



**BYLAWS
Of
Dairyland Power Cooperative
La Crosse, Wisconsin**

**(Including Amendments through
June 7, 2023 Annual Meeting)**

A Touchstone Energy[®] Cooperative 

The Touchstone Energy logo consists of three stylized human figures in red, blue, and yellow, standing on a green wave-like base.

DAIRYLAND POWER COOPERATIVE
La Crosse, Wisconsin

BYLAWS

ARTICLE I

Members

Section 1. Qualifications and Obligations. Any person, firm, corporation or body politic may become a member of the Cooperative by:

- (a) paying the membership fee which shall be specified in the Bylaws of the Cooperative, or, prior to the adoption of the Bylaws, the membership fee which shall be specified by the incorporators;
- (b) agreeing to purchase electric energy or services furnished by the Cooperative when such electric energy or services shall be available through its facilities, in such amounts and for such period of time as may be provided for by contract in accordance with determination by the Board of Directors;
- (c) agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors;

provided, however, that no person, firm, corporation or body politic shall become a member unless and until it has been approved for membership by the Board of Directors or the members.

Section 2. Membership Fee. The minimum membership fee in the Cooperative shall be ten dollars (\$10.00). The balance of the membership fee, if any, shall be determined by, and paid upon call of the Board of Directors of this Cooperative. Payment of the minimum membership fee or the total fee determined as herein provided, which ever shall be the greater, shall constitute full payment of the membership fee for the purpose of issuance of the membership certificate as herein below provided. The membership fee as herein provided shall be paid in cash, or its equivalent. In no event shall a membership certificate be issued to any member unless the membership fee of such member is paid to the Cooperative in cash or its equivalent.

Section 3. Non-Liability for Debts of the Cooperative. No member shall be liable or responsible for any debts or liabilities of the Cooperative except such debts or liabilities as may be guaranteed or assumed by separate contract.

Section 4. 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 members thereof, expel any member 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 members at any annual or special meeting of the members.

Section 5. Withdrawal of Membership. Any member may, by giving not less than one year's written notice of its intention to do so, withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section 6. Transfer and Termination of Membership. Membership in the Cooperative and any certificate representing such membership shall not be transferred by any member except that membership may be vested in a corporate successor to a member corporation provided the successor is eligible to membership and pays such membership fee, if any, as shall be determined by resolution of the Board of Directors and is approved as a member by the Board of Directors. The Board of Directors may terminate any inactive membership, where the member no longer meets the qualifications set forth in these Bylaws for its class of membership. In that event, or upon the cessation of existence, expulsion or withdrawal of a member, the membership of such member shall terminate, and the certificate of membership of such member shall be surrendered forthwith to the Cooperative.

Section 7. Removal of Directors and Officers. Any member may bring allegations against an officer or director by filing them in writing with the Secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director or officer against whom such allegations have been brought shall be informed in writing of the allegations previous to the meeting and shall have an opportunity at the meeting to be heard in person and to present evidence; and the person or persons bringing the allegations against him or her shall have the same opportunity.

Section 8. Classes of Membership. Members of the Cooperative (sometimes hereinafter referred to as "Dairyland") shall be divided into six classes, designated as Class A, Class B, Class C, Class D, Class E, and Class F, respectively. Class A members shall consist of rural electric distribution cooperatives, the power requirements of which are served at wholesale by Dairyland under wholesale power contracts. Class B members shall consist of rural electric distribution cooperatives to each of which, in the judgment of the Board of Directors, Dairyland supplies the major portion of the cooperative's power and energy requirements but not to the extent or on terms that would be substantially similar to those of any Class A member. Class C members shall consist of any federated power supply cooperative association furnishing energy to member distribution cooperatives at wholesale and which has entered into contractual arrangements whereby Dairyland furnishes or will furnish some power and energy. Class D members shall consist of municipalities, municipal utilities, public power districts or corporate combinations thereof, the wholesale purchase power requirements of which are

furnished at least in part by Dairyland under contracts therefor. Class E members shall consist of all other members which purchase power, energy, or transmission or other utility or energy services from the Cooperative, other than those classified as Class F or as special services members. Class F members shall consist of cooperative associations that purchase power and energy from Dairyland and market that power and energy on Dairyland's behalf.

