



***“The Energy Company Of Choice”***®

A Touchstone Energy® Cooperative   
*The power of human connections*®

**WESTERN INDIANA ENERGY  
RURAL ELECTRIC MEMBERSHIP  
CORPORATION**

**BYLAWS**

AMENDED: JUNE 19, 2018

# Article 1 – General

**Section 1.1 – Usage.** Within these bylaws of Western Indiana Energy Rural Electric Membership Corporation (“Cooperative”) as currently existing or as later amended (“Bylaws”), except as otherwise provided and subject to the context requiring otherwise:

- (1) words and phrases have their customary and ordinary meaning;
- (2) the singular use of a word includes the plural use and the plural use of a word includes the singular use;
- (3) the masculine use of a word includes the feminine and neutral uses, the feminine use of a word includes the masculine and neutral uses, and the neutral use of a word includes the masculine and feminine uses;
- (4) the present tense of a word includes the past and future tenses, and the future tense of a word includes the present tense;
- (5) the words “shall” and “must” are words of obligation, with “shall” meaning “has a duty to” and “must” meaning “is required to;”
- (6) the word “may” is a word of discretion meaning “has discretion to,” “is permitted to,” “is authorized to,” or “is entitled to;”
- (7) the words “may ... only” are words of limited discretion and prohibition;
- (8) the words “shall not,” “must not,” and “may not” are words of prohibition, with “shall not” meaning “has a duty not to,” “must not” meaning “is required not to,” and “may not” meaning “has no discretion to,” “is not permitted to,” “is not authorized to,” and “is not entitled to;”
- (9) an exception to a word of obligation is a word of discretion and an exception to a word of discretion is a word of prohibition;
- (10) the words “except as otherwise provided,” “subject to,” and similar words are words of limitation and exception;
- (11) the words “include,” “includes,” and “including” mean “include without limitation,” “includes without limitation,” and “including without limitation;”
- (12) the word “or” is inclusive, with “A or B” meaning “A or B or both;”
- (13) the word “individual” means a “natural person” or “human being;” and
- (14) the words “good standing” means one who is current in all payments, obligations and charges as they come due.

**Section 1.2 – Defined Terms.** These Bylaws define certain words, phrases, and terms (“Defined Terms”). In general, Defined Terms are:

- (1) defined in a full sentence or part of a sentence;
- (2) capitalized, underlined, and enclosed within quotation marks when defined;
- (3) enclosed within parenthesis when defined in part of a sentence; and
- (4) capitalized when otherwise used in these Bylaws. Except as otherwise provided in these Bylaws and subject to the context requiring otherwise, Defined Terms have the meaning specified in the appropriate Bylaw.

The following Defined Terms are defined in the Bylaw noted in parenthesis: Amended (9.1); Annual Member Meeting (3.1); Applicant (2.2); Articles (1.3); Assets (2.2); Board (2.1); Board Committee (5.7); Board Executive Committee (5.8); Board Meeting (5.3); Bylaws (1.1); Bylaw Provision (9.7); C&E Committee (3.10); Capital Credits (7.2); Close Relative (4.12); Conflict of Interest Transaction (5.9); Consolidate (8.2); Consolidation Agreement (8.2); Cooperative (1.1); Cooperative Equipment (2.2); Cooperative Officer (6.8); Cooperative Official (2.4); Cooperative Purpose (2.8); Cooperative Service (2.1); Cooperative Service Area (4.1); Defined Terms (1.2); Director (2.5); Director Districts (4.1); Director Disqualifications (4.3); Director Qualifications (4.3); Director Quorum (5.6); Director Removal Petition (4.8); Director Term (4.6); Director Written Consent (5.5); Electing Members (4.5); Entity (2.1); General Director Qualifications (4.3); Good Standing (1.1); Governing Documents (2.2); Indemnification (6.11); Joint Members (2.5); Joint

Membership (2.5); Law (1.3); Location (2.1); Member (2.3) (7.2); Member Challenge (3.10); Member Committee (5.7); Member Demand (3.2); Member Equipment (2.2); Member Meeting (3.3); Member Meeting Issues (3.10); Member Meeting List (3.6); Member Meeting Waiver of Notice (3.7); Member Petition (4.4); Member Petition Nominations (4.4); Member Property (2.6); Member Quorum (3.8); Membership List (2.11); Membership Procedures (2.2); Merger (8.2); Nominating Mem-bers (4.4); Occupies (2.1); Officer (6.6); Person (2.1); Provided (2.1); Qualified Persons (2.5); Reasonable Reserves (7.7); Record Date (3.5); Regular Board Meeting (5.1); Regular Member Meetings (3.1); Remov-ing Members (4.8); Required Officers (6.1); Special Board Meeting (5.2); Special Member Meeting (3.2); Suspension Reasons (2.9); Total Membership (3.2); Transfer (8.1); Usage Information (2.6); Uses (2.1); Director Vacancy (4.9); and Written Ballot (3.9).

**Section 1.3 – Law and Articles.** These Bylaws are subject to Law and the Articles of Merger of Western Indiana Energy Rural Electric Mem-bership Corporation (“Articles”). If, and to the extent that, a Bylaw conflicts with Law or the Articles, then the Law or the Articles control. “Law” includes applicable:

- (1) local, state, and federal constitutions, statutes, ordinances, regulations, holdings, rulings, orders, and similar documents or actions, whether legislative, executive, or judicial; and
- (2) legally binding contracts enforceable by or against the Cooper-ative, including legally binding contracts between the Coopera-tive and an Applicant or Member.

## Article 2 – Cooperative Membership

**Section 2.1 – Member Qualifications.** Except as otherwise provided in these Bylaws, an individual or Entity may become and remain a member of the Cooperative only if:

- (1) the individual or Entity is a person with the capacity to enter legally binding contracts (“Person”); and
- (2) the Person consumes, receives, purchases, or otherwise uses (“Uses”), or requests or agrees to Use electric energy gener-ated, transmitted, distributed, sold, supplied, furnished, or other wise provided (“Provided”) by the Cooperative.

A “Cooperative Service” is:

- (1) electric energy Provided by the Cooperative; and
- (2) as determined by the Cooperative’s Board of Directors (“Board”), a good or service provided by the Cooperative.
- (3) An “Entity” includes a domestic or foreign: cooperative; busi-ness or nonprofit corporation; sole proprietorship; unincorpo-rated association; limited liability company; partnership; trust; estate; persons having a joint or common economic interest; and local, regional, state, federal, or national government, including an agency or division of a government.

Except as otherwise provided in these Bylaws, a Person may not become or remain a member of the Cooperative if the Person resides at, engages in a business at, owns, controls, or otherwise occupies (“Occupies”) a residence, office, building, premise, structure, facility, or other location (“Location”), the Provision of a Cooperative Service to which Location is the basis of membership, and which Location is or was:

- (1) Occupied by a second Person, other than a landlord, tenant, or similarly related Person, who:
  - (a) is a Member, other than a Joint Member; or
  - (b) owes the Cooperative for a Cooperative Service Provided to or for the Location, if the first Person Occupied the Location when the Cooperative Provided the Cooperative Service; or
- (2) previously Occupied by an Entity owned or controlled by the Person, which Entity owes the Cooperative for a Cooperative Service Provided to or for the Location.

A Person, either individually or through an Entity not considered legally separate from the Person, may not hold more than one membership in the Cooperative. Persons Occupying a Location to or for which the Cooperative Provides a Cooperative Service may not hold more than one membership in the Cooperative

**Section 2.2 – Membership Procedure.** Except as otherwise provided in these Bylaws or by the Board, a qualified Person seeking to become or remain a Member (“Applicant”) must complete the procedures stated in this Bylaw to the Cooperative’s satisfaction (“Membership Procedures”) within a reasonable time of initially Using, or requesting or agreeing to Use, the first Cooperative Service Used or to be Used by the Applicant. To become or remain a Member, an Applicant must complete and sign a written membership application provided by the Cooperative in which the Applicant agrees to:

- (1) comply with the Governing Documents;
- (2) ensure that Member Equipment connected to Cooperative Equipment, and any act or omission involving Member Equipment connected to Cooperative Equipment, complies with the Governing Documents;
- (3) be a Member;
- (4) at prices, rates, or amounts determined by the Board, and pursuant to the terms, conditions, time, and manner specified by the Cooperative, pay the Cooperative for:
  - (a) Cooperative Services Provided to the Applicant or Provided to or for a Location Occupied by the Applicant;
  - (b) dues, assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and
  - (c) interest, late payment fees, and collection costs, including attorney and collection fees, related to amounts owed, but not timely paid, to the Cooperative; and
- (5) voluntarily receive an annual subscription to Electric Consumer and to pay an annual subscription price through dues, assessments, fees, deposits, contributions, prices, rates, and other amounts charged or assessed by the Cooperative for Cooperative Services Provided to the Applicant or Provided to or for a Location Occupied by the Applicant.

The “Governing Documents” are the written membership application signed by an Applicant or Member and the following documents and actions, all as currently existing or as later adopted or amended:

- (1) all Law regarding or affecting the Cooperative’s property, property rights, and assets (“Assets”), the Cooperative’s operation, the Cooperative’s Members, the Provision and Use of Cooperative Services, Cooperative Equipment, and Member Equipment connected to Cooperative Equipment;
- (2) the Articles;
- (3) these Bylaws;
- (4) the Cooperative’s service rules and regulations;
- (5) the Cooperative’s rate or price schedules; and
- (6) all rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Board.

“Cooperative Equipment” is a product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Cooperative.

“Member Equipment” is a product, equipment, structure, facility, or other good:

- (1) owned, controlled, operated, or furnished by an Applicant or Member; and
- (2) located on property owned, controlled, operated, or furnished by an Applicant or Member.

