

**BYLAWS**

**OF**

**WARREN ELECTRIC**  
**COOPERATIVE, INC.**

Rev. October 22, 2025



## **ARTICLE I GENERAL**

### **Section 1. Defined Terms.**

These bylaws define certain words, phrases, and terms. In general, defined terms are:

- a. Defined in a full sentence or part of a sentence;
- b. Capitalized or enclosed within quotation marks when defined;
- c. Enclosed within parentheses when defined in part of a sentence; and
- d. Capitalized when otherwise used in these bylaws.

### **Section 2. Law and Articles of Incorporation.**

These bylaws are subject to Law and the Articles of Incorporation of WARREN ELECTRIC COOPERATIVE, INC. (hereinafter called the "Cooperative"). If, and to the extent that, a bylaw conflicts with Law or the Articles of Incorporation, then the Law or Articles of Incorporation control. For purposes of these bylaws, "Law" includes applicable:

- a. Local, state, and federal constitutions, statutes, ordinances, regulations, holdings, rulings, orders, and similar documents or actions, whether legislative, executive, or judicial; and
- b. Legally binding contracts enforceable by or against the Cooperative, including legally binding contracts between the Cooperative and a member of the Cooperative.

## **ARTICLE II MEMBERSHIP**

### **Section 1. Requirements for Membership.**

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of the Cooperative upon receipt of electric service from the Cooperative, provided that they have first:

- a. Made a written application for membership therein;
- b. Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- c. Agreed to comply with and be bound by the Articles of Incorporation, these bylaws of the Cooperative, and any rules and regulations adopted by the Board; and
- d. Paid the membership fee and such other applicable fees as are hereinafter specified.

### **Section 2. Membership Certificates.**

Membership in the Cooperative shall be evidenced by a membership certificate, which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificate shall be signed by the Chair and by the Secretary of the Cooperative, and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid. In case a certificate is lost, destroyed, or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

### **Section 3. Joint Memberships.**

Married spouses, or two consenting non-married adults, cohabiting at the same residence, may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article II, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include co-habiting married spouses; two co-habiting, consenting, non-married adults; or property owners holding a joint membership in accordance with Section 7.i of this Article II. Any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- a. The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- b. The vote of either, separately or both jointly, shall constitute one joint vote;
- c. A waiver of notice signed by either or both shall constitute a joint waiver;
- d. Notice to either shall constitute notice to both;
- e. Expulsion of either shall terminate the joint membership;
- f. Withdrawal of either shall terminate the joint membership;
- g. Either, but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.

### **Section 4. Conversion of Membership.**

- a. A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse or another cohabiting adult to comply with the Articles of Incorporation, bylaws, and rules and regulations adopted by the Board.
- b. Upon the death of either spouse who is a party to the joint membership or upon the death of either non-married adult who is a party to a joint membership, such membership shall be held solely by the surviving spouse or the surviving adult; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

c. Upon the divorce and/or termination of cohabitation of the holders of a joint membership, the joint membership shall cease. The person who continues directly to occupy or use the premises previously covered by the joint membership must apply and pay the appropriate fee for a new, single membership in that individual's name alone. Nothing herein shall be construed to release the departing spouse, cohabitant, or new individual member from any debts or liabilities due the Cooperative.

#### **Section 5. Membership Fees and Other Fees.**

a. The membership fee shall be as from time to time established by resolution of the Board. Payment of the membership fee, in addition to the fees provided in the next paragraph, shall entitle the member to one service. A fee in a like amount shall be paid for each additional service, but no member may have more than one membership. The membership fee shall not be refunded, except only under the provisions for refund contained in the membership application.

b. With the application for membership the applicant shall submit payment of any service security deposit, service connection deposit or fee, facilities extension deposit, or other contribution in aid of construction that may be required by the Cooperative. Said fees shall be refunded in the event the application is not approved.

c. Any former member of the Cooperative may, by the sole act of paying any outstanding account together with any fees which are due and described in the preceding paragraph, renew or reactivate any previous membership with the same effect as the originally approved application.

d. In the event of sale by a member of the property serviced by the Cooperative, the new owner shall not be entitled to receive electric energy until the owner has signed an application for membership and paid the requisite fees as provided hereunder.

e. Cooperative members shall each month, or such other periodic time as it shall be published, receive the statewide magazine, Penn Lines or any successor or equivalent thereto published by the Rural Electrification Administration of the United States of America ("REA"). Reimbursement for the subscription price, as approved from time to time by the Board, shall be deducted from funds accruing in the members' favor.

