

Member Certificate

A Corporation Organized Under the Laws of the State of South Carolina

This certificate and the membership evidenced hereby are not transferable except as provided in the bylaws of the Cooperative, and such membership may be terminated as provided in said bylaws. Upon termination of the membership represented by this certificate, by death, cessation of existence, expulsion or withdrawal, this certificate shall be surrendered to the Cooperative. Each member of the Cooperative, or in the case of a joint membership, the holders thereof jointly, or either of them, but not both, shall be entitled to one (1) vote and no more upon each matter submitted to a vote at all meetings of the members of the Cooperative.

This certificate and the membership evidenced hereby are subject to all the terms and conditions, and limitations contained in the charter and bylaws of the Cooperative and all amendments thereto and in the application of the holder or holders hereof for membership in the Cooperative.



Jeremiah E. Vaigneur
CHAIRMAN

Carolyn Grant
SECRETARY

PALMETTO ELECTRIC
COOPERATIVE, INC.

4063 Grays Highway
Ridgeland, SC 29936



Your Touchstone Energy® Partner 

4063 Grays Highway, Ridgeland, SC 29936

OFFICIAL MEMBERSHIP RECORD

DATE _____

MEMBER'S NAME AND ADDRESS:

PALMETTO ELECTRIC COOPERATIVE, INC.

BY _____

PALMETTO ELECTRIC COOPERATIVE, INC.

MISSION STATEMENT

To deliver competitively priced, reliable energy and innovative related services to its members and to provide leadership and support to the communities we serve.

Board of Directors

Jeremiah E. Vaigneur	Jasper County
<i>Chairman</i>	
D. Terrell Smith	Hampton County
<i>Vice Chairman</i>	
Carolyn Grant.....	Beaufort County
<i>Secretary-Treasurer</i>	
Dr. Earl Bostick Sr.	Jasper County
Gregory S. Cook	Hampton County
Nicholas T. Gohagan	Hampton County
Alicia Holland	Beaufort County
David C. Howard	Beaufort County
William J. Nimmer	Beaufort County
James L. Rowe	Beaufort County
Thomas G. Stanley Jr.	Jasper County
David L. White	Beaufort County

Attorney

Parker Law Group
Hampton, SC

President and
Chief Executive Officer
A. Berl Davis Jr.

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Revised May 2025

PALMETTO ELECTRIC COOPERATIVE, INC.



ARTICLE 1—MEMBERSHIP

Section 1. Requirements for Membership.

Any person, firm, association, corporation or body politic or subdivision thereof may become a member in Palmetto Electric Cooperative, Inc. (hereinafter called the “Cooperative”) by:

- (A) applying for membership therein upon such terms as may be established by the Board of Directors;
- (B) agreeing to purchase electric energy from the Cooperative;
- (C) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any policies, rules and regulations adopted by the Board of Directors; and
- (D) paying a membership fee of five (5) dollars.

No member may hold more than one (1) membership in the Cooperative, and no membership in the Cooperative shall be transferable.

Section 2. Membership Certificates.

Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as determined by the Board of Directors. Such certificates shall be signed by the Chairman and by the Secretary of the Cooperative, and the Corporate seal shall be affixed thereto.

Section 3. Joint Membership.

(A) A married couple may apply for a joint membership by complying with the requirements set forth in Section 1 of this Article. The term “member” as used in these bylaws shall include married couples holding a joint membership.

(B) The provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership.

(C) The presence at a meeting of either or both shall be regarded as the presence of one (1) member and constitute a joint waiver of notice of the meeting.

(D) The vote of either separately or both jointly shall constitute one (1) joint vote.

(E) A waiver of notice signed by either or both shall constitute a joint waiver.

(F) Notice to either shall constitute notice to both.

(G) Expulsion of either shall terminate the joint membership.

(H) Withdrawal of either shall terminate the joint membership.

(I) Either, but not both, may be elected or appointed as an officer or Director, provided they meet the qualifications for such office.