Section 9. Special Services Membership. Notwithstanding any provision above contained relating to electric service memberships, at the discretion of the Board of Directors there shall also be memberships available to any cooperative or municipality which desires to patronize solely special services rendered by the Cooperative other than the furnishing of electric service. The membership fee for such Special Services Membership shall be \$10.00 and Special Services Members shall be entitled to one vote at any membership meeting. Special Services Members shall not be entitled to be represented on the Board of Directors by a voting director but, at the discretion of the Board of Directors, they may be invited to participate in an advisory body that may be convened by the Board from time to time. The Board may also invite representatives of other membership classes or of non-member cooperatives to participate.

ARTICLE II

Meetings of Members

Section 1. Annual Meeting. The annual meeting of the members shall be held each year, on such date and at such time and place as shall be determined by the Board of Directors, which time and place shall be designated in the notice of meeting, for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. The place of such meeting shall be in one of the counties in the State of Wisconsin in which the Cooperative has located a part of its electrical transmission or generation system, or if and when permitted by law in any county in any state in which the Cooperative has located a part of its electrical system. To the extent allowed by law the Board may allow members to participate by means of remote participation, subject to such reasonable conditions as the Board may set. If in the Board's judgment there is compelling reason to do so, the Board may determine that an annual meeting shall be conducted exclusively through remote participation. Absent such circumstances, every effort shall be made to hold the annual meeting in person, regardless if remote participation is offered as an option.

If the Board fails to make timely designation of the time and place of the annual meeting, the Chair shall make such designation, subject to the limitations with respect thereto above set forth. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated for any annual meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the

annual meeting at the designated time shall not give rise to a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by the Chair or upon the written request signed by at least five (5) members and it shall thereupon be the duty of the Chair to call such meeting. Special meetings of the members may be held at any place within any one of the counties in the State of Wisconsin permitted above for the holding of the annual meeting and specified in the notice of the special meeting. As with annual meetings, to the extent allowed by law the Board may allow members to participate in a special meeting by means of remote participation, subject to such reasonable conditions as the Board may set. If in the Board's judgment there is compelling reason to do so, the Board may determine that a special meeting shall be conducted exclusively through remote participation. Absent such circumstances, every effort shall be made to hold the special meeting in person, regardless if remote participation is offered as an option.

Section 3. Notice of Members' Meetings. Written or printed notice stating the place of the meeting, the means of remote participation when allowed, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Chair to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. 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. The presence of representatives of Class A corporate members, selected as provided in Section 5 of this Article II, representing at least one-half of the total number of Class A members of the Cooperative, shall constitute a quorum for the transaction of business at all meetings of the members, provided, that if less than one-half of the total number of such members are represented at any such meeting a majority of the said members present may adjourn the meeting from time to time without further notice. To the extent allowed by law, members participating remotely shall be deemed present for purposes of determining quorum.

Section 5. Voting. Each member of the Cooperative shall be entitled to one, and only one, vote at membership meetings except that a Class A member shall be entitled to cast one vote for each of its members to which it renders electric service, supplied at wholesale by the Cooperative, as of the preceding May 1st, in the case of the annual meeting, or as of the first of the preceding whole month in the case of a special meeting, subject to such requirements as the Board of Directors may establish for certification by a Class A member of the number of members that it serves. Each Class B, C, D, E, and F member shall be entitled to cast one vote at each such meeting through delegates chosen by such members.

Each Class A member, acting through its members or board of directors, as permitted by its bylaws or rules, may elect from its membership one voting delegate to this Cooperative for each four hundred (400) of its members or major fraction thereof of such Class A member, provided that any Class A member may elect a number of voting delegates equal to the number of its directors. Notwithstanding the foregoing provision on entitled numbers of delegates, if in the Board's judgment it is advisable to do so, the Board may limit the number of delegates attending an annual meeting. In that event, if in the Board's judgment it is feasible to do so, reasonable effort shall be made to enable delegates not attending in person to participate remotely. Any limitation on the number of delegates in attendance shall in no event reduce the number of votes to which any member is entitled.