#### **Section 6. Purchase of Electric Energy.**

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in the member's application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board; provided, however, that the Board may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all amounts owed to the Cooperative as and when the same become due and payable.

## **Section 7. Termination of Membership.**

a. The following events shall result in automatic suspension of membership:

(i) A member's failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative. The member's name shall be deleted from the rolls except for the maintenance of the member's capital credits in accordance with Article VIII herein.

(ii) A member's failure to become compliant with membership obligations, after the expiration of the initial time limit prescribed either in a specific notice of noncompliance or in the Cooperative's generally publicized applicable rules and regulations;

b. When a person's membership is suspended in accordance with the terms stated herein, the member shall not, during such suspension, be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members.

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

d. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe.

e. The Board may, by the affirmative vote of not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws, or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given.

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

g. Any expelled member may be reinstated by vote of the Board or by vote of the members at an Annual Meeting or special meeting of the members.

h. Upon the dissolution for any reason of a member partnership, or upon the death, withdrawal, or addition of any individual partner, the membership of the partners shall continue to be held by such remaining and/or new partner or partners as continue to own or

directly to occupy or use the premises being furnished electric service pursuant to the membership in the same manner and to the same effect as though such membership had never been held by different partners; provided, however, that neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

i. Other than co-habiting married spouses or two co-habiting, consenting, non-married adults, persons owning property as joint tenants, tenants in common, or otherwise, shall, for all purposes of these bylaws and the rules and regulations of the Cooperative, be treated as a partnership. Such joint owners shall designate one of their number to act as agent for the member in all affairs concerning the Cooperative.

#### **Section 8. Electric Energy.**

Electric energy shall be furnished only to members of the Cooperative. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service. The aim of the Cooperative is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

### **ARTICLE III RIGHTS AND LIABILITIES OF MEMBERS**

#### **Section 1. Property Interest of Members.**

Upon dissolution of the Cooperative, and after (i) all debts and liabilities of the Cooperative shall have been paid, and (ii) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate unretired patronage of each bears to the total unretired patronage of all members at the time of the filing of the certificate of dissolution.

#### **Section 2. Non-liability for Debts of the Cooperative.**

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

### **ARTICLE IV MEETING OF MEMBERS**

#### **Section 1. Annual Meeting.**

The Annual Meeting of the members shall be held on the 15th day of May each year at such place in Warren County, Pennsylvania, as shall be designated by the Board, for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. If the day fixed for the Annual Meeting shall be a Sunday or legal holiday, such meeting of the members shall be held on the next succeeding business day. If the election of directors shall not be held on the day which is designated herein for any Annual Meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

## **Section 2. Special Meetings.**

Special meetings of the members may be called by the Chairman, the Board, or upon a written request signed by at least ten percent (10%) of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within Warren County, Pennsylvania, specified in the notice of the special meeting.

## **Section 3. Notice of Members' Meetings.**

Written or printed notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally, by electronic mail, or by U.S. mail, by or at the direction of the Secretary, or by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, in a sealed envelope, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of the Annual Meeting or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

## **Section 4. Quorum.**

a. If the total number of Cooperative members does not exceed one thousand (1,000), at least ten percent (10%) of the total membership must be present in person or represented by proxy to constitute a quorum for the transaction of business at a meeting of the members, provided at least five percent (5%) of the total membership is present in person.

b. If the total number of Cooperative members is greater than one thousand (1,000), then at least one hundred (100) members must be present in person or represented by proxy to constitute a quorum for the transaction of business at a meeting of the members.

c. If less than a quorum is present at any meeting, a majority of those present in person or represented by proxy may adjourn the meeting from time to time without further notice.

