

RESTATED ARTICLES OF INCORPORATION
SOUTHERN IOWA ELECTRIC COOPERATIVE, INC.
BLOOMFIELD, IOWA

(Incorporated August 9, 1939)

(As Amended through September 10, 2019)

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

Pursuant to the provisions of Section 499.41 of the Code of Iowa, the undersigned cooperative association adopts the following Restated Articles of Incorporation:

ARTICLE I

The name of the Cooperative shall be Southern Iowa Electric Cooperative, Inc. The principal office of the Cooperative shall be located at Bloomfield, in Davis County, Iowa. The Cooperative is organized under the provisions of Chapter 499 of the Code of Iowa.

ARTICLE II

The purposes for which the Cooperative is formed are:

- (a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members and to transmit, distribute, furnish, sell and dispose of such electric energy to its members, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange, and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;

(b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges,

(c) licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Cooperative;

(d) To construct, erect, purchase, receive, lease as lessee, and in any other manner acquire, own, hold, maintain, operate, use, convey, sell, dispose of, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property, or any interest therein, deemed necessary, useful or appropriate to enable the Cooperative to accomplish any or all of its purposes.

(e) To assist its members to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus, and equipment of any and all kinds and character (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install, and repair electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and-all security therefor;

(f) To borrow money, to make and issue bonds, notes, and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any other objects or purposes of the Cooperative; to secure the payment of

such bonds, notes, or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges, or permits of the Cooperative, wheresoever situated, acquired, or to be acquired.

(g) To become a member, of any federated cooperative association whose membership is restricted to incorporated cooperative associations; and,

(h) To construct, erect, purchase, lease as lessee, and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment, and communication, telecommunications, engineering, compute, master billings, centralized printing, land and industrial development, group purchasing, inventory control, telephone, water supply, waste management, television and/or transmission and distribution lines or systems, as may be necessary, convenient or useful to carry out any or all of the foregoing purposes. The Cooperative may do and perform, either for itself or its members, any and all acts and things, and have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes as set forth in this Article and in this Section, or as may be permitted by the provisions of the laws under which the Cooperative is formed; and to exercise any of its powers anywhere.

ARTICLE III

The corporate life of this Cooperative shall be perpetual, unless changed by an amendment to these Articles of Incorporation or terminated by dissolution.

ARTICLE IV

The name, occupation and post office address of the original incorporators of the Cooperative were:

<u>Name</u>	<u>Occupation</u>	<u>Post Office Address</u>
W. H. Yates	Farmer	West Grove, Iowa
Chas. E. Harsch	Farmer	Bloomfield, Iowa
Mrs. Dale Conner	Farm Wife	Drakesville, Iowa
Mrs. Glenn Huffman	Farm Wife	Bloomfield, Iowa
Wm. Lamb	Farmer	Bloomfield, Iowa
P. W. Spilman	Farmer	Bloomfield, Iowa
Harry Battin	Farmer	Bloomfield, Iowa
A. R. Barnett	Farmer	Bloomfield, Iowa
Mrs. Lloyd Young	Farm Wife	Pulaski, Iowa

ARTICLE V

Section 1. Any individual for himself, or herself, and any person as the accredited agent and representative acting in behalf of any firm, association, corporation, partnership or other organization, and who customarily uses the services rendered by the Cooperative, may become a member of the Cooperative by:

- (a) applying for a membership certificate in the Cooperative;
- (b) agreeing to purchase from the Cooperative the amount of electric energy as specified in the Bylaws of the Cooperative; and,
- (c) agreeing to comply with and to be bound by these Articles of Incorporation, the By Laws of the Cooperative and any amendments thereto, and such rules and regulations as may from time to time be adopted by the Board of Directors of the Cooperative; provided, however, that no person, firm, corporation or body politic shall become a member unless and until he, she, or it has been accepted for membership by the Board of Directors or the members. The Bylaws of the cooperative may provide the procedure for such action. The Bylaws of the Cooperative may fix such other terms and conditions upon which persons shall be admitted to and retain membership in the

Cooperative not inconsistent with these Articles of Incorporation or the Act under which it is organized. No person, association, corporations, partnership, or body politic may own more than one membership in the Cooperative. Any two or more persons sharing the property served may become joint members and their application for joint membership may be accepted in accordance with the foregoing provisions, provided that all parties comply with the membership obligations as set forth in these Articles.

