

BY-LAWS
of
CITIZENS
ELECTRIC
CORPORATION

*

OFFICES:

Ste. Genevieve
Perryville
Altenburg

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REVISED

JANUARY 21, 2010

CONSTITUTION AND BY-LAWS

ARTICLE I Meetings of Shareholders

SECTION 1—Annual Meeting. The date and place of the annual meeting of the shareholders of Citizens Electric Corporation (hereinafter referred to in these by-laws as the “Corporation”) will be determined by the Board of Directors, at such place in the City of Ste. Genevieve, in the County of Ste. Genevieve, State of Missouri or in the City of Perryville, in the County of Perry, State of Missouri as be designated in the notice or waiver of notice of such annual meeting, for the purpose of electing directors, passing upon reports from previous fiscal year, and transacting such other business as may come before the meeting. If the day fixed for the annual meeting shall fall on a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

SECTION 2—Special Meetings. Special meetings of the shareholders may be called by resolution of the Board of Directors or upon written request signed by any six directors, or by the holders of not less than 66 2/3 percent of all the outstanding shares entitled to vote at such meeting, 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 shareholders may be held in the City of Ste. Genevieve, County of Ste. Genevieve, State of Missouri, or in the City of Perryville, County of Perry, State of Missouri or anywhere within the service area of the Corporation.

SECTION 3—Notice of Shareholders’ Meetings. Written or printed notice of each meeting of shareholders stating the place, day, and hour of the meeting, and in case of a special meeting or any 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 or given not less than ten nor more than thirty days before the day of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each shareholder of record entitled to vote at such meeting. Any notices of a shareholders’ meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the shareholder at his or

its address as the same appears in the records of the Corporation.

In addition to the written or printed notice provided for herein, the Corporation shall publish notice in a daily or weekly newspaper published in the city or county where the registered office of the Corporation is located, the insertion to be not less than ten days prior to the date of the meeting. Such notice shall be published once.

SECTION 4-Quorum. A majority of the outstanding shares entitled to vote at any meeting represented in person or by proxy, shall constitute a quorum. If less than a quorum is present at any shareholders' meeting, a majority of those present and represented may adjourn the meeting to a specified date not longer than ninety days after such adjournment, without further notice.

SECTION 5-Voting. Each outstanding share shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders. However, the procedure applicable to election of directors shall be as elsewhere provided in these by-laws. At all meetings of the shareholders at which a quorum is present all questions shall be decided by a majority of such quorum unless a larger vote is required by law.

SECTION 6-Proxies. A shareholder may vote by proxy, approved in form by and according to standardized procedures set by policy of the Board of Directors, and executed in writing by the shareholder, or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary, or his designee, at or before the time specified in the proxy. Unless otherwise provided for in the proxy or these by-laws, the presence of a shareholder at a meeting shall revoke a proxy theretofore executed by him and such shareholder shall be entitled to vote at such meeting in the same manner and with the same effect as if he or it had not executed a proxy.

SECTION 6(a)-Proxy Committee. A majority of the Board of Directors of Citizens Electric Corporation shall appoint a committee from the Board of Directors of Citizens Electric Corporation to serve as the Official Proxy Committee of Citizens Electric Corporation to cast any and all votes for which the Proxy Committee is made Proxy holder by the Owners of the capital stock of Citizens Electric Corporation and to vote as the Owner's Proxy for the Election of Directors, and upon all matters that may be considered at any Annual Meeting, Special Meeting, or any other meeting of the Shareholders of Citizens Electric

Corporation, or any adjourned meeting of such meetings, called for any purpose, at any time or place, within the State of Missouri to act in the Owner's stead at any and all such meetings or adjournments thereof.

The Owner's Proxies shall remain in full force and effect, and shall remain as a permanent, continuous Proxy until revoked by the Owner according to law.

The authority conferred by the Owners to the Official Proxy Committee shall be exercised by any member or members thereof, as a majority of the members of the Official Proxy Committee shall determine or agree.