Section 4. Conversion of Membership.

(A) A membership may be converted to a joint membership upon the request of the holder thereof and the agreement by such holder and his/her spouse to comply with the articles of incorporation, bylaws, policies, rules and regulations adopted by the Board of Directors. The outstanding membership certificate(s) shall be converted to a joint membership certificate.

(B) Upon notice to the Cooperative of the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be deemed reinstated as an individual membership certificate; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative at the time of death.

Section 5. Purchase of Electric Energy.

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his/her application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board of Directors; provided, however, the Board of Directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one (1) member. Each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

Section 6. Termination of Membership.

(A) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two thirds of all the Directors, expel any member who shall have refused or failed to comply with any of the provisions of the articles of incorporation, bylaws, policies, rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him/her liable to expulsion, and such refusal or failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting.

(B) Upon a withdrawal, death, cessation of existence or expulsion of a member, the membership shall be terminated, and the membership certificate of such member shall be deemed surrendered. Termination of membership in any manner

shall not release a member or his/her estate from any debts due the Cooperative.

(C) In case of withdrawal or termination of membership, the Cooperative will repay to the member the amount of the membership fee paid by him/her; provided, however, that the Cooperative shall deduct from the amount of membership fee the amount of any debts or obligations owing from the member to the Cooperative.

(D) When a member ceases to receive and pay for electric energy furnished by the Cooperative, their membership in the Cooperative shall terminate without recourse, notwithstanding the existence of any amount of capital credited to the former member's capital account before or after termination of membership.

ARTICLE II—RIGHTS AND LIABILITIES OF THE MEMBERS

Section 1. Agreement between Cooperative and Members.

A member of the Cooperative, by dealing with the Cooperative, acknowledges that the terms and provisions of the articles of incorporation, bylaws and policies adopted by the Board of Directors constitutes a contract between the Cooperative and the member. The member is bound by such contract as if the member had signed a separate instrument containing such terms and provisions. The provisions of this section of the bylaws shall be made known to each member of the Cooperative at the inception of membership.

Section 2. Non-liability for Debts of the Cooperative.

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

Section 3. Interest or Dividends on Capital Credits Prohibited.

The Cooperative shall be operated on a not-for-profit basis. No interest or dividends shall be paid or payable by the Cooperative on membership fees or capital furnished by its members.

Section 4. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all members will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a not-for-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received

with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay on a pro rata basis credits to a capital account for each member all such amounts in excess of operating costs and expenses. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his/her account. All such amounts credited to the capital account of any member shall be deemed to have been paid to the members in cash in pursuance of a legal obligation, and the member had then furnished the Cooperative corresponding amount for capital.

All other amounts received by the Cooperative, incidental to the providing of electric energy in excess of costs and expenses, shall, insofar as permitted by law, be used pursuant to Article II. Section 8.

Section 5. Retirement of Patronage Capital.

(A) If the Board of Directors determines that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to the current or former member's account may be retired in full or in part. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Cooperative shall equal at least "the minimum amounts required by the provisions of all notes, mortgages, loan contracts and other financing agreements presently existing and hereafter made by the Cooperative with the National Rural Utilities Cooperative Finance Corporation and with other lending agencies."

(B) Provided, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of members which corresponds to capital credited to the account of the organization furnishing electric service to the Cooperative, such rules shall:

(1) establish a method for determining the power supply portion of capital credited to each member for each applicable fiscal year;

(2) provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's members;

(3) provide for appropriate notifications to members with respect to the power supply portion of capital credited to their accounts; and

(4) preclude a general retirement of the power supply portion of capital credited to members for any fiscal year prior to the general retirement of other capital credited to members for the same year or of any capital credited to members for any prior fiscal year.

(C) Capital credited to the account of a member may be assigned on the books of the Cooperative pursuant to a written assignment unless the Board of Directors, acting under policies of general application, shall determine otherwise.