Unless otherwise apportioned by such Class A member, each of its delegates shall be entitled to cast a number of votes equal to that portion of the total votes to which such member is entitled, divided by the number of its delegates in attendance at such meeting, provided that all of the delegates from such member cooperative in attendance at said meeting may cast all of the votes to which such member is entitled. Such votes may be cast under a unit rule or split as determined by said delegates. Each Class B, C, D, E, and F member shall be entitled to be represented at such meeting by one delegate or representative chosen by such member in accordance with its bylaws or other rules governing the conduct of its business.

At all meetings of the members at which a quorum is present, all questions shall be decided by a majority of all votes cast by members and delegates present except as otherwise provided by law, the Articles of Incorporation of the Cooperative or these Bylaws.

At the beginning of, or prior to each meeting of the members, each corporate member shall file with the Secretary of the Cooperative a certificate in writing executed by its President or Secretary under its corporate seal, or in such other form as the Cooperative may prescribe, stating the names of its representatives or delegates, and in the case of a member which is a Class A member cooperative association, stating the number of all its accepted members, and further stating that the delegates certified have been elected in accordance with a resolution duly adopted by its board of directors or membership. The representative of any corporate member which is not a cooperative association and the delegates of any corporate member which is a cooperative association shall be deemed authorized to vote as they see fit on all matters submitted to a vote of the members of the Cooperative unless the corporate member so represented shall, by an instrument in writing executed by its President and Secretary under its corporate seal pursuant to a resolution duly adopted by its board of directors, and filed with the Secretary of the Cooperative prior to the meeting, specifically limit the voting power of such representative or delegate.

Section 6. Procedure. The items of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall generally include the following:

1. Report on registration and quorum.
2. Report on the notice of the meeting and proof of the due publication, mailing or waiver thereof.
3. Taking of action on unapproved minutes of previous meetings of the members.
4. Presentation and consideration of, and if appropriate acting upon reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

The latest edition of Roberts Rules of Order shall govern all procedural matters at said meeting not addressed by the meeting rules and procedures adopted by the Governance Committee as provided in Section 7, below.

Section 7. Governance Committee. The Board of Directors shall appoint a Governance Committee. In addition to such responsibilities as the Board may from time to time assign and other duties described in the Governance Committee Charter, the Governance Committee, in connection with the annual meeting:

- a. Shall adopt rules and procedures for conducting the annual meeting, to be provided to the members in advance of the meeting; the rules and procedures may include a deadline for any member of this Cooperative that wishes to present to the annual meeting an advisory resolution relating to the Cooperative's operations, governance or position on policy impacting the Cooperative to submit the resolution to the Cooperative.
- b. May propose resolutions relating to the Cooperative's operations, governance or positions on policy matters for adoption by the membership at the annual meeting.
- c. Shall review any proposed resolutions that are timely submitted by members; shall determine whether additional information should be presented to the membership to ensure a full airing of the issue and an informed decision at the annual meeting; and may make a recommendation to the annual meeting concerning the disposition of the resolution.
- d. In consultation with the Board of Directors, may also make recommendations to the membership concerning amendments to the Articles of Incorporation or to these Bylaws.

ARTICLE III

Directors

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

Section 2. Number. The number of directors shall be equal to the number of Class A members. Each Class A member shall be entitled to be represented by one member on the

Board of Directors. In addition, the Board, at its discretion, may create one (1) or more additional director positions if the Board determines that it would advance the effective functioning of the Board or otherwise assist the Cooperative in achieving its strategic goals. Notice of such proposed action shall be included in the notice of the meeting at which the proposal is to be considered, and approval shall require the unanimous vote or consent of the directors voting.