To become or remain a Member, an Applicant must:

- (1) give the Cooperative all information requested by the Cooperative, including the Applicant’s photographic identification satisfactory to the Cooperative, including the Applicant’s federal tax identification number unless the Applicant pays the Cooperative an amount determined by the Cooperative; and
- (2) complete any additional or supplemental document, contract, or action required by the Board for the Cooperative Service which the Applicant is Using or requesting or agreeing to Use. Except as required by Law or otherwise provided in these Bylaws, the Cooperative will not release, disclose, or disseminate personally identifiable, proprietary, or confidential information regarding a Member.

Except as otherwise provided in these Bylaws or by the Board, an Applicant shall pay the Cooperative:

- (1) dues, assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and
- (2) outstanding amounts owed to the Cooperative by the Applicant.

**Section 2.3 – Membership and Acceptance.** Except as otherwise provided in these Bylaws or by the Board, a qualified Person shall not become a member of the Cooperative (“Member”) until accepted for membership by the Board. Interim service may be supplied by the Cooperative upon the authority of the Chief Executive Officer until the next regular meeting of the Board of Directors, at which time Applicants for membership will be submitted to the Board for acceptance. Applicant consents to being a Member upon Using, or requesting or agreeing to Use electric energy Provided by the Cooperative.

To remain a Member, the Person must complete the Membership Procedure.

If the Board determines that a qualified Person refuses to complete the Membership Procedure, then the Board may refuse, suspend,

or terminate the Person’s membership in the Cooperative. For other good cause determined by the Board, the Board may refuse a qualified Person membership in the Cooperative.

Except as otherwise provided in these Bylaws or by the Board in advance and in writing, a Cooperative membership, and a right or privilege associated with the Cooperative membership, may not be sold, purchased, assigned, disposed of, acquired, or otherwise transferred.

**Section 2.4 – Membership Agreement.** A Member shall:

- (1) comply with the Governing Documents;
- (2) provide and maintain a current mailing address and telephone number with the Cooperative;
- (3) consent to informational communications; and
- (4) pay the Cooperative for the Cooperative’s damages, costs, or expenses, including attorney fees and legal expenses, caused by or associated with the Member’s failure to comply with the Governing Documents.

If a Member fails to comply with the Governing Documents, then, as provided in these Bylaws, the Cooperative may suspend or terminate the Member or a Cooperative Service Provided to the Member. Regardless of whether money damages are available or adequate, the Cooperative may:

- (1) bring and maintain a legal action to enjoin the Member from violating the Governing Documents; and
- (2) bring and maintain a legal action to order the Member to comply with the Governing Documents.

The Articles and these Bylaws are contracts between the Cooperative and a Member. By becoming a Member, the Member acknowledges that:

- (1) every Member is a vital and integral part of the Cooperative;
- (2) the Cooperative’s successful operation depends upon each Member complying with the Governing Documents; and
- (3) members are united in an interdependent relationship.

As requested by the Cooperative, a Member shall:

- (1) submit a claim or dispute between the Member and the Cooperative to mediation and shall comply with the mediation decision according to the rules and procedures prescribed by the Cooperative; and
- (2) indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative Director, Officer, employee, agent, or representative (“Cooperative Official”), and caused by the Member’s negligence, gross negligence, or willful misconduct, or by the unsafe or defective condition of a Location Occupied by the Member.

In general, a Member is not liable to third parties for the Cooperative’s acts, debts, liabilities, or obligations solely because of membership in the Cooperative. A Member may become liable to the Cooperative as provided in the Governing Documents or as otherwise agreed to by the Cooperative and the Member.

**Section 2.5 – Joint Membership.** Persons who qualify to be Members may hold a joint membership in the Cooperative (“Joint Member-ship”). A Joint Membership may consist only of individuals joined in a legally recognized relationship (“Qualified Persons”) and occupying the same Location to or for which the Cooperative provides or will provide electric service, each of whom qualifies to be a Member. If Qualified Persons each qualify to be a Member, and unless or until one of the Qualified Persons notifies the Cooperative otherwise in writing, then the Qualified Persons hold a Joint Membership.

- (1) Creating a Joint Membership. Except as otherwise provided in these Bylaws, to become joint members of the Cooperative, Qualified Persons must jointly complete the Membership procedures. Qualified Persons become joint members of the Cooperative (“Joint Members”) and consent to being Joint Members in the same manner as Members become Members and consent to being members.
- (2) Rights and Obligations of Joint Members. Except as otherwise provided in these Bylaws, a Joint Member has and enjoys the rights, benefits, and privileges, and is subject to the obligations, requirements and liabilities of being a Member. Joint Members are jointly and severally liable for complying with the Governing Documents. As used in these Bylaws, and except as otherwise provided in these Bylaws, a membership includes a Joint Membership and a Member includes a Joint Member. For a Joint Membership:
  - (a) notice of a meeting provided to one Joint Member constitutes notice to all Joint Members.
  - (b) waiver of notice of a meeting signed by one Joint Member constitutes waiver of notice for both.
  - (c) the presence of one or more Joint Members at a meeting constitutes the presence of one Member at the meeting.
  - (d) the presence of one Joint Member at a meeting waives notice of the meeting for all Joint Members.
  - (e) if only one Joint Member votes on a matter, signs a petition, consent, waiver or other document or otherwise acts, then the vote, signature or action binds the Joint Membership and constitutes one vote, signature or action.
  - (f) except upon the cessation of the legally recognized relationship, the suspension or termination of a Joint Member constitutes the suspension or termination of all Joint Members;
  - (g) Joint Member qualified to be a member of the Board (“Director”) may be a Director, regardless of whether another Joint Member is qualified to be a Director, but if more than one Joint Member is qualified to be a Director, then only one Joint Member may be a Director.
- (3) Terminating a Joint Membership. Joint Members shall notify the Cooperative in writing of a cessation of the legally recognized relationship or death of a Joint Member. Upon determining or discovering the cessation of the legally recognized relationship or death of a Joint Member, if one Joint Member remains qualified to be a Member and continues to use a Cooperative Service at the same Location, then the Joint Membership converts to a membership comprised of this Person upon completion of applicable documents.

**Section 2.6 – Provision of Cooperative Service.** A Member shall comply with any reasonable procedure required by the Cooperative regarding the Provision of a Cooperative Service.

- (1) Interruption of Cooperative Service. 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.
- (2) Safe and Protected Operation of Cooperative. A Member shall take or omit any act required by the Cooperative to safely, reliably, and efficiently operate the Cooperative and Provide a Cooperative Service,

(c) Cooperative Equipment; or

(d) Member Equipment connected to Cooperative Equipment.

(3) A Member shall:

(a) protect Cooperative Equipment and Member Equipment connected to Cooperative Equipment; and

(b) install and maintain any protective device, and implement and follow any protective procedure, required by the Cooperative. As necessary to safely, reliably, and efficiently operate the Cooperative and Provide a Cooperative Service, the Cooperative may temporarily suspend or terminate Provision of a Cooperative Service. A Member shall not tamper with, alter, interfere with, damage, or impair Co-operative Equipment. Except as otherwise provided by the Board, the Cooperative owns all Cooperative Equipment.

(4) Member Equipment Connected 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;

(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; and

(e) shall pay the Cooperative for income not received or accrued because of the connection.

If Member Equipment is connected to Cooperative Equipment, then:

(1) the Member is, but the Cooperative is not, responsible for de-signing, 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.

Suspension or Termination of Cooperative Service. After providing a Member reasonable notice and an opportunity to comment orally or in writing, the Cooperative may suspend or terminate the Provision of a Cooperative Service to the Member for a Suspension Reason. Without providing a Member notice or an opportunity to comment, the Cooperative may suspend or terminate the Provision of a Cooperative Service to the Member upon determining or discovering:

(1) that Cooperative Equipment used to Provide the Cooperative Service has been tampered with, altered, interfered with, damaged, or impaired;

(2) that Member Equipment connected to Cooperative Equipment adversely impacts the Cooperative's ability to safely, reliably, and efficiently operate the Cooperative or Provide a Cooperative Service;

(3) the unsafe condition of Cooperative Equipment or Member Equipment connected to Cooperative Equipment;

(4) an imminent hazard or danger posed by Cooperative Equipment or Member Equipment connected to Cooperative Equipment; or

(5) any service of electric energy, which has been suspended for a period of six (6) months, may be, at the option of the Cooperative, retired. Any new request for service at the same location shall be treated as an application for new service and charged accordingly.

Usage Information. Cooperative may use Cooperative Equipment to measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of electric energy Used by a Member, and other data or information regarding the Member's use of electric energy (collectively, "Usage Information"). Cooperative may use, disclose, and transfer Usage Information if reasonably related to Providing electric energy or if reasonably related to protecting against, or responding to, death, personal injury, or property damage. Unless required by law or otherwise authorized by these Bylaws, Cooperative may not disclose or transfer a Member's Usage Information to a third party without the Member's consent.

**Section 2.7 – Use of Cooperative Service.** Except as otherwise provided in these Bylaws or by the Board:

- (1) a Member shall use electric energy provided by the Cooperative; and
- (2) a Member shall not participate in a program, activity, or event regarding the Member's Use of a Cooperative Service or the value or quantity of a Cooperative Service Used by the Member. In Using a Cooperative Service, a Member shall comply with the Governing Documents.
- (3) Payment for Cooperative Service. At prices, rates, or amounts determined by the Board, and pursuant to terms, conditions, time, and manner specified by the Cooperative, a Member shall pay the Cooperative for:
  - (a) Cooperative Services Provided to the Member or Provided to or for a Location Occupied by the Member; and
  - (b) dues, assessments, fees, deposits, contributions, or other amounts required by the Governing Documents. Dues, assessments, contributions, or other amounts paid by a Member to the Cooperative may pay for periodical subscriptions received by the Member from the Cooperative or from an Entity in which the Cooperative is a member or owner.