(D) The Board of Directors shall have the power at any time after the death of any human member, to retire capital credited to any such member immediately upon such terms and conditions established by the Board of Directors. Any such payment made shall be discounted through a present value calculation.

Section 6. Patronage Capital in the Event of Dissolution.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

Section 7. Property Interest of Members.

Members shall have no individual or separate interest in the property or assets of the Cooperative. Upon dissolution, the property and assets of the Cooperative remaining after all the debts and liabilities of the Cooperative are paid shall be distributed among the members in the proportion which the aggregated patronage of each member bears to the total patronage of all members during the seven (7) years preceding the date of the filing of the certificate of dissolution.

Section 8. Revenue Received in Connection with Furnishing Other Services.

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods and services shall, insofar as permitted by law, be used by the Cooperative to defray expenses, pay interest, provide reserves and be otherwise used to reduce the cost of electricity provided to the members. No amounts received by the Cooperative for furnishing goods and services other than electric energy shall be allocated as patronage to the account of any member.

ARTICLE III—MEETINGS OF MEMBERS

Section 1. Place and Date of Annual Meeting.

The Board of Directors has the authority to designate the time and place of an annual meeting of the membership (hereinafter “the meeting”).

Section 2. Special Meetings.

Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three (3) Directors, by the Chairman or by ten (10) percent of all the members. It shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members shall be held in either Allendale, Beaufort, Hampton or Jasper County, in the state of South Carolina, as specified in the notice of the special meeting.

Section 3. Notice of Members' Meeting.

Notice stating the place, day and hour of any meeting shall be delivered not less than ten (10) days or thirty (30) days, if the meeting includes an election, nor more than forty-five (45) days before the date of the meeting, either personally or by regular or electronic mail, by or at the direction of the Secretary, 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 the address as it appears in the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum.

Five (5) percent of all members present in person shall constitute a quorum for the transaction of business at all meetings of the members, unless the bylaws prescribe the presence of a greater percentage. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. A vote cast by a member at an early voting site counts for purposes of determining the presence of a quorum at the meeting.

Section 5. Voting.

A member shall be entitled to one (1) vote. All questions, except the election of Directors, shall be decided by a vote of a majority of the members voting, except as otherwise provided by law, the articles of incorporation or these bylaws.

The election of Directors shall be decided by plurality of vote of the members voting.

Voting by proxy for any purpose is prohibited.

Section 6. Annual Meeting Order of Business.

The order of business at the Annual Meeting of the members and, so far as possible, at all other meetings of the members shall essentially be as follows:

- (A) Call to order.
- (B) Registration and voting.
- (C) Report on existence of a quorum.
- (D) Presentation of the notice of the meeting and proof of publication or mailing.
- (E) Approval of minutes of previous meetings of the members.
- (F) Reports of officers, Directors and committees.
- (G) Unfinished business.
- (H) New business.
- (I) Adjournment.

Section 7. Matters Considered at Meetings.

No matter, that requires the affirmative vote of the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting.

ARTICLE IV—BOARD OF DIRECTORS

Section 1. General Powers.

(A) The business and affairs of the Cooperative shall be managed by a board of twelve (12) Directors, six (6) of whom shall reside in Beaufort County, three (3) of whom shall reside in either Allendale or Hampton County, and three (3) of whom shall reside in Jasper County. Should a person, after having been elected a Director, move to another county and continue to receive electricity from the Cooperative at his/her principal residence, then, during such term, he/she shall be counted as one (1) of the Directors from the county in which the Director resided at the time of the Director's election. The terms "Director" and "Trustee" are synonymous.

(B) The Board of Directors shall exercise all the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

(C) Except as otherwise provided herein, the Board of Directors shall have the full authority to conduct the business and affairs of the Cooperative, which shall include the authority to own and operate other for-profit or not-for-profit, business enterprises and to conduct any other lawful business activity as provided under South Carolina law.

Section 2. Qualifications of Directors.