Section 3. Qualifications and Tenure. At each annual meeting of the members, directors shall be elected by the members, to serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. No person shall be eligible to be elected a director who is not a duly authorized representative or alternate representative of a member designated in accordance with this Article, who serves as a director of that member. No person shall remain a director of the Cooperative after the cooperative or other corporation of which he or she is a member or representative shall have ceased to be a member of this Cooperative or after such person shall have ceased to be a member of the cooperative he or she represents. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who:

- a. is in any material way employed by or financially interested in a competing enterprise or a business selling electric energy, services or supplies to the Cooperative, provided, however, that this provision shall not disqualify as a director any representative of a Class A member because he or she has an interest in a small distributed generation installation (as defined from time to time by the Board of Directors) that sells energy to the Class A member which may qualify for reimbursement in part by this Cooperative under applicable rate schedules;
- b. is, or at anytime in the five years preceding election or appointment was, a paid regular employee either of this Cooperative or of any Class A member cooperative;
- c. has been convicted of a felony or of any other offense involving a breach of trust while serving as director or at anytime within the five years preceding election or appointment; or
- d. has personally been a party to litigation against the Cooperative or any of its directors or employees in their official capacity while serving as director or at anytime within the five years preceding election or appointment.

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

Section 4. Nomination and Election. Each Class A member shall nominate one candidate to represent it on the Board of Directors. The Class A member shall certify that its nominee meets the foregoing qualifications. No further nomination for a director may be made, either by the Class A members or from the floor. The nominees shall be presented to and formally elected by the members as a group. In the event the Board of Directors shall create additional director positions pursuant to Section 2, above, the Board shall also determine the manner of nomination and election for those positions.

Section 5. Alternate Directors. In the event any regularly elected director must be absent from any meeting of the Board of Directors, the cooperative or the class of members he or she represents may send an alternate to said meeting who upon a vote of the other members of the Board may be seated and have all of the privileges of a regularly elected director for said meeting, including the right to vote and receive per diem and expenses of attendance at said meeting, provided he or she meets the qualifications for director set forth above.

Section 6. Vacancies. Subject to the provisions of these Bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors, and directors thus elected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified.

Section 7. Compensation of Directors. By resolution or policy of the Board of Directors, compensation and reimbursement of reasonable expenses may be allowed the directors for discharging their responsibilities, including for preparation for and attendance at meetings of the Board and its committees, for service as officers of the Board and of its committees, and for attending such training or meetings of other organizations as the Board may from time-to-time designate. Compensation may be in such form and in such amount as the Board may in its judgment determine. Nothing herein shall be construed to authorize payment by the Cooperative of the expenses of attendance of representatives of members at any meetings of the members. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity nor shall any close relative of a director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

Section 8. Rules and Regulations. The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with 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 9. 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 Rural Utilities Service of the United States of America, or any agency that succeeds to its responsibilities. Quarterly financial updates shall be provided to the Board of Directors by Dairyland management. All accounts of the Cooperative shall be examined annually by an independent auditor and approved by a committee of the Board of Directors. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

Section 10. The Board of Directors shall establish Board Committee Charters for each Board Committee and make appointments in accordance with those Charters.

Section 11. Change in Rates. Written notice of changes in the rates charged by the Cooperative shall be given to the Rural Utilities Service of the United States of America, or any agency that succeeds to its responsibilities, as may be required by law or contract.

ARTICLE IV

Meetings of Directors

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after the annual meeting at a place designated by the board. A regular meeting of the Board of Directors shall also be held every month at such time and place within any county and state in which the Cooperative operates facilities as the Board of Directors may provide by resolution. The Board of Directors by resolution may postpone the holding of any regular monthly Board meeting until a date not later than one in the following month. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof. In the event that special circumstances make it advisable to change the date of or dispense with any such regular Board meeting, the Chair shall have the power to do so, provided that notice of the new date is mailed to, or is sent electronically by a means that confirms receipt by, each director not less than five days prior to the holding of the meeting.

Section 2. Special Meeting. Special meetings of the Board of Directors may be called by the Chair or any three directors. The persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting. When feasible, special meetings shall be held in a county in which a member of the Cooperative operates facilities.

Section 3. Notice. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given to each director at least five days previous thereto by written notice, delivered personally, delivered electronically by a means that confirms receipt, or mailed to the director at his or 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 members 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 such a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Except as otherwise required by law, the Articles of Incorporation

of the Cooperative or these Bylaws, all actions by the Board shall require a majority of the votes cast by directors representing the Class A members.

