



BYLAWS

Article I – Membership

Section 1. Requirements for Membership

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Hancock Rural Telephone Corporation, doing business as NineStar Connect (the “Corporation”) [except businesses that are engaged in selling communications, electric services or supplies or water or wastewater services or supplies, or constructing or maintaining communications, electric, water or wastewater facilities] upon use of retail electric, water, or wastewater services supplied directly by the Corporation to locations within the Corporation’s service area for those services or communications services in the McCordsville, Maxwell and Markleville local telephone exchanges (sometimes referred to herein jointly or separately as “Service” or “Services”) providing that he, she or it has agreed, by request for and receipt or use of such Service or Services, to:

- a. become a member;
- b. pays for such Services that the member uses, and the Corporation may or is obligated by law or contract to provide; and
- c. comply with and be bound by the articles of incorporation, bylaws of the Corporation and any policies, rules, regulations and written procedures adopted by the board.

The status of all memberships shall be reflected upon the books of the Corporation. For the purposes of these bylaws or any policies, rules, regulations or written procedures adopted by the Board of Directors, “a member in good standing” shall mean a member who is current on all billings for any Services received from the Corporation, including any late fees and penalties if applicable.

No member may vote more than one membership in the Corporation, and no membership in the Corporation shall be transferable, except as provided in these bylaws.

Article I – Membership

Section 2. Membership

If requested, a membership may be issued in the name of a single individual, two or more persons jointly, a firm, association, partnership, limited liability company, limited partnership, limited liability partnership, corporation, body politic or subdivision thereof so long as the above-mentioned enterprise maintains a distinct and separate federal tax identification number from the natural person that constitutes or operates the enterprise. Spouses using Services supplied by the Corporation at the same location may be deemed to be a single joint “member” as that term is used in these Bylaws.

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 joint membership;
- g. Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

Article I – Membership
Section 3. Conversion of Membership

A membership may be converted to a joint or single membership upon the written request of the holder(s) thereof and the agreement by such holder(s) and his or her spouse to comply with the Articles of the Incorporation, bylaws, rules, regulations and written procedures adopted by the board.

Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor, provided, however, that the estate of the deceased shall not be released from any debts due the Corporation.

Upon the death of a partner in a membership held by the partnership, such membership shall remain valid and shall continue to be held in the name of the partnership.

Article I – Membership
Section 4. Security Deposit

Where an applicant's credit is not established to the satisfaction of the Corporation, or where the credit of a member with the Corporation has become impaired or where the Corporation deems it necessary, a deposit, or other guarantee, satisfactory to the Corporation, may be required as security for the payment of future and final bills before the Corporation shall render or continue to render Service. The Corporation in its discretion may require a deposit for contribution in aid of construction.

Article I – Membership
Section 5. Purchase of Service

Amounts paid for each Service supplied directly by the Corporation to members of the Corporation in excess of the cost of such Service, and excluding amounts paid for products or services supplied by subsidiaries, joint ventures or affiliates of the Corporation, are furnished by members as patronage capital and each member shall be credited with the patronage capital so furnished as provided in these bylaws. Each member shall pay to the Corporation such minimum amount per month for Service as shall be fixed by the Board from time to time. Each member

shall also pay all amounts owed by him or her to the Corporation as and when the same shall become due and payable.

Except for electric energy generated by a member-owned generation unit, pursuant to the rules or policies adopted from time to time by the board, every member that resides or is located in the electric service territory of the corporation shall purchase from the corporation all of the electric energy used at the premises specified in the membership terms and conditions.

When the member is provided more than one Service from the Corporation, any payment to the Corporation of an amount less than the outstanding charges for all Services shall be credited to the member's outstanding accounts pursuant to policies and practices to be established by the Board.

Article I – Membership

Section 6. Termination of Membership

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmation vote of not less than two-thirds (2/3) of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, bylaws, rules, regulations or written procedures adopted by the Board, but only if such member shall have been given written notice by the Corporation that such failure makes him or her liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may appeal said expulsion by giving written notice of such appeal to the Board of Directors, delivered to the Corporation at least ten (10) days prior to the board meeting at which the appeal will be heard. If the Board, by majority vote, denies said appeal then the expelled member may appeal to the membership by giving written notice of such appeal, delivered to the Corporation at least ten (10) days prior to the membership meeting at which the appeal will be held. Any expelled member may be reinstated by a majority vote of the members present and voting at any annual or special meeting. The membership of a member who for a period of three (3) months after service is available, has not purchased any Service from the Corporation, or of a member who has ceased to purchase any Services from the Corporation, may be canceled by resolution of the Board.

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

The Corporation may charge 6% annual interest on unpaid accounts of former members.

Article II – Rights and Liabilities of Members

Section 1. Property Interest of Members

Upon dissolution after (a) all debts and liabilities of the corporation shall have been paid and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, any assets remaining shall be refunded pro rata to the members and former members, their assignees, personal representatives, heirs, or legatees, based on the amounts paid for the electric or communications service rendered by the corporation within the five (5)-year period immediately preceding the dissolution.