(A) To become or remain a Director, a person must:

(1) be a member, receive electrical energy from the Cooperative at his/her principal personal residence, and to become a Director, have received electrical energy from the Cooperative at his/her principal personal residence for more than 365 consecutive days prior to submitting a Cooperative provided application to become a Director. Principal residence shall be determined by the S.C. voter registration statutes;

(2) not be in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative;

(3) not be an incumbent of or candidate for an elective public office in connection with which a salary or compensation in excess of one hundred (100) dollars per annum is paid;

(4) not have been within the last five (5) years preceding the date of the current year's meeting an employee of the Cooperative in any capacity;

(5) not have a family member employed and/or receiving compensation from

the Cooperative. "Family member" includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and/or a member of the individual's immediate family. This section — Article IV, Section 2(A)-(5) — shall not apply to Directors serving as of May 2, 2020;

(6) be a natural person;

(7) have the capacity to enter legally binding contracts;

(8) not have, in the past twenty-five (25) years, pleaded guilty or been convicted in State or Federal court of a felony, and have not had their civil rights reinstated by pardon or amnesty; and

(9) not be more than ninety (90) days with a past due balance of any monies owed to the Cooperative or not have more than one (1), sixty (60) day past due balance over the previous twelve (12) months.

(B) A member of an electric cooperative's Board of Directors may not:

(1) knowingly use his/her position as a director to obtain an economic interest in addition to his/her compensation, if any, for serving as a member of the Board of Directors for themselves, a family member, an individual with whom he/she is associated or a business with which he/she is associated; or

(2) have a direct business relationship with the electric cooperative that is distinct from or in addition to the Director's mandatory cooperative membership or his/her service on the Board of Directors; or

(3) appoint, direct or cause a family member to become a member of a committee or an employee of the Cooperative.

(C) A member of an electric cooperative Board of Directors is not prohibited by this section from accepting good(s) or service(s) such as lodging, transportation, entertainment, food, meals, beverages or any other thing of value provided that:

(1) the value of the good(s) or service(s) is reasonable, and the purpose relates to his/her duties as a Director; or

(2) the good(s) or service(s) is furnished on the same terms or at the same expense to a member of the general public or to general attendees of the functions considered reasonable by the board for the fulfillment of his/her duties as a Director; or

(3) if the good(s) or service(s) is of more than twenty-five (25) dollars in value and is furnished to the Director by a company that the Director knows has or seeks a business relationship other than a cooperative membership with the Cooperative, on whose Board the Director serves, and the Cooperative is not an owner or a member of that company, the Director must disclose the acceptance of the good(s) or service(s) to the board.

(D) For the purposes of this section, "an individual with whom he/she is associated" has the same meaning as provided in Section 8-13-100(21) and "family member" has the same meaning as provided in Section 8-13-100(15) (S.C code of laws annotated).

(E) The Directors of the Cooperative shall hold office until the next following annual meeting of the members or until their successors have been

elected and qualified. Incumbent Directors seeking reelection shall not directly or indirectly influence the nomination or credentials process. At each annual meeting or, in case of failure to hold the annual meeting as specified in the bylaws, at a special meeting called for the purpose, the members shall elect Directors to hold office until the next following annual meeting of the members, except as otherwise provided. Each Director shall hold office for the term for which he/she is elected or until his/her successor is elected and qualified.

(F) Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Directors to remove such Director from office.

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

Section 3. Nominations.

(A) It shall be the duty of the Board of Directors to appoint, not less than seventy-five (75) days nor more than one hundred-twenty (120) days before the date of a meeting of the members at which Directors are to be elected, a Committee on nominations and credentialing, ensuring equitable representation. This Committee shall serve until a successor Committee is appointed. No member of the Board of Directors may serve on such Committee.

The purpose of this Committee shall be to ensure that candidates for Board membership meet all the qualifications to become a member of the Board of Directors. The Committee, keeping in mind the principle of geographical representation, shall, not less than sixty (60) days before the meeting, meet, prepare and post at all offices of the Cooperative a list of nominations for Directors.