## **Section 5. Voting.**



Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon in person or by proxy, except as otherwise provided by Law, the Articles of Incorporation, or these bylaws. Each member shall, when voting for directors, be entitled to cast as many votes as there are directors to be elected; provided, however, that cumulative voting shall not be permitted and that no member may cast more than one vote for any candidate.

#### **Section 6. Proxies.**

At all meetings of the members, an absent member may vote by proxy executed in writing. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted; no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. A member may assign his proxy only to another member. No member shall vote as proxy for more than three (3) absent members at any meetings of the members; no proxy shall be valid after sixty (60) days from the date of its execution; a written proxy which does not designate on its face, at the time of its receipt by a director, officer, manager or other employee, the name of the member who is to act as proxy, shall not be used to cast any vote for a director of the Cooperative. The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

#### **Section 7. Order of Business.**

The order of business at the Annual Meeting and all other meetings of the members shall be essentially as follows, except as otherwise determined by the members at such meetings.

- a. Call to Order.
- b. Announcement of a Quorum.
- c. Action on prior meeting minutes.
- d. Election of directors.
- e. Reports and presentations.
- f. Unfinished business.
- g. New business.
- h. Adjournments.

### **ARTICLE V BOARD OF DIRECTORS**

## **Section 1. General Powers.**

The business and affairs of the Cooperative shall be managed by a Board of nine (9) directors (the "Board") which shall exercise all of the powers of the Cooperative except as are by Law, the Articles of Incorporation, or these bylaws conferred upon or reserved to the members.

## **Section 2. Qualification and Tenure.**

The members shall serve staggered terms and at each annual meeting of the members, three (3) directors shall be elected by secret ballot, by and from the members to All elected directors shall serve for a term of three (3) years or until their successors shall have been elected and qualified. If an election of directors shall not be held on the day designated herein for the Annual Meeting, or at any adjournment thereof, and the total number of seated directors is less than the minimum number of five, a special meeting of the members shall be held for the purpose of electing directors within a reasonable time thereafter. Directors may be elected by a plurality vote of the members. A list of members serving on the Board of Directors, and their contact information, shall at all times be maintained by the Secretary and stored in the offices of the Cooperative.

**Section 3. Director Qualifications.** All directors and director candidates must be eligible to serve in compliance with this bylaw.

**A. General Qualifications.** To become or remain a director, a person must:

1. Be a natural person;
2. Have the capacity to enter legally binding contracts;
3. Be bondable;
4. Not, while a director and during the five (5) years immediately prior to becoming a director, be nor have been convicted of a criminal offense (excluding summary or traffic) or have pled guilty or no contest to a criminal offense (excluding summary or traffic);
5. Unless excused for a good cause by the Board, attend at least two-thirds (2/3) of all Regular Board meetings during any twelve (12) month period; and
6. While a director, make a reasonable effort to receive a Credentialed Cooperative Director designation, Director's Certificate, or similar certification from the National Rural Electric Cooperative Association within six (6) years of becoming a director.

**B. Membership Qualifications.** To become or remain a director, a person must:

1. Be a member of the Cooperative in good standing by virtue of individual or joint membership at his or her primary residence for a minimum of two (2) years;
2. Permanently occupy and continuously and materially use the Cooperative's electric energy and service at his or her principal place of residence at a location

within the area served by the Cooperative; and

3. Be a legal citizen of the United States of America.

**C. Conflict of Interest Qualifications.** To become or remain a director, a person must not be:

1. A close relative of any existing director;
2. A Cooperative employee, or a past employee, within five (5) years preceding the date of election, or a close relative of an existing or ineligible Cooperative employee;
3. Employed by, or affiliated with, nor sharing a financial interest with, any other director or employee of the Cooperative; or
4. To a material degree, engaged in employed by, affiliated with, or have a material interest in:
  - (i) any individual or entity that regularly, directly, or substantially generates, provides, distributes, or transmits electric energy in competition with the Cooperative;
  - (ii) any entity in which the Cooperative owns a substantial interest;
  - (iii) any entity that sells goods or services to the Cooperative or a Cooperative subsidiary; or
  - (iv) any entity that possesses any other substantial and recognizable conflict of interest with the Cooperative or a Cooperative subsidiary.