Article II – Rights and Liabilities of Members
Section 2. Non-Liability for Debts of the Corporation

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

Article II – Rights and Liabilities of Members
Section 3. Service Obligations

The Corporation will use reasonable diligence to furnish adequate and dependable Services, but it cannot and does not guarantee uninterrupted Services nor will it always be able to provide every service desired by each individual member.

Article II – Rights and Liabilities of Members
Section 4. Cooperation of the Members in the Extension of Services

The cooperation of members of the Corporation is imperative to the successful, efficient and economical operation of the Corporation. Members who are receiving or who are requesting Service shall be deemed to have consented to rate classification, the reasonable use of their real property to construct, operate, maintain, replace or enlarge electric, communications, water, or wastewater lines, overhead or underground, including all conduit, cables, wires, surface testing terminals, markers and other appurtenances under, through, across, and upon any real property or interest therein owned or leased or controlled by said member for the furnishing of such Service to said member, or any other member, at no cost to the Corporation. When requested by the Corporation, the member shall be required as a condition of Service to execute any easement or right-of-way contract necessary for the Services provided on a form to be furnished by the Corporation. Further, the member shall be deemed to have consented to allow vegetation management and tree trimming service required for the provision of reliable and safe Service and the member shall be deemed to have consented to permit the Corporation, and its designees, to enter onto the member's property and perform reasonable vegetation management and tree trimming work.

Article II – Rights and Liabilities of Members
Section 5. Equipment and Facilities

Each member shall make available to the Corporation a suitable site, as determined by the Corporation, whereon to place the Corporation's physical facilities for the furnishing, recording, measuring and metering of Services and shall permit the Corporation's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair, thereof at all reasonable times. As part of the consideration for such Service or Services, each member shall be the Corporation's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his/her best efforts to prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance could have prevented such, the member shall indemnify the Corporation and any other person against death, injury,

loss or damage resulting therefrom, including but not limited to the Corporation's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its equipment. In no event shall the responsibility of the Corporation extend beyond the point at which its facilities are attached to the network interface device, demarcation point, or meter loop provided for measuring electricity used on such premises, or beyond the combination circuit breaker-meter base panel if such is owned and maintained by the Corporation, except that the Corporation shall, in accordance with its applicable Service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment.

Article III – Meeting of the Members
Section 1. Annual Meeting

The Annual Meeting of the members shall be held in the first or second quarter of each year at such place in the State of Indiana as shall be designated in the notice of meeting, for the purpose of electing Directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the Annual Meeting. Failure to hold the Annual Meeting shall not work a forfeiture or dissolution of the Corporation.

Article III – Meeting of the Members
Section 2. Special Meetings

Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three Board members, by the Chairperson of the Board, or by five per centum or more of all the members, and it shall therefore be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the State of Indiana as designated by the Board and shall be specified in the notice of the special meeting.

Article III – Meeting of the Members
Section 3. Notice of Members' Meetings

Written, printed or electronic notice stating the place, day, and time of any meeting and, in case of a special meeting or an Annual Meeting at which business requiring special notice is to be transacted, the purposes for which the meeting is called, shall be delivered not less than ten days nor more than sixty days before the date of the meeting either personally, by mail, or by any other method of written notice (including electronic notice) adopted by a resolution of the Board, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, the notice is considered delivered when transmitted to the electric mail address or other address provided by the member for electronic communications. If provided by another method, such notice shall be deemed to be delivered at such time as the Board shall designate in its resolution approving such alternate method.

The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Article III – Meeting of the Members
Section 4. Quorum

Other than provided by the Corporation’s Articles, or by Article VIII of these Bylaws concerning disposition of property, two (2) per centum of the members present in person, or who cast votes by written or electronic ballot after receiving proper notice of a meeting as provided in these Bylaws before such meeting, shall constitute a quorum for taking any action requiring approval by the Corporation’s members. If a quorum, as is determined herein, cannot be established at a meeting, a majority of those present in person at the meeting may recess the meeting from time to time without further notice.

Article III – Meeting of the Members
Section 5. Voting

The Board may allow for early voting for directors, after proper notice, prior to the annual meeting in accordance with the provisions of these Bylaws. Only members in good standing at the date the notice of any meeting of members is transmitted are eligible to vote. Each eligible member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members regardless of number or extent of Services used. All questions, including voting for directors, shall be decided by a vote of a majority of the members voting as provided in these Bylaws, except as otherwise provided by law, or the Corporation’s Articles or Bylaws.

If a person who has been designated as a member’s attorney-in-fact by a general durable power of attorney granted by a member prevented by incapacitation from personally participating in a membership vote as provided in these Bylaws may cast the incapacitated member’s vote.

The Board may provide by policy appropriate processes for determining what constitutes satisfactory evidence entitling a person to vote on behalf of a member that is not a natural person, which policy may include a requirement that the member certify in writing the name, representative capacity and address of the person authorized to vote on its behalf prior to the vote.