ARTICLE V

Executive and Technical Advisory Committees

Section 1. Executive Committee: Selection, Number and Powers.

The Board of Directors may elect from the representatives of the Class A members on the Board an executive committee to consist of not less than five nor more than eight directors, including the Chair and Secretary as ex-officio members. Such executive committee shall have such powers as may be specifically delegated to it from time to time by the Board of Directors. Unless the Board determines by resolution that such executive committee shall have lesser powers, when the Board is not in session such committee shall have all powers of the Board except in respect to:

- (a) Powers reserved by the Board to itself.
- (b) Apportionment or distribution of proceeds.
- (c) Election of officers.
- (d) Filling of vacancies in the Board.
- (e) Amendments to the Bylaws.

Section 2. Meetings. The Chair, Secretary, or any three members may call meetings of the executive committee and fix the time and place for the holding of such meetings. When feasible, meetings of the executive committee shall be held in a county in which a member of the Cooperative operates facilities.

Section 3. Alternates. The Board may elect other directors as alternates for members of the executive committee who may be absent at any meeting thereof.

Section 4. Technical Advisory Committee: Dairyland Managers Association. The Dairyland Managers Association (DMA), consisting of managers of member cooperatives, is hereby recognized as a continuing technical advisory committee to make such studies and reports to the President and CEO as said Association may determine. Any report of such Association, or of one of its standing subcommittees approved by such Association, involving any recommendation affecting management or operating policy (including changes in rates to member cooperatives) shall be submitted in writing to the Dairyland President and CEO. A copy of any such report and recommendation shall be submitted by the President and CEO to the Board along with his or her written recommendations with respect to approval or disapproval or modification by the Board.

ARTICLE VI

Action Without Meeting by Directors or Executive Committee

Any action which may be taken at a meeting may be taken without a meeting if a writing setting forth and approving the action taken shall be signed by all of the directors or executive committee members entitled to vote on such action. Such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE VII

Officers

Section 1. Number and Title. The officers of the Cooperative shall be a Chair of the Board, Vice Chair of the Board, Secretary, Assistant Secretary, and Treasurer. 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 the Board of Directors from the representatives of the Class A members on the Board after each annual meeting of the members, except that the Assistant Secretary need not be a director but may be an employee of the Cooperative. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his or her successor shall have been duly elected and shall have been qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

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 interests 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. Chair of the Board. The Chair of the Board:

- (a) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;
- (b) shall sign, with the Secretary, certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors, and may sign 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, shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice Chair. In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair and shall perform such other duties as from time to time may be assigned by the Board of Directors.

Section 7. Secretary and Assistant Secretary. The Secretary shall:

- (a) keep the Minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such members;
- (e) sign with the Chair certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors;
- (f) have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) keep on file at all times a complete copy of these Bylaws containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of these Bylaws and of all amendments thereto to each member; and
- (h) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.
- (i) The Assistant Secretary shall assist the Secretary, shall perform the duties of the Secretary in the absence or ready unavailability of the Secretary, and shall perform such other duties as the Board may determine.

Section 8. Treasurer. The Treasurer shall have such duties, authority and responsibilities as may be prescribed by the Board of Directors from time to time.

Section 9. President and CEO. The Board of Directors may appoint a President and CEO who 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 or her.

Section 10. Bond 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 and with such surety as it shall determine.

Section 11. Compensation. The compensation, if any, of any officer, agent, or employee who is also a director or close relative of a director, shall be determined by the members, as provided elsewhere in these Bylaws, and the powers, duties, and compensation of any other officers, agents, and employees shall be fixed by the Board of Directors.

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 and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VIII

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, employee or employees, 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 evidence of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

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

ARTICLE IX

Membership Certificates

Section 1. Certificates of Membership. Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these Bylaws. Such

certificate shall be signed by the Chair and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto.

Section 2. Issue of Membership Certificates. No membership certificates shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid for in cash, and such payment has been deposited with the Treasurer.

