

BYLAWS OF DAVIESS-MARTIN COUNTY REMC

ARTICLE I MEMBERSHIP

Section 1. Requirements for Membership

Any person, association, corporation, or body politic or subdivision thereof will become a member of Daviess-Martin County REMC (hereinafter called the “Cooperative”) upon receipt of electric service from the Cooperative, provided that he or it has first:

- a. Made an application for membership and/or service 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*
- d. Must be 18 years or older

Section 2. Membership

A single individual may apply for a single membership.

A couple shall apply for joint membership and both are responsible to keep the bill current with the Cooperative.

In the event a married couple wishes to add additional memberships for various business operations, these memberships may be accepted as single or joint memberships.

Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

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

*The word “Board” is used to refer to the Board of Directors or Board of Trustees.

Section 3. 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.

- 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 estate of the deceased shall not be released from any debts due the Cooperative.

Section 4. Security Deposits

Cooperative policy is to require from any member a security deposit not to exceed twice the highest bill during the preceding twelve (12) month period or, in the absence of an experience record on the particular account the security deposit will be \$250.00.

The security deposit shall be refunded if the member is not given a disconnect notice for twelve (12) consecutive months or the member voluntarily disconnects with all bills paid.

Section 5. 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 therefore at rates which shall from time to time be fixed by the Board. 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.

Section 6. Termination of Membership

- a. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, may be cancelled by resolution of the Board.
- b. Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his 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 membership fee paid by him provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.
- d. Termination of a member does not (1) release the member from debts, liabilities, or obligations owed to the Cooperative; or (2) release the Cooperative from the

obligation to retire and pay capital credits to the former member. The Cooperative may recoup or offset an amount owed to the Cooperative by the former member, including any compounded interest and late payment fee, by reducing the amount of retired capital credits paid to the former member by the amount owed to the Cooperative.

Section 7. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification

Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the Indiana Fire Insurance Underwriters Association, the National Electric Code, any applicable state code or local government ordinance, and of the Cooperative. Each member shall be responsible for- and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of - such premises and all wiring and apparatuses connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times.

As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use reasonable efforts to prevent others from doing so. Each member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

Section 8. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs

Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands, owned or leased by or mortgaged to the member, 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 for the construction, operation, maintenance or relocation of the Cooperative's electric facilities. Each member shall participate in any required program that may be established by the Cooperative or wholesale power supplier to enhance load management, more efficiently to utilize or conserve electric energy or to conduct load research.

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 members during ten (10) years next preceding the date of the filing of the Certificate of Dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

Section 2. Non-liability for Debts of the Cooperative

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

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meeting

Pursuant to IC 8-1-13-8(b), the annual meeting of the members shall be held at a time to be determined by the Board, and shall be held at a place within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings

Special meetings of the members may be called by resolution of the Board, or by five percent (5%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

Section 3. Notice of Member's Meetings

Written, electronic 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 requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty(60) days before the date of the meeting either personally, by electronic transmission 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. 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 prepaid. An electronically transmitted notice of a member meeting is delivered when electronically sent to a member at the member's electronic mail address shown in the Cooperative records. 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

One fiftieth (1/50) of the total number of members present in person or by submission of a mail ballot, absentee ballot or electronic ballot for election of directors under the procedures established by resolution of the Board of Directors shall constitute a quorum. If less than quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 5. Voting

Each service member who is not in the status of suspension, as provided for in Section 6, Article 1, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. All questions shall be decided by a majority of the members voting in person, by mail or electronically, except as otherwise provided by law. Members may not cumulate their votes or vote by proxy.

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, except as otherwise determined by the members at such meeting:

1. Certification of attendance
2. Posting of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Take action on the minutes of previous meetings of the members.

4. Presentation and consideration of reports of officers, trustees and committees.
5. Election of board members
6. Unfinished business
7. New business
8. Adjournment

ARTICLE IV BOARD MEMBERS

Section 1. General Powers

The business and affairs of the Cooperative shall be managed by a board of not less than seven (7) and not more than fifteen (15) members, 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.

Section 2. Election and Tenure of Office

At each annual meeting of the members, directors shall be elected for terms of three (3) years each to fill the vacancies on the Board created as the respective terms of the Directors expire. If an election of Board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Board members within a reasonable time thereafter. Board members may be elected by a plurality vote of the members present and voting. Drawing by lot shall resolve, where necessary, any tie vote.