If the Cooperative sends a Member a bill, invoice, or similar document reflecting an incorrect or inaccurate amount owed, then:

- (1) the Cooperative may send the Member another bill, invoice, or similar document reflecting the correct and accurate amount owed; and
- (2) the Member shall pay the correct and accurate amount owed. The Cooperative may require a Member to pay for a Cooperative Service in advance of Using the Cooperative Service.
- (3) if another Person Provides a Member a good or service related to a Cooperative Service Provided to the Member, then, before paying the other Person:
  - (a) the Member shall pay the Cooperative; and
  - (b) the Cooperative shall apply amounts received from or on behalf of the Member for or toward Cooperative Services Provided to the Member or Provided to or for a Location Occupied by the Member;
  - (c) a Member shall pay interest and late payment fees for amounts owed, but not timely paid, to the Cooperative;
  - (d) a Member shall pay all costs, including reasonable attorney and collection fees, required to collect or obtain payment of amounts owed, but not timely paid, to the Cooperative;
  - (e) the Cooperative may transfer an amount owed, but not timely paid, on a Member's account to another account of the Member; and
  - (f) regardless of the Cooperative's accounting procedures, the Cooperative may apply amounts paid by a Member to all of the Member's accounts on a pro rata basis.
- (4) Reduction of Cooperative Service. Except as otherwise provided in these Bylaws, unless the Cooperative receives thirty (30) days prior written notice from a Member that the Member intends to substantially reduce or cease the Member's Use of a Cooperative Service, and as provided by the Board, if a Member substantially reduces or ceases the Member's Use of a Cooperative Service, either singly or in combination, then the Cooperative may charge the Member, and the Member shall pay the Cooperative, the costs and expenses incurred by the Cooperative in relying upon the Member's pre-reduction or pre-ceasing Use of the Cooperative Service.

(5) Sale of Cooperative Service. Except as otherwise provided by the Board, a Member may not sell, lease, or otherwise transfer electric energy Provided by the Cooperative or a right to electric energy Provided by Cooperative.

**Section 2.8 – 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;
- (2) pursuant to terms and conditions specified by the Cooperative, and without compensation from the Cooperative, grant or convey to the Cooperative a written easement, right-of-way, license, or other right or interest in Member Property, and execute a document regarding this grant or conveyance; and
- (3) pursuant to the terms and conditions as specified by the Cooperative, Each Member shall participate in any required program that may be established by the Cooperative to enhance load management, more efficiently utilize or conserve electric energy or to conduct load research.
- (4) A “Cooperative Purpose” is at any time, and in a manner determined by the Cooperative:
  - (a) purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative Equipment or Member Equipment connected to Cooperative Equipment;
  - (b) clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation;
  - (c) Providing a Cooperative Service to a Member or one or more other Members;
  - (d) monitoring, measuring, or maintaining a Cooperative Service Provided to a Member or one or more other Members;
  - (e) Providing electric energy to a Person or one or more other Persons;
  - (f) monitoring, measuring, or maintaining electric energy Provided to a Person or one or more other Persons;
  - (g) authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of Cooperative Equipment; or
  - (h) safely, reliably, and efficiently operating the Cooperative or Providing a Cooperative Service.

**Section 2.9 – Member Suspension.** The Cooperative may suspend a Member for the following reasons (“Suspension Reasons”):

- (1) as provided in the Governing Documents;
- (2) as determined by the Board for good cause;
- (3) the Member is no longer qualified to be a Member;
- (4) the Member does not timely pay an undisputed amount due the Cooperative;
- (5) the Member violates or does not timely comply with the Governing Documents;
- (6) the Member ceases Using a Cooperative Service for six (6) consecutive months, unless the cessation of Use is caused by an event beyond the Member’s reasonable control and the Member intends to resume Use when reasonably possible; or
- (7) the Member requests suspension.

Except as otherwise provided in these Bylaws or by the Board, a Member is suspended upon:

- (1) the Member’s request for suspension; or
- (2) the Cooperative:
  - (a) providing the Member written notice of the Member’s possible suspension and the applicable Suspension Reason at least thirty (30) days before the possible suspension;
  - (b) notifying the Member that the Member has a right to, and allowing the Member an opportunity to, comment upon the Suspension Reason orally or in writing at least three (3) days after the Cooperative provides the notice; and
  - (c) determining to suspend the Member.

The Cooperative must provide any written suspension notice to the Member’s most current address shown on the Membership List.

Upon a Member’s suspension:

(1) other than the Cooperative's obligation to retire and pay Capital Credits, and other than the Cooperative's obligations regarding dissolution, the Cooperative's duties, obligations, and liabilities imposed by the Governing Documents for the Member cease and the Cooperative may cease Providing a Cooperative Service to the Member; and

(2) other than the Member's right to receive retired and paid Capital Credits, and other than the Member's rights upon the Cooperative's dissolution, the Member forfeits and relinquishes rights provided in the Governing Documents, but remains subject to obligations imposed by the Governing Documents. In particular, a suspended Member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as provided in the Governing Documents.

Unless the Cooperative determines otherwise, a Member's suspension is lifted upon the Member rectifying the applicable Suspension Reason within thirty (30) days of the suspension. The Cooperative may lift a Member suspension for good cause determined by the Board.

**Section 2.10 – Member Termination.** Upon approval by the Board, a suspended Member is terminated. Except as otherwise provided in these Bylaws, a Member is terminated upon:

- (1) the Cooperative learning of the Member's death, legal dissolution, or legal cessation of existence;
- (2) the Member requesting termination; or
- (3) the Cooperative learning that the Member has permanently ceased Using a Cooperative Service.

Except as otherwise provided by the Board, a partnership Member continuing to Use a Cooperative Service is not suspended or terminated upon the death of a partner or following any other alteration in the partnership. A partner departing a partnership Member remains liable to the Cooperative for Cooperative Services provided to or for the Member before, and amounts owed to the Cooperative by the Member at the time of, the partner's departure.

Termination of a Member does not:

- (1) release the Member from debts, liabilities, or obligations owed to the Cooperative; or
- (2) release the Cooperative from the obligation to retire and pay Capital Credits to the former Member or obligations to the former Member regarding the Cooperative's dissolution. Upon a Member's termination from the Cooperative, and after deducting amounts owed to the Cooperative, the Cooperative must return to the Member any amount provided in the Governing Documents.

**Section 2.11 – Membership List.** The Cooperative shall maintain a written or Electronic record of current Members in a form permitting the Cooperative to alphabetically list the names and addresses of all Members ("Membership List").

Except as otherwise provided by these Bylaws or the Board, the Cooperative may not sell, transfer, disclose, distribute, or otherwise dispose of all or part of the Membership List or a similar list or record of Members or Member information.

## **Article 3 – Member Meetings and Member Voting**

**Section 3.1 – Annual and Regular Member Meetings.** Within a county in which the Cooperative Provides electric energy, the Cooperative shall annually hold a meeting of Members ("Annual Member Meeting"). The Board must determine the date, time, and location of an Annual or Regular Member Meeting. The Cooperative's failure to hold an Annual or Regular Member Meeting does not affect an action taken by the Cooperative.

At the Annual Member Meeting:

- (1) the Chairman shall provide a report regarding the activities of the Cooperative; and
- (2) the Treasurer shall provide a report regarding the financial condition of the Cooperative.

**Section 3.2 – Special Member Meetings.** Within a county in which the Cooperative Provides electric energy, the Cooperative shall hold a special meeting of Members ("Special Member Meeting") upon receiving:

- (1) a written or oral request from the Board or Chairman;
- (2) one or more written requests signed by at least fifty-one percent (51%) of the Board; or
- (3) one or more written demands signed and dated within thirty (30) days after the first signature by at least four percent (4%) of the total number of unsuspended Members ("Total Membership"), with each page of each written demand requesting and describing the purpose of the meeting ("Member Demand").

The Board shall determine the date, time, and location of a Special Member Meeting. Unless the Board determines otherwise, the Chairman or the Chairman's designee presides over the Special Member Meeting.

If the Cooperative does not notify Members of a Special Member Meeting within sixty (60) days of receiving a Member Demand, then a Member signing the Member Demand may:

- (1) set a reasonable time, place, and location for the Special Member Meeting; and
- (2) notify Members of the Special Member Meeting.

**Section 3.3 – Agenda, Attendance, and Action at Member Meetings.** Except as otherwise provided in these Bylaws, before or at an Annual, Regular, or Special Member Meeting ("Member Meeting"), the Board:

- (1) shall determine the agenda, program, or order of business for the Member Meeting; and
- (2) may limit attendance at the Member Meeting to Members.

Except as otherwise provided by the Board before or at a Member Meeting, the Chairman or an individual designated by the Chairman:

- (1) shall preside at the Member Meeting;
- (2) may remove a Person from the Member Meeting for unruly, disruptive, or similar behavior; and
- (3) may exercise power reasonably necessary for efficiently and effectively conducting the Member Meeting.

Except as otherwise provided by the Board before or at a Member Meeting, Members attending the Member Meeting may consider, vote, or act only upon a matter which the Board and Members were notified. Members attending a Special Meeting may consider, vote, or act only on matters that were described in the notice of the Special Member Meeting.

The Board or Chairman may establish rules for conducting a Member Meeting, which rules must be:

- (1) fair to the Members; and
- (2) communicated or made available to the Members at least ten(10)days but no more than thirty (30) days before the Member Meeting.

**Section 3.4 – Notice of Member Meetings.** As directed by the Chairman, Secretary, or any other Officer or Member properly calling the Member Meeting, the Cooperative shall deliver written notice of a Member Meeting personally or by mail, either with or without other documents, to all Members. This notice must indicate the date, time, and location of the meeting and must be delivered at least ten (10) days, but no more than thirty (30) days, before the meeting. For a Special Member Meeting, this notice must state the purpose of the meeting and describe any matter to be considered or voted or acted upon at the meeting.

Except as otherwise provided in these Bylaws, a mailed notice of a Member Meeting is delivered when deposited in the United States mail with prepaid postage affixed and addressed to a Member at the Member's address shown on the Membership List. The good faith, inadvertent, and unintended failure of a Member to receive notice of a Member Meeting does not affect an action taken at the Member Meeting.