Article III – Meeting of the Members
Section 6. Order of Business

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

- a. Report on the existence of a quorum.
- b. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- c. Reading or waiver of reading of unapproved minutes of previous meetings of the members and taking of necessary action thereon.

- d. Election of Directors.
- e. Presentation and consideration of reports of officers, directors and committees.
- f. Unfinished Business.
- g. New Business.
- h. Adjournment.

Notwithstanding the foregoing, the Board or the members may establish a different order of business for the purpose of assuring the earlier consideration of the action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; PROVIDED, that no business other than adjournment or recess of the meeting to another time and place, may be transacted until and unless the existence of a quorum is first established.

Article III – Meeting of the Members
Section 7. Rules of Order

Disputes concerning conduct and rules of order at the Annual Meeting or any special meeting of the members shall be governed by Roberts Rules of Order Newly Revised if required by the presiding officer.

Article IV – Directors
Section 1. General Powers

The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all of the powers of the Corporation except such as are conferred upon or reserved to the members by law, the Corporation’s Articles or these Bylaws.

Article IV – Directors
Section 2. Number, Districts, and Tenure

Effective January 1, 2018, the Corporation’s Board of Directors shall be comprised of natural persons only, numbering not less than nine (9) nor more than twenty-one (21). Each director successfully standing for election shall be elected to a three (3) year term.

Effective January 1, 2020, there shall be ten (10) directors elected from districts and three (3) directors elected at-large and the Board of Directors shall publish a map depicting the director districts

The Board of Directors may, from time to time, review the number of director positions and district boundaries and make such modifications as may be required by law or to satisfy cooperative objectives and principles.

Any modifications to the number of directors or district boundaries must be approved by the Board of Directors prior to September 1st of the year preceding the effective date of such modification(s) and notice of any modification(s) shall be given to the members prior to the deadline for members to file director candidacy forms as required in corporate policy or the Information Guide for Potential Directors.

Notwithstanding any provision in this Article, no director district may have more than one (1) at-large director residing in it at any given time.

Article IV – Directors
Section 3. Elections

The Board of Directors by policy shall establish rules and procedures governing director elections. The rules and procedures in effect on October 1st immediately preceding an election of Directors shall govern that election. Any disputes arising out of the rules and procedures shall be resolved by majority vote of directors not subject to election in the year the dispute arises. The nominees shall be introduced at the Annual Meeting but there shall be no speeches by, for or against any nominee. Nominees shall not be subjected to questions from the floor. All Directors shall be elected by a plurality vote as provided in these Bylaws at the corporation’s Annual Meeting or other such meeting of members. Each member of the Corporation shall be entitled to vote for one (1) candidate from each Director District. The candidate receiving the most votes is elected regardless of whether that person receives a majority of the total votes cast.

If the election of Directors shall not be held on the date designated herein for any Annual Meeting, or at any recess and reconvening thereof, the Board of Directors may cause the election to be held at a special meeting of the members. Failure of an election for a given year shall allow the incumbent Directors whose directorships would have been voted on to hold over until the next member meeting at which a quorum is determined.

Article IV – Directors
Section 4. Nominations

A Nominating Committee shall be established and comprised of one (1) member residing in each Director District as such districts may be modified by the Board of Directors from time to time. Only members in good standing are eligible to serve on the Nominating Committee. No member of the Board, close relative of a Board member, or current or former employee may serve on the Nominating Committee. For the purpose of these bylaws “close relative” is defined as meaning grandparents, parents, spouse, children, grandchildren, brothers, sisters, uncles, aunts, nephews and nieces by blood, by marriage, or by adoption, and spouses of the foregoing.

No Nominating Committee members may serve more than two (2) consecutive three (3) year terms. Any vacancies on the committee shall be filled by the Board of Directors. Committee members shall receive a meeting fee as determined by the Board of Directors along with mileage expenses for each day the committee meets.

Ten (10) days’ notice of any Nominating Committee meeting is required unless waived by two-thirds of the committee. The Nominating Committee shall annually elect a committee chair and secretary. More than fifty percent (50%) of members in attendance at any committee meeting shall constitute a quorum to conduct business. A majority vote of the members in attendance at any meeting is required for any committee action.

The Nominating Committee shall meet as needed and prepare and post at the principal office of the Corporation at least one hundred twenty (120) days before a membership meeting at which one or more Directors is to be elected, a list of nominations for each Director position for which

a director is to be elected. The list of nominations shall include up to three (3) nominees for each Director position; however, in all cases the committee must nominate at least one (1) candidate for each Director position to be elected.

Any twenty five (25) or more members in good standing acting together from a district from which a director is to be elected, or any district if the nomination is for an at-large director position, may make other nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, must be received before 12:00 Noon on the last regular business day of the year preceding the Annual Meeting in which the Director Election shall occur. Such ballot shall arrange the names of the candidates alphabetically by Director Districts and shall also designate the candidates nominated by the committee and those nominated by petition.

The Secretary shall mail to each member at least ten (10) days before the membership meeting a statement of the number of Directors to be elected and showing separately the nominations made by the committee on nominations and the nominations by petition if any.