A majority of the Board of Directors of Citizens Electric Corporation shall appoint its members of the Board of Directors to fill all vacancies to the Official Proxy Committee and the Official Proxy Committee shall be a continuous, existing committee until otherwise amended or repealed, as required by the by-laws of Citizens Electric Corporation.

SECTION 6(b)–Proxy Ballot. After November 19, 2009, the Board of Directors shall, for all annual or special meetings of the shareholders of the Corporation, authorize a Proxy Ballot. Each Proxy Ballot shall allow a shareholder the opportunity to therein specifically direct, authorize and assign to the named proxy holder, the right and duty to vote as indicated by the shareholder on any and all matters to properly come before the meeting. The holder of the shareholder's proxy shall only vote on all matters as specified by the shareholder on the Proxy Ballot. The Secretary of the Corporation shall be responsible for mailing the Proxy Ballot with the notice of the meeting or in a separate mailing.

SECTION 7–Order of Business. The order of business at the annual meeting of the shareholders and, so far as possible, at all other meetings of the shareholders, shall be essentially as follows:

1. Report as to the shareholders represented in person or by proxy in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication and mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the shareholders and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors, and committees.

5. Nomination and election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE II

SECTION 1–General Powers. The property and business of the Corporation shall be controlled and managed by a Board of ten (10) directors which shall exercise all of the powers of the Corporation except such as are by law, the Articles of Incorporation or these by-laws conferred upon or reserved to the shareholders.

SECTION 2–Qualifications. No person shall be eligible to become or remain a director unless they are:

- a) an individual shareholder of the Corporation or the duly constituted attorney in fact of a corporate shareholder;
- b) age eighteen (18) or more;
- c) a bonafide resident of the county in which a directorship term will expire or is otherwise vacant;
- d) not in any way employed by or financially interested in a competing enterprise or a business selling electrical energy, services or supplies to the Corporation;
- e) in good standing with the Corporation by not owing a delinquent debt to the Corporation during such director's term of office or within three (3) years prior to becoming a director; and
- f) not a convicted felon, by reason of a court conviction, plea of guilty or plea of no contest.

No person shall remain a director unless they attend at least two of any three successive regular board meetings, but in no event shall a director be absent from more than two meetings on an annual basis, provided the health of the Director permits.

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such Director from office. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meetings of the Board of Directors.

SECTION 3–Nominations. The Board of Directors shall be comprised of four (4) directors from Ste. Genevieve/St. Francois counties, four (4) directors from Perry County, and two (2) directors from Cape Girardeau County. It shall be the duty of the Board of Directors to appoint, not less than 150

days before the date of the annual meeting of shareholders at which directors are to be elected, a Nominating Committee consisting of not less than six nor more than seven individuals who are shareholders and who shall be selected from different regions of the Corporation's service area so as to insure equitable representation. No member of the Board of Directors may serve on such a committee, and no member of the Board of Directors seeking re-election shall submit shareholders to be so appointed. The committee, in keeping with the principle of equitable geographical representation and the vacancy or expiring term(s) in each county, shall prepare and post at the principal office of the Corporation at least 110 days before the annual meeting a list of nominations for directors which may include a greater number of candidates than are to be elected. The Secretary of the Corporation shall be responsible for mailing with the notice of the meeting or separately, but at least 10 days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates nominated by the Nominating Committee or by petition as set forth below.

Three percent (3%) or more of all current shareholders of the Corporation acting together may make other nominations by petition and the Secretary shall provide notice to the shareholders of any such nominations by petition in the same manner as the list of nominations made by the Nominating Committee. Nominations made by petition must be received by the Secretary of the Corporation at least 100 days before the annual meeting, and after verification of the signatures on said petition, shall be included on the official ballot. No other nominations shall be accepted. No shareholder may nominate more than one candidate by petition, and all such nominees by petition shall be eligible to become or remain a director in compliance with Article II, Section 2 of these by-laws. The names of the nominees shall be listed on any official ballot in the order listed by the Nominating Committee, followed by those nominees by petition in the order of receipt of the nominating petition.