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

- (1) the meeting is adjourned to another date occurring within one hundred twenty (120) days following the original Member Meeting date; and
- (2) the new date, time, or location is announced at the Member Meeting prior to adjournment.

**Section 3.5 – Record Date.** A “Record Date” is the date for determining the Total Membership and the Members entitled to:

- (1) sign a Member petition, request, demand, consent, appointment, or similar document;
- (2) receive a ballot, notice of a Member Meeting, or similar document; or
- (3) vote or otherwise act. If a Member is suspended after the Record Date, then the Member may not sign a document, receive a document, or vote or otherwise act.

The Board may fix the Record Date, but the Record Date must not be more than thirty (30) days before the:

- (1) date the first Member signs a Member petition, request, demand, consent, appointment, or similar document;
- (2) date a ballot, notice, or similar document is due or required; or
- (3) date of a Member Meeting. Except as otherwise provided by the Board, the Record Date:
  - (a) for signing a Member petition, request, demand, consent, appointment, or similar document is the date the Cooperative receives the signed document;
  - (b) for reviewing a ballot, notice, or similar document is the date thirty (30) days before the document is due or required; and
  - (c) for voting or otherwise acting at a Member Meeting is the date of the Member Meeting.

The Record Date for determining the Total Membership and the Members entitled to notice of, or to vote at, a Member Meeting is effective for a Member Meeting adjourned to a date not more than one hundred twenty (120) days after the original Member Meeting date.

**Section 3.6 – Member Meeting List.** For a Member Meeting, the Cooperative shall prepare and maintain a written or Electronic alphabetical list stating the name and address of each Member entitled to receive notice of and to vote at the Member Meeting (“Member Meeting List”). Except as otherwise provided by these Bylaws or the Board, the Cooperative may not sell, transfer, disclose, distribute, or otherwise dispose of all or part of the Member Meeting List or a similar list or record of Members or Member information.

**Section 3.7 – Member Waiver of Notice.** A Member may waive notice of a Member Meeting, or of a matter to be considered, or voted or acted upon, at a Member Meeting, by signing and delivering to the Cooperative a written waiver of notice (“Member Meeting Waiver of Notice”) either before the Member Meeting or within ten (10) days after the Member Meeting.

Unless a Member objects to holding a Member Meeting, or to transacting business at the Member Meeting, the Member’s attendance in person on a matter considered at the Member Meeting waives the Member’s objection to lack of notice, or to defective notice, of the Member Meeting. Unless a Member objects to considering, or voting or acting upon, a matter at a Member Meeting, the Member’s attendance in person at the Member Meeting waives the Member’s objection to considering, or voting or acting upon, the matter at the Member Meeting.

**Section 3.8 – Member Quorum.** A quorum of Members is two per-cent (2%) of the Total Membership (“Member Quorum”). All Members attending the Member Meeting or who vote prior to the Member Meeting as allowed in Section 3.9 shall count toward the quorum. The Board may not amend this Bylaw to increase or decrease the Member Quorum.

If less than the Member Quorum is present in person at a Member Meeting, then a majority of Members attending the Member Meeting in person may adjourn the Member Meeting without further notice. Upon a Member being present or represented for any purpose at a Member Meeting, the Member is deemed present for Member Quorum purposes for the remainder of the Member Meeting and for any adjourned Member Meeting, unless a new Record Date is, or must be, set for that adjourned Member Meeting.

**Section 3.9 - Member Voting.** A Member may vote for any matters for which the Member is entitled to vote in person at the Member Meeting.

Alternatively, a Member may vote for Directors in person at any Cooperative district office prior to the Member Meeting. Any Member voting at the district office may vote, during normal business hours, no earlier than 10 days and no later than two days prior to the Member Meeting

If a Member presents identification or proof of Cooperative membership as reasonably required by the Cooperative, and if the Member is not suspended on the Record Date and remains unsuspended after the Record Date, then the Member may cast one (1) vote on a matter for which the Member is entitled to vote. To vote for an Entity Member, an individual must present evidence requested by and satisfactory to the Cooperative that the individual is authorized to vote for the Entity Member.

Except as otherwise provided in these Bylaws, Members approve a matter if:

- (1) a Member Quorum is present in person; and
- (2) a majority of Members, who are entitled to vote on the matter, vote in favor of the matter.

At a Member Meeting, the individual presiding over the Member vote may require the Members to vote by voice. If the individual presiding over the Member vote determines, in good faith, that a voice vote is not sufficient to accurately determine the vote results, then the Members shall vote by written ballot ("Written Ballot"), or in any other reasonable manner determined by the individual presiding over the Member vote.

**Section 3.10 – Credentials and Election Committee.** Before a Member Meeting, the Board shall appoint a Credentials and Election Member Committee ("C & E Committee") for the Member Meeting consisting of an uneven number of unsuspended Members between five and nine.

- (1) C & E Committee Members. A C & E Committee member must not be: an existing, or a Close Relative of an existing, Cooperative Official or known Director candidate. As determined by the Board, the Cooperative may reasonably compensate or reimburse C & E Committee members.
- (2) C & E Committee Duties. During, or within a reasonable time before and/or after, the Member Meeting for which the C & E

Committee was appointed, the C & E Committee shall:

- (a) elect a chairman;
- (b) establish, or approve, the manner or method of Member registration and voting;
- (c) oversee or supervise Member registration and voting, and the tabulation of Member votes; and
- (d) consider and decide all questions, issues, or disputes regarding:
  - (i) member registration and voting, including the determination of Members present;
  - (ii) the tabulation or count of Member votes, including the determination of vote results;
  - (iii) director nominations; and
  - (iv) whether a Director nominee or newly elected Director satisfies the Director Qualifications (collectively, "Member Meeting Issues"). The C & E Committee may meet, consider, or decide

Member Meeting Issues, or otherwise act, only if a majority of the C & E Committee members are present. A C & E Committee decision or action requires a vote of at least a majority of the C & E Committee members present. Except as otherwise provided in this Bylaw, C & E Committee decisions or actions during, or within a reasonable time before or after, a Member Meeting are final. At the Cooperative's expense, the Cooperative shall make available legal counsel to the C & E Committee.

(3) Member Challenge. A Member entitled to vote at a Member Meeting may comment upon a Member Meeting Issue, or challenge the C & E Committee's decision or action regarding a Member Meeting Issue, by filing a written description of the Member's comment or challenge ("Member Challenge") with the Cooperative within three (3) business days following the Member Meeting addressed by the Member Challenge.

Within thirty (30) days of receiving a Member Challenge, the C & E Committee shall:

- (1) as determined by the C & E Committee, meet and receive oral or written evidence from a Member, or legal counsel representing a Member, directly and substantially implicated in, or affected by, the Member Challenge; and
- (2) consider, decide, and rule on the Member Challenge.

The C & E Committee's decision regarding a Member Challenge is final. Upon written request by a Member received by the C & E Committee within thirty (30) days of a C & E Committee decision or action, the C & E Committee shall prepare a written report summarizing and explaining the C & E Committee's decision or action. The failure of the Cooperative or the C & E Committee to act as required by this By-law shall not, by itself, affect a vote, Director election, or other action taken at a Member Meeting.

## Article 4 – Board of Directors

**Section 4.1 – Director Districts.** Based upon geographic, regional, population, membership, subdivision, economic development, permanent or full residency, seasonal or partial residency, or other equitable consideration determined by the Board, the Board shall divide the general area in which the Cooperative Provides electric energy (“Co-operative Service Area”) into seven districts that equitably represent the individual Members (“Director Districts”)

District 1 - Montgomery and Wabash Townships in Gibson County; Bethel, Center, Harmony, Lynn, Robb and Smith Townships in Posey County.

District 2 - Center, Columbia, Patoka, Washington and White River Townships in Gibson County; Clay, Logan and Madison Townships in Pike County.

District 3 – Washington Township in Greene County; Decker, Johnson, Vigo, Vincennes, Washington and Widner Townships in Knox County.

District 4 – Harrison, Palmyra and Steen Townships in Knox County; Jefferson, Patoka and Washington Townships in Pike County.

District 5 - Busseron Township in Knox County; Gill, Haddon, Hamilton and Turman Townships in Sullivan County.

District 6 - Lewis Township in Clay County; Wright Township in Greene County; Cass, Curry, Fairbanks, Jackson, and Jefferson Townships in Sullivan County; Prairie Creek and Prairieton Townships in Vigo County.

District 7 - Perry Township in Clay County; Honey Creek, Linton, Pierson and Riley Townships in Vigo County.

One (1) director shall be elected from each district in the following manner, to-wit:

- Districts 1 and 4 at the 2019 annual meeting of the members to serve for a three (3) year term.
- Districts 2 and 5 at the 2020 annual meeting of the members to serve for a three (3) year term.
- Districts 3, 6 and 7 at the 2021 annual meeting of the members to serve for a three (3) year term.

**Section 4.2 – Board.** The Cooperative shall have a Board that equitably represents the Members and is composed of seven Members.

Except as otherwise provided in these Bylaws:

- (1) Cooperative powers must be exercised by the Board, or under the Board's authority;
- (2) Cooperative activities and affairs must be managed under the Board's direction and subject to the Board's oversight; and
- (3) the Board shall reasonably administer and enforce these Bylaws, or shall ensure that these Bylaws are reasonably administered and enforced.

To the extent the Governing Documents authorize a Person to exercise a power that the Board would otherwise exercise, the Person exercising the power has, and is subject to, the same duties, responsibilities, and standards of care of the Board.