No nominations from the floor will be accepted. No write-in candidates are eligible for election.

Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

Article IV – Directors **Section 5. Qualifications and Conflicts of Interest**

To be eligible to become and remain a Director of the Corporation, a person must comply with the following qualifications:

- a. be a natural person at least eighteen years of age;
- b. be a Member in good standing, or be nominated in writing by duly authorized representative of a firm, association, partnership, limited liability company, limited partnership, limited liability partnership, corporation, body politic or subdivision thereof, or a sole proprietorship so long as the above mentioned enterprise maintains a distinct and separate federal tax identification number from the natural person that constitutes or operates the enterprise;
- c. has never been convicted of a felony;
- d. is not in any way employed by or has a substantial financial interest in a competing enterprise or a business engaged in selling services or supplies, or constructing or maintaining facilities which compete with the Services of the Corporation;
- e. has been a member of the Corporation for twenty-four (24) consecutive months prior to the Annual Meeting and is in good standing at the time of nomination;
- f. is not a current employee of the Corporation or has been employed by the Corporation within five (5) years or is a retiree of the Corporation receiving benefits;
- g. is not a close relative of an incumbent Director, or of an employee of the Corporation;
- h. follows and adheres to the Board member Conflict of Interest Policy as established from time to time by the board of directors;
- i. maintains minimum attendance at regular board meetings as established from time to time by the Board of Directors;

- j. resides in an incumbent local telephone exchange, retail electric distribution area, or sewer or water service area served directly by the Corporation;
- k. in the case of a District Director, reside within the District from which that person is elected; and,
- l. has completed an orientation program on the business of the Corporation as established from time to time before beginning the term of office.

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing or other qualifications, the Board shall remove such Director from office, which decisions shall be final.

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 a quorum was present.

A person who is otherwise qualified and is designated by a firm, association, partnership, limited liability company, limited partnership, limited liability partnership, corporation, body politic, subdivision thereof or qualifying sole proprietorship may be nominated and elected as a Director for a Director District within which the member firm, association, partnership, limited liability company, limited partnership, limited liability partnership, corporation, body politic, subdivision thereof or qualifying sole proprietorship receives services regardless of where the designee resides; provided that the designee is not eligible to be a Director elected At-large or by another District based on that person's own residency.

Each Director's decisions are expected to be based on the best interest of the Corporation and any subsidiary owned or operated by the Corporation. Directors shall avoid all situations that might cause their interests to conflict with those of the Corporation or any of its subsidiaries or to compromise the integrity and reputation of the Corporation or its subsidiaries.

Article IV – Directors
Section 6. Removal of Directors by Members and Resignation

Any member may bring charges against a Director by delivering to the Secretary the grounds therefor in writing together with a petition signed by at least five percent (5%) of the members, may request the removal of a Director for neglect, dereliction or violation of the responsibilities imposed by these Bylaws. Such Director shall be informed in writing of the request at least twenty (20) days prior to the meeting of the members at which the request is 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 request; and the person or persons making the request 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.

A Director may resign at any time by written notice delivered to the Board of Directors, the Chairperson of the Board, or secretary of the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a future date. The resulting vacancy may be filled before the effective date, but the successor shall not take office until the effective date.

Article IV – Directors
Section 7. Vacancies

Except as otherwise provided in Section 2 of this Article IV, a vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining Directors for the unexpired term. The new director must reside in, or be designated pursuant to Article IV, Section 5 to represent a member using Service in, the same Director district as for that which the vacancy exists.

Article IV – Directors
Section 8. Compensation

Board members shall not receive any salary for their services as such, except that the Board of Directors may, by policy resolution, authorize a fixed sum for each month or portion thereof spent on Corporation business, such as attendance at meetings, conferences and training programs, or performing committee assignments when authorized by the Board. Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Corporation business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Corporation in any other capacity, other than life insurance benefits, nor shall any close relative of a Board member receive compensation for serving the Corporation, unless the payment and amount of compensation shall be specifically authorized by the Board.

Article IV – Directors
Section 9. Rules, Regulations, Rates, Prices, Schedules and Contracts

The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, service prices, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation or, cause such to be submitted for any appropriate governmental regulatory approval. Further, the Board of Directors may constitute itself into committees for the purpose of studying and making recommendations to the full Board in the course of its decisional processes.

Article V – Meeting of Directors
Section 1. Regular Meetings

A regular meeting of the Board shall be held monthly at such time and place (either within or without the State of Indiana) as designated by the Board. Such regular monthly meeting may be held without notice other than by resolution fixing the time and place thereof.

Unless specifically prohibited by law, meetings of Directors, regular or special, may be conducted through the use of any means by which all persons participating in the meetings can effectively and contemporaneously communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.

Article V – Meeting of Directors
Section 2. Organizational Meeting

The Board shall meet to organize at the second meeting of the Board following an Annual Meeting of members. At such organizational meeting, the Board shall elect a Chairman, Vice Chairman, President, Secretary, Treasurer and other such officers as the Board finds necessary or desirable.