SECTION 4—Election and Tenure of Office.

(a) The ten (10) persons elected as directors at the 1969 meeting of the shareholders shall compose the Board of Directors, until the next Annual Meeting of Shareholders. The ten directors at said meeting shall be elected for the following terms: Four shall be elected for a term of three years; three for a term of

two years; and three for a term of one year; and thereafter at the regular Annual Meeting of Shareholders, directors shall be elected for those whose terms expire at the date of said Annual Meeting of the Shareholders for a term of three years. Those directors standing for election shall be elected by ballot at each Annual Meeting of the Shareholders beginning with the year 1969 to serve for three years or until their successors shall have been elected and qualified. If an election of directors shall not have been held on the day designated herein for the Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a Special Meeting of the Shareholders as soon thereafter as convenient.

(b) In all elections each shareholder shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the shareholders. All questions shall be decided by a majority of the shareholders voting thereon in person or by proxy except as otherwise provided by law, the Articles of Incorporation or these by-laws. Directors may be elected by a plurality vote of the shareholders present in person or by proxy.

SECTION 5–Vacancies. A vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors, and directors thus elected shall serve until their successors shall have been elected and shall have qualified or until the expiration of their current term.

SECTION 6–Compensation. Directors shall receive no salary for their services as directors except that by resolution of the Board of Directors a sum may be fixed for each regular or special meeting of the Board which may include expenses of director participation in employee group benefit programs, together with expenses, if any, for attendance at such meetings of the Board; also, a sum may be allowed for committee or any other meeting requiring the presence of any director or directors; also, fees and expenses shall be allowed for board training programs and association meetings. No director shall receive compensation for serving the Corporation as an employee of the Corporation. References and restrictions related to relatives of directors shall be controlled by Board Policy No. 201, Item K of Citizens Electric Corporation Organizational Policy Manual.

ARTICLE III

Meetings of Directors

SECTION 1–Regular Meetings. A regular meeting of the Board of Directors shall be held monthly at such time and place in the city of Ste. Genevieve, County of Ste. Genevieve, State of Missouri, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof, providing, however, the Board of Directors may by resolution passed at a regular meeting fix any other place in Perry, Ste. Genevieve, or Cape Girardeau Counties, or anywhere within the service area of the Corporation, for the holding of any regular meeting.

SECTION 2–Special Meetings. Special meetings of the Board of Directors may be called by the President or by any four directors and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place for the holding of the meeting by resolution passed at a regular meeting. Special meetings may be held at any place within Perry, Ste. Genevieve, or Cape Girardeau Counties, or at such other location as the Board of Directors may provide by resolution.

SECTION 3–Notice of Directors’ Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director not less than five days previous thereto, either personally 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 directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Corporation, with postage thereon prepaid.

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

SECTION 5–Meetings By Conference Telephone or Similar Communications Equipment.

Unless otherwise restricted by the Act under which this Corporation is organized or its Articles of Incorporation or these by-laws, members of the Board of Directors of the Corporation, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

**ARTICLE IV
Officers**

SECTION 1–Number. The officers of the Corporation shall be a President of the Board, Vice-President, Chief Executive Officer, Secretary, Assistant Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time.

SECTION 2–Election and Term of Office. The officers shall be elected by ballot, annually by the Board of Directors at the meeting of the Board of Directors immediately after the annual meeting of shareholders. The President, Vice-President, Secretary, and Treasurer shall be members of the Board of Directors, but the Assistant Secretary and Chief Executive Officer need not be members of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon after 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 shareholders or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

SECTION 3–Removal of Officers and Agents by Directors. 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 Corporation shall be served thereby.

SECTION 4–President. The President shall:
(a) Be the principal executive officer of the Corporation and unless otherwise determined by the shareholders of the Board of Directors, shall preside at the meeting of the shareholders, the Board of

Directors, and the Executive Committee of the Board of Directors.

(b) The President can sign, with the Secretary or Chief Executive Officer share certificates, the issue of which shall have been authorized by the Board of Directors or the shareholders, and may sign any deeds, mortgages, deed 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 by-laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed.

(c) In general perform all duties incident to the office of President of the Board and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 5–Vice-President. The Vice-President shall:

(a) In the absence of the President of the Board or in the event of the President's inability to act, the Vice-President shall perform the duties of the President, and when so acting shall have all powers of and be subject to all restrictions upon the President of the Board. The Vice-President shall also perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

(b) In the absence of the President, Vice-President, Secretary and Treasurer or in their inability to act as President of the Board, the Chief Executive Officer shall perform the duties of President, and when so acting shall have all powers of and be subject to all restrictions upon the President.

SECTION 6–Secretary. The Secretary shall:

(a) Keep the minutes of the meetings of the shareholders and of 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 by-laws as required by law.

(c) Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all share certificates prior to the issue thereof and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these by-laws.

(d) Keep a register of the names and post office addresses of all shareholders.

(e) Sign, with the President of the Board, share certificates, the issue of which shall have been

authorized by the Board of Directors or the shareholders.

(f) Have general charge of the books of the Corporation.

(g) Keep on file at all times a complete copy of the articles of incorporation and by-laws of the Corporation containing all amendments thereto (which copy shall always be open to the inspection of any shareholder) and at the expense of the Corporation forward a copy of the by-laws and of all amendments thereto to each shareholder and delegate, 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 to him by the Board of Directors.

(i) In the absence of the President of the Board and Vice-President, or in the event of their inability to act, the Secretary shall perform the duties of the President, and when so acting shall have powers of and be subject to all restrictions upon the President of the Board.

SECTION 6A—Assistant Secretary. In the absence of the Secretary or in the event of his inability to act, the Assistant Secretary shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 7—Treasurer. The Treasurer shall:

(a) Have charge and custody of and be responsible for all funds and securities of the Corporation.

(b) Be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Corporation and for the deposit of all such moneys in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these by-laws; and

(c) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

(d) In the absence of the President, Vice-President and Secretary or in the event of their inability to act, the Treasurer shall perform the duties of the President of the Board, and when so acting, shall have all powers of and be subject to all restrictions upon the President of the Board.

SECTION 8—Bonds of Officers. The Treasurer and any other officer or agent of the Corporation charged with responsibility for the custody of any of its funds or property shall give bond in such sum and

with 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 Corporation to give bond in such amount and with such surety as it shall determine.

SECTION 8A—Indemnification of Directors and Officers. Each present, past, and future directors, officers, employees, and agents of the Corporation shall be entitled without prejudice to any other rights he or she may have, including insurance or indemnity coverage (policies or agreements) owned or purchased by the Corporation benefiting the directors, officers, employees and agents and each director, officer, employee and agent shall be reimbursed by the Corporation for, and indemnified by the Corporation against all liability, cost, and expense (including, without limitation, legal cost expense) hereafter reasonably incurred in connection with any claim, action, suit or proceeding of whatever nature in which any of the above may be involved as a party or otherwise by reason of having served before or after the date of the adoption of these by-laws as a director, officer, employee and agent of the Corporation or by reason of any action alleged to have been theretofore or thereafter taken or omitted as any such director, officer, employee or agent whether or not any of the above continues to be such director, officer, employee or agent including amounts paid or incurred in connection with reasonable settlements made with a view to curtailment of costs of litigation and with the approval of a majority of the directors of the Corporation then in office, other than those involved, whether or not such majority constitutes a quorum. The Corporation and its directors, officers, employees and agents shall not be liable to anyone for making any determination as to the existence or absence of liability, or for making or refusing to make any payment hereunder on the basis of such determination, or for taking or omitting to take any other action hereunder, in reliance upon the advice of counsel.

However, in all events involving the Corporation, no director or officer of the Corporation shall be liable to any other director or officer with respect to any matter within the scope of his official duty, except such action or neglect or failure to act as such shall constitute negligence or misconduct in the performance of his duties as Director of the Corporation or officer of the Corporation.

SECTION 9—Compensation. The powers, duties and compensations of officers, agents, and employees shall be fixed by the Board of Directors.

SECTION 10–Reports. The officers of the Corporation shall submit at each annual meeting of the shareholders, reports covering the business of the Corporation for the previous fiscal year. Such reports shall set forth the condition of the Corporation at the close of such fiscal year.

SECTION 11 – Board Committees.

11A–Transportation Committee. The Transportation Committee shall consist of three members of the Board of Directors appointed by the President of the Board of Directors annually, and who agree to serve.

The Transportation Committee shall review the annual vehicle and equipment purchasing budget, review vehicle and equipment specifications and bids, and present their reports and recommendations to the Board of Directors.

The Chief Executive Officer shall be an ex-officio member of the Transportation Committee.

11B–Building and Grounds Committee. The Building and Grounds Committee shall consist of three members of the Board of Directors appointed by the President of the Board of Directors annually, and who agree to serve.

The Building and Grounds Committee shall review the annual budget for additions, repairs or replacements of buildings and grounds, and present their reports and recommendations to the Board of Directors.

The Chief Executive Officer shall be an ex-officio member of the Building and Grounds Committee.

11C–Advisory Directors Committee. The Advisory Directors Committee shall consist of former Directors of Citizens Electric Corporation and who accept an appointment to this committee by the President of the Board of Directors.

The Advisory Directors Committee upon acceptance shall perform such tasks, as requested by the Board of Directors, through the President of the Board of Directors.

The Chief Executive Officer shall be an ex-officio member of this committee.

11D–Executive Committee of the Board of Directors. There shall be an Executive Committee of the Board of Directors, the committee consisting of the Board President, Vice-President, Secretary and Treasurer, as elected annually.

The Executive Committee shall at the direction of the Board of Directors through the President of the Board of Directors consider matters regarding the

operations of Citizens Electric Corporation, and make recommendations to the Board of Directors.

The Chief Executive Officer shall be an ex-officio member of the Executive Committee.

11E–Board Risk Oversight Committee. There shall be a Board Risk Oversight Committee of the Board of Directors, the committee consisting of the Board President, the CEO/General Manager and four (4) directors appointed by the Board President.

The Board Risk Oversight Committee shall at the direction of the Board of Directors through the President of the Board of Directors consider matters regarding the risk management activities of the Corporation, and recommend related policies and guidelines to the Board of Directors.

ARTICLE V

Seal

The Corporate Seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and words “Seal, Missouri.”

ARTICLE VI

Contract with Consumer

In order to encourage the fullest possible use of the electric energy, the Corporation is obligated to account to all of its consumers on the basis of the proportion that the amount of business done with each consumer bears to the total business done with all consumers, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of such operation costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the consumers as capital. The Corporation is obligated to pay by credits to a capital account for each consumer all such amounts in excess of such operating costs and expenses. The books and records of the Corporation 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 consumer is clearly reflected and credited in an appropriate record to the capital account of each consumer, and the Corporation shall within reasonable time after the close of the fiscal year make available the Capital Credit Allocation factor for the applicable

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

All other amounts received by the Corporation from its operations in excess of costs and expenses, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its consumers and any amount so allocated shall be included as a part of the capital credited to the accounts of consumers as directed and on the terms and conditions set forth in the paragraph immediately preceding this paragraph.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding credits of capital 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 Corporation will not be impaired thereby, the capital then credited to consumers' accounts may be retired in full. The Corporation will not issue or mail any amount of less than \$1.00 unless requested by consumer. As to capital credits earned on or prior to March 31, 1996, any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Corporation being the first to be retired. As to capital credits earned after March 31, 1996, any such retirements of capital may be made in any order of priority specified by the Board of Directors by resolution of general application. In no event, however, may any such capital be retired unless, after the proposed retirement, the financial condition of the Corporation will not be significantly impaired thereby. However, the Corporation, at the discretion of the Board of Directors, may retire capital credits to the estate of a deceased consumer-member who is a natural person. Capital credited to the account of each consumer shall be assignable only on the books of the Corporation pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of each consumer's premises served by the Corporation unless the Board of Directors acting under policies of general application shall determine otherwise.

The consumer of the Corporation, dealing with the Corporation, acknowledge that the terms and provisions of this section of the by-laws shall constitute and be a contract between the Corporation and the consumer, and both the Corporation and the consumer are bound by such contract as fully as though each consumer had individually signed a separate instrument containing such terms and provisions. The provisions of this section of the by-laws shall be called to the attention of each consumer of the Corporation by an appropriate notice which shall be mailed to each consumer.

ARTICLE VI-a Unclaimed Capital

Notwithstanding any provisions herein contained to the contrary, the Corporation shall recover, after a period of two (2) years, any unclaimed capital credits, patronage refunds, utility deposits, membership fees, or account balances for which the owner (consumer member or former consumer member) cannot be found and are the result of a distributable savings of the Corporation, giving sixty (60) days' notice in a newspaper of general circulation, published in the county in which the Corporation locates its general headquarters. Such notice shall state the owner's name and approximate amount of owner's interest, and that if not duly claimed within sixty (60) days of said notice, the same shall be turned over to the Corporation, which shall reallocate the same to other consumer members. If no provable claim shall have been filed within sixty (60) days after the one-time publication of said notice, the Corporation may credit against said consumer member and thereafter allocate to the other consumer members of the Corporation on a pro rata basis. Such amounts of said consumer members (the allocations herein contemplated) shall be allocated to those who are members as of the year and on a pro rata basis for the year in which the 60th day falls after the published notice.

Any consumer member or former consumer member who fails to claim any capital credit or other payment within two (2) years after payment has been made available to such person, shall have made an irrevocable assignment and gift to the Corporation of such capital credits or other payments.

ARTICLE VI-b

Nonprofit Operation

SECTION 1–Interest or Dividends on Capital Prohibited. The Corporation shall at all times be operated on a nonprofit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members.

SECTION 2–The Corporation, before retiring any capital credited to any member’s account, shall deduct therefrom any amount owing by such member to the Corporation.

The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and by-laws shall constitute and be a contract between the Corporation and each member, and both the Corporation 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. The provisions of this Article of the by-laws shall be called to the attention of each member of the Corporation by posting in a conspicuous place in the Corporation’s offices.

SECTION 3–Patronage Refunds in connection with Furnishing Other Services. In the event that the Corporation should engage in the business of furnishing goods or services other than electric energy, and organized under a nonprofit or profit subsidiary corporation, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis to the parent Corporation for its patronage distribution and returned to those members from whom such amounts were obtained at such time and in such order of priority as the Board of Directors shall determine.

ARTICLE VII

Financial Transactions

SECTION 1–Contracts. Except as otherwise provided in these by-laws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

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

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

SECTION 4—Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE VIII

Certificates for Shares and Their Transfer

SECTION 1—Certificates for Shares. Certificates representing shares of the Corporation shall be in such form as may be determined by the Board of Directors. Such certificates shall be signed as provided by Article IV, Section 4b and shall be sealed with the seal of the Corporation. All certificates for shares shall be consecutively numbered. The names of the person owning the shares represented thereby with the number of shares and date of issue shall be entered on the books of the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificates shall be issued until the former certificates for a like number of shares have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

SECTION 2—Transfer of Shares. Except as may be required by law, transfers of shares of the Corporation shall be registered on the books of the Corporation only upon request of the registered holder thereof or his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and upon surrender for cancellation or upon proof of loss or destruction of the certificate for such shares. In all matters affecting the Corporation the person in whose name shares are registered on its books shall be deemed the owner.

