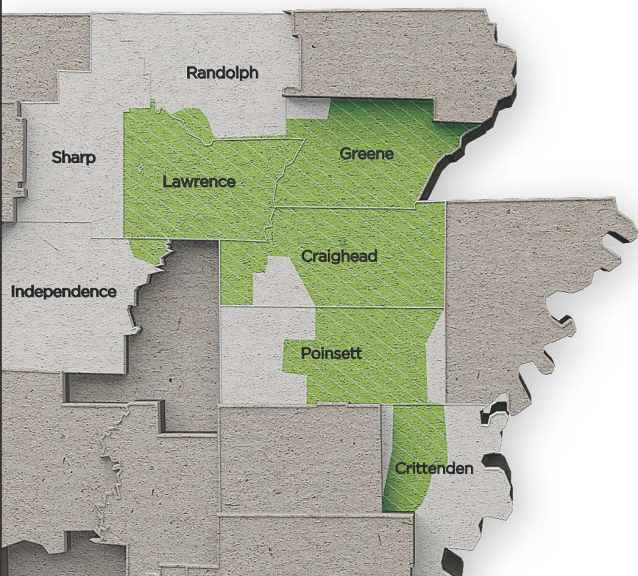


MEMBERSHIP HANDBOOK



**POWERING YOUR FUTURE.
IT'S WHAT WE DO EVERYDAY.**



**Craighead Electric
Cooperative Corporation**

www.craigheadelectric.coop

Bylaws, Facts Every Member Should Know, and Arkansas
Public Service Commission Required Information

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Welcome

As a member of Craighead Electric Cooperative Corporation, you are among more than 500,000 members served by electric cooperatives throughout Arkansas and 42 million members served by electric cooperatives nationwide. Your cooperative is one of 17 electric distribution cooperatives in the state. These cooperatives own two statewide cooperatives-Arkansas Electric Cooperative, Inc., a statewide association providing various services to Craighead Electric, and Arkansas Electric Cooperative Corp., a supplier of wholesale electricity. Through this unified, cooperative approach to business, Craighead Electric Cooperative and the Electric Cooperative of Arkansas are well positioned to continue to help rural Arkansas grow and prosper for decades to come.

Mission Statement

Our mission is to responsibly deliver safe, reliable, and affordable energy. Our dedicated employees are focused on providing world class service and extraordinary member care, because that's what a cooperative is supposed to do.

Member Driven - Service Focused - It's What We Do Everyday

Seven Cooperative Principles

Like other electric cooperatives across the nation, Craighead Electric Cooperative Corporation follows a set of guidelines known as the "7 Cooperative Principles", they are as follows:



- 1. Voluntary and Open Membership**
- 2. Democratic Member Control**
- 3. Member Economic Participation**
- 4. Autonomy and Independence**
- 5. Education, Training & Information**
- 6. Cooperation among Cooperatives**
- 7. Concern for Community**

Craighead Electric Cooperative takes these 7 principles as seriously as it does its core mission of providing reliable and affordable electricity to its members.

Contact Us

Visit our website at craigheadelectric.coop

Like us on [Facebook.com/CraigheadElectricCoop](https://www.facebook.com/CraigheadElectricCoop)

Follow us on X [Twitter@CraigheadCoop](https://twitter.com/CraigheadCoop)

Email us at memberservice@craigheadelectric.coop

Call us Toll-Free at [1-800-794-5012](tel:1-800-794-5012)

Office Locations

Jonesboro HQ: 4314 Stadium Blvd. Jonesboro, AR
72401 870-932-8301

Paragould District Office: 7277 Hwy 69 Paragould,
AR 72450 870-239-2557

Walnut Ridge District Office: 477 Hwy 412 Walnut
Ridge, AR 72476 870-886-1616

Facts Every Member Should Know

Requirements for Membership

Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Craighead Electric Cooperative Corporation (CECC) by:

- a) Submitting an application for membership
- b) Agreeing to purchase electric energy from the Cooperative
- c) Agreeing to comply with and to be bound by the articles of incorporation and bylaws of CECC and any rules and regulations adopted by the board of directors and the Arkansas Public Service Commission
- d) Paying the refundable, non-transferable \$1.00 membership fee, \$10.00 connect fee, and any applicable deposit
- e) Having service connected

SmartHub

On the go and in control. Manage your account like never before. Smart hub is Craighead Electric Cooperative's online member portal giving you access to your account 24/7. Setting up an account is quick and easy. Go to craigheadelectric.coop/smarthub to learn more about how to register. You must have your account number and email address handy to complete the sign-up process.

Once registered you will be given the choice to activate paperless billing. Take the time to set up account notifications and add more desired users to your account. Within SmartHub you can pay your bill, set up AutoPay, track your usage, update your contact information, report an outage, and more from a web browser or smartphone app.

The graphic features a green background with a white 'smart hub' logo at the top left. To the right, the text 'INTRODUCING SMARTHUB' is written in large, bold, white letters, followed by 'ON THE GO & IN CONTROL.' in smaller white text. Below this, a smartphone displays the SmartHub app interface, showing a 'Report an Outage' button, social media icons for News, Facebook, and Twitter, and a bill amount of '\$121.30' with a 'Pay' button. To the right of the phone is a large QR code with the text 'SCAN ME' above it. At the bottom right, the Craighead Electric Cooperative Corporation logo is displayed, featuring a stylized green tree and the text 'Craighead Electric Cooperative Corporation'. A purple banner at the bottom of the graphic contains the text 'Member Driven • Service Focused • It's What We Do Everyday'.

Billing Procedures

Bills for electric service will be processed and mailed according to billing cycle. Each bill will reflect the essential facts by which the bill was prepared and will include the following information:

- a) Name of the member
- b) Both beginning and ending meter reading and meter reading dates
- c) Quantity (kWh) consumed and number of days in the billing period
- d) Charges for service, all taxes, and charges for non-utility merchandise or services purchased through the cooperative, and credits due to recovery of the deposit will be itemized
- e) Any previous unpaid balance due
- f) The date the bill was mailed
- g) The due date of the bill
- h) The designation of the applicable rate schedule for electric service
- i) Charges pursuant to automatic adjustment clauses
- j) Name, address and telephone number of the cooperative
- k) If service is estimated, it will be shown on the bill
- l) The net amount of any payments or credits during the billing period
- m) Any applicable late payment charge

An itemized explanation of your bill is available at craigheadelectric.coop/explanation-of-your-electric-bill

Billing Adjustments

In addition to basic rates, billing may be increased or decreased by the amount to be recovered (or credited) in accordance with Arkansas Public Service Commission approved automatic adjustment charges for the cost of energy and the cost of long-term debt (interest on long-term mortgages). These adjustments will reflect the variation in the cost of these charges to the amount embedded in the basic rates. Late payment charges will be assessed if payment is not made by the close of business on the cycle due date.

