



The Walton EMC Board of Directors has voted to recommend the following amendments to the cooperative's bylaws. Because Walton EMC is a member-owned cooperative, these changes require approval by the membership. All proposed changes are noted in red and underlined for easy reference and can also be found at waltonemc.com/annualmeeting. The proposed amendments are presented below for your review and vote at the Annual Meeting:

AMENDMENTS TO THE BYLAWS OF
THE WALTON ELECTRIC MEMBERSHIP CORPORATION
LAST REVISED APRIL 2023

1. Section 3.06 of the Bylaws of The Walton Electric Membership Corporation (“Bylaws”) is hereby deleted in its entirety, and the following is substituted therefor (rather than redlining the entire replacement section, only the actual changes, primarily the updated committee name throughout, are noted in red and underlined for easier review):

"Section 3.06 Credentials and Election Committee. The Board of Directors shall, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee (“C&E Committee”). The C&E Committee shall consist of not less than five (5) and no more than nine (9) members who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives (as defined in Section 4.14) or members of the same household thereof. The C&E Committee shall elect its own Chairman and Secretary prior to the member meeting. It shall be the responsibility of the C&E Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election. In the exercise of its responsibility, the C&E Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of, the meeting in which the voting is conducted. The C&E Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The C&E Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the C&E Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to

set it aside. The C&E Committee may not act affirmatively on any matter unless a majority of the C&E Committee is present. The C&E Committee's decision (as reflected by a majority of those members who are present and voting) on all matters covered by this Section shall be final. Without limiting the foregoing duties and prerogatives of the C&E Committee, on request of the person presiding at the meeting of the members or on the request of any member entitled to vote thereat, such C&E Committee shall make a report in writing of any challenge, question, count, or matter determined by the C&E Committee and execute a certificate of any fact found by them. Any such report or certificate made by them shall be prima-facie evidence of the facts stated and of the vote as certified by them. Any C&E Committee member related within the third degree by affinity or consanguinity computed according to the civil law to any candidate for director shall refrain from participating in any deliberation or vote of the C&E Committee concerning such candidate.”

2. Section 4.02 of the Bylaws is hereby deleted in its entirety, and the following is substituted therefor:

“Section 4.02. Qualifications. To become and remain a Director, or hold any other position of trust, an individual must comply with the following general qualifications:

- (a) Be at least twenty-five (25) years of age;
- (b) Be a member of the Cooperative (i) for at least six (6) months and (ii) whose membership status is not suspended or has not been suspended during the prior twenty-four (24) months in accordance with Section 2.01 of the Bylaws;
- (c) Have their principal residence (as defined under 26 C.F.R. §1.121-1(b)(2)) use electric energy provided by the Cooperative and be located within the Director District from which the Director is nominated or elected;
- (d) Be a citizen of the United States of America;
- (e) Not be employed by or financially interested in an enterprise or business which provides electric energy or is in any way competitive with the Cooperative;
- (f) Not be serving as (appointed or elected) a publicly elected official of any governmental unit;
- (g) Not be (i) a current employee or, within the preceding five (5) years, a former employee of the Cooperative, or (ii) a Close Relative (as defined in Section 4.14 herein) of such an employee or former employee;
- (h) Not be a Close Relative (as defined in Section 4.14 herein) of an incumbent Director;
- (i) While serving as a Director and during the number of years indicated below in parentheses immediately preceding becoming a Director, not (i) be convicted of, (ii) plead or pled guilty to (including a plea of nolo contendere), (iii) have entered a diversion program, or (iv) have entered a plea pursuant to the First Offender Act for any of the following:
 - a. A felony (ten (10) years);
 - b. A misdemeanor of a high and aggravated nature (five (5) years); or
 - c. A crime involving family violence (ten (10) years);
- (j) While serving as a Director and during the one (1) year immediately preceding becoming a Director, not receive or have a Close Relative who receives more than ten percent (10%) of their annual gross income, excepting (i) insurance, (ii) Director compensation, or (iii) retirement income, directly or indirectly from the Cooperative, a

- Cooperative Subsidiary, or a Cooperative Affiliate, including, but not limited to, any company or cooperative in which Cooperative is a member/partner/shareholder;
- (k) When membership is held jointly by a spouse, either one, but not both, may be elected as a Director provided, however, neither shall be eligible to become or remain a Director or hold a position of trust in the Cooperative until both shall meet the qualifications hereinabove set forth.”

3. A new section, Section 4.15, is hereby adopted and added to the Bylaws as follows:

“Section 4.15. Compliance Determination. To the extent reasonably necessary or helpful in determining or confirming initial and continuing compliance with this Article of the Bylaws, a Director or Director Nominee must consent and agree to, comply with, and facilitate reasonably related confidential checks, investigations, or other acts, and must provide reasonably required or requested information and documents to facilitate such checks, investigations, or other acts:

- (a) With regard to validly elected or appointed Directors, the Board may direct senior staff, the C&E Committee (if one is appointed at the time), or another third party to conduct or procure reasonably related checks, investigations, or other acts, and may require or request reasonable information and documents from such sitting Director(s) to determine compliance with this Article of the Bylaws;
- (b) With regard to Director Nominees nominated through Section 4.06 hereof, the C&E Committee shall conduct or procure reasonably related checks, investigations, or other acts, and may require or request reasonable information and documents from such Director Nominees to determine compliance with this Article of the Bylaws;
- (c) With regard to Director Nominees seeking appointment to a Director vacancy in accordance with Section 4.09 hereof, the Board may direct senior staff or another third party to conduct or procure reasonably related checks, investigations, or other acts, and may require or request reasonable information and documents from such Director Nominee(s) to determine compliance with this Article of the Bylaws.”

4. A new section, Section 4.16, is hereby adopted and added to the Bylaws as follows:

“Section 4.16. Director Disqualification. After being elected, designated, or appointed, if a Director does not comply with all Qualifications or is otherwise deemed unfit to serve as a Director (reasons might include, but are not limited to, mental or physical health limitations, substance abuse, or conduct unbecoming a director), then the Board, after making such a determination, may, by majority vote, disqualify the Director and the individual shall no longer be a Director upon:

- (a) The Board notifying the Director in writing of the basis for, and providing the Director with an opportunity to comment regarding, the Board’s proposed disqualification; and

(b) Within thirty (30) days after the Board notifies the Director of the proposed disqualification, the Director remains noncompliant with the Qualification(s) or does not remedy or address, to the Board's reasonable satisfaction, a past noncompliance with the Qualification(s) or the other reason(s) for disqualification.

If a majority of Directors, as authorized by these Bylaws, comply with the Qualifications and approve a Board action, then the Director's noncompliance with the Qualifications or other unfitness to serve does not affect or invalidate the Board action."

5. Except as set forth hereinabove, the Bylaws as previously revised in April 2023 shall remain in full force and effect.