**Section 4.3 – Director Qualifications.** A Director or Director candi-date must comply with this Bylaw.

- (1) General Director Qualifications. To become and remain a Director, a Person must comply with the following general qualifications (“General Director Qualifications”):
- (a) be an individual;
  - (b) primary place of residence must be in an area served by the Cooperative within the district to be represented;
  - (c) not be employed or financially interested in a competing enterprise or a business selling electric energy to or supplied to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
  - (d) no person shall hold office as a director who is holding public office. Public office shall be defined as any office wherein the officeholder is elected during and is part of the general election and is eligible to receive remuneration for such office in excess of \$500 per year. Any Director, if he should be elected to a public office, shall, upon taking the oath of office, on assuming the duties shall have effectively resigned from the Board;
  - (e) have the capacity to enter legally binding contracts;
  - (f) not have been previously removed or disqualified as a Director;
  - (g) while a Director not be convicted of, or plead guilty to, a felony or three (3) misdemeanors;
  - (h) except as otherwise provided by the Board for good cause, receive a Credentialed Cooperative Director designation, Directors Certificate, or similar designation or certification from the National Rural Electric Cooperative Association within six years of becoming a Director;
  - (i) before becoming a Director, graduate from high school or earn an equivalent degree or certification;
  - (j) no person who has been an employee of the Cooperative nor a close relative of an employee shall be eligible to become a Director of the Cooperative until five (5) years from the date of severance of employment from the Cooperative;
  - (k) no person who is a close relative of a Director shall be eligible to become a Director until five (5) years from the date of expiration of that Director’s term;
  - (l) no person who has not been a member of the Cooperative for three (3) continuous years shall be eligible to become a Director of the Cooperative;
  - (m) a member seeking election to the Board of Directors must be willing to attend regularly scheduled and special meetings of the Board of Directors and attend local, state and national organizational meetings with associated interest;
  - (n) must be a Member in “good standing” with the Cooperative; and
  - (o) comply with any other reasonable qualifications determined by the Board.
- (2) Director Disqualification. After being elected or appointed, if a Director does not comply with all General Director Qualifications, then, except as otherwise provided by the Board for good cause, the Board may disqualify the Director and the individual is no longer a Director if:
- (a) the Board notifies the Director in writing of the basis for, and provides the Director an opportunity to comment regarding, the Board’s proposed disqualification;
  - (b) within thirty (30) days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification; and
  - (c) upon the Director’s failure to attend three (3) consecutive regular monthly meetings of the Board or four (4) meetings of the Board within a twelve (12) month period shall automatically forfeit the directorship, subject to the review rights of the Board as set out hereinafter. Evidence of failure to attend shall be kept by the Secretary of the Board of Directors, and when three (3) consecutive regular monthly meetings or four (4) meetings within a twelve (12) month period have been missed, the Secretary of the Board shall certify the fact to the Chairman of the Board of Directors. Upon receiving certification of such absence, the Chairman shall request from the non-complying Director a written list of reasons for the absences, which shall be presented to the Board at their next regular meeting for review. In the event the Board finds the reasons justify the absences, the Director shall be reinstated; however, if in the opinion of the Board the reasons are not justified, the Board shall declare the seat vacant. Reasonableness of the excuse shall be the sole responsibility

of the Board of Directors.

If a majority of Directors authorized by these Bylaws complies with the Director Qualifications and approves a Board action, then the failure of a Director to comply with the Director Qualifications does not affect the Board action.

**Section 4.4 – Director Nominations.** For each Director position nominated by or from Members receiving electric energy at a Location within a Director District (“Nominating Members”) and scheduled for election by Members at a Member Meeting, the Nominating Members shall nominate individuals as provided in this Bylaw.

(1) Member Petition Nominations. Nominating Members may nominate, through petition, individuals to run for election for a Director position scheduled for election by Members at the Member Meeting (“Member Petition Nominations”). Nominating Members make Member Petition Nominations by delivering to the Cooperative at least sixty (60) business days before the Member Meeting a writing for each Member Petition Nomination (“Member Petition”):

- (a) listing, on each page of the Member Petition, the name of the Member Petition Nominee;
- (b) indicating, on each page of the Member Petition, the Director position for which the Member Petition Nominee will run; and
- (c) containing the printed names, addresses, telephone numbers, and original dated signatures signed within sixty (60) days of the first signature, of at least twenty (20) Nominating Members.

Upon verification by the Credentials and Election Committee that a Member Petition complies with this Bylaw, the Cooperative shall display the Member Petition Nomination at each office of the cooperative.

(2) An incumbent director shall, in the event it is their desire to seek re-election prior to December 31 in the year preceding the annual meeting in which their term is to expire, cause a letter to be delivered to the Board of Directors at the main office of the cooperative expressing their desire to stand for re-election. Failure to do so shall indicate their desire to no longer serve as a director of the cooperative.

(3) Notice of Director Nominations. No less than ten (10) days nor more than thirty (30) days before a Member Meeting at which Members are scheduled to elect Directors, the Cooperative shall notify Members of the:

- (a) director positions scheduled for election by Members;
- (b) names and corresponding Director positions of all incumbent directors seeking re-election; and
- (c) names and corresponding Director positions of all Member Petition Nominations.

**Section 4.5 – Director Elections.** At each Member Meeting at which a Director position is scheduled for election by Members Using electric energy at a Location within the Cooperative Service Area (“Electing Members”), the Electing Members shall elect the Director from the Credential and Election Committee Report, by a plurality of votes cast by Electing Members with a Member Quorum present in person. Electing Members may not vote for write-in candidates. If a Director position is unfilled after the first round of voting, then voting must

be repeated until the Director position is filled, with the nominee receiving the lowest number of votes removed from the next round of voting. As determined by the individual presiding at the Member Meeting, the number of votes received by each nominee will or will not be announced. If only one individual is nominated to run for election for a Director position scheduled for election by Members at the Member Meeting, then the individual presiding at the Member Meeting may announce that the nominated individual is elected by acclamation and no vote is required.

The Board must determine the order, listing, and placement of names on a Written Ballot. A nominated individual may be identified as an incumbent on a Written Ballot or similar ballot. The incumbent will be first on the ballot and additional nominees will be placed in alphabetical order. In campaigning or soliciting votes for election, a nominated individual shall comply with any reasonable rules, requirements, or procedures

prescribed by the Board, which rules, requirements, and procedures must apply equally to all nominated individuals.

**Section 4.6 – Director Terms.** Except as otherwise provided in these Bylaws, a Director’s term is three years or until a successor Director is elected, designated, or appointed and takes office (“Director Term”).

A Director’s term begins:

- (1) after the individual consents to being elected, designated, or appointed as a Director; and
- (2) at the beginning of the first Board Meeting held after the Director is elected, designated, or appointed.

A Director’s term ends after:

- (a) a successor Director consents to being elected, designated, or appointed as a Director; and
- (b) at the beginning of the first Board Meeting held after a successor Director is elected, designated, or appointed.

The Cooperative shall stagger Director Terms by dividing the total number of authorized Directors into groups of approximately equal number. Members must annually elect an approximately equal number of Directors. Subject to a Director’s consent, decreasing the number of Directors or length of Director Terms may not shorten an incumbent Director’s Term.

**Section 4.7 – Director Resignation.** A Director may resign at any time. To resign, a Director must sign and deliver a written notice of resignation to the Board, Chairman, or Secretary. Except as a later date is otherwise provided in a written notice of resignation, a Director’s resignation is effective when the Board, Chairman, or Secretary receives the written notice of resignation. If a Director’s resignation is effective at a later date, and if the successor Director does not take office until the effective date of the Director’s resignation, then the pending Director vacancy may be filled before the effective date of the Director’s resignation.

**Section 4.8 – Director Removal.** As provided in this Bylaw, and for cause, the Members Using a Cooperative Service at a Location within the Cooperative Service Area (“Removing Members”) may remove a Director in the following manner:

Director Removal Petition. For a Director for whom removal is requested, the Removing Members must deliver to the Chairman or Secretary a dated written petition (“Director Removal Petition”):

- (1) identifying the Director on each page;
- (2) explaining, on each page, the basis for the Director’s removal; and
- (3) as Removing Members existed on the Director Removal Petition date, containing the printed names, printed addresses, and original and dated signatures obtained within sixty (60) days following the Director Removal Petition date, of at least four percent (4%) of the total Members.

Within thirty (30) days after the Chairman or Secretary receives a Director Removal Petition:

- (1) the Cooperative shall forward a copy of the Director Removal Petition to the implicated Director; and
- (2) the Board shall meet to review the Director Removal Petition.

Member Meeting. If the Board determines that the Director Removal Petition complies with this Bylaw, then the Cooperative shall notice and hold a Member Meeting within sixty (60) days following the Board’s determination.

Notice of the Member Meeting must state that:

- (1) a purpose of the Member Meeting is to consider removing a Director;
- (2) evidence may be presented, and a Member vote taken, regarding removing the Director; and
- (3) Members may elect a successor Director.

If a Member Quorum is present in person at the Member Meeting, then for the Director named in a Director Removal Petition:

- (1) before a Member vote, evidence must be presented supporting the basis for removing the Director;

- (2) the Director may be represented by legal counsel, and must have the opportunity to refute, and present evidence opposing, the basis for removing the Director; and
- (3) after the Director's presentation and Member discussion, the Removing Members must vote whether to remove the Director.

If a majority of Removing Members present vote to remove the Director, then the Director is removed effective the time and date of the Member vote. At the Member Meeting, the Removing Members may elect a new Director to succeed the removed Director without complying with the Director Nomination or notice provisions of these Bylaws. A successor Director elected by the Removing Members must comply with the Director Qualifications and serves the unexpired Director Term of the removed Director. A Director Removal Petition or Director removal does not affect a Board action.

Removing Members may not remove a Director for lawfully opposing a Transfer of Cooperative Assets or a Cooperative dissolution.

**Section 4.9 – Director Vacancy.** Except as otherwise provided in these Bylaws

- (1) by an affirmative vote of the majority of remaining Directors, the Board may fill the vacant Director position, including a vacant Director position resulting from increasing the number of Directors; and
- (2) a Director elected, designated or appointed by the Board to fill a vacant Director position serves the unexpired Director Term of the vacant Director position.