Section 2. A membership certificate in this Cooperative shall be issued to each member. No applicant for membership shall hold office until his/her certificate of membership shall have been issued.

Section 3. The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually responsible for any debts or liabilities of the Cooperative.

Section 4. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors, expel any member' of the Cooperative, who shall have willfully violated or refused to comply with any of the provisions of these Articles of Incorporation or the Bylaws of the Cooperative, or any rules or regulations promulgated from time to time by the Board of Directors, or who shall have ceased to be eligible to membership in the Cooperative, or who shall have failed to pay any debt or obligation to the Cooperative when the same shall have become due and payable. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

Section 5. Any member of the Cooperative may withdraw from membership upon

payment in full of all debts and liabilities of such member to the Cooperative, and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe.

Section 6. Membership in the Cooperative and a certificate representing the same shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion or withdrawal of a member, or upon a member ceasing to be eligible for membership in the Cooperative, the membership of such member shall thereupon terminate, and the certificate of membership of such member shall be surrendered forthwith to the Cooperative. Any termination of membership for any reason shall not release the member from the debts or liabilities of such member to the Cooperative.

(a) A member may request in writing the transfer of the membership to another party so as to create a joint membership if the criteria for joint membership is met. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership may be noted on the original certificate representing the membership so transferred.

(b) When a membership is held jointly, upon the death of any of the joint members, such membership shall be deemed to be held solely by the survivors with the same effect as though such membership had been originally issued to the survivors. The joint membership certificate may be surrendered by the survivors and upon recording of such death on the books of the Cooperative the certificate may be reissued to and in the name of such survivors provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

ARTICLE VI

Section 1. Annual Meetings of members of the Cooperative shall be held at such time and place as shall be determined by the Board of Directors, and specified in the Notice of such meetings.

Section 2. The directors may call Special Meetings of the Members and shall do so upon written demand of at least ten percent (10%) of the members.

Section 3. Special Meetings of the Members shall be held at such places as may be determined by the Board of Directors and specified in the notice of such meeting.

Section 4. Notwithstanding anything to the contrary stated in these Articles of Incorporation, the Board of Directors may authorize alternative voting methods by Members on any proposition of which the Member has been previously notified in writing. Alternative voting methods shall mean a method of voting other than a written ballot, including voting by electronic, telephonic, internet, or other means that reasonably allows Members the opportunity to vote in a secure and verifiable manner.

Section 5. Members may participate in any meeting of the Members by means of remote communications to the extent the Board of Directors authorizes such participation for such Members. Participation by means of remote communication shall be subject to such guidelines and procedures as the Board of Directors adopts. Members participating in a Members' meeting by means of remote communication shall be deemed present and may vote at such meeting provided that the Cooperative has implemented reasonable measures to do all of the following:

- i. Verify that each person participating remotely is a Member of the Cooperative.
- ii. Provide such Members a reasonable opportunity to participate in the meeting and

to vote on a matter submitted to the Members, including an opportunity to communicate, and to read or hear the proceedings of the meeting, substantially concurrent with such proceeding.

ARTICLE VII

Section 1. The business and affairs of the Cooperative shall be managed by a Board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law or by these Articles of Incorporation or by the Bylaws conferred upon or reserved to the members.

Section 2. The directors serving as of the date of the adoption of these Restated Articles of Incorporation shall serve until their terms shall have expired and until their Successors shall have been elected and qualified. At each Annual Meeting of Members thereafter, directors shall be elected by and from the members to succeed those directors whose terms have expired, with directors so elected to serve terms of three years, and until their successors are elected and qualified.

No member shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who is not a bona fide resident of the area served by the Cooperative, or who fails to satisfy the eligibility requirements as set forth in the By-Laws; provided, however, that nothing in this Section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Section 3. The Bylaws may provide for a procedure for nominations. In that case, a ballot marked "Ballot for Directors" containing the names- of all the nominees for the Board of Directors, alphabetically arranged and stating ,the residence of each, shall be mailed with the notice of the meeting. The Secretary shall also mail with the notice of the meeting a statement of

the number of directors to be elected. Such statement of the Secretary shall also inform the members of the manner in which they may vote by mail for directors as provided in this section. Any member may vote by mail for directors by marking on the ballot and indicating which candidate they wish to be elected, but no more than the number of directors to be elected, and enclosing a ballot in a sealed envelope bearing the member's name and addressed to the Secretary of the Cooperative.

When such ballot so enclosed is received by mail from any member electing to vote by mail, it shall be accepted and counted as a vote for directors by ballot of such member at such meeting. Joint members may vote by mail in the same manner as individual members by jointly marking and enclosing the ballot as described above. Notwithstanding anything in this Section contained, 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. Subject to the provisions of these Articles of Incorporation, vacancies occurring on the Board of Directors between Annual Meetings of the Members of the Cooperative shall be filled by a majority vote of the remaining directors, and directors thus selected shall serve until the next Annual Meeting of the Members, or until their successors shall have been elected and shall have qualified.

Section 5. Any member may bring charges against an officer or director by filing them in writing with the Secretary of the Cooperative, together with a petition signed by ten percentum (10%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next Regular meeting or Special meeting of the members and, by a vote of a majority of all voting members of the Cooperative, the director may be removed, and any vacancy created thereby may be filled by the members at such meeting. The

director or officer against whom such charges have been brought shall be informed in writing of the charges prior to the meeting and shall have an opportunity at the meeting to be heard, in person or by counsel, and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity.

ARTICLE VIII

Section 1. No dividends or interest shall be paid upon issuing price of memberships in the Cooperative. Subject to the provisions of any mortgage or deed of trust given or assumed by the Cooperative, the Board of Directors shall, after the expiration of each fiscal year and after paying or making provision for the payment of all obligations and expenses of the Cooperative properly chargeable against its revenues and receipts for such fiscal year, apply the unexpended revenue and receipts for such fiscal years as follows:

(a) To provide a reasonable reserve for maintenance, depreciation, obsolescence, bad debts, or contingent losses or expenses;

(b) Ten percentum (10%) of the remaining net earnings must be added to surplus until surplus equals either (1) thirty percentum (30%) of the total of all capital paid in for memberships, plus all unpaid patronage dividends, plus certificates of indebtedness payable upon liquidation, earnings from non-member business, and earnings arising from the earnings of other cooperative organizations of which the Cooperative is a member, or (2) one thousand dollars (\$1,000.00), whichever is greater; no additions shall be made to surplus whenever it exceeds either fifty percentum (50%) of such total, or one thousand dollars (\$1,000.00), whichever is greater;

(c) Not less than one percentum (1%) nor more than five percentum (5%) of such earnings in excess of reserves may be placed in an educational fund, to be used as the

directors deem suitable for teaching or promoting cooperation and the effective use of electricity; and

(d) All remaining net earnings shall be allocated to a revolving fund and shall be credited to the account of each member ratably in proportion to the business he has done with the Cooperative during each year. Such credits are herein referred to as "deferred patronage dividends."

Section 2. The members may, at any meeting, control the amount to be allocated to surplus or educational fund within the limits specified in Section 1 of this Article.

Section 3. The directors shall determine the percentage or the amount of said allocation that currently shall be paid in cash. All said remaining allocation not so paid in cash shall be transferred to a revolving fund and credited to said members and subscribers.

(a) The directors may use the revolving fund to pay the obligations or add to the capital of the Cooperative. In such event the deferred patronage dividends credited to members shall constitute a charge upon the revolving fund and future additions thereto and on the corporate assets subordinate to creditors then or thereafter existing. Deferred patronage dividends for any year shall have priority over those for any subsequent year, except that the directors may, at their discretion, pay deferred patronage dividends of deceased natural persons who were members or patrons, and all other deferred patronage dividends, without reference to the order of priority herein prescribed, and except as provided in Article X of these Articles provided.

Section 4. The Cooperative may issue certificates for deferred patronage dividends, but such a certificate shall be nontransferrable except to a party eligible and accepted for membership who become the owner or operator of the real property formerly owned or operated by a member and served by the Cooperative.

Section 5. Credits or certificates referred to in Section 3 of this Article shall not mature until the dissolution or liquidation of the Cooperative, but shall be callable by the Cooperative at any time in the order of priority specified in Section 3 of this Article VIII.

ARTICLE IX

A sale, lease, exchange or other disposition of all, or substantially all, the property and assets, with or without the good will, of the cooperative, if not made in the usual and regular course of its business, may be made upon the terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares of any other cooperative association organized under Chapter 499 of the Code of Iowa (1993) as may be authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending the sale, lease, exchange, or other disposition and directing the submission thereof to a vote at a meeting of the membership, which may either be an annual or a special meeting.

(b) Written or printed notice shall be given to each member of record entitled to vote at the meeting within the time and in the manner provided in this chapter for the giving of notice of meetings of members, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes, of the meeting is to consider the proposed sale, lease, exchange, or other disposition of substantially all of the property and assets of the cooperative association.

(c) At the meeting the membership may authorize the sale, lease, exchange, or other disposition and may fix, or may authorize the board of directors to fix, any or all of the

terms and conditions thereof and the consideration to be received by the cooperative association. Such authorization shall be approved if two-thirds of the members vote affirmatively on a ballot in which a majority of all voting members participate.

(d) After such authorization by a vote of members, the board of directors nevertheless, in its discretion, may abandon the sale, lease, exchange, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by the members.

ARTICLE

X

Upon dissolution or liquidation, the assets of the Cooperative shall be applied, first, to pay liquidation expenses, and then, to the payment of all obligations of the Cooperative other than patronage dividends or certificates issued therefor. The remainder of such assets shall be distributed in the manner and order of priority:

(a) payment of any deferred patronage dividends or certificate issued therefor, and if the assets are insufficient to pay all such patronage dividends or certificates issued therefor, they shall be prorated to the payment of all such deferred patronage dividends or certificates issued therefore;

(b) payment to members of the membership fee paid by them; and,

(c) the remaining assets shall be distributed among the members in proportion to their deferred patronage dividends.

ARTICLE XI

The directors, by a vote of seventy-five percent (75%) of the directors, may adopt, alter, amend, or repeal Bylaws for the Cooperative, which shall remain in force until altered, amended, or repealed by a vote of seventy-five percent (75%) of the members present or represented having voting privileges, at any Annual Meeting or Special Meeting of the Membership, or as otherwise provided in the Articles of Incorporation or Bylaws. Bylaws shall be kept by the Secretary subject to inspection by any member at any time.

ARTICLE XII

Except as otherwise provided by Iowa law, a director, officer, employee, or member of the Cooperative is not liable on the debts or obligations of the Cooperative, and a director, officer, member or other volunteer is not personally liable in that capacity for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of duty of loyalty to the Cooperative, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

The Cooperative may indemnify any present or former director, officer, employee, member or volunteer in the manner and in the instances authorized by the Code of Iowa.

ARTICLE XIII

The Cooperative shall attempt to resolve any claim or dispute which may arise between the Cooperative and a member, former member, or customer who has received electric service in a good faith manner. In resolving such disputes, the Cooperative shall give consideration to: (1) applicable laws; (2) rules and regulations imposed by state and federal agencies; (3) these Articles of Incorporation; (4) the Cooperative's bylaws, policies,

practices, plans, and procedures; (5) industry standards; and (6) the individual facts and circumstances regarding the claim or dispute.

If a member, former member, or customer who has received electric service is not satisfied with the Cooperative's resolution of the claim or dispute, all matters subject to the jurisdiction of the Iowa Utilities Board shall be resolved by the Iowa Utilities Board or, if and

when appropriate, the applicable regulatory body with jurisdiction over the Cooperative and the matter.

All other claims and disputes shall, at the request of either the Cooperative or the member, former member, or customer, who has received electric service, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not resolved through mediation, then such shall, at the request of either the Cooperative or the member, former member, or customer who has received electric service, be submitted to binding arbitration to be conducted in accordance with the policies adopted by the Board of Directors of the Cooperative. In absence of such policies, or in the event such policies are incomplete, the provisions of Iowa Code 679A (Arbitration), as it may be amended from time to time, shall apply to the extent it is not inconsistent with the policies adopted by the Cooperative.

Notwithstanding the foregoing, the Cooperative reserves the right to pursue collection of a debt owed by any member, former member or customer who has received electric service through other means, including but not limited to use of collection agency, small claims court, and other applicable courts. Further, any claim where the amount in controversy is less than the small claims jurisdictional amount may be resolved without utilizing the alternate dispute resolution procedures set forth in the Article.

Every member, by becoming or continuing to be a member, agrees to the foregoing, and agrees to be bound by the Bylaws of the Cooperative. The Bylaws and the Articles of Incorporation constitute an agreement between the Cooperative and the members.

ARTICLE XIV

The Cooperative may amend, alter, change, or repeal any provision contained in these Restated Articles of Incorporation in the manner now or hereafter prescribed by law.