Section 3. Lost Certificate. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE X

Nonprofit Operation

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative, nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on memberships or any other capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy as herein provided. Subject to such classifications as are provided for in Section 6 of this Article, all amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credit to a capital account for each patron all such amounts in excess of operating costs and expenses properly allocated or allocable to such patron. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to its account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash, in pursuance of a legal obligation to do so, and the patron had then furnished the Cooperative corresponding amounts for capital.

Section 3. Nonoperating Margins.

(a) From Furnishing Goods and Services Other than Electric Service: If the Cooperative engages to a substantial extent in the business of furnishing goods or

services other than electric service, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods and services shall, insofar as permitted by law, be allocated and assigned annually on a patronage basis and credited on the books of the Cooperative to those patrons so furnished such goods and services as patronage capital, in substantially the same manner as provided in Section 2 with respect to the furnishing of electric service.

(b) From Investments, Rentals, and Other Incidental Services: Except as provided in paragraph (a) above, all other amounts received by the Cooperative in excess of costs and expenses chargeable thereto shall, insofar as permitted by law, be first applied to offset any losses incurred during the current or any prior fiscal year, and then, to the extent not needed for that purpose, may in the discretion of the Board of Directors be credited, in whole or in part, to unallocated surplus or reserves of the Cooperative, with the balance, if any, then allocated among the classes of business for which the receipts exceed the allocable costs and expenses, in proportion to the amounts of such margins, and to its electric service patrons within each such class on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of said electric service patrons as provided for in Section 2 of this Article.

Section 4. Retirement of Capital. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid and membership fees without interest or monetary dividends thereon have been retired, outstanding capital credits shall be retired, without priority, on a pro rata basis. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine under rules of general application the method, basis, priority and order of retirement, if any, for all amounts theretofore or thereafter furnished as capital. Notwithstanding the above limitations, the Board of Directors, upon determining that the financial condition of the Cooperative will not be impaired thereby is authorized in its discretion and under rules of general application to retire to any member cooperative an amount of capital not to exceed the amount of capital retired by such member cooperative to estates or heirs of deceased members of such member cooperative derived from allocations of capital of the Cooperative to such member cooperative and in turn allocated by such member cooperative to such deceased members during their lifetimes. Any such retirements of capital by the Cooperative shall be charged against capital allocated to the member cooperative receiving such retirement in the order of priority in which capital has been allocated to such member and shall be based upon such reports and certifications from member cooperatives as may be reasonably required for such retirements.

Section 5. Assignability of Capital. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor, and only to successors in interest of such patron, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Section 6. Classification of Business. In determining and allocating the operating costs and expenses properly chargeable against the furnishing of electric energy or other services to form the basis of determining, in turn, the respective amounts of capital furnished by patrons through their patronage, it shall be the duty of the Board of Directors to classify the business done by the Cooperative with all of its patrons into appropriate classes or departments of business or patronage. Such classification shall be based on factors relating to the cost of rendering such service, or doing such business, and rate schedules applied thereto in accordance with accepted accounting and engineering practice. The Board shall consider such factors as the length of contract, the respective obligations of the parties thereunder, and like factors, to the extent that such factors have relevance to the cost of rendering service thereunder, and to the rates charged therefor. All member rural electric cooperative associations to which the Cooperative furnishes electric energy under uniform long term contracts with uniform rates which are subject to adjustment by the directors of the Cooperative, to return at least the cost of service, shall have like business with the Cooperative assigned to the same classification. After making such classifications, the Board shall then allocate and charge against each class of business all of those items of cost and expense properly chargeable and allocable thereto, in accordance with accepted accounting and engineering practice. In allocating and charging costs to each class of business, the Board shall consider and give such weight to factors of demand, energy consumption, number of patrons, gross revenue and directly allocable costs within each class as may be appropriate to equitably and properly allocate costs attributable to each class of business. If the receipts from every class of business in any year exceed the costs and expenses allocable and chargeable thereto, then the excess of receipts over expenses for each class of business shall be allocable to each such class as capital credits and to patrons within each such class on a dollar patronage basis. If, however, the costs and expenses chargeable or allocable against any one or more classes of business exceed the receipts from all patrons within such class or classes of business, then such deficit shall be charged against the patronage margins otherwise assignable to any remaining class or classes of business, on a dollar volume patronage basis, so that in no year shall there be credited to patrons as patronage capital an amount greater than the excess of receipts from all patrons over the costs and expenses of doing business with all patrons. All patronage margins contributed by patrons within a given class of business shall be assigned to such patrons on a dollar volume basis of patronage, but no patronage capital shall be deemed to have been contributed by, or shall be allocated to, any patron within any class of business, if the receipts from all patrons within such class do not exceed the costs and expenses chargeable or allocable to such class. Notwithstanding anything in this Article to the contrary, no margin allocation shall be made to patrons in a class of business until any prior years' losses incurred by such class have been offset by subsequent years' margins for the class.