(B) Incumbent Directors seeking reelection shall not directly or indirectly influence the nomination or credentials process. Said Directors shall recuse themselves from participation in appointing the Committee, and Cooperative members on the Committee from their Director districts shall be selected without their input or participation. Directors may not appoint, direct or cause a family member to become a member of the Committee. For the purposes of this Section, "family members" includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and/or a member of the individual's immediate family.

(C) Any twenty-five (25) or more members acting together may make other nominations by petition on a Cooperative provided form, which must be actually received by the Cooperative not less than forty-five (45) days prior to the meeting. The forty-fifth (45th) day shall be the day prior to the meeting. The Committee shall, if applicable, not less than thirty (30) days before the meeting, meet and certify that petition candidates meet all qualifications to become a member of the Board of Directors and post such nominations at the same place where the list of nominations made by the Committee is posted.

(D) The Secretary shall provide notice, by regular or electronic mail, at least seven (7) days before the date of the meeting or the casting of ballots for

Directors, a statement of the number of Directors to be elected and the names and addresses of the candidates specifying separately the nominations made by the Committee and also the nominations made by petition if any.

(E) Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of Directors.

Section 4. Election of Directors.

(A) The Directors shall serve terms of three (3) years each provided that the terms of two (2) Directors from Beaufort County, one (1) Director from Jasper County and one (1) Director from Allendale or Hampton counties shall expire each year.

(B) Directors shall be elected, by the membership, at Annual Meetings or special meetings properly convened for the purpose of electing Directors.

(C) The Board of Directors may establish a policy on campaign rules and regulations.

(D) Each Director shall serve until a successor has been elected.

(E) If for any reason a Director or Directors shall not be elected at an Annual Meeting, the Board of Directors may cause an election to be held at a special meeting of the members as soon thereafter as convenient.

Section 5. Removal of Directors by Members.

A Director(s) may be suspended for cause upon the affirmative vote of at least two-thirds of the Board of Directors or by petition of ten (10) percent of the membership until the next meeting of the membership. At that meeting, the membership may remove the suspended Director(s) for cause by an affirmative vote of a majority of the members present and voting, thus creating a vacancy. In the event the membership refuses to vote to remove the Director(s), he/she must be reinstated immediately with all the powers of the office and continue to serve for the remainder of the elected term. "Cause" for removal of a Director under this section means fraudulent or dishonest acts or gross abuse of authority in the discharge of duties to the Cooperative and must be established after written notice of specific charges and opportunity to meet and refute charges.

Section 6. Vacancies.

(A) Notwithstanding any provisions in the bylaws to the contrary, a vacancy in the office of Director occurring for any reason other than expiration of a term may be filled only for the remainder of the unexpired term by a vote of the membership at the next annual meeting.

(B) If a vacancy in the office of Director occurs more than six (6) months from the date of the next annual meeting, a new Director may be appointed to fill the vacancy on an interim basis by the nominations committee of the Cooperative provided:

(1) the new Director is not a “family member” “as determined herein” of the Director whose departure created the vacancy.

(2) the new Director cannot continue to serve as a Director past the date of the next annual meeting occurring after his/her appointment, subject to annual meeting notice requirements, without being duly elected by the membership to fill the remainder of the unexpired term.

“Family member” includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and/or a member of the individual’s immediate family.

(C) The Nominations Committee may not appoint an individual associated with the Director whose departure created the vacancy. “Associated” includes an individual with whom the person or a member of their immediate family mutually has an interest in any business of which the person or a member of their immediate family is a director, officer, owner, employee, compensated agent or holder of stock worth one hundred thousand (100,000) dollars or more at fair market value and which constitutes five (5) percent or more of the total outstanding stock of any class.

(D) Any Interim Director or successor Director must be from the same county as the Director whose office was vacated.

Section 7. Compensation.

(A) Directors shall not receive any salary for their services.