Note: For the purpose of this section a “close relative” is defined as a person who by blood or marriage is either a spouse, child, stepchild, grandchild, parent, grandparent, brother, sister; or by blood an aunt, uncle, nephew, niece, or first cousin.

Note: For the purpose of this section, the meaning of "to a material degree" with regard to a director candidate shall be left to the sole discretion of the Nominating Committee, and with regard to a sitting director shall be left to the sole discretion of the Board.

**D. Director Disqualifications.** Only individuals complying with or meeting all of the Director Qualifications as set forth herein at Article V, Section 3, may become or remain a director. Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board shall remove such director from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board at which the disqualified director was part of the quorum.

**E. Removal by the Board.** The Board may remove a director for cause only as provided in this section.

1. "Cause" for removal by the Board shall mean that the director has failed to comply with or meet any Director Qualification, has violated applicable policies of the Cooperative, has engaged in public behavior harmful to the Cooperative's reputation in the community, or has been convicted of a felony.
2. No director shall be removed by the Board except upon certification that the following procedures have been followed:
  - a. A written motion signed by a majority of the directors must be presented to the Board describing in detail the basis for the proposed removal.
  - b. Written notice of the basis for the proposed removal must be provided to the director within seven (7) days of receipt by the Board of the written motion;
  - c. A special meeting of the Board shall be noticed in accordance with these bylaws and shall be held within ninety (90) days after receipt by the Board of the written motion;
  - d. At such meeting, facts must be presented in support of the proposed removal. The director shall have the opportunity to refute the basis for the proposed removal before a vote of the directors is taken; and
  - e. At least two-thirds (2/3) of the directors present at a duly constituted meeting of the Board called to consider the proposed removal affirmatively vote to approve the proposed removal.

#### **Section 4. Nominations.**

**A. Nominating Committee.** It shall be the duty of the Board to appoint, not less than thirty (30) days nor more than one hundred and twenty (120) days before the date of a meeting of the members at which directors are to be elected, a Nominating Committee consisting of not less than five (5) nor more than eleven (11) members who shall be selected so as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board shall be appointed a member of such committee.

#### **B. Nominating Process.**

1. The Cooperative will supply any interested member with a director election packet containing;
  - (a) Director Candidate Application form
  - (b) Copy of the bylaws
  - (c) Official Director Nomination Petition
  - (d) Director Qualification Certification form
  - (e) Director biography form
  - (f) Instruction sheet.
2. Nominations for director shall be made by the Nominating Committee or by the

submission to the Nominating Committee of a written petition signed by not less than fifteen (15) members of the Cooperative in good standing. Such petition shall contain the statements and conform to the requirements established by the Board from time to time to assure that each candidate meets the qualifications established by these bylaws for service as a director.

3. The Nominating Committee shall only consider candidates for director whom have been nominated in accordance with subarticles B.1 and B.2, above. The Nominating Committee shall nominate at least one individual for the office of director for each open Board position for which members are scheduled to vote at the Annual Meeting (the "slate" of director nominations).

4. The Nominating Committee shall prepare and post the slate at the principal office of the Cooperative at least twenty (20) days before the Annual Meeting. The Secretary shall mail to each member at least ten (10) days before the Annual Meeting a statement of the number of directors to be elected and showing the slate of nominations.

**C. Nominations from the Floor.** No additional nominations shall be made from the floor at the Annual Meeting.

#### **Section 5. Removal of Director by Members.**

Any member may bring charges against a director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members, may request the removal of such director. Such director shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members, and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with Article V, Section 4 with respect to nominations.