Section 7. Contractual Character of Operations. The patrons 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 patron, and both the Cooperative and the patrons are bound by such contract as fully as though each patron has signed a separate instrument containing such terms and

provisions. The provisions of this Article of the Bylaws shall be called to the attention of existing patrons of the Cooperative by mailing a copy thereof to each such patron within thirty days after its adoption, and to others upon their becoming patrons.

Section 8. Promulgation and Notification of Rules. The Board of Directors of the Cooperative shall:

- (1) promulgate and adopt specific rules and regulations governing the classification of patronage and business and the allocation of costs between and among classes of business and patronage;
- (2) classify the patronage and business being done with the Cooperative into separate classes in accordance with the provisions of Section 6 of this Article and the rules and regulations of the Board of Directors as provided for under (1) above.

The Board of Directors shall review such rules, regulations, and classifications at least annually and shall make such revisions therein as may be fair and equitable.

Copies of such rules, regulations, and classes of business and of any revisions therein so made shall be mailed to each patron within thirty days after they have been adopted by the Board of Directors and shall be given to any new patron upon its becoming a patron and each patron shall at the same time be advised of the class or classes of business into which its patronage falls.

Section 9. Arbitration. Any patron shall have the right to object to any of such rules, regulations, and classifications by filing written notice at the office of the Cooperative specifying its objection to such rules, regulations, or classifications within sixty days after copies thereof have been mailed to such patron by the Cooperative. Such objections shall be reviewed and acted upon by the Board of Directors at its next meeting and if the Cooperative, acting through the Board of Directors, cannot agree with such patron with respect to such rules, regulations, or classifications, then any controversy between them with respect thereto or with respect to the interpretation to be given to any other provision of this article shall upon request of either party be submitted to arbitration for settlement and determination under the provisions of Chapter 298 of the Wisconsin Statutes. The arbitrator appointed under said statute shall review the rules, regulations, and classifications in controversy as adopted by the directors and, if he or she finds that they are inequitable or discriminatory, such arbitrator shall have the power to direct appropriate revisions therein.

Unless notice of objections by any patron is given as above provided, the action of the Board shall not be subject to review or change except by action at any meeting of the members.

ARTICLE XI

Waiver of Notice

Any member, director, or officer may waive, in writing, any notice of meetings required to be given by these Bylaws. The attendance of any person entitled to notice of meeting shall constitute a waiver of notice of such meeting, unless such person participates therein solely to object to the transaction of any business because the meeting has not been legally called or convened.

ARTICLE XII

Sale and Mortgaging of Property

Section 1. Sale. The Cooperative may not sell or dispose of any of its property other than:

- (a) property which, in the judgment of the Board of Directors, neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities; provided, however, that all sales of such property shall not, in any one year, exceed in value ten per centum (10%) of the value of all of the property of the Cooperative;
- (b) services of all kinds, including electric energy;
- (c) an undivided interest in generating plant or transmission facilities equal to or less than the Cooperative's surplus capacity therein after allowance for adequate reserves, where such interest is conveyed or transferred to a member of the Cooperative and such sale, conveyance, or transfer is found and determined by the Board to be in the best interests of the Cooperative and its members; and
- (d) personal property acquired for resale;

unless such sale or disposition is authorized at a meeting of the members by the affirmative vote of at least two-thirds (2/3) of the members voting thereon at such meeting and the notice of such proposed sale or disposition shall have been contained in the notice of the meeting.