Billing and Payment Dates

Bills for electric service shall not be mailed later than the mailing date shown on the bill. The due date of the bill is 22 calendar days after the mailing date of the bill. Bills may be paid at any of the office locations listed above, online at craigheadelectric.smarthub.coop, at an authorized Vanilla Direct retail counter, at an authorized MyPaySite kiosk, or by phone at 1-800-794-5012 (option 2). There are no other authorized payment agents.

Payment Options

Pay Online

Log in to your SmartHub account at craigheadelectric.smarthub.coop and manually make a one-time payment using one of your stored payment options: debit card, credit card, or bank account. There are no convenience fees to pay online and member payment information is stored safely and securely.

AutoPay

Auto Pay automatically pays your due electric bill on the same date each month using one of your stored payment methods. Sign-in to SmartHub and navigate to the Auto Pay Program menu option to get set up today. (preferred method)

Pay By Mail

The tried-and-true way: with a signed check. Write your account number(s) on your check so that it is applied to the correct account, tear off the perforated stub from the bottom of your paper bill, put them in an envelope, and mail to:

Craighead Electric Cooperative
P.O. Box 7503
Jonesboro, AR 72403-7503

Pay by Phone

Pay by Phone by dialing 1-800-794-5012 (option 2) and follow the automated instructions to make a payment with your major credit or debit card. This option is available 24/7. Note that human Member Service Representatives no longer take card payments over the phone.

Pay in Person

Pay in-person at the Jonesboro, Paragould, or Walnut Ridge offices using cash, check, or card. Our lobbies and drive-thrus are open weekdays 8 a.m. to 5 p.m. After-hours, drop your cash or check payment off at one of our drive-thru drop boxes available 24/7. Please include your bill stub and write your account number on your check or money order.

Pay by Cash

Pay by Cash at local retailers like CVS, Dollar General, Walmart, Kum and Go, and more via Vanilla Direct. Provide your unique barcode found in SmartHub at checkout, make a payment, and receive a receipt. Payment is posted to a member's account instantly. Requires a \$1.50 fee. See participating retailers' on the Pay by Cash screen in SmartHub by navigating to the Bill and Pay menu and click/tap on Pay by Cash. Input your zip code and distance filter to see locations near you that accept Pay by Cash. Click/tap on the View Barcode button to display your barcode on your screen.

Payment Kiosk

Make your payment at several conveniently located automated payment Kiosks found at major retailers. Simply locate a Pay Site kiosk, select Craighead Electric, enter your name and account number, select your payment type, make your payment, and retrieve your receipt. Payments can be made with cash, check, or card. Note that a transaction fee may apply. Locate a payment kiosk at pay.uspayments.com/kiosk

Third-Party Bill Pay Services

Third-Party Bill Pay Services like those provided by banks and bill service providers can be used to pay your CECC bill. Note that these services print a physical check with your CECC account number on it and mail it to CECC's main office. These payments are not posted to your account until received by mail, so allow plenty of time for postage. (we don't recommend this method)

Learn more about payment options available at craigheadelectric.coop/payment-options.

Sales Tax Exemption:

Arkansas Act 304 of 1991 provides a sales tax exemption on the charges for the first 500 kWh/month of electrical use. To qualify, the combined family income (member and spouse) must not exceed \$12,000 a year. Applications may be requested from any business office locations of the Cooperative.

Extended Due Date Plan

Members, whose income checks from the following sources, if not received by the regular bill due date may apply for an extended due date:

- a) Aid to Families with Dependent Children (AFDC), or Aid to the Aged, Blind or Disabled (AABD),
- b) Supplemental Security Income,
- c) Social Security or Veterans Administration disability or retirement benefits.

Pre-Paid Billing with *PowerMyWay*

PowerMyWay is the name of Craighead Electric's pre-paid Metering Program, allowing you to forgo traditional monthly billing and instead pay for your electricity *before* you use it. You start *PowerMyWay* by initiating pre-paid service with as little as \$20, no deposit necessary. You can add kWhs to your account with cash, credit, or debit card in any amount you choose. Payments are accepted 24 hours a day by phone or online (no payment fee). If you owe a previous balance, you can continue to make payments on it while you are on a *PowerMyWay* plan. If you have paid a previous deposit, once you switch to *PowerMyWay* you can use that deposit to pay off old bills or credit it to your account.

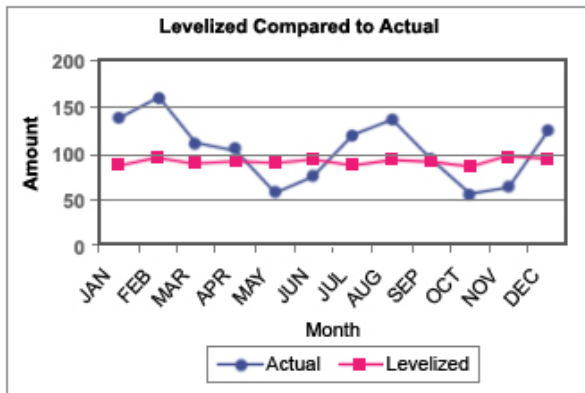
As your home uses electricity, it is automatically subtracted from your account. Service availability, account add-ons, and other fees are prorated once every 24 hours. Once your *PowerMyWay* account drops below a certain point, you receive an automated message via email or text informing you that your account is low. If your account is depleted, service is cut automatically. Once funds are added to your account, service is quickly reconnected with no reconnect fee.



PowerMyWay empowers members to manage their energy usage in a way that best suits their individual situation. Conservation, flexibility, increased information, and member control are what you have to look forward to with *PowerMyWay* Pre-Paid Billing. Visit craigheadelectric.coop/prepay to learn more.

Levelized Billing

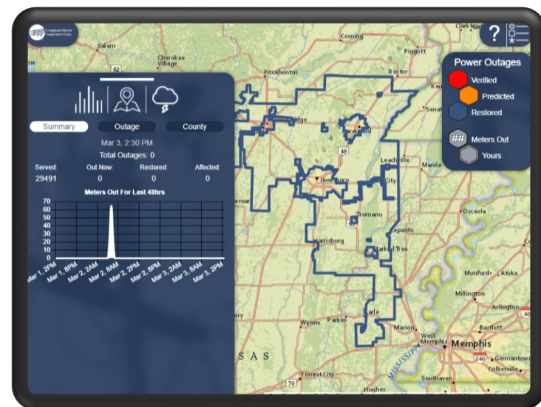
Levelized billing is available to Craighead Electric Cooperative members to help budget for monthly electric bills. With Levelized Billing, your electric bill is calculated by adding your most recent month's bill to your previous 11 month's bills and dividing by 12. While this does not save you any money year-over-year, the result is a steady, predictable electric bill that is approximately the same amount each month. This billing option is especially valuable for members with fixed incomes or highly variable seasonal energy needs (like those who use gas heat in the winter or a pool pump in the summer).