#### **Section 6. Vacancies.**

Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

#### **Section 7. Compensation.**

Board members shall not receive any salary for their services as such, except that members of the Board may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs, or performing committee assignments when authorized by the Board. If authorized by the Board, directors may also be reimbursed for expenses actually and necessarily incurred in carrying out Cooperative business or granted a reasonable per diem allowance by the Board in lieu of submitting a detailed

expenses report for reimbursement. No director shall receive compensation for serving the Cooperative in any other capacity except for which shall be approved by a two-thirds (2/3) majority of the Board. With reference to compensation to a director, this would also apply to the spouse, son, or daughter of the director.

## **ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS**

### **Section 1. Regular Meeting.**

A regular meeting of the Board shall be held monthly at such time and place within Warren County, Pennsylvania, as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

### **Section 2. Special Meeting.**

Special meetings of the Board may be called by the Chair or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chair or directors calling the meeting shall fix the time and place (which shall be in Warren County, Pennsylvania) of the meeting.

### **Section 3. Notice of Board Meetings.**

Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each director at least five (5) days before the date set for the meeting either personally, by electronic mail, or by United States mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chair or the director calling the meeting. If sent by U.S. mail, such notice shall be deemed to be delivered when deposited in the U.S. mail, addressed to the director at their address as it appears on the records of the Cooperative, postage prepaid. The attendance of a director at any meeting shall constitute waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business on grounds that the meeting was not lawfully called or convened.

### **Section 4. Quorum.**

A majority of the directors currently serving on the Board shall constitute a quorum, provided, that if less than such majority is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by these bylaws.

### **Section 5. Voting.**

Director(s) shall recuse themselves from Board discussion and abstain from voting on any proposed Board action that triggers an actual or perceived conflict of interest, even if such conflict has been determined under Article V, Section 3.C.4, to not create a conflict of interest to a material degree and thus trigger director disqualification. Failure of a director to so recuse themselves and/or abstain

from voting may result in disqualification and removal from the Board pursuant to Article V, Section 3.E.

## **ARTICLE VII OFFICERS**

### **Section 1. Number.**

The officers of the Cooperative shall be a Chair, Vice Chair, Secretary, Treasurer, and such other officers as may be established by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

### **Section 2. Election and Term of Office.**

The officers shall be elected by ballot, annually by and from the Board at the meeting of the Board next following the Annual Meeting. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently maybe. Each officer shall hold office until the first meeting of the Board following the next succeeding Annual Meeting, or until the officer's successor shall have been elected and qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

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

Any officer or agent elected or appointed by the Board may be removed whenever such removal is in the Board's judgment in the best interests of the Cooperative. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing, together with a petition signed by ten percent (10%) of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges shall have the same opportunity.

### **Section 4. Chair of the Board.**

The Chair shall:

- a. Be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board.
- b. Sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

- c. In general perform all duties incident to the office of the Chair and such other duties as may be prescribed by the Board from time to time.

#### **Section 5. Vice-Chair.**

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

#### **Section 6. Secretary.**

The Secretary shall be responsible for:

- a. Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- b. Seeing that all notices are duly given in accordance with these bylaws or as required by law;
- c. The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- d. Keeping a register of the names and post office addresses of all members;
- e. Signing with the Chair certificates of membership, the issue of which shall have been authorized by the Board or the members.
- f. Keeping on file at all times a complete copy of the Articles of Incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and, at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- g. In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

Note: The Secretary may delegate to a Cooperative employee, but shall remain responsible for, any of the duties assigned to the office of Secretary by the bylaws.

#### **Section 7. Treasurer.**

The Treasurer shall be responsible for:

- a. Custody of all funds and securities of the Cooperative;
- b. The receipt of and the issuance of receipts for all monies due and payable to the



Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and

c. The general performance of all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

Note: The Treasurer may delegate to a Cooperative employee, but shall remain responsible for, any of the duties assigned to the office of Treasurer by the bylaws.

#### **Section 8. Chief Executive Officer.**

The Board may appoint a **Chief Executive Officer ("CEO")** who may be, but shall not be required to be, a member of the Cooperative. The CEO shall serve as the manager of the Cooperative and perform such duties and shall exercise such authority as the Board may from time to time vest in the office of CEO.