If a Director vacancy will occur at a later specified date, then the Board may fill the vacancy before the vacancy occurs and the new Director takes office when the vacancy occurs. An individual elected, designated or appointed to fill a vacant Director position must comply with the Director Qualifications. Except as otherwise provided in these Bylaws, and as used in this Bylaw, "vacant Director position" and "Director vacancy" do not include Director positions vacated due to an expired Director Term.

**Section 4.10 – Director Compensation.** Directors shall not receive any salary for their services as such, except that the Board may, by resolution, authorize a Director's fee. If authorized by the Board, Directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for such expenses. No Director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative unless the payment and amount of compensation be certified by the Board as an emergency measure.

In consideration for service as a Director, as determined by the Board, and without granting a Director or former Director a contract or other right, the Cooperative may promise to reasonably or fairly compensate, or provide other benefits to, a Director after the Director ceases serving as a Director. After a Director ceases serving as a Director, the Board must determine or approve, and may change or eliminate for any reason, the manner, method, and amount of any compensation or benefits provided to the former Director.

**Section 4.11 – Director Conduct.** In general:

- (1) Director Standard of Conduct. A Director is not deemed a trustee regarding the Cooperative, Capital Credits, or property held or administered by the Cooperative, including property potentially subject to restrictions imposed by the property's donor or transferor. A Director shall discharge the Director's duties, including duties as a Board Committee member:
  - (a) in good faith;
  - (b) in a manner the Director reasonably believes to be in the Cooperative's best interests;
  - (c) when becoming informed in connection with the Director's decision-making function or devoting attention to the Director's oversight function, with the care that an individual in a like position would reasonably believe appropriate under similar circumstances; and

- (d) in a manner in which the Director discloses or causes to be disclosed to other Directors or Board Committee members information not known by them, but known by the Director to be material to discharging their decision-making or oversight functions, except that disclosure is not required to the extent that the Director reasonably believes that disclosure would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule.
- (2) Director Reliance on Others. Unless a Director has knowledge making reliance unwarranted, then in discharging the Director's duties, including duties as a Board Committee member, the Director may rely:
- (a) on the performance by any of the following individuals listed in (i) or (iii) to whom the Board has formally or informally delegated the authority or duty to perform one or more of the Board's delegable functions; and
  - (b) upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the following individuals:
    - (i) one or more Cooperative Officers or employees whom the Director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;
    - (ii) legal counsel, public accountants, or other individuals retained by the Cooperative regarding matters involving skills or expertise the Director reasonably believes are matters within the individual's professional or expert competence and as to which the individual merits confidence; and
    - (iii) a Board Committee of which the Director is not a member if the Director reasonably believes the Board Committee merits confidence.

**Section 4.12 – Close Relative.** The term “Close Relative” means an individual who:

- (1) through blood, law, in-law, or foster (including adoption), is a spouse, child, stepchild, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, half-sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law, aunt, uncle, nephew or niece of the principal; or
- (2) resides in the same residence (collectively “Close Relative”).

## Article 5 – Board Meetings and Director Voting

**Section 5.1 – Regular Board Meetings.** The Board shall regularly meet at the date, time, and location determined by the Board (“Regular Board Meeting”). Except as otherwise provided in these Bylaws, the Board may hold Regular Board Meetings without notice. For good cause, the Chairman may change the date, time, or location of a Regular Board Meeting. A Director not attending a Board Meeting at which the Regular Board Meeting date, time, or location is changed is entitled to receive a written or electronic notice of the Regular Board Meeting change at least three (3) days before the next Regular Board Meeting. All Directors are entitled to receive a written or electronic notice of a Chairman's change in a Regular Board Meeting date, time, or location at least three (3) days before the changed Regular Board Meeting.

**Section 5.2 – Special Board Meetings.** The Board, the Chairman, or at least three (3) Directors may call a special meeting of the Board (“Special Board Meeting”) by providing each Director at least five (5) days' prior written or electronic notice indicating the date, time and location of the Special Board Meeting.

**Section 5.3 – Conduct of Board Meetings.** Except as otherwise provided in these Bylaws, a Regular Board Meeting or Special Board Meeting (“Board Meeting”) may be:

- (1) held in, or out of, a state in which the Cooperative Provides a Cooperative Service; and
- (2) conducted with absent Directors participating, and deemed present in person, through any means of communication by which all Directors participating in the Board Meeting may simultaneously hear each other during the Board Meeting.

If a Director Quorum is present at a Board Meeting, then:

- (1) in descending priority, the following Officers may preside at the Board Meeting: Chairman, Vice-Chairman, Secretary, and Treasurer; and
- (2) if no Officer is present or desires to preside at a Board Meeting, then the Directors attending the Board Meeting must elect a Director to preside over the Board Meeting. The Board may pro-mulgate or approve rules, policies, and procedures regarding:
  - (a) attendance at, participation in, or presentation during Board Meetings by Persons other than Directors;
  - (b) the right to access, inspect, or copy minutes, records, or other documents relating to a Board Meeting by Persons other than Directors; or
  - (c) the conduct of Board Meetings.

Except as otherwise provided by the Board, Members may not attend Board Meetings and non-Members may not attend Board Meetings.

**Section 5.4 – Waiver of Board Meeting Notice.** At any time before, during, or after a Board Meeting, a Director may waive notice of a Board Meeting by delivering to the Cooperative a written or electronic waiver of notice signed by the Director and later filed with the Board Meeting minutes or the Cooperative’s records. A Director’s attendance at, or participation in, a Board Meeting waives notice of the Board Meeting and any matter considered at the Board Meeting, unless the Director:

- (1) at the beginning of the Board Meeting, or promptly upon arrival, objects to holding or transacting business at the Board Meeting; or
- (2) does not vote for, or assent to, action taken at the Board Meeting.

**Section 5.5 – Board Action by Written Consent.** Without a Board Meeting, the Board may take an action required or permitted to be taken at a Board Meeting if the action is:

- (1) taken by all Directors; and
- (2) evidenced by one or more written consents (“Director Written Consent”):
  - (a) describing the action taken;
  - (b) signed by each Director;
  - (c) delivered to the Cooperative; and
  - (d) included with the Cooperative’s Board Meeting minutes.

Except as a different effective date is provided in the Director Written Consent, action taken by Director Written Consent is effective when the last Director signs the Director Written Consent. A Director Written Consent has the effect of, and may be described as, a Board Meeting vote.

**Section 5.6 – Director Quorum and Voting.** A quorum of Directors is a majority of the Directors in office immediately before a Board Meeting begins (“Director Quorum”). If a Director Quorum is present when a matter is voted or acted upon, and unless the vote of a greater number of Directors is required, then the affirmative vote of a majority of Directors present is the act of the Board. An interested Director is not counted in determining whether a Director Quorum is present to vote or act upon a matter in which the Director is interested.

**Section 5.7 – Committees.** The Chairman may create a committee of the Board (“Board Committee”) and appoint Directors to serve on the Board Committee. A Board Committee must consist of two or more Directors and the Chairman and serves at the Board’s discretion.

The Board may create a committee of the Members (“Member Committee”) and appoint Members, including Directors, to serve on the Member Committee. The Board may appoint one or more Directors or Members, respectively, as alternate members of any Board or Member Committee to replace any absent or disqualified Committee member during the Committee member’s absence or disqualification.

- (1) Conduct of Committee Meetings. To the same extent as the Board and Directors, the Bylaws addressing Regular Board Meetings, Special Board Meetings, Conduct of Board Meetings, Waiver of Board Meeting Notice, Board Action by Written Consent, and Director Quorum and Voting apply to Board Committees and Directors serving on Board Committees, and to Member Committees and Members serving on Member Committees.
- (2) Committee Authority. A Member Committee may act as specified by the Board, but may not exercise Board authority. Except as otherwise provided in this Bylaw, the Board may authorize a Board Committee to exercise Board authority. Although a Board Committee may recommend, a Board Committee may not act to:
  - (a) retire and pay Capital Credits;
  - (b) approve the Cooperative's dissolution or merger, or the sale, pledge, or Transfer of all, or substantially all, Cooperative Assets;
  - (c) elect, appoint, disqualify, or remove a Director, or fill a Board or Board Committee vacancy; or
  - (d) adopt, amend, or repeal Bylaws.

**Section 5.8 – Board Executive Committee.** Except as otherwise provided by the Board:

A Board executive committee is composed of the Chairman, Vice-Chairman, Secretary, and Treasurer (“Board Executive Committee”).

The Board Executive Committee:

- (1) is a Board Committee;
- (2) may exercise all Board authority granted by the Board and permitted under these Bylaws; and
- (3) at the next Board Meeting following an exercise of Board authority, must report to the Board regarding the Board Executive Committee's exercise of Board authority.

**Section 5.9 – Conflict of Interest Transaction.** A conflict of interest transaction is a contract or transaction with the Cooperative in which a Director has a direct or indirect interest (“Conflict of Interest Transaction”).

- (1) Indirect Interest. A Director has an indirect interest in a contract or transaction with the Cooperative if at least one party to the contract or transaction is another Entity:
  - (a) in which the Director has a material or financial interest, or is a general partner; or
  - (b) of which the Director is a director, officer or trustee.

The Director will abstain from any vote which he has a conflict with.

## Article 6 – Officers, Indemnification, and Insurance

**Section 6.1 – Required Officers.** The Cooperative must have the following officers:

Chairman, Vice-Chairman, Secretary, and Treasurer (“Required Officers”). The Board shall elect Required Officers:

- (1) at the first Regular Board Meeting following each Annual Member Meeting, or as soon after each Annual Member Meeting as reasonably possible and convenient; and
- (2) by affirmative vote of a majority of Directors in office.