To be eligible for Levelized Billing, you must have been a Craighead Electric member for at least 12 months. There is no charge for using the Levelized Billing Plan. Enjoy the peace of mind that comes from planning ahead. Learn more at craigheadelectric.coop/payment-options

Outage Reporting

Through rain, wind, snow and ice Craighead Electric Cooperative strives to keep the power on for every home and business in our service area. But sometimes unexpected conditions will cause our members to temporarily lose power. As a Craighead Electric member, you are the most important part of our business and we strive to deliver consistent, uninterrupted service 365 days a year. When storms or other circumstances cause an outage, we take immediate action to restore service. Visit the outage map at outage.craigheadelectric.coop for details and locations of outages.



FIRST

CONFIRM the outage: Check lights and appliances in other rooms. If you still have power in some areas, most likely a fuse or a circuit breaker in your house has blown. If all lights are off, check to see if neighbor's lights are also off. This will help us determine how widespread the outage is.

THEN

CALL 1-888-771-7772 to report the outage: Be prepared to leave a message on our Automated Outage System where your information will be fed immediately into an outage analysis computer system. Dispatchers will use this information and direct crews to the source of the problem.

OR

TEXT your outage to 85700: Text CECC to 85700 to opt-in to SMS Text Message outage notifications (required once per phone number). Then, in the event of an outage, text OUT to 85700 to instantly report your outage via text message. Give us a call if you have any issues with text notifications.

OR

Report Outage Via SmartHub: In your SmartHub App. Log-in to SmartHub in a web browser or the smartphone app, click on *Report an Issue/Inquiry*, then click on *Power Outage*, choose the account that is experiencing an outage, add any comments, and submit the outage report (preferred method).

Deposit Requirements

Under certain conditions, a deposit may be required from new applicants to guarantee payment for the service. If desired, the deposit may be paid in two installments. In lieu of a deposit, the cooperative will accept the written guarantee of a responsible third party or a good payment record for the most recent 12-month payment record from the previous electric utility. The amount of deposit will not exceed the estimated bill for two average billing periods. The cooperative shall pay simple interest on deposits at a rate set annually by Arkansas Public Service Commission, and such interest shall be credited to the member's account on the anniversary of the deposit date.

For existing members, if you are late for two consecutive billing periods, or late three billing periods in the last 12 months you will be assessed a \$50 deposit. Members who are disconnected for nonpayment will be charged the maximum deposit allowed under the General Service Rules. The total amount of a deposit will not exceed the amount of the member's two highest bills unless unauthorized use or tampering is involved.

When final discontinuation of service is made by the cooperative, the amount of the deposit plus accrued interest will be credited to the member's account. A deposit shall automatically be refunded when the member, for a consecutive 12-month period, has paid all bills by the due date and when no insufficient funds checks have been rendered.

Meter Reading

All meter readings shall be taken monthly by cooperative personnel, by contract meter readers, or by an Advanced Metering Infrastructure (AMI) System which will allow all electric meters to be read remotely. If a meter is inaccessible for reading, the member's account shall be billed according to the member's usage for the same time at that location the previous year. If this usage is unavailable, the class average will be used until an accurate meter reading can be obtained.

Shut-off and Reconnection Procedure

Bills are considered delinquent after the due date of the bill. Any account which is unpaid after the due date, will be mailed a Shut-off notice. This notice will allow three days mail time and five additional calendar days to pay the delinquent bill prior to suspension of service. When service has been suspended, the cooperative will reconnect service as soon as the reason for the suspension has been resolved. If the reason for the suspension is failure to pay a delinquent bill, the service will not be reconnected until the total delinquent bill and any reconnection fees have been paid. If the reason for suspension of services was the unlawful or fraudulent use of the service, the cooperative may suspend service without notice. The cooperative may, prior to reconnecting service, require a reasonable payment of estimated service rendered and a deposit equal to six (6) estimated billing periods or may refuse to reconnect service unless ordered to do so by Arkansas Public Service Commission.

Remote Disconnection

The Cooperative utilizes its Advanced Metering Infrastructure (AMI) to carry out remote service disconnections without having cooperative personnel present. Remote disconnects are made possible with AMI meters that have disconnection abilities built in. Remote disconnections are initiated by a Cooperative representative. The meter receives a signal to either disconnect or reconnect. Once that signal is received then the relay/contact in the meter opens to disconnect or closes to connect.

Voluntary Disconnection of Service

Any member may request service disconnection at any time by submitting the request to the cooperative in writing, or by telephone request to any business office location. For completion of the request, the member should allow up to five working days after notice is received by the cooperative.

Delayed Payment Agreement

If a member is unable to pay a bill in full, the cooperative will not suspend service if the following arrangements are made on or before the last day to pay printed on the *Shut-off* notice:

- a) An agreement to pay at least 1/4 of his bill
- b) The member agrees in writing to pay the balance in reasonable installments over a period of three or more months, and
- c) The member agrees in writing to pay in full all future bills, during the period of the agreement, by the due date.

The Cooperative does not have to enter a second delayed payment agreement if the member is currently bound by an agreement and may suspend service if the member does not comply with the terms of the agreement. In arranging the installment payment agreement, the cooperative will consider the member's ability to pay, the size of the unpaid bill, the member's payment history, and the length of time and reasons the account has not been paid. If the cooperative bills a member for an amount to correct a previous under-billing, the member is permitted to pay the amount pursuant to a delayed payment agreement that provides for repayment over a period equal to the period during which the underbilling occurred. If the underbilling is the fault of the cooperative, or if it is impossible to determine whether the previous underbilling is the fault of the cooperative or the member, the cooperative will not impose a finance charge on the delayed payment.

Serious Medical Condition

The cooperative will postpone the suspension of service to a residential member or reconnect service if the member presents a physician's certificate that suspension of service will cause a substantial risk of death or gravely impair the health of the member, a member of the family, or other permanent resident of the premises where service is rendered. The contents of the certificate must identify the serious medical condition, specify the effect of discontinuation of service, and specify the time during which discontinuation of service will aggravate the medical condition. Certificate forms are available through the Cooperative. Note that accounts labeled as "critical" in this manner are not given priority over any other account during an outage situation.

Protection Plans for Members 65 and over & Members with Disabilities

- a) Service will not be shut-off in summer when the National Weather Service forecasts a temperature of 95 degrees or higher.
- b) Two attempts will be made to contact the member at least three (3) days prior to the scheduled shut-off of services for a past due bill.
- c) Third party notification of any shut-off notice is available (see Third Party Notification below).
- d) Additional information about government assistance programs will be provided. Delayed payment agreements and levelized billing will be offered and explained.

If you qualify for this plan, contact Craighead Electric's business office.

Third Party Notification

Third party notification will be offered which allows a member to designate a relative, friend or social agency (any third party) to receive a copy of the shut-off notice to remind the member that the bill is due. Simply call any office location and provide the name and address of the person whom you desire to receive a copy of the shut-off notice. Relatives of a disabled person may call and request this service on behalf of such person.

Tenant Protection Plan

A special tenant protection plan is offered to all tenants who identify themselves and who request the protection offered by the plan. A tenant is any person who occupies premises owned or managed by another person or firm (landlord) and whose rent to the landlord include amounts for payment of electric service. This plan provides special consideration to the tenant before any shut-off of electric service. Service suspension is delayed if you are registered. Where possible, the tenant is allowed to apply for service in his or her name. Tenants are not responsible for amounts owed by the landlord. The cooperative requests that all landlords who are paying for a tenant's electric service and all tenants whose landlord are paying the bill for electric service, to identify them by a telephone call or visit to the cooperative's business office.

Member Inquiries

A member may verify the accuracy of a bill by contacting any business office of the cooperative. The business offices may also be contacted if there is an inquiry or complaint about a bill or electric service. Any inquiry will be received courteously and will be given a prompt response. If a complaint is not resolved to member satisfaction, a review may be requested of the Office Manager or the General Manager, and then of the Arkansas Public Service Commission.

Arkansas Public Service Commission
1000 Center Street,
P.O. Box 400,
Little Rock, AR 72203-0400
(501) 682-1718 or toll-free 1-800-482-1164

The Arkansas Public Service Commission requires these facts be made available to each customer. A copy of the PSC General Service Rules is available at each office location of the Cooperative.

Services Available

Your electric co-op doesn't just sell electricity. Other services available include:

Street Lighting & Security Lighting

Lighting as a service is simple. Pay a flat monthly rate for a lamp of your choosing to be installed on any existing power pole on your property. If a new pole needs to be placed for the light to hang off from, add \$3 a month to the rate for maintenance of the pole. That's it! If the bulb goes out or the pole falls over or any other maintenance needs to be done to the light, we will come and fix it at no additional charge. The cost of maintenance and repair is included in your monthly rate. Power that feeds the streetlight does not travel through your electric meter, so there is no need to worry about increased electric usage either.



Fixture Type	Charge per month
150w LED General Service	\$9.00 per light/month
400w LED Directional Security	\$17.00 per light/month

\$3.00/month per pole if additional poles are required,

\$75.00 trip charge will be applied if the Customer requests the Cooperative to change out an existing fixture that is not in need of maintenance.

Meter-Base Surge Protection

Power surges coming into your home through the power line can destroy or cause extensive damage to your equipment and appliances. Being prepared for these unexpected surges and spikes can make a big difference in protecting your equipment. Lightning is the most common cause of power surges, but other factors such as birds, squirrels and trees interfering with power lines can also result in a power surge. Construction work, demand fluctuations in your home, and auto accidents involving utility poles can have the same effect. Help shield your equipment and appliances with an affordable meter-socket surge protector.



Meter-base surge protectors will only guard against surges coming in through the electrical service, but when used together with auxiliary surge-protectors on telephone lines, cable services, and on individual devices, they are an essential part of a whole-home surge-protection strategy.

For only \$6.00 per month, Craighead Electric will install and maintain a surge protector on the electric meter of your home, shop, apartment, or light industrial building. If it ever fails to stop a power surge from entering your home through the electric service, damaged electronics are warrantied up to \$50,000. For more information on leasing a surge protector for your meter, call us today at 1-800-794-5012 or visit craigheadelectric.coop/surge-protection.

Internet

High-speed internet service is available to members from **empower**, delivered by Craighead Electric, a wholly owned broadband subsidiary. Symmetrical download and upload speeds of up to 1 Gig are available via fiber-to-the-home service for both home and business. Visit empowerbroadband.com to read the FAQ, request service, browse data plans, and learn more about additional digital services like home phone and streaming television.



Approved Rates

Summary of Rates available for each Class of Service Effective October 1, 2022:

Residential – Farm & Home

Service Availability Charge \$30.00/month
All kWh \$0.09618/kWh/month

General Service - Small (≤ 50 kVA transformer capacity)

Service Availability Charge \$30.00/month (Single phase service)
Service Availability Charge \$52.00/month (Three phase service)
All kWh \$0.09618/ kWh/month
Monthly minimum: \$1.00 for each kVA of installed transformer capacity

Interruptible Credit \$0.02/kWh

Seasonal Power - Irrigation without Load Control

Service Availability Charge \$67.25/month (Single phase service)

Service Availability Charge \$79.75/month (Three phase service)

Irrigation Season: May-September

Horsepower \$11.02/hp

All kWh \$0.11431/kWh/month

The annual minimum is \$21.15 per rated horsepower.

Seasonal Power - Irrigation with Load Control

Irrigation Season: May-September

Service Availability Charge \$77.25/month (Single phase service)

Service Availability Charge \$89.75/month (Three phase service)

Horsepower \$4.50/hp

All kWh \$0.10127/kWh/month

The annual minimum is \$21.15 per rated horsepower.

General Service - Medium ($\geq 51\text{kVA}$ but $\leq 125\text{kVA}$)

Service Availability Charge \$80.00/month

\$10.15/kW of Demand during the Summer Season

\$5.90/kW of Demand during the Winter Season,

All kWh \$0.06489/kWh/month

(Monthly minimum shall be the highest of; (1) Charge specified in a contract for service, (2)

\$1.00 per kVA of transformer capacity, or (3) all approved billing adjustments will be added to the monthly minimum charge.)

(Winter usage: November-April, Summer usage: All other months)

Seasonal Rate for services not operating in June, July, and August: The monthly minimum shall not apply,

Off-peak Alternate: With the installation and use of load control devices, the winter demand charge shall be billed during the summer months.

General Service - Large ($> 125\text{ kVA}$ transformer capacity)

Service Availability Charge \$105.00/month

\$13.80/kW/month of demand during the summer months

\$7.50/kW/month of demand during the winter months

All kWh \$0.05901/kWh/month

(Winter usage: November-April, Summer usage: All other months)

(Monthly minimum shall be the highest of; (1) Charge specified in a contract for service, (2)

\$1.00 per kVA of transformer capacity, or (3) all approved billing adjustments will be added to the monthly minimum charge.)

Seasonal Rate for services not operating in June, July, and August: The monthly minimum shall not apply,

Off-peak Alternate: With the installation and use of load control devices, the winter demand charge shall be billed during the summer months.

Service Charges Related to Member Activity

- Membership fee -\$1.00,
- Deposit -\$200 or as provided for in the PSC General Service Rules,
- Returned check fee -\$25.00,
- Meter Test fee -\$15.00,

- Connect fee (to connect additional services) -\$10.00,
- Reconnection fee during working hours 8 am to 4 am, Monday-Friday -\$50.00,
- Reconnection fee 4 pm to 7 pm Monday-Friday -\$75.00, (requests after 7 pm will be reconnected the next scheduled business day)
- Meter Reseal fee -\$10.00,
- Bankruptcy Deposit -As provided for in the PSC General Service Rules,
- Late Payment Fee -Amount 10% of first \$30.00, 2% of any balance over \$30.00,
- Customer Charge - for service calls and the fault is on the member's side of the meter, from 8 am to 5 pm, Monday-Friday -\$25.00, All other times -\$75.00.

Statement of Non-discrimination:

Craighead Electric Cooperative Corporation is the recipient of Federal financial assistance from Rural Utilities Service, an agency of the U.S. Department of Agriculture and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, and the Age Discrimination Act of 1975, and, the Americans with Disabilities Act of 1990, as amended and the rules and regulations of the US Department of Agriculture.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [usda.gov/oascr/home](https://www.usda.gov/oascr/home) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Justin Etter, Vice President of Member Services. Any individual or specific class of individuals, who feels that this organization has subjected them to discrimination, may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington DC 20250; or the Administrator, Rural Utilities Services, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Craighead Electric Cooperative is an equal opportunity provider, employer, and lender.

Bylaws

Approved by the Board on the 13th day of October 2022

Article I-Members

Section 1. Members' Qualifications and Obligations. Any person, firm, association, corporation, body politic or subdivision thereof or any other entity recognized by law will become a member of Craighead Electric Cooperative Corporation (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he, she 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 of Directors; and
- d) paid the membership fee hereinafter specified.

No member may hold more than one (1) membership in the Cooperative. However, legally separate entities may each hold a membership even if owned by a person or persons who is/are a member or members. No membership in the Cooperative shall be transferable, except as provided in these bylaws.

Section 2. Membership Fee. The membership fee shall be an amount set by the Board of Directors from time to time, payment of which shall make the member eligible for one (1) service connection.

Additional service connections shall be made under terms of the Cooperative's rules and regulations.

Section 3. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available to the location set forth in the application, purchase from the Cooperative all electric energy used on the premises specified in his/her application (except that electric energy which is produced by the member) for membership, and shall pay therefor monthly at rates which shall from time to time be fixed by the Board of Directors. However, the Board of Directors may limit the amount of electric energy (if it is in the best interest of the Cooperative) which the Cooperative shall be required to furnish to any one (1) member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws, as required by regulation or by law. 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 Directors from time to time. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.

Section 4. No Liability for Debts of the Cooperative. The private property of the members of the Cooperative shall be exempt from the execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 5. Expulsion of Members. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the Directors, expel any member of the Cooperative, who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these bylaws or any rules or regulations adopted from time to time by the Board of Directors. Any member so expelled may be reinstated as a member by a vote of the Board of Directors or by a vote of the members of the Cooperative. Such vote shall require a simple majority of the members for reinstatement, but shall require a two-thirds (2/3) majority of the Board of Directors for reinstatement.

Section 6. Loss of Membership. Any member shall lose his, her or its membership in the Cooperative when such member's electrical service has been terminated and is no longer available to the member at any location from the Cooperative.

Section 7. Membership Certificates, Transfer and Termination Thereof.

- a) Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided and, upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate except for a joint membership when there is a surviving spouse. Any such termination of membership shall not release the party, his or her heirs, his or her estate or its successors from the debts or liabilities of such member to the Cooperative.
- b) A membership may be issued to an individual, jointly to married persons, to an entity or association. Membership to married persons shall be the only type of joint membership in the Cooperative.
- c) When a membership is held jointly by married persons, upon the death of either person, the membership shall be held solely by the survivor. However, the estate of the decedent shall not be released from any membership debts or liabilities due the Cooperative at the time of death of the member.

Article II-Meetings of Members

Section 1. Annual Meetings. The annual meeting of the members shall be held on a date set each year by the Board of Directors at any place within Craighead County as the Board of Directors may designate. Such meeting shall be for the purpose of passing upon such matters as the Board of Directors may cause to be designated in the notice of the meeting, and further for the purpose of electing directors, passing upon reports covering the fiscal year and such other business as may come before the meeting. If the election of directors shall not be held on the day designated or an adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as is practicable. Failure to hold the annual meeting at the designated time, or failure to have the election at such time, shall not cause a dissolution of the Cooperative or void any election otherwise that is otherwise conducted in a substantially proper manner. Nor shall such failure to have the meeting of election at the proper time otherwise affect the Cooperative and its ability to fulfill its obligations under the laws.

Section 2. Special Meetings. Special meetings of the members (except meetings concerning the removal of a director or officer as set forth herein) may be called by a majority of the Board of Directors or upon a written request signed by at least five hundred (500) of the members of the Cooperative and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Such request for a special meeting of the members shall set forth the purpose or purposes of such special meeting. Special meetings of the members may be held at any place within Craighead County in the State of Arkansas 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, the purpose for which the meeting is called, shall be delivered not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally, by mail, via e-mail and/or via the NISC App: SmartHub. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her address as it appears on the records of the Cooperative with postage thereon paid. IF e-mailed to a member, such notice shall be deemed to be delivered when sent via e-mail or sent via the NISC App: SmartHub from the offices of the Cooperative. The Cooperative shall retain in its computer system a copy of all ballots sent via e-mail. The failure of any member to receive notice of an annual or special

meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. A quorum is necessary to transact any business at any meeting of the members of the Cooperative. In order to constitute a quorum, there must be at least five hundred (500) of the members of the Cooperative who are present. As used in this Section 4, the term, “present” means any member who is: (a) present in person; (b) by written vote properly returned; (c) by return of an e-mail vote sent to the proper e-mail address as set forth in the e-mail via a secure link; or (d) through the NISC App: SmartHub or by proper mail return of an acknowledgment of the meeting (when no vote is being taken). If less than a quorum is present at any meeting of the members, a majority of those members present in person may adjourn the meeting without further notice.

Section 5A. Voting. Each member regardless of how a ballot(s) is/are received shall be entitled to one (1) vote and no more upon each matter submitted to a vote. All questions presented shall be decided by a vote of a majority of the members properly voting thereon except as otherwise provided by law, the articles of incorporation or these bylaws. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote. At all members’ meetings, no voting by proxy shall be permitted.

Section 5B. Mail Voting. All matters which are to be submitted to members for vote shall be voted on as set forth above except for the approval of unapproved minutes of previous meetings which shall be voted on by the member in actual attendance at the meeting. The Secretary and the attorney for the Cooperative shall be responsible for overseeing all voting including the election of directors. Such notice or ballot of matter to be voted on may be sent via U.S. mail, via the NISC App: SmartHub or via e-mail. Regardless of how the notice or ballot is sent, it shall include a full and complete copy of all such motions, resolutions and/or ballots to be voted upon. Further, each notice or ballot shall be linked to each member in order to avoid anyone from voting more than once. Each member shall express his/her/its vote thereon in the space provided for each matter expressing his/her/its approval or disapproval of each such motion or resolution. Further, each member shall express his/her/its vote for the candidate(s) chosen as his/her/its selection(s). The member shall enclose each written ballot marked in a sealed return envelope, the member shall return each e-mail ballot in the manner set forth in the e-mail or the member shall return such ballot through the NISC App: SmartHub. Such written ballot must be returned by mail, by personal delivery to the Cooperative, by the approved e-mail method or through the NISC App: SmartHub to be counted. Ballots received which are not properly returned shall not be counted. All ballots properly marked and received by the time specified in the notice of meeting shall be counted as the vote of such member upon the issues. In the case of joint membership, only one (1) vote may be cast by such joint membership. The failure of any member to receive a copy of any ballot shall not invalidate any action which may be taken by the members at the meeting. A separate company (an entity other than the Cooperative) that regularly conducts and counts election ballots for rural electric cooperatives shall be responsible for the counting of the ballots.

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 as follows:

- a) Call of the roll.
- b) Reading of the notice of the meeting and proof of the mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.
- c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.

- d) Reports of officers, directors and committees.
- e) Report of all mail votes e-mail votes or NISC App: SmartHub votes on the election of directors and other matters, if available from such company at that time.
- f) Adjournment.

Article III-Directors

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of seven (7) directors which shall exercise all the powers of the Cooperative except such as are by law, by the articles of incorporation of the Cooperative or by these bylaws conferred upon or reserved to the members.

Section 2A. Districts - Residence Requirements for Directors. Each director shall be elected from his/her particular district and position. For the purpose of election of directors, the Cooperative's designated territory is divided into districts and positions as follows:

DISTRICT 1, POSITION 1 - That part of Craighead County described as follows: Begin at the Southeast corner of Craighead County, Arkansas; thence North along the Eastern boundary line of Craighead County to the Arkansas/Missouri state line; thence West on the Northern boundary of Craighead County to the St. Francis River (which is the Eastern boundary of the Greene County line); thence South along the St. Francis River (the Eastern boundary of the Greene County line) to a point which is the southeast corner of Greene County; thence West along the Northern boundary of the Craighead County line to Arkansas Highway 135; thence South along Arkansas Highway 135 to the intersection of Arkansas Highway 135 and the intersection of Highway 230 at Dixie; thence West along Highway 230 to Arkansas Highway 49B; thence North on Highway 49B to the intersection with Highway 49; thence North on Highway 49 to the Craighead County/Greene County line; thence West along the Northern boundary of Craighead County to the intersection of Highway 351 and the North line of Craighead County; thence South on 351 to the City limits of the City of Jonesboro as they exist from time to time; thence continuing along the City limits of the City of Jonesboro as they exist from time to time in an easterly direction and then in a southerly direction along the City limits of the City of Jonesboro as they exist from time to time to the intersection of said City limits and I-555; thence Southeasterly on I-555 to the Southern boundary of Craighead County; thence East along the Southern boundary of Craighead County to the Southeast corner of Craighead County, the point of beginning, LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

DISTRICT 2, POSITION 1 - That part of Greene County described as: All of Greene County lying west of a line which begins at the Craighead/Greene County line and its intersection with Highway 49, thence northerly along said Highway 49 to Highway 135, thence continuing northerly along Highway 135 to the Greene/Clay County line; LESS AND EXCEPT all of the territory located inside the City limits of the City of Paragould as they exist from time to time, ALSO, LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

DISTRICT 2, POSITION 2 - That part of Greene County described as: All of Greene County lying east of a line which begins at the Craighead/Greene County line and its intersection with Highway 49, thence northward along said Highway 49 to Highway 135, thence continuing northward along Highway 135 to the Greene/Clay County line; LESS AND EXCEPT all of the territory located inside the City limits of the City of Paragould as they exist from time to time, AND That part of Craighead County described as follows: Begin at Highway 49 at the Craighead/Greene County line; thence South on Highway 49 to its intersection with Highway 49B, thence South on Highway 49B to its intersection with Highway 230, thence East on Highway 230 to the intersection of Highway 135 and Highway 230 (Dixie), thence north

on Highway 135 to the Greene County line, thence west on the Craighead/Greene County line to the point of beginning, LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

DISTRICT 3, POSITION 1 - That part of Lawrence County described as: All lands lying East of Highway 67 in Lawrence County, Arkansas AND That part of Craighead County described as follows: Begin at the intersection of Highway 351 and the North line of Craighead County, thence South on 351 to the north line of the City limits of the City of Jonesboro as they exist from time to time; thence continuing westerly and southerly along the City limits of the City of Jonesboro as they exist from time to time to a point where said City limits intersect with Highway 49; thence West on Highway 49 to Gibson Switch; then Southwest on Highway 49 to the Poinsett County/Craighead County line; thence West along the Poinsett County/Craighead County line to the Southwest corner of Craighead County; thence North on the Craighead County/Jackson County line to the intersection of Craighead County, Jackson County and Lawrence County; thence East on the Craighead County/Lawrence County line; thence North on the Craighead County/Lawrence County line to the intersection of Craighead County, Greene County and Lawrence County; thence east along the North line of Craighead County to Highway 351, LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

DISTRICT 3, POSITION 2 - That part of Lawrence, Randolph and Independence Counties described as: All of such counties within the service area of Craighead Electric Cooperative lying west of Highway 67 which runs North and South through Lawrence and Randolph Counties, Arkansas. LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

DISTRICT 4, POSITION 1 - That part of Poinsett County described as: All of said county within the service area of Craighead Electric Cooperative lying west of a line beginning at the intersection of I-555 (U.S. Highway 63) with the Craighead/Poinsett County line, thence continue southerly along I-555 (U.S. Highway 63) to the point where I-555 (U.S. Highway 63) intersects with the west levee of the St. Francis River floodway; thence south and west along the west levee of the St. Francis River floodway to the Poinsett/Cross County line. AND That part of Craighead County described as follows: Begin at the intersection of I-555 (U.S. Highway 63) and the Southern boundary of Craighead County; thence North on I-555 (U.S. Highway 63) to the City limits of the City of Jonesboro as they exist from time to time; thence continuing westerly along the City limits of the City of Jonesboro as they exist from time to time to the intersection of said City limits and Highway 49; thence West on Highway 49 to Gibson Switch; then Southwest on Highway 49 to the Poinsett County/Craighead County line; thence East on the Poinsett County Craighead County line to I-555 (U.S. Highway 63). LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

DISTRICT 4, POSITION 2 - That part of Poinsett County described as: All of said county within the service area of Craighead Electric Cooperative lying east of a line beginning at the intersection of I-555 (U.S. Highway 63) with the Craighead/Poinsett County line, thence continue southerly along I-555 (U.S. Highway 63) to the point where I-555 (U.S. Highway 63) intersects with the west levee of the St. Francis River floodway, thence south and west along the west levee of the St. Francis River floodway to the Poinsett/Cross County line; AND All of Crittenden County within the service area of Craighead Electric Cooperative. LESS AND EXCEPT any territory allocated by the Arkansas Public Service Commission to Entergy Arkansas, Inc.

As a qualification of office at the time that a director is first elected to the Board of Directors, the director shall have his or her primary residence in and receive electrical service in the area

encompassed by that same district and position.

In order to remain eligible to serve as a director or to be re-elected (while such director is an incumbent), the director must continue to reside in the County or Counties which is/are a part of the district and position from which the director was elected and receive electrical service from the Cooperative in the area encompassed by that same district and position.

For purposes of these bylaws, the term, "first elected" shall mean the election of a director in accordance with the bylaws when that director is not an incumbent at the time of his/her election regardless of previous service on the Board of the Cooperative. Unless a vacancy occurs, the terms of directors shall be staggered so that not more than one (1) director from each district shall have a term of office expiring in the same year. In the event districts are combined, the director whose district is being eliminated, will continue to serve until such time as his/her term expires.

Section 2B. Qualifications and Tenure. All directors shall serve terms of six (6) years in length unless they are filling a vacancy of an unexpired term. All directors elected to fill a vacancy of an unexpired term shall be elected for the period remaining on the unexpired term.

In order to be eligible to become and to continue to serve as a director, the person must:

- a) be a citizen of the United State of America;
- b) be of proper legal capacity;
- c) be a member of the Cooperative in good standing;
- d) not currently be nor shall have been employed by the Cooperative or any other electric utility at any time during the five (5) years immediately prior to the date of the election for such directorship;
- e) not have a spouse who is currently employed by or has been employed by the Cooperative or any other electric utility at any time during the five (5) years immediately prior to the date of the election for such directorship;
- f) not be nor have a spouse who is in any way employed by or directly financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative;
- g) not have been convicted of a felony or a misdemeanor which misdemeanor involves dishonesty within the ten (10) years prior to the date of the election unless the candidate has received a pardon for such conviction;
- h) not be convicted of a felony or a misdemeanor which misdemeanor involves dishonesty while serving as a director;
- i) attend a majority of all board meetings (unless excused by the Board of Directors for good cause) during any twelve (12) consecutive month period;
- j) meet the residency requirements of Section 2A; and
- k) not be and not have a spouse who is the incumbent of or a candidate for an elected public office in connection with which a salary is paid.

In the event that it is determined that a person running for the Board of Directors is not eligible after the ballots have been issued, then the votes for such ineligible person shall not be counted. Further, upon it being determined that a director fails to meet any one (1) or more of the qualifications set forth in this Section 2B, then the director shall immediately be removed from the Board without any action or vote being necessary.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected a director. Nothing contained in this section shall or shall be construed to affect in any manner whatsoever the validity of an action taken at any meeting of the Board of Directors.

Section 3. Nominations. Nominations for the Board of Directors shall be by petition only. Any petition for nomination must be obtained at the Cooperative by the person who is to be nominated. Such petition shall be for a particular district and position. The person seeking such nomination may obtain more than one (1) copy of such petition and shall provide the Cooperative with a phone number upon which voicemails may be left. To be placed on the ballot, the petitioner must obtain the signature of no less than fifteen (15) current members of the Cooperative on the petition(s). Note: Only one (1) person may sign on the nominating petition for each membership, i.e., a husband and wife having a joint membership shall be counted as only one (1) signature on a petition.

Petitions for nomination shall first be available at the Cooperative one hundred fifty (150) days prior to the annual meeting. The person desiring to be nominated as a member of the Board of Directors must present the petition(s) with original signatures thereon not less than ninety (90) days prior to the annual meeting. Only petitions that have been provided by the Cooperative will be accepted. If such petition(s) are in proper form and contain a minimum of fifteen (15) proper signatures, and the person so nominated meets the requirements as outlined in this Article III, such person shall be added to the list of nominees for the proper position. If, for any reason, the Cooperative and its attorney determine that the petition is not in proper form or does not contain a minimum of fifteen (15) proper signatures, the Cooperative shall provide both verbal and written notice to the member being nominated no later than three (3) days after such petition(s) are returned to the Cooperative. Upon receipt of such notice, the member desiring to be nominated may correct such petition(s) and return properly completed petition(s) to the Cooperative no later than ninety (90) days prior to the annual meeting. If the petition(s) is/are returned to the Cooperative and the member desiring to be nominated does not return the petition(s) to the Cooperative within such time as to allow the Cooperative to verify that the petition(s) is/are proper and to provide notice to such member, then the member shall not be nominated for such position and shall not be placed on any ballot to be sent by the Cooperative.

The Secretary will post and maintain at the Cooperative, a current list of all proper nominees for all of the Board of Directors' positions to be elected at the next annual meeting. Following the close of the nominations, the Secretary or an entity action for the Secretary shall mail, e-mail or provide via the NISC App: SmartHub with a notice of the annual meeting a statement setting forth the position to which directors are to be elected at such meeting and the name of all proper nominees for each such position. The Secretary will be responsible for assuring that the notice of the meeting is published in the Arkansas Living magazine. Notwithstanding anything contained herein, failure to comply with the provisions of this Section will not affect in any manner whatsoever the validity of any election of a director of directors.

The election of Directors will be by ballot in writing delivered by mail, by personal delivery to the office of the Cooperative, or via a secure link from an e-mail or via the NISC App: SmartHub and only those persons nominated by petition will be on such ballots. No nominations will be accepted from the floor.

Section 4. Removal of Directors and Officers except for Failure to Meet Qualifications. Any member may bring charges against an officer or director by filing them in writing with the Secretary, together with a petition signed by twenty percent (20%) of the members, requesting the removal of the officer or director in question. Such petition for removal shall be against only one (1) officer or director, i.e. a separate petition containing the requisite number of signatures must be provided for each officer or director that is proposed to be removed. The charges which are brought against such officer or director shall be set forth in writing and shall provide sufficient detail to allow the officer or director to know and understand the nature of the charges made against him or her. Further, any meeting to consider

evidence for removal shall be for one (1) officer or director only at a time, i.e. each officer or director that is proposed to be removed shall be entitled to a separate meeting during which evidence concerning that officer or director only shall be considered.

The officer or director against whom such charges have been brought shall be informed in writing [a minimum of sixty (60) days prior to any such meeting] of the charges and shall have an opportunity at the meeting to be heard in person and by counsel and to present such evidence as is relevant and necessary to make a proper determination regarding the charges against the officer or director. Further, the person or persons bringing such charges against the officer or director shall have the same opportunity to present such evidence. The date for the hearing of such charges shall be fixed by the Board of Directors and written notice of such hearing shall be sent to all members of Cooperative at their mailing address no less than forty five (45) days prior to the date of the hearing. Any officer or director shall be removed for cause only. For purposes of removal of such officer or director, the term, "for cause" shall be defined as an act or omission adversely affecting the Cooperative which amounts to gross negligence, fraud, criminal conduct or other action(s) which materially affect the Cooperative.

Evidence shall be heard at the special meeting for removal of the director. In order to conduct such meeting, there shall be a minimum of one thousand (1,000) members present in person throughout such meeting. During such meeting at which the evidence is presented, the members of the Cooperative who are present throughout shall vote on whether the officer or director shall be removed at the end of the presentation of the evidence. Such voting shall be accomplished by written ballot. An officer or director shall only be removed by an affirmative vote of not less than two-thirds (2/3rds) of the members voting upon such issue. In the event that the officer or director is removed based upon this vote, the remaining members of the Board of Directors shall vote upon and elect a new member of the Board of Directors at the first regular board meeting following the removal of such officer or director.

Section 5. Vacancies. Vacancies occurring in the Board of Directors for any reason, including but not limited to removal of a director, shall be filled by a majority vote of the remaining directors and each director thus elected shall serve for the remainder of the unexpired term of the member being replaced.

Section 6. Compensation. Directors shall not receive any salary for their services but by policy of the Board of Directors a per diem as well as all reasonable attendance related expenses shall be allowed for attendance during which a Board Member participates related to his membership on the Board of Directors or any committee or other office or membership based upon their Board of Directors' activities. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity.

Section 7. Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules, regulations and policies, not inconsistent with applicable law, the articles of incorporation of the Cooperative or these bylaws as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 8. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America or other authority having jurisdiction over the Cooperative. The Board of Directors shall within ninety (90) days 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 Board of Directors at a regular meeting following completion of the audit.

Article IV-Meetings of Directors

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly or at other intervals and at such time and place in Craighead County, Arkansas, as the Board of Directors may provide by resolution. Such meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the CEO, Chairman or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in Craighead County, Arkansas), for the holding of any special meeting called by them.

Section 3. Notice. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days prior thereto, by written notice, delivered personally or mailed to each director at his/her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the directors present at said meeting a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Article V-Officers

Section 1. Number. The officers of the Board of Directors and the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers of the Board of Directors shall be elected by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If this election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer of the Board of Directors shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers of the Board of Directors.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby.

Section 4. Vacancies. Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chairman of the Board of Directors. The Chairman of the Board of Directors shall:

- a) be the principal officer of the Board of Directors of the Cooperative and shall preside at all

- meetings of the members and of the Board of Directors;
- b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these 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 Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice Chairman of the Board of Directors. In the absence of the Chairman of the Board of Directors, or in the event of his/her inability or refusal to act, the Vice Chairman of the Board of Directors 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 of the Board of Directors and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Secretary. The Secretary shall:

- a) keep, or cause to be kept, the minutes of meetings of the members and the Board of Directors in one (1) 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) determine that the corporate records are properly maintained and see that the seal of the Cooperative is affixed to all appropriate documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- d) keep, or cause to be kept, a register of the address of each member which shall be furnished to the Cooperative by such member;
- e) have general charge of the books of the Cooperative in which a record of the members is kept;
- f) keep on file at all times a complete current set of the bylaws of the Cooperative which shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of such bylaws thereto to each member upon 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 by the Board of Directors.

Section 8. Treasurer. The Treasurer shall:

- a) have charge, or cause to have charge and custody of and be responsible for all funds and securities of the Cooperative;
- b) receive and give, or cause to be received and given, receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit, or cause to be deposited, 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 Directors.

Section 9. Chief Executive Officer. The Board of Directors may appoint a Chief Executive Officer (“CEO”) who may be, but who shall not be required to be, a member of the Cooperative. The CEO shall perform such duties as the Board of Directors may from time to time require of him and shall have the authority as the Board of Directors may from time to time vest in him. The CEO shall not be an officer or member of the Board of Directors, but is an officer of the Cooperative.

Section 10. Bonds of Officers. The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such

amount with such surety as it shall determine. The cost of such bonds shall be an expense of the Cooperative.

Section 11. Compensation. The compensation of any officer, agent or employee who is a close relative of a director (as defined by board policy) shall be determined by management.

Section 12. Reports. The officers of the Cooperative shall submit, or cause to be submitted, to each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the results of the year as well as the condition of the Cooperative at the close of such fiscal year.

Article VI-Contracts, Checks And Deposits

Section 1. 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 Cooperative, and such authority may be general or limited to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for 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 in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits or Funds Funds of the Cooperative may be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select. Further, funds of the Cooperative may be deposited with, loaned to or invested in Arkansas Electric Cooperative Corporation or Arkansas Electric Cooperatives, Inc. in the discretion of the Board of Directors.

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 except on deposits as required by applicable law or rule.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations shall be conducted so that all patrons 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 Board of Directors shall periodically make distributions of patronage capital to its members. To make such decision, the Board of Directors shall determine the financial condition of the Cooperative based upon all amounts received from the furnishing of electric energy in excess of operating costs and expenses, its long term liabilities and a reasonable amount of operating capital to fund operations as well as future expansion of the system based upon the financial statements for each year. The books and records of the Cooperative shall be maintained so that at the end of each fiscal year the amount of capital, if any, shall be readily determinable.

If the Board determines that the financial condition of the Cooperative shall not be impaired by a distribution of patronage capital, the patronage capital for any year(s) may be credited to the patrons' accounts and retired in full or in part. Any such retirements of capital shall be made by any non-discriminatory method selected by the Board of Directors.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding patronage capital shall be retired without priority on a pro rata basis before any payments are made on account of property rights of current members. Notwithstanding any other provision of these bylaws, to the extent allowed by law or by regulation, the

Cooperative shall have the right of recoupment from and against all members for unpaid indebtedness to the Cooperative against any patronage capital due to such members. The Cooperative shall exercise this right of recoupment of any outstanding balance due for non-payment of electric services by a member or former member of the Cooperative from the patronage capital credit(s) which is/are to be paid to said member or former member as a result of the Board of Directors' decision to retire capital credits for a given year(s) in whole or in part.

Article VIII-Waiver of Notice

Any member or director may waive, in writing, any notice of a meeting required to be given by these bylaws. In addition, a member or director shall waive any required notice of a meeting or lack thereof by attendance at such meeting unless at the beginning of such meeting the member or director objects to the meeting due to lack of notice or the impropriety of such notice.

Article IX-Disposition of Property

The Cooperative may not sell, lease or otherwise dispose of any of its property other than:

- a) property which is the judgment of the Board of Directors neither is, nor will be necessary to operate and maintain the Cooperative's system, facilities and office. However, all sales, leases or other dispositions of such property shall not in any one (1) year exceed ten percent (10%) of the value of all of the property of the Cooperative.
- b) electric energy or services of all kinds; and
- c) personal property acquired for resale.

The Board of Directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America or any agency or instrumentality thereof, or any financial institution, and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences or indebtedness and, to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or 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, all upon such terms and conditions as the Board of Directors shall determine. Notwithstanding any other provision of these bylaws, the Cooperative shall always have the authority to lease any or all of its assets to a subsidiary or other entity exclusively owned or exclusively controlled by the Cooperative.

Article X-Fiscal Year

The fiscal year of the Cooperative shall be as set by the Board of Directors from time to time.

Article XI-Membership in Other Organizations

The Cooperative shall not become a member of any other organization without an affirmative vote of the Board of Directors.

Article XII-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.

Article XII-Amendments

These bylaws or portions thereof shall only be altered, amended, changed, modified or repealed by the affirmative vote of at least two-thirds (2/3rds) of all directors at any regular or special meeting of the Board of Directors.

Article XV-Indemnification

The Cooperative shall indemnify its directors, officers as well as the CEO to the maximum extent allowed by law pursuant to Arkansas Code Annotated Section 4-26-814 and other applicable law.