Section 2. Borrowing and Lien Security Therefor: The Board of Directors shall have full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, or National Rural Utilities Cooperative Finance Corporation ("CFC") or any other financial institution, insurance company, bank, municipality, or other corporation or from members of the public through issuance or guaranty of notes, bonds, or other evidences of indebtedness in such amounts and under such terms and conditions as the Board may determine to be needed by and in the best interests of the Cooperative and to secure any obligations of the Cooperative, including the payment of any such indebtedness or the performance of any such guaranty, to authorize the execution and delivery of a mortgage or mortgages, 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.

ARTICLE XIII

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

Section 2. Seal. The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words, "Corporate Seal Wisconsin."

Section 3. Amendments. These Bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall specify the general nature of the proposed alteration, amendment or repeal. Any amendment which is germane to the proposed alteration, amendment or repeal specified in the notice and submitted at such meeting may be acted upon at such meeting with the same force and effect as though it had been contained in the notice of the meeting. These Bylaws may also be amended or altered by the Board of Directors, subject to the same provisions above specified relating to notice as is herein provided for amendments and alterations by the members, and subject further to the following conditions and limitations. Any bylaw adopted or amended by the Board shall be reported at the next member meeting and shall be subject to amendment or repeal by the members. The Board of Directors shall adopt no bylaw or make any amendment of these Bylaws which:

- (1) Alters the fundamental nonstock and nonprofit character of the Cooperative.
- (2) Materially alters the qualifications for directors.
- (3) Reduces the requirements for disposition of all or substantially all of the Cooperative's fixed assets.
- (4) Reduces the voting rights of any member.

Notwithstanding anything to the contrary in these Bylaws, any amendment to the definition of Class A members in Article I, Section 8 or to the entitlement of each Class A member to be represented by a director on the Board of Directors in Article III, Section 2 shall require the approval of not less than eighty percent (80%) of the total votes that the Class A members are entitled to cast.

Section 4. Indemnification and Insurance.

- (a) The Cooperative shall indemnify any person who was or is a director or officer, and may similarly indemnify any person who was or is an employee or agent, against liability, including reasonable expenses, incurred in any proceeding in which such person is a party because such person is or was such director, officer, employee or agent, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation or enterprise in which the Cooperative has an interest, unless such liability or expenses arise from any of the following:
- i. A willful failure to deal fairly with the Cooperative or its members in connection with a matter in which the director, officer, employee or agent has a material conflict of interest;
 - ii. A violation of criminal law, unless the director, officer, employee or agent had no reasonable cause to believe his or her conduct was unlawful;
 - iii. A transaction from which the director, officer, employee or agent derived an improper personal profit; or
 - iv. Willful misconduct.
- (b) The right to indemnification shall be determined by majority vote of the disinterested directors, or by such other procedure as the Board may determine.
- (c) The Cooperative may purchase and maintain insurance on behalf of any person indemnified under the provisions of this section against any liability asserted against such person arising out of such person's status as a present or former director, officer, employee or agent of the Cooperative.

Section 5. Limitation on Retail Service. The Cooperative shall not extend and render service at retail to any load in the service area of any Class A member without the written consent of the Class A member in the service area of which said retail load is located.

Section 6. Protection of Confidentiality of Trade Secrets, Licensed Products, Materials, and Formulae. Whenever the Cooperative in rendering computer or other technical service to members, or as an incident to generation and transmission of power, employs the use of trade secrets, licensed products, materials, formulae, and documentation in connection therewith, the confidentiality (hereinafter referred to collectively as "confidential items") of which is required under agreement with the licensor or furnisher thereof, the Cooperative and all members of the Cooperative contracting for such services shall exercise due diligence and all reasonable means to protect the confidentiality thereof by preventing the dissemination, proliferation, duplication, or the making available of such confidential items to any unauthorized person or persons. As used herein the term "unauthorized person or persons" shall include anyone who is not an employee of the Cooperative or of a member receiving such service, the employment duties of whom require familiarity with or use of such confidential items.