules and procedures:

- (a) no requests for information shall be considered until the requesting member fills out and executes an information request form.
- (b) The request form as executed will be reviewed as soon as possible by the General Manager and/or Chief Executive Officer who, before acting, may consult with the Association's General Counsel. If both conclude that:
 - (1) the request is in good faith,
 - (2) the information requested and the purpose for which it is requested are materially germane to the requesting member's status and interest as a member of the Association,
 - (3) furnishing the requested information will not be inimical to the Association's welfare and interest, and

- (4) the release of such information will not subject the Association to litigation or invade the privacy of any person, then a time and manner will be provided for making such information available during normal business hours.

If either or both disagree to the applicability of any of the foregoing factors, the matter will be referred to the Board of Directors for decision based upon those same factors.

ARTICLE X

SALE, MORTGAGE OR LEASE OF ASSETS OF THE ASSOCIATION

Section 10.01. Vote of the Members not Required. The Board of Directors may, without authorization of the members, sell, mortgage, lease or otherwise encumber or dispose of:

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

The Board of Directors of the Association, without authorization by the members thereof, shall also have full power and authority upon the affirmative vote of two-third (2/3) of the members constituting the full board to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Association, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors upon the affirmative vote of two-thirds (2/3) of the members constituting the full board shall determine, to secure any indebtedness of the Association to the United

States of America or any instrumentality or agency thereof, or to a national financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects and undertakings, in which the Association holds membership.

Section 10.02. Vote Required.

(a) For property of the Association to be sold, leased, or disposed of other than in Section 10.01, the same must be first authorized by the affirmative vote of at least sixty percent (60%) of the members of the Association.

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

Section 10.03. Procedural Requirements.

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

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

(1) The Association must have provided written notification of the offer of purchase to any lender desiring to receive such notification or to any generation and transmission association of which the Association is a member. The notification of the offer of purchase must contain all of the information provided to the Association, its management and Board of Directors, or which is filed with the Public Service Commission.

(2) The disclosure required by Section 77-5-237 Mississippi Code (1972) and any additional disclosure required by these bylaws must have been received in a form to allow management and the Board of Directors ample opportunity to review same.

(3) The Purchaser must have agreed in writing to assume those obligations of the Association as required by Section 77-5-237 Mississippi Code (1972), and other provisions of these bylaws.

(4) The Purchaser must have agreed in writing to indemnify the Association and its members against any damage, liability or loss (including, without limitation, reasonable attorneys' fees, interest, penalties, judgments and amounts paid in settlement of, any claim, suit, action or proceeding) sustained, incurred, paid or required to be paid by the Association arising out of any act or omission of the Association or Purchaser occurring before or after the sale of property of the Association to the Purchaser.

Section 10.04. Required Disclosure.

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

- (a) that information as required by Section 77-5-237, Mississippi Code (1972);
- (b) any plans or proposal of the Purchaser or an Affiliate of the Purchaser concerning the future conduct of the business of the Association including, but not limited to:
 - (1) Resale of any of the property of the Association;
 - (2) Termination of employment of persons employed by the Association;
 - (3) Changes in benefits of employees of the Association under any employee benefit plan;
 - (4) Changes in rates for electricity to be charged in the service area served by the Association; and

- (5) Any reduction in service, change in service area, or requirements as to minimum charges which would affect members of the Association;
- (c) an opinion of counsel to the Purchaser setting forth the tax consequences of the acquisition to the Association and its members; and
- (d) any other information which a reasonable person would consider important in deciding whether to vote for approval of a proposal to sell, lease or otherwise dispose of the property of the Association.

Section 10.05. Competing Bids Disclosure. Any competing bids given to the Association members of the proposed purchase shall include any other offers to purchase received from any lender of the Association or any generation and transmission association of which the Association is a member and shall include the terms of the offer and such other information as the lender or generation and transmission association may request to be transmitted to the members and which is material to the future generation of the assets to be purchased.

Section 10.06. Effect of Noncompliance. Any sale, lease or other disposition of the property of the Association that is not effected in strict compliance with the provisions of Section 77-5-237, Mississippi Code (1972) and the provisions of Section 10.03 and 8.02(e) of these bylaws shall be void. Any Purchaser or Affiliate of a Purchaser which in providing the disclosure required by Section 10.03, 10.04 and 10.05, or in any other communication with the members of the Association, written or oral, makes false or misleading statements concerning material facts or omits information necessary to make the information disclosed not misleading shall be liable to the Association and its members for any damage incurred thereby, including, but not limited to, the difference in the consideration paid for the property of the Association by the

Purchaser and the fair value of such property and any increases paid or to be paid in the future for electricity by the members of the Association.

Section 10.07. Non-Application to Consolidation. The provisions of Section 10 do not apply to the consolidation of associations effectuated pursuant to Miss. Code Ann. Section 77-5-217.

Section 10.08. Severability. If any section of Article X, or any provision thereof, is determined by any court to be invalid, such invalidity shall not effect the validity of the other sections or provisions of this Article.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Membership in Other Organizations. The Association may become a member of any and all other organizations which may promote or be in the best interest of the Association.

Section 11.02. Area Coverage. The Board shall make diligent efforts to render reasonably adequate electric service within the Association's service area and to extend reasonably adequate electric service to all unserved persons within such service area who:

- (a) desire electric service; and
- (b) meet all reasonable requirements established by the Association as a condition of such service and agree to be bound by the Association's Certificate of Incorporation, policies, bylaws and rules and regulations.

Section 11.03. Waiver of Notice. Any member or director may waive, in writing, any notice required to be given by these bylaws, and such waiver may be

executed either prior to or on the date of the meeting. In case of a joint membership, a waiver or notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

Section 11.04. Fiscal Year. The fiscal year of the Association shall begin on the first day of July of each and end on the last day of June of the following year.

Section 11.05. Seal. The corporate seal of the Association shall be in the form of a circle and thereon shall be inscribed the name of the Association and the words “Corporate Seal, Mississippi”.

Section 11.06. Amendments. These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the Directors. This may be done at any regular meeting or special meeting, provided the notice of such meeting shall have contained a proposed alteration, amendment or repeal.

Section 11.07. Robert’s Rules of Order. Parliamentary procedure shall be governed by the most recent edition of Robert’s Rules of Order at all Association meetings, including committee meetings which may be duly established by the Board of Directors, except to the extent such procedure is otherwise determined by law or by the Association’s Certificate of Incorporation or these bylaws.

Section 11.08. Alternative Dispute Resolution. Unless otherwise prohibited by law, any controversy or claim arising out of or relating to these bylaws, or the breach thereof, or any controversy or claim arising out of or relating to patronage capital shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its arbitration rules after all conditions precedent as set forth in Article VIII, Section 8.03, if applicable, have been met. This agreement involves interstate

commerce such that the Federal Arbitration Act, 9 U.S.C. 1 *et seq.*, shall govern the interpretation and enforcement of this arbitration agreement. The arbitration shall be held in the State of Mississippi at a location to be designated by the party not making the initial demand for arbitration. A judgment on the award rendered by the arbitrator shall be entered in any court having jurisdiction thereof. Each party agrees to pay their own attorneys' fees and costs and each party agrees to share equally in the cost of the arbitrator.

The parties also agree to (i) waive any right to pursue a class action arbitration, or (ii) to have an arbitration under this agreement consolidated or determined as part of any other arbitration or proceeding. The parties agree that any dispute to arbitrate must be brought in an individual capacity and not as a plaintiff or class member in any purported class or representative capacity. If any part of this arbitration clause, other than waivers of class action rights, is found to be unenforceable for any reason, the remaining provisions shall remain enforceable. If a waiver of class action and consolidation rights is found unenforceable in any action in which class action remedies have been sought, this entire arbitration clause shall be deemed unenforceable. It is in the intention and agreement of the parties not to arbitrate class actions or to have consolidated arbitration proceedings. Should the parties have a dispute that is within the jurisdiction of the justice courts of the State of Mississippi, such dispute may be resolved at the election of either party in justice court rather than through arbitration.

If the arbitration clause is deemed unenforceable or the parties otherwise litigate a dispute in court, the parties agree to waive any right to a trial by jury in any proceeding brought in court.