SECTION 3—Redemption of Share. Effective March 19, 1992, no person shall be eligible to remain

a Shareholder who does not receive electric service from the Corporation. All shares of the Corporation issued after March 19, 1992, shall be redeemed, purchased and transferred back to the Corporation immediately upon disconnection of the Shareholder's service. Regardless of failure to surrender the share certificate, the books and records of the Corporation shall reflect redemption of the share for its par value with that amount credited to the former Shareholder's account, if there is any balance due and owing to Corporation, or otherwise refunded by mail to the former Shareholder's last known address. The rights and privileges of Shareholders owning stock issued before March 19, 1992, shall not be diminished, increased, or otherwise altered by this amendment.

ARTICLE IX Miscellaneous

SECTION 1—Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of the Act under which this Corporation is organized or under the provisions of the Articles of Incorporation or by-laws, a waiver thereof in writing by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent of such notice. The attendance of a shareholder or director at any meeting shall constitute a waiver of notice of such meeting by such shareholder or director except when a shareholder or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the shareholders or Board of Directors of the Corporation need be specified in any written waiver of notice unless so required by the Act under which this Corporation is organized or the Articles of Incorporation or these by-laws.

SECTION 2—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 or these by-laws, as it may deem advisable for the management of the business and affairs of the Corporation.

SECTION 3—Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system in compliance with applicable laws and rules and regulations of any regulatory body having jurisdiction.

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 Corporation as of the end of such fiscal year. Such audit reports shall be submitted to the shareholder at the next following annual meeting.

ARTICLE X
Disposition and Pledging of Property;
Distribution of Surplus Assets on Dissolution

SECTION 1–Disposition and Pledging of Property. (a) Not inconsistently with Mo. Rev. Stat. Section 394.180 and subsection (b) hereof, the Corporation may, at a duly held meeting of the shareholders, authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Corporation’s properties and assets only upon the affirmative votes of two-thirds (2/3) of the then total shareholders of the Corporation; however, the Board of Directors, without authorization by the shareholders, shall have full power and authority (1) to borrow moneys from any source and in such amounts as the Board may from time to time determine, (2) to mortgage or otherwise pledge or encumber any or all of the Corporation’s properties or assets as security therefor, (3) to sell, lease, lease-sell, exchange, transfer or otherwise dispose of merchandise, property no longer necessary or useful for the operation of the Corporation, or less than a substantial portion of the Corporation’s properties and assets. “Substantial portion” means fifty-one (51%) percent or more of the Corporation’s total assets as reflected on its books at the time of the transaction.

(b) Supplementary to the first sentence of the foregoing subsection (a) and any other applicable provisions of law or these by-laws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Corporation’s properties and assets shall be authorized except in conformity with the following:

(1) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Corporation with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit

Court Judge for the Judicial District in Missouri in which the Corporation's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board of Directors.

(2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the shareholders it shall first give every other electric cooperative sited and operating in Missouri (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the shareholders thereon or, if such be the case, the next annual shareholders meeting, expressing in detail each of any such proposals, and shall call a special meeting of the shareholders for consideration thereof and action thereon, which meeting shall be held not less nor more than twenty-five (25) days after the giving of notice thereof to the shareholders: provided, that consideration and action by the shareholders may be given at the next annual shareholders meeting if the Board so determines and if such annual meeting is held not less nor more than twenty-five (25) days after the giving of notice of such meeting.

The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

ARTICLE XI

Amendments

These by-laws may be altered, amended or repealed by the affirmative vote of not less than two-

thirds (2/3) of all of the directors at any regular or special meeting provided that the notice of the meeting shall have contained a copy of the proposed alteration, amendment or repeal. Furthermore, the Board of Directors of the Corporation by a majority vote thereof, may elect that these by-laws be altered, amended or repealed by the shareholders of the Corporation at any regular or special meeting of shareholders, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.