Section 3. Qualifications/Requirements/Prohibitions

A. Qualifications

In order to be eligible to become or to remain a Board Member of the cooperative, a person:

- (1) must be a member and bona fide resident in the district from which he is elected;
- (2) must have the capacity to enter legally binding contracts.
- (3) must NOT be a convicted felon.
- (4) must be a member in good standing, who has consistently remained current on the payment of their electric bill.

B. Requirements

A Board Member must:

- (1) attend at least eight (8) regular coop Board meetings each year;
- (2) attend a minimum of one Statewide, Regional, or National meeting each year;
- (3) For any newly appointed or elected Board Member who commences serving after January 1, 2016 attend and complete, within six years following the date of the first service, all NRECA institutes/directors' certification classes required by the Board. Such required classes are otherwise known as the: Credentialed Cooperative Director (CCD) and the Board Leadership Certificate (BLC) courses. Failure to complete any of these requirements

may result in removal as described under Article VI; Section 3 of these By Laws.

C. Prohibitions

A person may not become or remain a Board Member if:

- (1) They have been an employee of the cooperative during the period of seven (7) years immediately preceding the meeting of the cooperative at which he or she could stand for election to the board;
- (2) They have been in any way employed by or financially interested in a competing enterprise or business selling electric energy, or supplies to the cooperative, or a business primarily engaged in selling electrical or plumbing supplies, fixtures or supplies to the cooperative.
- (3) They are a relative by blood or marriage (including parents, children, brothers, sisters, aunts, uncles, cousins, nieces and nephews) of any employee or member of the Board of Directors. It is the policy of DMREMC that no person who is a relative by blood, marriage, adoption, foster child, legal ward, or common-law-spouse of any current employee or member of the Board of Directors shall be eligible as a Director of DMREMC. This is to reinforce the importance that impartial treatment is accorded to both the DMREMC member consumers, and all of DMREMC’s employees. Upon marriage of such individuals, one shall resign. The two individuals involved will make the decision about which one will resign.
- (4) They are an employee or director of another utility company, with the exception that one director will always be on the board of our power supplier.
- (5) They hold a salaried elected national, state or county public office.

In addition, the Board Members are prohibited from becoming an employee of the cooperative for a period of seven (7) years after leaving Board service.

The districts from each of which one Board Member is to be elected are as follows:

DAVIESS COUNTY

District I

Elmore Township	All members
Madison Township	All members
Steele Township	All members
Bogard Township	All members

District II

Van Buren Township	All members
Barr Township	All members

District III

Washington Township	All members
Veale Township	All members

District IV

Harrison Township	All members
Reeve Township	All members

MARTIN COUNTY

District V

Center Township	All members
Perry Township	All members

District VI

Mitchelltree Township	All members
Halbert Township	All members
Lost River Township	All members
Rutherford Township	All members

LAWRENCE COUNTY

District VII

Marion Township	All members
Spice Valley Township	All members

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions; the Board shall remove such board member from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Section 4. Nominations

Nominations for members of the Board of Directors shall be made by petition as set out in this section.

- (a) The petition shall be signed by no less than 20 members of the Cooperative who reside in the district from which the nominee is being selected to run. For the purposes of the petition a husband and wife shall be deemed one member. Family members who are at least 18 years of age and are active members of the REMC, who reside within the applicable voting district, may sign the petition as long as any one (1) signature is submitted per each meter. The nominee may not sign or witness the petition. In lieu of a petition, incumbent board members may file a written notice at the office of the Cooperative not less than forty-five (45) days before the annual meeting of the members of the Cooperative stating his or her intention to seek a seat on the Board of Directors.
- (b) Each petition shall contain a certification by the witness, which must attest that they: are not a parent, child, spouse or sibling of the nominee; are a member of the cooperative; do reside in the applicable District; are at least 18 years of age and that they witnessed the signing of the petition by the members so listed. There may be more than one petition for each nominee provided the petitions total the required number of signatures. The petition form itself shall state,

among other things, that the witness: must be a member of the cooperative; must reside in the applicable district; and be at least 18 years of age.

- (c) The Board of Directors shall approve a form of petition consistent with the terms of this section, and the petition shall be available at the office of the Cooperative.
- (d) At least sixty (60) days before the annual meeting all members shall be given notice by mail informing them of (i) the district or districts from which a Director is to be elected; (ii) the method by which nominations may be made; and (iii) whether the named incumbent Director(s) intends to seek a seat on the Board of Directors. This notice may be sent out in the monthly newsletter of the Cooperative.
- (e) Petitions must be filed at the office of the Cooperative not less than forty-five (45) days before the annual meeting of the members of the Cooperative. No nominations shall be accepted from the floor at the annual meeting.
- (f) Upon receipt of a timely filed petition, the Secretary of the Cooperative shall review the same and determine whether the petition contains the required number of qualified member's signatures. If the petition does contain the proper number of signatures and the candidate is not disqualified for any reason specified in the Cooperative Bylaws, the Secretary shall certify the name to the Board of Directors as a nominee for the Director's seat for the applicable district.
- (g) If there are two or more nominations for one Director's seat the election shall be by ballot. If there is one nomination for a seat the vote shall be by voice.
- (h) In the event that no qualifying petitions are filed or the nominated Director is not elected, the Board of Directors shall declare a vacancy in the position of Director for that district at its first meeting after the annual meeting. During such meeting the Board of Directors shall appoint a Director to fill that vacancy for the unexpired three-year term. The Director so appointed must reside in the district for which he or she is being appointed.

Section 5. Removal of Board Member by Members

Any member may bring charges against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members or three hundred (300), whichever is the lesser, and request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The questions of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 6. Director Misconduct

A director shall discharge the Director's duties, including duties as a Board committee member:

- (a) In good faith;
- (b) In a manner the Director reasonably believes to be in the cooperative's best interests; and
- (c) With the care than an individual in a like position would reasonably believe appropriate under similar circumstances.

Section 7. Director Disqualification

After being elected, if a Director does not comply with the (i) Qualifications/Requirements/Prohibitions in Article IV, Section 3, or (ii) the Director Conduct requirements of Article IV, Section 6, or if the Director engages in gross misconduct such as failing to meet his/her fiduciary duties to the cooperative, the Board of Directors may, by a five-sixths (5/6) vote of the remaining Directors, disqualify that Director and the individual will no longer be a Director, if:

- (a) The Board of Directors notifies the Director in writing or electronically of the basis for, and provides the Director an opportunity to comment regarding, the Board of Directors' proposed disqualification; and
- (b) Within fourteen (14) days after the Board of Directors notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Qualifications/Requirements/Prohibitions or rectifies his/her gross misconduct, if capable of rectification.

Section 8. Vacancies

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board members by the members, and/or with respect to the filling of vacancies caused by any other reason (disqualification, death, resignation, etc.) – a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the un-expired portion of the term.

Section 9. Compensation

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

ARTICLE V MEETING OF BOARD

Section 1. Regular Meetings

A regular meeting of the Board shall be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meeting

Special meetings of the Board may be called by the President or by any three (3) Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the date, time and place for the holding of the meeting.

Section 3. Notice of Special Board Meetings

Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either by personal delivery, electronically or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Board members calling the meeting, at least two (2) days before the date set for the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage prepaid, addressed to the Board member at his address as it appears on the records of the Cooperative. An electronically transmitted notice is delivered when electronically sent to a Board member at the Board member's electronic mail address shown in the Cooperative's records.

Section 4. Waiver of Notice

Any director may waive written, electronic or personal notice of a special meeting or any other meeting for which notice is required to be given by the Bylaws of the Corporation. The minutes of the special meeting shall reflect the waiver by the directors of notice for such special meeting. The attendance of a director at any meeting for which notice was required shall constitute a waiver of notice of such meeting by a director. Except that, the director's presence at a special meeting shall not constitute a waiver in the event the director attends a meeting for the sole purpose of objecting to the transaction of any business based on the fact that the meeting was not lawfully called or convened.

Section 5. Telephone Meetings

Any or all of the Board of Directors or of a committee designated by the Board may participate in a meeting of the Board or committee by means of a conference telephone call or similar communications equipment by which all persons participating in the meeting can communicate with each other. Participation in this manner constitutes presence in person at the meeting.

Section 6. Quorum

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

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 from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office

The officers shall be elected by ballot, annually by and from the Board at the first meeting of the Board 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 following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. No officer shall serve more than two consecutive terms. A vacancy in any office shall be filled by the Board for the un-expired portion of the term.

Section 3. Removal of Officers, Directors and Agents by the Board

Any officer or agent elected or appointed by the Board may be removed by the Board 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, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members of three hundred (300), whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

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, shall preside at all meetings of the members and the Board.
- b. sign deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- c. in general, perform all duties incident to the office of the President and such other duties as may be prescribed by the Board 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 all duties of the President, and when so acting shall have all the powers 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.

Section 6. Secretary

The Secretary shall be responsible for:

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

Section 7. Treasurer

The Treasurer shall be responsible for:

- a. custody of all funds and securities of the Cooperative;
- b. the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provision of these Bylaws; and

- c. the general performance of 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.

Section 8. Delegation of Secretary's and Treasurer's Responsibilities

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6 and 7, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's duties to one or more agents, other officers or employees of the Cooperative who are not directors to the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 9. General Manager; Executive Vice President

The Board of Directors may appoint a General Manager, who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated Executive Vice President. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time-to-time vest in him/her.

Section 10. Bonds of Officers

The Treasurer and any other officer or agent of the Cooperative charged with the responsibility for the custody of any of its funds or property may be bonded or insured in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded or insured in such amount and with such surety as it shall determine. The Cooperative's errors and omissions liability insurance policy covering Directors, Officers and Management will suffice in order to comply with this provision.

Section 11. Compensation; Indemnification

The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 7, Article IV, of the Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by a plan therefore approved by the Board of Directors. The Cooperative shall indemnify directors, officers, including the General Manager (and/or, if so titled, the Executive Vice President) agents and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative or were not against the best interests of the Cooperative. The Cooperative may purchase insurance to cover such indemnification.

Section 12. 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 members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

Section 2. Membership Capital in Connection with Furnishing Electric Energy In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all members will through their membership furnish capital for the Cooperative.

In order to induce membership and to assure that the Cooperative will operate on a not-for-profit basis, the Cooperative is obligated to account on a membership basis to all its members for all amounts received and receivable from the furnishing of electric energy, and amounts required to offset any losses incurred during the current or any prior fiscal year.

Any such amounts in excess of operating costs and expenses, if any, at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to allocate by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital. All non-operating income received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

- a. used to offset any losses incurred during the current or any prior fiscal year, and
- b. reinvested in facilities or services of the DMREMC; or,
- c. to the extent not needed for that purpose, allocated to its members on a membership basis in a manner determined by the Board of Directors. Any amount so allocated shall be included as part of the capital credited to the accounts of members as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority rights of members. If, at any time prior to dissolution or liquidation,

the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amount furnished as capital.

Capital credited to the account of each member may be retired upon such terms and conditions, as the Board acting under policies of general application shall determine.

Notwithstanding any provisions herein contained to the contrary and pursuant to the statutes of the State of Indiana (I.C. 8-1-13-11) Daviess-Martin County REMC shall recover after a period of two (2) years any unclaimed stocks, dividends, capital credits, membership refunds, utility deposits, membership fees, account balances, or book equity for which the owner (member or former member) cannot be found and are the result of distributable savings of the corporation, giving sixty (60) days' notice in a newspaper printed in the English language and published in the county in which the corporation locates its general headquarters. Such notice shall state that the REMC is taking steps to distribute capital credits to individuals who were members of the cooperative for the year(s) specified and direct them to either visit the cooperative's website or, to call the REMC office to gather the details on the owner's name and approximate amount of owner's interest, and that if said credits are not duly claimed within sixty (60) days after the onetime publication the sum owing by the corporation to any member shall be treated as donated cash.

The failure of any member or former member to claim any cash retirement or capital credit or other payment within two (2) years after payment has been made available to such person; will constitute an irrevocable assignment and gift to the corporation of such capital credits or other payments.

Notwithstanding any other provisions of these Bylaws, the Board at its discretion shall have the power upon the death of a natural member to retire such capital credited to such deceased natural member immediately upon such terms and conditions as the Board of Directors acting under policies of general application shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The foregoing notwithstanding, special economic development rates are negotiated with new members and coordinated with the Cooperative's wholesale power supplier. New members taking advantage of such rates may not be assigned capital credits and such new member may be deemed to have waived by contract any right to capital credits from revenues received by the Cooperative from sales made pursuant to such economic development rates.

The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the

members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions.

Section 3. Membership Capital in Connection with Power Supply Cooperatives

Capital credits received from Hoosier Energy Rural Electric Cooperative, Inc., the power supplier for the Cooperative, shall be maintained as a separate capital credit amount of the members of the Cooperative and shall be allocated to the accounts of the members in the year in which the Cooperative receives written notice that the power supplier has allocated capital credits to the Cooperative. Such capital credited to the account of each member may be retired upon such terms and conditions, as the Board acting under policies of general application shall determine. Until such time as the Board of Directors of the Cooperative, by appropriate resolution duly adopted, authorizes the distribution of these special capital credits to the account of the members, no notice of the allocation of these special capital credits shall be given to the member, but the members special capital credit accounts shall be available for the members reasonable inspection.

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 a majority of all of 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 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, for the purpose of financing the construction or maintenance of the Cooperative's distribution or transmission system or systems, and for general plant as defined in the uniform system of accounts, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the corporation to the United States of America or any instrumentality or agency thereof or any financing institution; provided further that the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Indiana Rural Electric Membership Corporation Act.

ARTICLE IX SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and include the words "Seal" and "Indiana".

ARTICLE X FINANCIAL TRANSACTIONS

Section 1. Contracts

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

Section 2. Checks, Drafts, etc.

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

Section 3. Deposits, Investments

All funds, except Petty Cash, of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

Section 4. Fiscal Year

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the 31st day of December of the same year.

Section 5. Subscription to Cooperative's Newsletter; Subscription to Statewide Publication

For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be empowered, on behalf of and for circulation to the members periodically, to subscribe to the Cooperative's newsletter, the annual subscription price for which shall be determined by the Board of Directors, and which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative. The Board of Directors shall be empowered, on behalf of and for circulation to the members periodically, to subscribe to the statewide publication of Indiana Statewide Rural Electric Cooperative, Inc. the annual subscription price for which shall be established by the Board of Directors of the Statewide Association, which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

Section 6. "Close Relative" Defined

As used in these Bylaws, "close relative" means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

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 Board of Directors.

Section 2. Waiver of Notice

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

Section 3. Rules and Regulations

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

Section 4. Accounting System and Reports

The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, may 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. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of the fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

Section 5. Area Coverage

The Board shall make a diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who:

- a. desire such service, and
- b. meet all reasonable requirements established by the Cooperative as a condition of such service.

Section 6. Nondiscrimination

The Cooperative shall not discriminate against any member by reason of age, sex, race, or social origin. The use of the pronoun he or him in the context of these Bylaws or amendments hereto shall include female, male and any other legal entity subject to the terms and conditions of the Bylaws.

ARTICLE XII RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or the Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Roberts Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

ARTICLE XIII AMENDMENTS

These Bylaws may be altered, amended or replaced by the members of the Board at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Revised and Amended by Policy Committee on February 21, 1987
Revised and Amended by Policy Committee on June 23, 1998
Revised and Amended by Policy Committee on July 27, 1999
Revised and Amended by Policy Committee on November 28, 2000
Revised and Amended by Board of Directors on November 25, 2003
Revised and Amended by Board of Directors on May 25, 2004
Revised and Amended by Board of Directors on November 23, 2004
Revised and Amended by Board of Directors on June 27, 2006
Revised and Amended by Board of Directors on May 22, 2007
Revised and Amended by Board of Directors on November 29, 2007
Revised and Amended by Board of Directors on February 19, 2008
Revised and Amended by Board of Directors on March 24, 2009
Revised and Amended by Board of Directors on April 28, 2009
Revised and Amended by Board of Directors on August 23, 2011
Revised and Amended by Board of Directors on September 27, 2011
Revised and Amended by Board of Directors on May 22, 2012 Revised
and Amended by Board of Directors November 2015
Revised and Amended by Board of Directors January 2016
Revised and Amended by Board of Directors November 2016
Revised and Amended by Board of Directors February 2017
Revised and Amended by Board of Directors October 2017
Revised and Amended by Board of Directors December 2020
Revised and Amended by Board of Directors April 2021