#### **Section 9. Bonds of Officers.**

The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety, if any, as the Board shall determine. The Board, in its discretion, may also require any other officer, agent, or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

#### **Section 10. Compensation.**

The powers, duties, and compensation of officers, agents, and employees shall be fixed by the Board subject to the provisions of these bylaws with respect to compensation for a director and close relatives of a director.

### **ARTICLE VIII NON-PROFIT OPERATION**

#### **Section 1. Interest or Dividends on Capital Prohibited.**

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

#### **Section 2. Patronage Capital in Connection with Furnishing Electric Energy.**

a. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the

Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to their account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts of capital.

b. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, accumulated in the appropriate "nonoperating margin" account as permanent equity.

c. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part.

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

e. Notwithstanding any other provisions of these bylaws, the Board, at its discretion, shall have the power at any time upon the death of any member, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to such member immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided that:

- (i) the financial condition of the Cooperative will not be impaired thereby;
- (ii) the aggregate amounts so retired in any one year shall not exceed such amount as the Board may from time to time establish by resolution; and
- (iii) if acting under policies of general application, the amount mentioned above is not sufficient to retire the capital credited to any such member or members, such member or members shall have the capital credited to them in the next succeeding year before any other retirements are made in such succeeding year.

### **Section 3. Patronage Refunds In Connection With Furnishing Other Services.**

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be accumulated in the appropriate "Unappropriated Undistributed Subsidiary Earnings" account as permanent equity.

### **Section 4. Members Bound by Bylaws.**

The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this Article VIII of the bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

## **ARTICLE IX INCREASE OF INDEBTEDNESS**

The indebtedness of the Cooperative, other than in the usual course of business, shall not be increased until the Board shall adopt a resolution setting forth the desired increase and directing that the question of the proposed increase be submitted for the consent of the members at a meeting of the members to be held after at least sixty (60) days' notice, and upon such consent the Board may proceed to increase the indebtedness.

## **ARTICLE X SEAL**

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

## **ARTICLE XI FINANCIAL TRANSACTIONS**

### **Section 1. Contracts.**

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

### **Section 2. Checks, Drafts, etc.**

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

Board.

**Section 3. Deposits.**

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

**Section 4. Fiscal Year.**

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

**ARTICLE XII  
MISCELLANEOUS**

**Section 1. Membership in Other Organizations.**

The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may upon authorization of the Board purchase stock in or become a member of any corporation or organization organized for the purpose of engaging in or furthering the cause of rural electrification and allied services, or with the approval of the Administrator of REA, of any other corporation for the purpose of acquiring electric facilities.

**Section 2. Waiver of Notice.**

Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except when a member or director attends a meeting for the express purpose of objecting to the transaction of any business on grounds that the meeting was not lawfully called or convened.

**Section 3. Rates for Service, Policies, Rules and Regulations.**

- a. The Board shall have power to make and adopt rates for service, policies, rules and regulations, not inconsistent with Law, the Articles of Incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.
- b. Written notice shall be given to the Administrator of the REA not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

#### **Section 4. Accounting System and Reports.**

The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable Law, shall conform to such accounting system as may from time to time be designated by the Administrator of the REA. The Board shall also within ninety (90) days of the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following Annual Meeting.

### **ARTICLE XIII AMENDMENTS**

These bylaws may be altered, amended, restated, or replaced by the affirmative vote of not less than two thirds (2/3) of the Board at any properly noticed regular or special meeting of the Board, provided that notice of such alteration, amendment, restatement, or repeal shall have been given with the notice of the meeting. Notice of a Board meeting at which directors will consider a proposed bylaw amendment must state that the purpose, or one of the purposes, of the Board meeting is to consider the proposed bylaw amendment and must contain, or be accompanied by, a copy or summary of the proposed amendment. After issuance of the notice of a proposed bylaw amendment, the proposed amendment may not be revised to increase the scope of such proposed amendment or to propose a new amendment.