Article V – Meeting of Directors
Section 3. Special Meetings

Special meetings of the Board may be called by the Chairperson of the Board, or by any three Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairperson of the Board, or Board members calling the meeting shall fix the time and place (either within or without the State of Indiana) for the holding of the meeting.

Article V – Meeting of Directors
Section 4. Notice

Unless already scheduled and adopted by resolution of the board, written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Director not less than five days previous thereto either personally, by mail, or by any other method (including electronic notice) adopted by resolution of the Board, by or at the direction of the Secretary, or upon a default by the Secretary, the Chairman, the President or the Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. If provided by another method, such notice shall be deemed to be delivered at such time as the Board shall designate in its resolution approving such alternate method. Presence of a Director at a Board meeting constitutes waiver of notice.

Article V – Meeting of Directors
Section 5. Quorum

Other than as provided by Article VIII concerning the disposition of property, a majority of the board shall constitute a quorum, provided that if less than a majority of the board is present at a meeting, a majority of those present at said meeting may adjourn or recess and reconvene the meeting from time to time and provided further that the Secretary shall notify any absent board members of the time and place that the meeting will be reconvened. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these bylaws and, specifically, as provided in Article VIII concerning the disposition of property.

Article V – Meeting of Directors
Section 6. Membership Access

The Corporation shall have a policy that provides for members to have reasonable access to the meetings and the minutes of the meetings of the Corporation's board of directors, except for executive sessions that concern personnel matters and confidential or proprietary matters that may:

- a. invade the privacy of a member or an employee of the Corporation; or
- b. impair the Corporation's bargaining, legal or competitive position if the matter is disclosed to the member.

Article VI – Officers
Section 1. Number

The officers of the Corporation shall be a Chairperson of the Board, Vice-Chairperson, Secretary, Treasurer, President and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

Article VI – Officers
Section 2. Election and Term of Office

Officers shall be elected, by secret ballot and without prior nominations, annually by the Board at the second meeting of the Board held after the annual meeting of the members. All officers, except the office of President, Vice President and Chief Financial Officer, must be members of the Board. Each officer shall hold office until his or her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board.

Article VI – Officers
Section 3. Removal of Officers and Agents by Directors

Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Corporation will be served thereby. In addition, any member of the Corporation may bring charges against an officer for neglect, dereliction or violation of his or her responsibilities to the Corporation, and by filing with the Secretary such charges in writing together with a petition signed by five percent (5%) 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 thirty (30) 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 of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. In the event the Board does not remove such officer; the question of his removal shall be considered and voted upon at the next meeting of the members.

Article VI – Officers
Section 4. Chairman of the Board of Directors

The Chairman of the Board shall:

- a. presides at all meetings of the members of the Board;
- b. has concurrent power with the President to sign any certificates, 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 Corporation, or shall be required by law to be otherwise signed or executed;

- c. designates the member(s) of the Board of each subsidiary owned in whole or in part by the Corporation;
- d. performs all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

Article VI – Officers
Section 5. – Vice Chairman

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

Article VI – Officers
Section 6. Secretary

The Secretary shall:

- a. keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- b. see that all notices are duly given in accordance with these bylaws or as required by law;
- c. be custodian of the corporate records and all documents, the execution of which on behalf of the Corporation is duly authorized in accordance with the provisions of these bylaws;
- d. keep a register of the names and post office addresses of all members;
- e. has general charge of the books of the Corporation;
- f. keep on file at all times a complete copy of the articles of incorporation and bylaws of the Corporation containing all amendments thereto (which copy shall always be open to the inspection of any member) and, at the expense of the Corporation, furnish a copy of the bylaws and of all amendments thereto to each member at the member's written request; and
- g. in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board.

Article VI – Officers
Section 7. Treasurer

The Treasurer shall:

- a. Have charge and custody of and be responsible for all funds and securities of the Corporation;
- b. Receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- c. In general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.
- d. The Treasurer shall have authority, with the approval of the Board, to delegate to the Chief Executive Officer the authority to appoint employees of the Corporation to actually and accurately carry out the responsibilities set forth in this section.

Article VI – Officers
Section 8. President and CEO

The President shall:

- a. be the chief executive officer of the Corporation and, subject to the control of the Board, shall supervise and control all of the day-to-day business and affairs of the Corporation;
- b. has concurrent power with the Chairman of the Board to 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 Corporation, or shall be required by law to be otherwise signed or executed;
- c. performs all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Article VI – Officers
Section 9. Vice President

In the absence of the President or in the event of his or her inability or refusal to act, the Vice President shall perform the duties of the President and CEO, and when so acting, shall have all the power of and be subject to all the restrictions upon the President and CEO. The Vice President shall also perform such other duties as from time to time may be assigned to him or her by the President or the Board. The Vice President shall be elected by the Board of Directors with the advice and consent of the President and CEO.

Article VI – Officers
Section 10. Chief Financial Officer

The Chief Financial Officer shall be responsible for the day-to-day financial activity of the corporation and coordinate his activities with the President and CEO and the Board of directors to establish short and long term financial planning and budgeting, and preparation and presentation of regular financial reports as requested by the President and CEO and the Board of Directors. The Chief Financial Officer shall be elected by the Board of Directors with the advice and consent of the President and CEO.

Article VI – Officers
Section 11. Governance Committee

The Board may establish a Governance Committee. The Board shall designate the officers and Board members that shall serve on the Governance Committee. The Board shall designate the scope of the Governance Committee's authority and the responsibilities and duties of the Governance Committee. The Board shall have the power to accept, reject, or rescind any action of the Governance Committee, but no such rescission shall have retroactive effect.

Article VI – Officers
Section 12. Bonds of Officers

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

Article VI – Officers
Section 13. 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 Directors and close relatives of Directors.

Article VI – Officers
Section 14. Reports

The officers of the Corporation shall submit at each Annual Meeting of the members' reports covering the business of the Corporation for the previous fiscal year. Such reports shall set forth the condition of the Corporation at the close of each fiscal year.

Article VII – Financial Transactions
Section 1. Fiscal Year

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

Article VII – Financial Transactions
Section 2. Contracts

Except as otherwise provided in these bylaws, the Board of Directors 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 Corporation, and such authority may be general or confined to specific instances.

Article VII – Financial Transactions
Section 3. 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 Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

Article VII – Financial Transactions
Section 4. Deposits

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

Article VIII – Disposition of Property

Except in connection with a merger or consolidation of the Corporation with a corporation organized under Ind. Code Chapters 8-1-13, 17 or 17.5:

- a. the Corporation may not sell, lease, exchange, or otherwise dispose of all or substantially all of the property of the Corporation except by way of routine secured financing through its recognized lending institutions unless at least two-thirds of all directors affirmatively resolve that the disposition be submitted to the membership for consideration and approval or disapproval.
- b. In the event of an unsolicited offer to purchase or otherwise acquire all or substantially all of the Corporation's property, the term "board of directors" as utilized in this Article concerning disposition of property describes the board of directors as it is constituted at the time the offer is tendered,
- c. approval of the property disposition shall not be put to a vote by members prior to 180 days after the affirmative approval of the board of directors authorizing the vote, and
- d. the property disposition shall not be authorized or effected unless approved by a resolution duly adopted at a meeting of the Corporation's members duly called and held at which (i) a quorum is established by the presence of no less than fifty percent of the members in person, and (ii) the resolution shall have received, within each district for which the board members are nominated and elected, the affirmative vote of a majority of its members present and voting.

No offer for the purchase of all or substantially all the property of the Corporation may be considered by the Board of Directors or the members if it does not include an assumption of all contractual obligations of the Corporation, specifically including but not limited to any all-requirements wholesale power contract the corporation has with a power supplier, or its successor in interest.

This Article shall not be amended except upon the recommendation by at least three-fourths of all directors.

Article IX – Non-Profit Organization

Section 1. Interest or Dividends on Capital Prohibited

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

Article IX – Non-Profit Organization

Section 2. Patronage Capital in Connection with Furnishing Services to Members

In the furnishing of Services (as defined in Article I of these bylaws) to members, the Corporation's operations shall be so conducted that all members will, through their patronage, furnish capital for the Corporation. In order to induce patronage and to ensure that the

Corporation will be operated on a non-profit basis, the Corporation is obliged to account on a patronage basis to all its members for amounts received and receivable from and directly related to the furnishing of Services by the Corporation, to members of the Corporation in excess of operating costs and expense for supplying those Services at the moment of receipt by the Corporation. All such amounts in excess of operating costs and expenses incurred for supplying Services to members are received with the understanding that they are furnished by the members as capital.

All tax refunds made by the United States Government or any of the states, in connection with the final or true cost of Services, as determined by the Capital Credits allocation process, may be held and used by the Corporation as furnished patronage capital and shall be treated in the same manner as furnished capital set out in these bylaws.

Article IX – Non-Profit Organization **Section 3. Allocation of Capital**

For each Service provided during a fiscal year, the Corporation is obligated to equitably allocate to a capital account for each member, in proportion to the quantity or value of the Service used by the member during the fiscal year and timely paid for by the member, the amounts received and receivable by the Corporation from and directly related to furnishing that Service to members in excess of operating costs and expenses for supplying that Service during the fiscal year (“Patronage Capital Credits”).

The books and records of the Corporation shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by the member for Services is clearly reflected and credited in an appropriate record to the capital account of each member, and the Corporation shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to the member’s account; provided that individual notice of such amounts furnished by each member shall not be required if the Corporation notifies all members of the aggregate amount of such excess from providing Services to members and provides a clear explanation of how each member may compute and determine the specific amounts of capital so credited to the member’s account.

All such amounts credited to the capital account of any member shall have the same status as though it had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Corporation corresponding amounts for capital.

If the costs and expenses exceed the amounts received and receivable from and directly related to the furnishing of Services (hereinafter referred to as “loss”), then the Board of Directors shall have the authority under accepted accounting practices and applicable tax law to prescribe the manner in which such loss shall be treated.

Notwithstanding any provision in Section 3 of this Article IX, for each fiscal year:

- a. Margins and losses shall be calculated separately for each Service.
- b. The Board shall choose the method for handling losses for each Service consistent with other provisions of this Article IX.

- c. The margins for each Service, after taking into consideration any prior year losses carried forward to offset margins of the current fiscal year, shall be allocated to the capital account of members on the basis of patronage solely to the patrons of each Service. The Board has the authority to choose the method for determining the patronage and allocation of margins for each Service provided that such method is fair and equitable to the patrons. Insofar as permitted by law, the Board is authorized to net margins and losses of different Services for purposes of allocation of patronage capital credits.

Article IX – Non-Profit Organization
Section 4. Retirement of Capital Credits

If, at any time prior to the dissolution or liquidation, the Board shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to the members' account may be retired in full or in part. The Board shall determine the method, basis, priority, and order of retirement, if any, for all amounts furnished as capital. In no event, however, shall patronage capital be retired if such retirement would violate applicable law or regulations, or if such retirement would breach applicable mortgage or loan requirements. Notwithstanding any other provision of these Bylaws, the Board at its sole discretion and if so requested in writing by the legal representative of a deceased member's estate or by a member terminating all Services, negotiate patronage capital settlement arrangements with estates of deceased natural persons, and/or a member terminating all Services for the retirements of such capital prior to the time, and/or different from the amount, that the capital would otherwise be retired under the provisions of these bylaws, but only if the financial condition of the Cooperative is not impaired thereby and in accordance with terms and conditions that the board of directors and the estate or member terminating all Services shall agree upon.

During a general Patronage Capital Credit retirement, no checks shall be issued for less than a fixed amount determined by the Board, and the amount of such unretired Patronage Capital Credits will be retired in the first following year when the total amount of Patronage Capital Credits qualifying for retirement exceeds that amount set by the Board, including the amount carried over.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid; outstanding Capital Credits shall be retired pro rata to the members, and former members, their assignees, personal representatives, heirs, or legatees, who have paid for communications or electric service furnished by the Corporation.

Article IX – Non-Profit Organization
Section 5. Reclamation of Unclaimed Property

Notwithstanding any provisions herein contained to the contrary, the Corporation shall recover, after a period of two years, any unclaimed stocks, dividends, Capital Credits, patronage refunds, utility deposits, membership fees, account balances, or book equity for which the owner (member or former member) cannot be found and are the result of distributable savings of the Corporation.

If any member or former member fails to claim any cash retirement or Capital Credit or other payment within two years after payment has been made available to such person, such failure will constitute an irrevocable assignment and gift to the Corporation of such Capital Credits or other payments.

Article IX – Non-Profit Organization

Section 6. Income from Furnishing Goods or Services to Non-Members or from Non-Operating Sources

All amounts received and receivable by the Corporation other than from and directly related to the furnishing of Services to members shall, insofar as permitted by law, be (a) used to offset losses incurred during the current or any prior fiscal year as may be determined in Article IX, Section 3, (b) used to establish reserves and other capital not assignable to the patrons prior to the dissolution of the Corporation, and (c) to the extent not needed for these purposes allocated to Corporation's members at the discretion and direction of the board as to kind, order, timing method and type of assignment.

Article IX – Non-Profit Organization

Section 7. Lien on Capital Credits

Capital accounts shall be maintained by the Corporation on behalf of each member regardless of such member's status with the Corporation until such capital account is fully retired. Capital credited to the account of each member shall be assignable only on the books of the Corporation, pursuant to written instruction from the assignor and only to the successors in interest unless the Board, acting under policies of general application, shall determine otherwise.

The Corporation shall have a lien on all amounts credited to the capital account of any member or former member for unpaid amounts or for any indebtedness or obligations owed the Corporation by the member or former member.

Subject to the right to offset for any amounts owed the Corporation, members may at any time irrevocably assign and contribute their patronage capital to the Corporation as a contribution of capital. Such irrevocable assignment and contribution of capital shall not be reallocated to the members and is distributable only upon dissolution of the Corporation pursuant to the property rights of Members.

Article IX – Non-Profit Organization

Section 8. Patronage Capital in Connection with Other Cooperatives

Capital credits received from a cooperative of which the Corporation is a member shall be maintained as a separate special Capital Credit account of the then members of the Corporation whose patronage helped to generate the special Capital Credits and may be allocated to the accounts of those members of the Corporation in the year in which the Corporation receives official written notice that the cooperative of which the Corporation is a member has allocated Capital Credits to the Corporation.

The separate Capital Credits received from a cooperative of which the Corporation is a member that are credited to the special capital accounts of the members of the Corporation shall not be

retired or distributed to the members until such time as Capital Credit has been actually paid and distributed to the Corporation by a cooperative of which the Corporation is a member and until such time as the Board of Directors of the Corporation, by appropriate resolution duly adopted and passed, authorize the distribution of these special Capital Credits to the accounts of the members.

No notice of the allocation of these special Capital Credits is required, but the members' special Capital Credits account shall be available for the member's inspection.

Article IX – Non-Profit Organization
Section 9. Patron Agreement

Each member and former member agrees that:

- a. Capital Credits are not securities under state or federal Law;
- b. The member's right to Capital Credits vests, accrues, becomes redeemable, and becomes payable only upon the Corporation retiring the Capital Credits as provided in these Bylaws, and not upon the Corporation allocating the Capital Credits; and
- c. As required by Law, each member will: (A) report to the appropriate entity all retired Capital Credits; and (B) pay the appropriate entity any tax or similar amount on retired Capital Credits.

The members of the Corporation acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract both between the Corporation and each member, and further, between all the members themselves individually.

Both the Corporation and the members are bound by such a contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions with the Corporation and each of its members.

Article X – Miscellaneous
Section 1. Policies, Rules and Regulations

The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation and these bylaws as it may deem advisable for the management of the business and affairs of the Corporation.

Article X – Miscellaneous
Section 2. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system, subject to applicable laws, rules and regulations. The Board of Directors shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Corporation as of the end of such fiscal year. Financial reports shall be submitted to the members at the next following annual meeting.

Article X – Miscellaneous

Section 3. Membership in Other Organizations

The Corporation may become a member of or purchase stock in other profit or non-profit organizations, associations, partnership or joint ventures when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.

Article X – Miscellaneous Section 4. Waiver of Notice

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

Article X – Miscellaneous Section 5. Non-Discrimination

Applications for membership will be open to all qualified persons without regard to race, color, religion, sex, national origin or disability.

Article X – Miscellaneous Section 6. Indemnification of Directors, Officers and Employees

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, against any liability asserted against him or her and incurred by him or her in any capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this section or otherwise.

If and only to the extent there is no indemnification insurance coverage or inadequate indemnification insurance coverage for directors, officers, employees or agents, every person who is or was a director, officer, employee or agent of this Corporation or of any other corporation for which he or she is or was serving in any capacity at the request of this Corporation shall be indemnified by this Corporation against any and all liability and expense that may be incurred by him or her in connection with or resulting from or arising out of any claim, action, suit or proceeding, provided that such person is wholly successful with respect thereto or acted in good faith in what he or she reasonably believed to be in or not opposed to the best interests of this Corporation or such other corporation, as the case may be, and, in addition, in any criminal action or proceeding in which he or she had no reasonable cause to believe that his or her conduct was unlawful. As used herein, claim, action, suit or proceeding (whether brought by or in the right of this Corporation or such other corporation or otherwise), civil, criminal, administrative or investigative, whether actual or threatened or in connection with an appeal relating thereto, in which a director, officer, employee or agent of this Corporation may become involved, as a party or otherwise, either (a) by reason of his or her being or having been a director, officer, employee or agent of this Corporation or such other corporation or arising out

of his or her status as such, or (b) by reason of any past or future action taken or not taken by him or her in any such capacity, whether or not he or she continues to be such at the time such liability or expense is incurred.

The terms “liability” and “expense” shall include, but shall not be limited to, attorneys’ fees and disbursements, amounts of judgments, fines or penalties, and amounts paid in settlement by or on behalf of a director, officer, employee or agent, but shall not in any event include any liability or expenses on account of profits realized by him or her in the purchase or sale of securities of the Corporation in violation of the law.

The termination of any claim, action, suit or proceeding, by judgment, settlement (whether with or without court approval) or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that a director, officer, employee or agent did not meet the standards of conduct set forth in this paragraph. Any such director, officer, employee or agent who has been wholly successful with respect to any such claim, action, suit or proceeding shall be entitled to indemnification as a matter of right.

Except as provided in the preceding paragraph, any indemnification hereunder shall be made only if either (a) the Board acting by a quorum consisting of Directors who are not parties to such claim, action, suit or proceeding shall find that the director, officer, employee or agent has met the standards of conduct set forth in the preceding paragraph; or (b) independent legal counsel, mutually agreed upon by the involved director, officer, employee or agent and the Governance Committee of the Corporation, shall deliver to the Corporation their written opinion that such director, officer, employee or agent has met such standards of conduct.

If several claims, issues or matters of action are involved, any such person may be entitled to indemnification as to some matters even though he or she is not entitled as to other matters. The Corporation may advance expenses to or, where appropriate, may at its expense undertake the defense of any such director, officer, employee or agent upon receipt of any undertaking by or on behalf of such person to repay such expenses if it should ultimately be determined that he or she is not entitled to indemnification hereunder.

The provisions of this section shall be applicable to claims, actions, suits or proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act during, before or after the adoption hereof.

The rights of indemnification provided hereunder shall be in addition to any rights to which any person concerned may otherwise be entitled by contract or as a matter of law and shall inure to the benefit of the heirs, executors and administrators of any such person.

Article XI – Amendments

Except as provided by Article VIII relating to disposition of the Corporation’s property, these bylaws may be altered, amended or repealed by the Directors at any regular or special Board meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.