A Required Officer must be a Director. One Director may simultaneously be Secretary and Treasurer. Except as otherwise provided by Law, this Director may not execute, acknowledge, or verify a document in more than one capacity. Subject to removal by the Board, a Required Officer holds office until the Required Officer's successor is elected. The Board shall fill a vacant Required Officer's position for the unexpired portion of the Required Officer's term

**Section 6.2 – Chairman.** Except as otherwise provided by the Board or these Bylaws, the Chairman:

- (1) shall preside, or designate another individual to preside, at all Board and Member Meetings;
- (2) on the Cooperative's behalf, may sign a document properly authorized or approved by the Board or Members; and

(3) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**Section 6.3 – Vice-Chairman.** Except as otherwise provided by the Board or these Bylaws, the Vice-Chairman:

- (1) upon the Chairman's death, absence, disability, or inability to act, shall perform the duties, and have the powers, of the Chairman; and
- (2) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**Section 6.4 – Secretary.** Except as otherwise provided by the Board or these Bylaws, the Secretary

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

**Section 6.5 – Treasurer.** Except as otherwise provided by the Board or these Bylaws, the Treasurer shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**Section 6.6 – Officer Resignation and Removal.** At any time, a Required Officer may resign. To resign an Officer elected or appointed by the Board must deliver to the Cooperative or Board a written resignation. Except as a later effective date is otherwise provided in the Officer resignation, an Officer resignation is effective when received. If an Officer resignation states a future effective date, and if, as appropriate, the Board accepts the future effective date, then, as appropriate, the Board may fill the vacant Officer position before the future effective date, but the successor Officer may not take office until the future effective date. At any time, the Board may remove for any reason an Officer elected or appointed by the Board.

**Section 6.7 – Officer Contract Rights.** The election, appointment, retention or employment of an Officer, by itself, does not create a contract between the Cooperative and the Officer. An Officer's resignation or removal does not affect the Cooperative's contract rights, if any, with the Officer.

**Section 6.8 – Authority to Execute Documents.** On the Cooperative's behalf, two Required Officers may sign, execute, and acknowledge a document properly authorized or approved by the Board or Members. The Board may authorize additional Cooperative Officials to sign, execute, and acknowledge a document on the Cooperative's behalf.

**Section 6.9 – Chief Executive Officer.** The Board of Directors may appoint a Chief Executive Officer who may be, but who shall not be required to be a member of the Cooperative. The Chief Executive Officer shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him. The office of Chief Executive Officer and General Manager shall be held by the same person.

**Section 6.10 – Bonds.** At the Cooperative's expense, the Cooperative may purchase a bond covering a Cooperative Official.

**Section 6.11 – Indemnification.** The Cooperative shall indemnify Directors, officers, including the Chief Executive Officer, agents and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity, and if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative or were not against the best interests of the Cooperative. The Cooperative may purchase insurance to cover such indemnification.

**Section 6.12 – Insurance.** Regardless of indemnification authority or requirement, the Cooperative may purchase and maintain insurance on behalf of an individual who is or was a Cooperative Official. This insurance is against a liability, including judgment, settlement, or otherwise, or reasonable expenses, including reasonable attorney fees, asserted against or incurred by the Cooperative or the individual in his or her individual capacity, or arising from the individual's status, as a Cooperative Official.

## Article 7 – Cooperative Operation

**Section 7.1 – Non-Profit and Cooperative Operation.** The Cooperative:

- (1) shall operate on a non-profit and cooperative basis for the mutual benefit of all Members; and
- (2) may not pay interest or dividends on capital furnished by Members.

**Section 7.2 – Allocating Capital Credits.** The Cooperative shall allocate Capital Credits as provided in this Bylaw. The Cooperative must allocate Capital Credits in a Member's name as shown in the Cooperative's records, regardless of the Member's marital status.

- (1) Member. The term "Member" means during a fiscal year a Member to whom the Cooperative is obligated to allocate Capital Credits, which obligation existed before the Cooperative received payment for the electric service.
- (2) Allocating Earnings. For electric service provided during a fiscal year, the Cooperative shall equitably allocate to each Member, in proportion to the quantity or value of the electric service used by the Member during the fiscal year, the Cooperative's operating earnings from providing the electric service during the fiscal year. Operating earnings mean the amount by which the Cooperative's operating revenues from providing electrical service exceed the Cooperative's operating expenses of providing the electrical service, all as determined under federal cooperative tax law. For each fiscal year, the Cooperative shall allocate to each Member in proportion to the quantity or value of electrical services used by the Member during the fiscal year, the Cooperative's non-operating earnings. Non-operating earnings mean the amount by which the Cooperative's non-operating revenues during a fiscal year exceed the Cooperative's non-operating expenses during the fiscal year, less any amount needed to offset an operating loss.
- (3) Allocating Losses. For each electrical service provided during a fiscal year, the Cooperative shall offset the Cooperative's operating loss from providing the electrical service during the fiscal year against the Cooperative's operating earnings from providing the electrical service during the next succeeding future fiscal year(s). Operating loss means the amount by which the Cooperative's operating expenses of providing electrical service during a fiscal year exceed the Cooperative's operating revenues from providing electrical service during the fiscal year, all as determined under federal cooperative tax law.
- (4) Capital Credits. For each amount allocated to a Member, the Member shall contribute a corresponding amount to the Cooperative as capital. The Cooperative must credit all capital contributions from a Member to a capital account for the Member. The Cooperative shall maintain books and records reflecting the capital contributed by each Member. At the time of receipt by the Cooperative, each capital contribution is treated as though the Cooperative paid the amount allocated to the Member in cash pursuant to a pre-existing legal obligation and the Member contributed the corresponding amount to the Cooperative as capital. The term "Capital Credits" means the amounts allocated to a Member and contributed by the Member to the cooperative as capital. Consistent with this bylaw, the allocation of Capital Credits is in the discretion of the Board and the Board must determine the manner, method and timing of allocating Capital Credits. The Cooperative may use or invest unretired Capital Credits as determined by the Board.

**Section 7.3 - Notification and Assignment of Capital Credits.** After the end of each fiscal year within a reasonable time, the Cooperative shall notify each current Member in writing of the stated dollar amount of Capital Credits allocated to the Member for the preceding fiscal year.

**Section 7.4 - Retiring Capital Credits.** The Cooperative may retire and pay Capital Credits allocated to Members and former Members as provided in this Bylaw. If the Cooperative retires and pays Capital Credits, then the Cooperative must retire and pay Capital Credits in a Member's name as shown in the Cooperative's records, regardless of the Member's marital status.

- (1) General Capital Credit Retirements. At any time before the Cooperative's dissolution, liquidation, or other cessation of existence, the Cooperative may generally retire and pay some or all Capital Credits allocated to Members and former Members.
- (2) Capital Credit Recoupment and Offset. Regardless of a statute of limitation or other time limitation, after retiring Capital Credits allocated to a Member or former Member, the Cooperative may recoup, offset or set off an amount owed to the Cooperative by the Member or former Member by reducing the allocated amount of retired Capital Credits paid to the Member or former Member by the amount owed to the Cooperative.
- (3) Capital Credit Retirement Discretion. The Cooperative may retire and pay Capital Credits only if the Board determines that the retirement and payment will not adversely impact the Cooperative's financial condition. Consistent with this Bylaw, the retirement and payment of Capital Credits are in the sole discretion of the Board and are not affected by previous retirements and payments. The manner, method and timing of retiring and paying Capital Credits may be determined only by the Board.
- (4) Different and Separate Capital Credit Retirements. As reasonable and fair, the Cooperative may retire and pay Capital Credits to Members and former Members under different manners, methods, and timing, provided the Cooperative retires and pays Capital Credits to similarly situated Members and former Members under the same manner, method, and timing. If the Cooperative separately identified and allocated Capital Credits representing capital credits or similar amounts allocated to the Cooperative by an Entity in which the Cooperative is or was a member, patron, or owner, then the Cooperative may retire and pay these Capital Credits only after the Entity retires and pays the capital credits or similar amounts to the Cooperative.

**Section 7.5 - Member Agreement.** Each Member and former Member agrees that:

- (1) Capital Credits are not securities under state or federal Law;
- (2) the Member's right to Capital Credits vests, accrues, becomes redeemable, and becomes payable only upon the Cooperative retiring the Capital Credits as provided in these Bylaws, and not upon the Cooperative allocating the Capital Credits; and
- (3) as required by Law, each Member will:
  - (a) report to the appropriate Entity all allocated or retired Capital Credits; and
  - (b) pay the appropriate Entity any tax or similar amount on allocated or retired Capital Credits.

**Section 7.6 - Unclaimed Capital Credits.** Notwithstanding any provisions herein contained to the contrary and pursuant to the provisions of the State of Indiana (I.C. 8-1-13-11), the Cooperative shall recover, after a period of two (2) years, any unclaimed capital credits for which the Member cannot be found and is the result of distributable savings of the Cooperative. The Cooperative shall give notice in the Electric Consumer or other Cooperative publication and in area newspapers of the retirement of capital credits. In the event members eligible for the capital credit retirement do not make a valid claim at the Cooperative office within sixty (60) days of said notice, the capital credit of that Member shall be forfeited by operation of law to the Cooperative.

**Section 7.7 - Reasonable Reserves.** Regardless of a contrary Bylaw, and to meet the Cooperative's reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses ("Reasonable Reserves"). The Cooperative must keep records necessary to determine, at any-

time, each Member's rights and interest in Reasonable Reserves.

## Article 8 – Disposition of Cooperative Assets

**Section 8.1 – Transfer of Cooperative Assets.** No corporation may sell, lease, or otherwise dispose of all, or substantially all, the property of the corporation unless:

- (1) the same shall be authorized by a resolution duly adopted at a meeting of its members duly called and held as provided in section 8 of this chapter, which resolution shall have received the affirmative vote of at least a majority of all its members; and unless
- (2) the same shall be approved by the commission.