(B) The Board of Directors may make provision for the compensation of the Board of Directors; provided, however, that compensation shall not be paid except for actual attendance upon activities authorized by the Board of Directors.

(C) The Board of Directors may also provide for the travel, expenses and other benefits of the Board, as set by the Board of Directors.

(D) No Director, nor a “family member” of a Director, shall be employed by the Cooperative in any other capacity involving compensation. “Family member” includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild and/or a member of the individual’s immediate family.

ARTICLE V—MEETINGS OF DIRECTORS

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held monthly at such place and time in Allendale, Hampton, Jasper or Beaufort County, South Carolina, as designated by the Board of Directors. Such regular monthly meetings may be held without notice other than fixing the time and place thereof.

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman or by any three (3) Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or the Directors calling the meeting shall fix the time and place in Allendale, Beaufort, Hampton or Jasper counties. During special meetings, the Board may not act regarding rates, fees, charges, Board composition or Board compensation.

Section 3. Notice of the Director's Meetings.

Written notice of the time, place and purpose of any regular meeting of the Board of Directors shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least ten (10) days in advance of the regular meeting. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least twenty-four (24) hours in advance of the meeting. Such special meeting notice shall be delivered to all Directors not less than twenty-four (24) hours previous thereto, by written, oral or electronic means.

Section 4. Quorum.

A majority of the Board of Directors shall constitute a quorum. If less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the 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.

ARTICLE VI—OFFICERS

Section 1. Designation.

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

Section 2. Election and Term Office.

The officers shall be elected by ballot, annually, by and from the Board of Directors at the first meeting of the Board of Directors held after the Annual Meeting. Officers shall hold office until his/her successor has been elected. 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 by Directors.

Any officer elected by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby. The officer against whom allegations have been brought shall be informed in writing of the allegations at least five (5) days prior to the meeting at which the allegations are to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the allegations; and the person or persons bringing the allegations against him/her shall have the same opportunity. The question of the removal of such officer shall be considered and voted upon at the next regular or special meeting of the Board of Directors.

Section 4. Chairman.

The Chairman:

- (A) shall, unless otherwise determined by the members or the Board of Directors, preside at all the meetings of the members and the Board of Directors;
- (B) shall, sign, with the Secretary, certificates of membership;
- (C) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the 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
- (D) shall, in general, perform all duties incidental to the office of Chairman and such other duties as may be prescribed by the Board of Directors.

Section 5. Vice Chairman.

In the absence of the Chairman, or in the event of his/her inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as may be assigned to him/her by the Board of Directors.

Section 6. Secretary.

The Secretary shall:

- (A) be responsible for the keeping of the minutes of the meetings of the members and of the Board of Directors;
- (B) be responsible for seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (C) be the custodian of the corporate records and of the seal of the Cooperative which shall be affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly required or authorized in accordance with the provision of these bylaws;

- (D) be responsible for the keeping of a list of the names and addresses of all members;
- (E) sign, with the Chairman, certificates of membership;
- (F) have general charge of the records of the Cooperative;
- (G) be responsible for keeping on file a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member; and, at the expense of the Cooperative, forward a copy of the bylaws and of all amendments thereto to each member; and
- (H) in general, perform all duties incidental to the office of Secretary and such other duties as may be assigned to him/her by the Board of Directors.

Section 7. Treasurer.

The Treasurer shall:

- (A) have responsibility for all funds and securities of the Cooperative;
- (B) be responsible for the receipt of and the issuance of receipts for monies due and payable to the Cooperative from any source whatsoever and for the deposit of all such monies in the name of the Cooperative in such financial institutions as shall be selected in accordance with the provisions of these bylaws; and
- (C) in general, perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Board of Directors.

Section 8. President and Chief Executive Officer.

The Board of Directors may appoint a President and Chief Executive Officer who shall exercise such authority as the Board of Directors may authorize and may be, but shall not be required to be, a member of the Cooperative.

