

BYLAWS ADOPTED AUGUST 1963

The aim of Aiken Electric Cooperative, Inc., is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

BYLAWS of AIKEN ELECTRIC COOPERATIVE, INC.

ARTICLE I MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation or body politic or subdivision thereof will become a member of Aiken Electric Cooperative, Inc. (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he or it has 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 and Bylaws of the Cooperative and any rules and regulations adopted by the Board; and
- (d) paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable except as provided in these Bylaws.

Any person meeting all qualifications enumerated in items (a) through (d) shall be presumed to be a member in good standing.

Amended: May 24, 1969

Amended: May 15, 1993

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 of Trustees. 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 cash. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the Board of Trustees may prescribe.

Section 3. Joint Membership. An application for membership by a married person living with his or her spouse at the time of such application shall be deemed an application for joint membership by both husband and wife, unless otherwise indicated upon the application. Subject to compliance by the applicant with the requirements set forth in Section 1 of this Article, the application will be accepted as and for a joint membership. In the event that the holders of a joint membership cease to reside together in the same household, or upon the death of either, the joint membership will automatically become a single membership in the name of the spouse who continues to reside in the household or the survivor thereof as applicable, irrespective of whether or not such point of service is at the marital home. If neither spouse continues to live in the same household, the joint membership, irrespective of the location of point of service, will thereupon terminate. Either spouse may thereafter reapply for a single membership at the point of service in question. The term “member” as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and 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 to 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 one 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 Trustee; provided that both meet the qualifications for such office.

Amended: May 22, 1976

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 to comply with the Articles of Incorporation, Bylaws, and Rules and Regulations adopted by the Board of Trustees. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Membership Fees. The membership fee shall be \$10.00, upon the payment of which a member shall be eligible for electric service.

Amended: May 24, 1969

Section 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises

specified in his application for membership and shall pay therefor monthly at rates which shall from time to time be fixed by the Board of Trustees. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. The Board of Trustees 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 services are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these Bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

Amended: May 20, 1978

Section 7. Member or Patron to Grant Easements to Cooperative if Required. Each member or patron shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, under and on such lands owned by the member or patron and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other members or patrons, or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

Amended: May 22, 1976

Section 8. Termination of Membership.

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the Trustees, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or Rules and Regulations adopted by

the Board of Trustees, but only if such member shall have been given by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Any member who requests that the cooperative terminate that member's electric service or has electric service terminated by the Cooperative pursuant to the Cooperative's policies, as set by the Board of Trustees, shall cease to be a member. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid in cash by him; provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative; and, provided further, however, that any membership fee which has been paid, in whole or in part, by the application of capital credited to the account of a non-member patron as provided in these Bylaws, shall be repaid to the member only in accordance with the provisions of these Bylaws with respect to the retirement of patronage capital.

Amended: May 22, 1976

Amended: May 19, 2018

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members. Upon dissolution, after

(a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members, and former members in the proportion which the aggregate patronage of each bears to the total patronage of all such members, unless otherwise provided by law.

Section 2. Non-Liability for Debts to 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 individually liable or responsible for any debt or liabilities of the Cooperative.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held at such date and place, in the County of Aiken, State of South Carolina, as shall be designated in the notice of the meeting for the purpose of electing Trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the annual meeting shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meeting of the members may be called by resolution of the Board of Trustees or upon a written request signed by any three Trustees, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Aiken, State of South Carolina, 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 case of a special meeting or an annual meeting at which business other than that listed in Section 6 of this Article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days, or thirty days if the meeting includes an election, nor more than forty-five (45) days before the date of the meeting, either personally or by mail, 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. No matter, the carrying of which, as provided by law or these Bylaws, requires the affirmative votes of at least a clear majority of all the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any members 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.
Amended: August 8, 2020

Section 4. Quorum. Five per centum of the members shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

Section 5. Voting. Regardless of the number of member- ships held, each member (or authorized representative of a firm, association, corporation, or body politic which is a member) shall be entitled to only one vote. All questions shall be decided by a vote of a majority of members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

Section 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Report as to the number of members present in person in order to determine the existence of a quorum.

2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waivers of notice of the meeting, as the case may be.

3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.

4. Presentation and consideration or reports of officers, Trustees and committees.

5. Election of Trustees.

6. Unfinished business.

7. New business.

8. Adjournment.

ARTICLE IV TRUSTEES

Section 1. Number & General Powers. The business and affairs of the Cooperative shall be managed by a Board of ten Trustees which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Amended: May 15, 1993

Section 2. Trustee Districts or Territory. The territory served or to be served by the Cooperative shall be divided into nine districts each of which shall be as nearly equal as practicable in geographic size and number of members, further there will be one district at large encompassing all of the nine geographical districts. The Board of Trustees shall determine the boundaries of the nine districts. Each district shall be represented by one Trustee, for a total of ten Trustees. The Trustee at Large shall be elected at

the 1994 annual meeting to serve for a term of three years or until his or her successor shall have been elected and shall have qualified. The Board shall make an initial appointment to the Trustee at Large with the initial appointee to serve until his or her successor shall have been elected at the 1994 annual meeting.

Amended: May 18, 1991

Amended: May 15, 1993

Section 3. Tenure. The persons presently serving as Trustees shall continue in such capacity until the expiration of their respective terms or until their successors shall have been elected, by and from the members, to serve for a term of three (3) years, or until their successors shall have been elected and shall have qualified. If the election of Trustees shall not be held on the day designated herein for the Annual Meeting, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as is practicable.

Amended: May 15, 1993

Section 4. Qualifications.

(a) No person shall be eligible to become or remain a Trustee of the Cooperative who is related or connected with any active Trustee closer than first cousin, whether by consanguinity (blood) or affinity (marriage), or of an employee of the Cooperative, or any subsidiary, or who is not a member in good standing of the Cooperative or any subsidiary. A member is not in good standing when that member has had services from the Cooperative or any subsidiary cut off or terminated for nonpayment within the past twelve (12) months. A member is not in good standing if they have a prior conviction, in a State or Federal Court of record, of a crime punishable by imprisonment for more than one (1) year and their civil rights have not been restored by pardon or amnesty. A person is deemed to have been convicted if they are found guilty by a jury, judge, or pled guilty, or nolo contendere, to any crime that could carry a penalty of more than one (1) year. No person shall remain eligible to serve as a Trustee who fails to attend at least two-

thirds of all regular Board meetings during a twelve-month period, except as excused by the Board for good cause shown.

(b) No person shall be eligible to become or remain a Trustee of, or to hold any other position of trust in, the Cooperative who is not at least eighteen (18) years of age; or is in any way employed by or financially interested in a competing enterprise, or business selling electric energy or energy supplies to the Cooperative; who has not been a member of the Cooperative for a minimum of three (3) consecutive years and has not lived in the district for which he/she seeks office for three (3) consecutive years at the time of filing for office; or who is employed by the Cooperative or was employed by the Cooperative at any time during the preceding ten (10) years. For purposes of this Section, the terms “primary residence” or “principal residence” shall be determined according to South Carolina voter registration law.

(c) No incumbent Trustee shall lose eligibility to remain a Trustee or to be re-elected as a Trustee if he becomes a close relative of another incumbent Trustee or of a Cooperative employee because of a marriage to which he was not a party. Upon establishment of the fact that a nominee for Trustee lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the President presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a trustee-ship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Trustees to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the Trustees have an interest adverse to that of the Cooperative.

Applications for nominations as a candidate for the Board of Trustees will be evaluated by legal counsel, to assure that all

candidates meet and comply with the foregoing qualification requirements.

Amended: May 22, 1976 *Amended: May 16, 1992*

Amended: May 19, 1979 *Amended: May 15, 1993*

Amended: May 17, 1980 *Amended: May 17, 1997*

Amended: May 21, 1983 *Amended: August 8, 2020*

Section 5. Nomination and Election of Trustees.

(a) **Nomination.** Not less than ninety (90) days prior to the meeting, nominations may be made by fifteen (15) or more Members of the Cooperative in writing over their signatures on an explicit petition document listing their nominee(s) in like manner. This document must be obtained from the Cooperative no more than one hundred twenty (120) days prior to the Annual Meeting and must be specific to each Trustee District. The Secretary shall mail to the Members with the notice of the meeting, or separately, but at least ten (10) days prior to the date of the meeting, a complete statement of the names and addresses of all nominees for each Trustee District from or with respect to which one (1) or more Trustees must be elected. The Secretary shall post in like manner such nominations at the Cooperative offices sixty (60) days prior to the next Annual Meeting.

Amended: May 22, 1976

Amended: May 15, 1993

(b) **Election.** Election of Trustees shall be by secret ballot. The ballots shall list the candidates selected by Committee and by petition, the names to be arranged by districts and in alphabetical order, except that the incumbents, if any, shall be placed first in order on such ballots. Each member of the Cooperative present at the meeting or, if applicable, at an early voting site, shall be entitled to vote for one (1) candidate for each district for which a Trustee is to be elected at that particular meeting. The candidate from each district receiving the highest number of votes at this meeting shall be considered elected as Trustee for that district. In the case of a tie vote in a Trustee Election, the Trustee presently representing the district shall continue to serve until the next

Annual Meeting. In any Trustee Election where there is no incumbent and a tie vote results, the Board of Trustees shall appoint an Interim Trustee for that district who shall serve until the next Annual Meeting. The Trustee elected as a result of a tie vote, shall serve for the remainder of the unexpired term. Notwithstanding anything contained in this Section, failure to comply with any of the provisions of this Section shall not affect in any manner the validity of any election of a Trustee.

Amended: May 22, 1976 Amended: May 15, 1993

Amended: May 16, 1992 Amended: August 8, 2020

Section 6. Removal of Trustee by Members. Any member may bring charges against a Trustee by filing such charges in writing with the Secretary, together with a petition signed by at least five per centum of the members and request the removal of such Trustee by reason thereof. The Trustee against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the 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 shall have the same opportunity. The question of the removal of such Trustee shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at each meeting without compliance with foregoing provisions with respect to nominations.

Amended: May 15, 1993

Section 7. Vacancies. Subject to the provisions of these By-laws with respect to the filling of vacancies caused by the removal of Trustees by the members, a vacancy occurring in the Board of Trustees must be filled by the membership at the next annual meeting for the remainder of the unexpired term. However, if the vacancy occurs more than six months from the next annual meeting, a Nominations Committee may be appointed by the Board of Trustees to choose an Interim Trustee to serve until the next annual meeting. At the next annual meeting, the Interim Trustee may run for the remainder of the unexpired term.

In exercising its authority pursuant to this provision, the Nominations Committee may not appoint a family member of the Trustee whose departure created the vacancy. For purposes of this Section, “family member” means a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and a member of the individual’s immediate family. Additionally, the Nominations Committee may not appoint an individual associated with the Trustee whose departure created the vacancy. For purposes of this Section, “associated” includes an individual with whom the person or a member of their immediate family mutually has an interest in any business of which the person or a member of their immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class. Any Interim Trustee or successor Trustee must be from the same trustee District as the Trustee whose office was vacated. In the event that a majority of the Board positions become vacant, a special member meeting will be held to fill those vacancies.

Amended: May 15, 1993

Amended: August 8, 2020

Section 8. Compensation and Benefits. Trustees may, by authorization of the Board of Trustees, receive reasonable compensation, travel and expenses for actual attendance at meetings and other activities authorized by the Board of Trustees. The Board of Trustees shall also have the authority to establish such other benefits and privileges for Trustees and former Trustees as shall be considered reasonable and proper under the existing circumstances. No Trustee, shall be employed by the Cooperative in any other capacity involving compensation, nor shall any close relative of a Trustee receive compensation for serving the Cooperative, unless the service by such close relative shall have been certified by the Board of Trustees as an emergency measure.

Amended: May 24, 1975 *Amended: May 15, 1993*

Amended: May 19, 1979 *Amended: August 8, 2020*

ARTICLE V

MEETINGS OF TRUSTEES

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held monthly at such time and place in the State of South Carolina as the Board of Trustees may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Amended: May 24, 1975

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President or by any three Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the Trustees calling the meeting shall fix the time and place. During special meetings, the Board may not take action regarding rates, fees, charges, Board composition, or Board compensation.

Amended: May 24, 1975

Amended: August 8, 2020

Section 3. Notice of Board Meeting. Written notice of the time, place and purpose of any regular meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least ten days in advance of the regular meeting. Written notice of the time, place, and purpose of any special meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least twenty-four hours in advance of the special meeting. Such special meeting notice shall be delivered not less than five days previous thereto, by written, oral, or electronic means, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Amended: May 24, 1975

Amended: August 8, 2020

Section 4. Quorum. A majority of the Board of Trustees shall constitute a quorum, provided, that if less than such a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Trustees of the time and place of such adjourned meeting. The act of the majority of the Trustees present at a meeting in which a quorum is present shall be the act of the Board of Trustees.

ARTICLE VI OFFICERS

Section 1. Number. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Trustees from time to time. The offices of Secretary and of 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 of Trustees at the first meeting of the Board of Trustees held after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Trustees. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer by filing such charges in writing with the Secretary, together with a petition signed by five per centum of the members and request the removal of the particular officer by reason thereof. The officer against whom such charges have

been brought shall be informed in writing of the charges at least five days prior to the 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 shall have the same opportunity. The question of the removal of such officer shall be voted upon at the next regular or special meeting of the members.

Section 4. President. The President shall:

- (a) Be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees;
- (b) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and executing thereof shall be expressly delegated by the Board of Trustees 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 President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the power of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 6. Secretary. The Secretary shall:

- (a) Keep or cause to be kept the minutes of the meetings of the members and of the Board of Trustees in one or more books provided for that purpose;
- (b) Ensure that all notices are duly given in accordance with these Bylaws or as required by law;

(c) Serve as the custodian of the corporate records and of the seal of the Cooperative; and affix the seal to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of the Bylaws or as required by law.

(d) Keep or cause to be kept a register of the names and post office addresses of all members as furnished to the Cooperative by such members;

(e) Have general charge of the books of the Cooperative in which a record of the members is kept;

(f) Keep or cause to be kept 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, forward a copy of the Bylaws and all amendments thereto to each member; 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 of Trustees.

Amended: May 15, 1993

Section 7. Treasurer. The Treasurer shall:

(a) Have charge of and be responsible for all funds and securities of the Cooperative;

Amended: May 15, 1993

(b) Be responsible for the receipts of and the issuance of receipts for monies due and payable to the Cooperative from any source whatsoever, and for the deposit of all such moneys 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) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 8. Manager. The Board of Trustees may appoint a manager, who may be, but who shall not be required to be a

member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board of Trustees may from time to time vest in him.

Section 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

Section 10. Compensation. The powers, duties and compensation of any officers, agents and employees shall be fixed by the Board of Trustees, subject to the provisions of these Bylaws with respect to compensation for Trustees and close relatives of Trustees.

Section 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII 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 patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, 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 patrons,

members and non-members alike, 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 patrons, members, and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron 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 patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

Amended: August 22, 1964

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 account of property rights of

members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Trustees shall determine the method,

basis, priority and order of retirement, if any, for all amounts furnished as capital.

Amended: May 22, 1976

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of these Bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon 1) termination of membership or 2) the death of any patron, who was a natural person, if the legal representative(s) of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to such patron upon such terms and conditions as the Board of Trustees, acting under the policies of general application; provided, however, that the financial condition of the Cooperative will not be impaired thereby. Any such early patron-age retirement payments approved under this provision will be discounted through a present value calculation.

Amended: May 22, 1976

Amended: May 19, 2018

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

attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Section 3. Patronage Refunds in Connection with Furnishing Other Services. In the event 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 prorated annually on a patronage basis and returned to those patrons, members and non-members alike, from whom such amounts were obtained. Any corporate subsidiary of the Cooperative is exempt from this section.

Amended: May 17, 1997

Section 4. Disposition of Certain Unclaimed Funds. Unclaimed property will be administered in the manner prescribed by South Carolina law. The cooperative may regularly impose a reasonable administrative fee for each year an owner fails to claim property held by the cooperative. Should any patronage capital retired by the Board remain unclaimed, the Board may elect to use the retired but unclaimed patronage capital amount for any purpose allowed by law.

Amended: May 24, 1975

Amended: May 16, 2009

Amended: May 19, 2018

ARTICLE VIII DISPOSITION OF PROPERTY

The Cooperative may not sell mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the Members thereof by the affirmative vote of not less than two-thirds of all the Members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein

contained, the Board of Trustees of the Cooperative, without authorization by the Members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Co-operative to the United States of America or any instrumentality or agency thereof, or to a national financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects and undertakings, in which the Cooperative holds membership.

Amended: May 23, 1970

ARTICLE IX SEAL

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, South Carolina."

ARTICLE X FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board of Trustees 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 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 of Trustees.

Section 3. Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Trustees may select.

Section 4. Change of Rates. Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America 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 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January each year and end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

Section 1. Membership in Other Organizations. The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business; provided, however, that the Trustees shall have full power and authority on behalf of the Cooperative to purchase stock in or to become a member of any Corporation or Cooperative organized on a non-profit basis for the purpose of promoting, extending, aiding, and/or engaging in rural electrification.

Amended: May 22, 1976

Section 2. Waiver of Notice. Any member or Trustee may waive in writing, any notice of a meeting required to be given by these Bylaws. The attendance of a member or Trustee at any meeting shall constitute a waiver of notice of such meeting by such member or Trustee, except in case a member or Trustee shall attend a meeting for the express purpose of objecting to the

transaction of any business because the meeting shall not have been lawfully called or convened.

Section 3. Rules and Regulations. The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these By-laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration, United States of America. The Board of Trustees shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended, and repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal or an accurate summary explanation thereof.

Amended: May 17, 1980

Aiken Electric Cooperative is an equal opportunity provider and employer.