The board of directors of a corporation shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage, or mortgages, or a deed or deeds of trust of, or the pledging or encumbering of, any of or all the property, assets, rights, privileges, licenses, franchises and permits of the corporation, whether acquired or to be acquired and wherever situated, as well as the revenues therefrom, for the purpose of financing the construction or maintenance of the corporations' distribution or transmission system or systems, and for general plant as defined in the uniform system of accounts prescribed by the commission, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of the corporation to any federal agency or to any financial institution, which action of the board of directors shall not be subject to the approval of the commission if the corporation has a mortgage with any federal agency.

**Section 8.2 – Merger or Consolidation.** Any corporation created under the provisions of this chapter may enter into an agreement for the consolidation or merger of such a corporation with:

- (1) any other corporation organized under this chapter; or
- (2) any mutual benefit corporation that was organized before 1964 under Acts 1935, c. 157, that engages in the generation, transmission, or distribution of electric energy.

An agreement under subsection (a) must set forth the terms and conditions of the consolidation or merger, the name of the proposed consolidated or merged corporation, the number of its directors, not less than five (5), the time of the annual election and the names of the persons, not less than five (5), to be directors upon completing the consolidation or merger. The agreement must specify the terms the directors will serve. A corporation organized under this chapter shall duly call and hold a meeting of its members, as provided in section 8 of this chapter, at which the proposal of such consolidation or merger shall be presented. A mutual benefit corporation must approve the merger in accordance with IC 23-17-19-3. With respect to such a merger, the agreement may provide that the surviving corporation may have one (1) or more members that are incorporated under the laws of a state other than Indiana. If at each such meeting, the aforesaid agreement is approved by a resolution duly adopted and receiving the affirmative vote of at least a majority of all the members of the respective corporation voting at the meeting, the directors named in the agreement shall subscribe and acknowledge articles conforming substantially to the original articles of incorporation, except that it shall be entitled and endorsed "Articles of consolidation (merger) of \_\_\_\_\_" (the blank space being filled in with the names of the corporations being consolidated or merged) and shall state:

- (1) the names of the corporations being consolidated or merged;
- (2) the name of the consolidated or merged corporation; and
- (3) the other items required or permitted to be stated in original articles of incorporation.

Articles of consolidation or merger under this section or a certified copy or copies thereof shall be filed in the office of the secretary of state and thereupon the proposed consolidated or merged corporation, under its designated name, shall be and constitute a body corporate with all the powers of a corporation as originally formed hereunder.

**Section 8.3 – Distribution of Cooperative Assets Upon Dissolution.** Any corporation created under this chapter may be dissolved by filing in the office of the secretary of state articles of dissolution which shall be entitled and indorsed “Articles of Dissolution of Western Indiana Energy Rural Electric Membership Corporation” and shall state:

- (1) name of the corporation and, if such corporation is a corporation resulting from a consolidation as provided in this chapter, the names of the original corporations;
- (2) the date of filing of the articles of incorporation in the office of secretary of state and, if such corporation is a corporation resulting from a consolidation as provided in this chapter, the dates on which the articles of incorporation of the original corporations were filed in the office of secretary of state;
- (3) that the corporation elects to dissolve; and
- (4) the name and post office address of each of its directors, and the name, title, and post office address of each of its officers.

Such articles shall be subscribed and acknowledged in the same manner as original articles of incorporation by the president or vice president and the secretary or an assistant secretary, who shall make and annex an affidavit stating that they have been authorized to execute and file such articles by a resolution duly adopted by the members of each corporation at meetings thereof duly called and held as provided in section 8 of this chapter. Articles of dissolution and/or a certified copy or copies thereof shall be filed in the same places as original articles of incorporation and thereupon the corporation shall be deemed to be dissolved. Such corporation shall continue for the purpose of paying, satisfying, and discharging any existing liabilities or obligations and collecting or liquidating its assets, and doing all other acts required to adjust and wind up its business and affairs, and may sue and be sued, in its corporate name. Any assets remaining after all liabilities or obligations of the corporation have been satisfied or discharged shall pass to and become the property of the state.

## Article 9 – Miscellaneous

**Section 9.1 – Bylaw Amendment.** Except as otherwise provided in these Bylaws, these Bylaws may be adopted, amended, or repealed (“Amended”) only by the vote of a majority of Directors.

Notice of Bylaw Amendment. Notice of a Board Meeting at which Directors will consider a proposed Bylaw Amendment must:

- (1) state that the purpose, or one of the purposes, of the Board Meeting is to consider the proposed Bylaw Amendment; and
- (2) contain, or be accompanied by, a copy or summary of the proposed Bylaw Amendment. After notice of a proposed Bylaw Amendment, the proposed Bylaw Amendment may not be amended to increase the Amendment or to propose a new Amendment.

**Section 9.2 – Rules of Order.** The rules contained in the current edition of The Modern Rules of Order shall govern the Cooperative in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Cooperative may adopt.

**Section 9.3 – Fiscal Year.** The Board may determine and modify the Cooperative’s fiscal year. Except as otherwise provided by the Board, the Cooperative’s fiscal year is the calendar year.

**Section 9.4 – Notice and Communication.** In these Bylaws:

- (1) Notice and Communication Type. Except as otherwise provided in these Bylaws, a notice or communication may be:
  - (a) oral or written; and
  - (b) communicated:
    - (i) in person;
    - (ii) by telephone, telegraph, teletype, facsimile or other form of wire or wireless communication;
    - (iii) by mail or private carrier; or

- (iv) if the above-listed forms of communicating are im-practical, then by newspa per of general circulation in the area where published, or radio, television, or other form of public broadcast communication.

If addressed or delivered to an address shown in the Membership List, then a written notice, communication, or report delivered as part of a newsletter, magazine, or other publication regularly sent to Members consti tutes a written notice, communication, or report to all Members:

- (a) residing at the address; or
  - (b) having the same address shown in the Membership List.
- (2) Notice and Communication Effective Date. Except as otherwise provided in these Bylaws:
- (a) an oral notice or communication is effective when commu-nicated, if communicated i n a comprehensible manner; and
  - (b) a written notice or communication is effective upon the earliest of:
    - (i) when received;
    - (ii) with the postmark evidencing deposit in the United States Mail, and if correct ly addressed and mailed with first class postage affixed, then five (5) days after deposit in the United States Mail, or if correctly addressed and mailed with other than first class, regis-tered, or certified postage affixed, then thirty (30) days after deposit in the United States Mail; or
    - (iii) if sent by registered or certified mail, return receipt requested, and if the return receipt is signed by, or on behalf of, the addressee, then on the date indicated on the return receipt.

A written notice or communication is correctly addressed to a Member if addressed to the Member's address shown in the Membership List if:

- (a) the Cooperative sends written notice(s) or communica-tion(s) to a former Member at the address shown in the Cooperative's records; and
- (b) notice(s) or communication(s) are returned to the Co-operative as undeliverable, then, until the Cooperative receives a different address from the former Member, the Cooperative is not required to send additional notices or communications to the former Member.

**Section 9.5 – Governing Law.** These Bylaws must be governed by, and interpreted under, the laws of the state in which the Cooperative is incorporated.

**Section 9.6 – Titles and Headings.** Titles and headings of Bylaw articles, sections, and subsections are for convenience and reference, and do not affect the interpretation, construction, or application of a Bylaw arti cle, section, or subsection.

**Section 9.7 – Partial Invalidity.** When reasonably possible, every Bylaw article, section, subsection, para-graph, sentence, clause, or provision (collectively, "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of a By-law Provision by an Entity possessing proper jurisdiction and authority, which invalidation does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invali-date the remaining Bylaw Provisions.

**Section 9.8 – Cumulative Remedies.** The rights and remedies provid-ed in these Bylaws are cumulative. The Cooperative or a Member as-serting a right or remedy provided in these Bylaws does not preclude the Coop-erative or Member from asserting other rights or remedies provided in these Bylaws.

**Section 9.9 – Entire Agreement.** Between the Cooperative and a Member, the Governing Documents:

- (1) constitute the entire agreement; and
- (2) supersede and replace a prior or contemporaneous oral or written communication or repre-sentation.

**Section 9.10 – Successors and Assigns.** Except as otherwise provided in these Bylaws:

- (1) the duties, obligations, and liabilities imposed upon, and the rights granted to, the Cooperative by these Bylaws are binding upon, and inure to the benefit of, the Cooperative's successors and assigns; and
- (2) the duties, obligations, and liabilities imposed upon a Member by these Bylaws are binding upon the Member's successors and assigns. The binding nature of the duties, obligations, and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative or a Member does not relieve the Cooperative or Member of the duties, obligations, and liabilities imposed by these Bylaws.

**Section 9.11 – Waiver.** The failure of the Cooperative to assert a right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

**Section 9.12 – Lack of Notice.** The failure of a Member or Director to receive notice of a Meeting, action, or vote does not affect, or invalidate, an action or vote taken by the Members or Board.

THE FOREGOING BYLAWS OF THE WESTERN INDIANA ENERGY RURAL ELECTRIC MEMBERSHIP CORPORATION WERE DULY ADOPTED BY THE BOARD OF DIRECTORS OF SAID COOPERATIVE ON THIS 20TH DAY OF NOVEMBER, 1997 AND AS AMENDED THIS 19TH DAY OF JUNE 2018. IT IS UNDERSTOOD THAT THE BYLAWS SHALL SUPERSEDE ANY AND ALL BYLAWS OR AMENDMENTS THAT MAY HAVE BEEN HERETOFORE ADOPTED BY THE BOARD.  
WESTERN INDIANA ENERGY RURAL ELECTRIC MEMBERSHIP CORPORATION

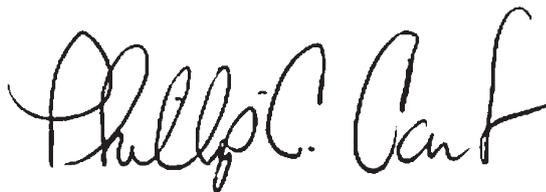
By:



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Daniel L. Schuckman, Chairman

ATTEST:



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Phillip C. Carter, Secretary