Section 9. Reports.

The Chairman and Secretary of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII—DISPOSITION OF REVENUE

- (A) Revenue received by the Cooperative for any fiscal year shall be used:
 - (1) to defray expenses of the Cooperative and of the operation and maintenance of its facilities during such fiscal year;
 - (2) to pay interest and principal obligations of the Cooperative coming due in such fiscal year;
 - (3) to finance, or to provide a reserve for the financing of, the construction

or acquisition by the Cooperative of additional facilities to the extent determined by the Board of Directors;

(4) to provide a reasonable reserve for working capital; and/or

(5) to provide a reserve for the payment of indebtedness of the Cooperative maturing more than one (1) year after the date of the occurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year.

(B) Revenue in excess of that required by Article VII, Section A, shall be credited in accordance with Article II.

ARTICLE VIII—FINANCIAL TRANSACTIONS

Section 1. Contracts.

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

Section 2. Checks, Drafts, etc.

Except as otherwise provided by law or in these bylaws, all checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer, officers, agent or agents of the Cooperative and in such manner as shall be determined by the Board of Directors.

Section 3. Fiscal Year.

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

ARTICLE IX—MISCELLANEOUS

Section 1. Membership in Other Organizations.

Upon approval of the Board of Directors, the Cooperative may become a member of other organizations, the purpose of which is to provide assistance in the good management, financing and operation of the Cooperative or to provide adequate sources of wholesale power for the purchase and use by the Cooperative.

Section 2. Waiver of Notice.

Any member or Director may waive notice of a meeting required to be given

by these bylaws. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case a member or 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 3. Policies, Rules and Regulations.

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

Section 4. Accounting System and Reports.

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

Section 5. Unclaimed Property.

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

Section 6. Conflict of Laws.

These bylaws are subject to Law and the Articles of Incorporation of the Cooperative. If, and to the extent that, a bylaw conflicts with the law or the Articles, then the law or the Articles control.

ARTICLE X—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 have contained a copy of the proposed alteration, amendment or repeal.

Any member may propose changes in the bylaws by filing same in writing with the Secretary together with a petition signed by at least ten (10) percent of the members pursuant to meeting notice requirements contained herein. The Board of Directors may propose changes in the bylaws at any time.

PALMETTO ELECTRIC COOPERATIVE, INC.

MORE INFORMATION

OFFICE HOURS

Monday through Friday 8 a.m. to 5 p.m.

Hampton

803-943-2211

1231 Charleston Highway • Hampton, SC 29924

Hilton Head Island

843-681-5551

111 Mathews Drive • Hilton Head Island, SC 29926

New River

843-208-5551

1 Cooperative Way • Hardeeville, SC 29927

Ridgeland

843-726-5551

4063 Grays Highway • Ridgeland, SC 29936

Call Toll-Free

1-800-922-5551

POWER FAILURES

To report power failures at any time
call **PowerTouch** at

1-866-445-5551

EQUIPMENT DAMAGES

Palmetto Electric Cooperative (hereby known as “the Cooperative”) shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy. The Cooperative shall not be liable for damages to the member if such supply shall fail, be interrupted or become defective through acts of God, public enemy, by accident, by action of the elements, storms, lightning, equipment failure, or for any cause beyond the reasonable control of the Cooperative.

The member shall have all electrical equipment adequately protected with overcurrent devices as required by the latest edition of the National Electrical Code. All single-phase motors should be provided with overcurrent and overload protection. All polyphase motors should have overcurrent, overload, and under/over voltage protection on all phases. The Cooperative makes every effort to maintain the continuity of three-phase power and the direction of phase rotation, but the Cooperative cannot guarantee that an accidental temporary change or loss in phase will not occur. Therefore, motors and other equipment requiring unchanged phase reversal or the continuity of three-phase supply shall be equipped with suitable protection on all phases. Also, adequate motor starting equipment shall be installed by the member on all motors as specified or required by the Cooperative.

NOTES: