

**BY-LAWS
OF
SOUTHWEST MEMBERS CARE, INCORPORATED**

ARTICLE I

NAME OF ORGANIZATION

The name of the corporation shall be the
Southwest Members Care, Incorporated
herein below referred to as

"TRUST"

ARTICLE II

PURPOSE OF ORGANIZATION

The purpose of the TRUST shall be the accumulation and disbursement of funds for charitable purposes in the service area of Southwest Tennessee Electric Membership Corporation. This TRUST is organized exclusively for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon dissolution of the TRUST, any remaining funds shall be distributed only for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE III

FUNDING

The TRUST shall be funded by such rules and regulations as may be promulgated by the Board of Directors of Southwest Tennessee Electric Membership Corporation, and from any other source of funds available to the said TRUST.

ARTICLE IV

BOARD OF DIRECTORS OF THE TRUST

The TRUST shall be administered by a ten-person Board of Directors. Two Directors will represent each one of Southwest Tennessee Electric Membership Corporation's five service area districts. Each member of the initial Board of Directors of the TRUST shall be designated by the Southwest Tennessee Electric Membership Corporation Board of Directors.

At the initial organizational meeting of the Board of Directors of The TRUST the members of the Board shall by lot draw for terms of office. 2 shall serve for one year. 3 shall serve for two years. 3 shall serve for 3 years, and 2 shall serve for 4 years. Thereafter each appointed board member shall serve for a 3-year term.

A Board member may be re-appointed by The Southwest Tennessee Electric Membership Corporation Board upon the expiration of a 3 year term.

ARTICLE V

QUALIFICATIONS OF BOARD MEMBERSHIP

A Board member of the TRUST shall be at least twenty-one (21) years of age, a permanent resident of the Southwest Tennessee Electric Membership Corporation district from which he represents, a Southwest Tennessee Electric Membership Corporation member in good standing and of good moral character. No employee or person seeking or holding a directorship on the Board of Directors of Southwest Tennessee Electric Membership Corporation or a spouse, child or parent of such employee or director can become or remain a member of the TRUST board. No person shall take or hold office as a Director who presently occupies or is a candidate for an elective state public office or higher.

ARTICLE VI

SELECTION OF BOARD OF DIRECTORS OF THE TRUST

Each member of the initial Board of Directors of the TRUST shall be designated by the Southwest Tennessee Electric Membership Corporation Board of Directors. Thereafter, when a vacancy is to be filled or when a term expires, the person shall be named to his respective vacancy on the said Board of Directors by the Southwest Tennessee Electric Membership Corporation Board of Directors. The existing Board of Directors of the TRUST may make recommendations to the Southwest Tennessee Electric Membership Corporation Board of Directors for nominees for the TRUST Board.

ARTICLE VII

COMPENSATION FOR DIRECTORS

No director shall receive compensation for serving on the Board of Directors of the TRUST. Such Board members may, however, be reimbursed for the mileage and out of pocket expenses incurred while on the business of the TRUST when such reimbursed compensation is sanctioned by the Southwest Tennessee Electric Membership Corporation Board of Directors.

ARTICLE VIII

MEETING OF THE BOARD OF DIRECTORS OF THE TRUST

A. REGULAR MEETING: The Board of Directors of the Trust shall meet at least quarterly at a place designated by the Board. The Board of Directors of the TRUST may meet at such other times as they may deem at their discretion to be necessary.

B. SPECIAL MEETINGS: Special meetings of the Board of Directors of the TRUST may be called by the Chairperson or by any five (5) Directors and it shall thereupon be the duty of the Secretary to cause a Notice of such meeting to be given as hereafter provided. The Chairperson or Directors calling such meeting shall fix the time and place.

C. NOTICE OF DIRECTORS MEETING: Written notice of the time and place of regular and special meetings of the Board of Directors of the TRUST shall be delivered to members of the Board not less than five (5) days prior thereto, either personally, by mail, or at the direction of the Secretary, and upon default in that duty by the Secretary, then by the Chairperson or the Directors calling for such meeting.

D. ACTION BY CONSENT: The Board of Directors is authorized by written consent to take any action without the necessity of a regular or special meeting.

ARTICLE IX

QUORUM

A majority of the Board of Directors of the TRUST shall, unless otherwise designated in these Articles, constitute a quorum. In the event that less than a majority of the Board of Directors of the TRUST is present at any meeting, the majority of those Directors present may adjourn the meeting and designate a place and time for the next meeting, under which circumstances the Secretary shall notify the absent members of the place and time of the next meeting. An act of the majority of the Board of Directors present at any meeting at which a quorum is present, and unless otherwise provided in these By-Laws, shall be the act of the Board of Directors of the Trust.

ARTICLE X

REMOVAL OF MEMBER OF BOARD

Any member of the Board of Directors of the TRUST shall automatically cease to be a member of said Board if and in the event such member misses three (3) successive "regular" meetings as outlined in Section "A" of Article VIII of these By-Laws. Any members of the Board of Directors of the TRUST may otherwise be removed for cause from the Board by a six-tenths (6/10) vote of the entire Board of Directors of the TRUST.

ARTICLE XI

OFFICERS OF THE CORPORATION

The officers of the TRUST shall be a Chairperson, a Vice-Chairperson, a Secretary, and Treasurer, and such other officers as may be determined by the TRUST Board from time to time. For the purposes of these By-Laws, the above four (4) officers shall constitute the Executive Committee of the TRUST. The offices of Secretary and Treasurer may be held by the same person.

ARTICLE XII

ELECTION OF OFFICERS AND TERMS OF OFFICE

The officers shall by secret ballot be elected annually by the Board of Directors of the TRUST at a meeting of the Board of Directors of the TRUST held on an annual basis after the initial organizational meeting.

The terms of office shall be for one (1) year, however, nothing shall prevent an office from being re-elected to consecutive terms of office.

ARTICLE XIII

EX OFFICIO MEMBERS OF BOARD OF DIRECTORS OF THE TRUST

The President of Southwest Tennessee Electric Membership Corporation shall be an ex officio member of the Board of Directors of the TRUST.

ARTICLE XIV

POLICIES, RULES AND REGULATIONS

The Board of Directors of the TRUST shall have the 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 and regulation of the business and affairs of the TRUST.

ARTICLE XV

DUTIES OF OFFICERS

A. CHAIRPERSON: The Chairperson shall be the principal executive officer of the TRUST and, unless otherwise determined by the Board of Directors of the TRUST, shall preside at all meetings of the Board of Directors of the TRUST and in general perform all duties incidental to the office of Chairperson and such other duties as may be prescribed by the Board of Directors of the TRUST from time to time.

B. VICE CHAIRPERSON: In the absence of the Chairperson, or in the event of his inability or refusal to act, the Vice Chairperson shall perform the duties of the Chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson. The Vice Chairperson shall also perform such other duties as from time to time may be assigned to him by the Board of Directors of the TRUST.

C. SECRETARY: The Secretary shall be responsible for the keeping of the minutes of the meetings of the Board of Directors of the TRUST in one or more books provided for that purpose; be responsible for seeing that all notices are duly given in accordance with these By-Laws or as required by Law; be custodian of the corporate records and of the seal of the TRUST and affix the seal of the TRUST to all necessary documents, the execution of which on behalf of the TRUST under its seal is duly authorized in accordance with the provision of these By-Laws; have general charge of the books of the TRUST; be responsible for the keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws of the TRUST containing all amendments thereto; and, in general, perform all duties incidental to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors of the TRUST. The operational duties of the Secretary may be assigned to another person by action of the Board of Directors.

D. TREASURER: The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Trust; be responsible for the receipt of and the issuance of receipts for monies due and payable to the TRUST from any source whatsoever, and for the deposit of all such monies in the name of the TRUST in such bank or banks as shall be selected in accordance with the provisions of these By-Laws; and 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 by the Board of Directors of the TRUST. The operational duties of the Treasurer may be assigned to another person by action of the Board of Directors.

ARTICLE XVI

ACCUMULATION OF FUNDS

Southwest Tennessee Electric Membership Corporation shall transfer funds collected by it for the benefit of the TRUST on a regular basis, but in no event less than quarterly. The TRUST may also solicit and accept contributions from other sources as deemed appropriate by its Board of Directors.

ARTICLE XVII

INVESTMENT OF FUNDS

The Board of Directors of the TRUST shall be responsible for the funds entrusted to it and shall make such investment of said funds in a manner which is reasonable and prudent and in keeping with these By-Laws and the policies of the TRUST.

ARTICLE XVIII

AMENDMENT OF BY-LAWS

These By-Laws may be altered, amended, or repealed by the Board of Directors of Southwest Tennessee Electric Membership Corporation at any regular meeting of said Board after at least ten (10) days' notice. The Board of Directors of the TRUST may make advisory recommendations to the Board of Directors of Southwest Tennessee Electric Membership Corporation.

ARTICLE XIX

ACCOUNTING SYSTEM & REPORTS

The Board of Directors of the TRUST shall cause to be established and maintained a complete accounting system such that is in keeping with sound financial management and furthermore the Board of Directors of the TRUST shall make reports to the Board of Directors of Southwest Tennessee Electric Membership Corporation on the operation and expenditures of the TRUST as may be necessary and prudent, but in no case less than annually.

ARTICLE XX

LIMITATION OF CONTRIBUTIONS

Monies from the TRUST shall be used for charitable purposes that generally benefit persons in the Southwest Tennessee Electric Membership Corporation Service area. Contributions may only be made to charitable organizations, groups, corporations, and similar entities that provide programs or services that primarily benefit communities within the service area. No contributions are to be given directly to individuals or family units.

Further, no money of the TRUST shall be used:

(a) to support any candidate for political office or any political office or any political purpose; (b) to finance any operation of Southwest Tennessee Electric Membership Corporation; (c) to support school programs that are normally (or in the opinion of the TRUST board should be) supported by school budgets.

ARTICLE XXI

BORROWING FUNDS

The TRUST shall **NOT** have the authority to borrow monies from any bank, savings and loan or other institutions for any purpose.

ARTICLE XXII

EMERGENCY EXPENDITURE

The Executive Committee of the TRUST by a unanimous vote of its members may from time to time make expenditures on an emergency basis, in accordance with these By-Laws; and policies adopted by the Board of Directors of the TRUST; and in accordance with the purpose of this TRUST, in an amount not exceeding \$1,000.00 (ONE THOUSAND DOLLARS), to any group or organization.

Such emergency expenditure shall be fully disclosed by the Executive Committee at the next regularly called meeting of the Board of Directors of the TRUST.

ARTICLE XXIII

AMOUNT OF EXPENDITURES

UNLESS otherwise provided by these By-Laws and in keeping with the purpose of this trust, the Board of Directors of the TRUST may make annual expenditures of TRUST

funds by majority vote of members present at a meeting and constituting a quorum according to the following rules;

a.) Not more than \$10,000.00 (TEN THOUSAND DOLLARS), annually, based on fiscal year, to any charitable organization, group, corporation, or similar entity.

ARTICLE XXIV

CHECK SIGNING

Any and all checks issued by the TRUST, for any purpose, shall be signed by two (2) officers or one (1) officer and such other person(s) as may be designated by the Board of Directors of the TRUST as having check signing authority.

ARTICLE XXV

DISBURSEMENT OF FUNDS

Except as otherwise provided by these By-Laws, the Board of Directors of the TRUST shall have the full and sole responsibility for the disbursement of all monies of the TRUST in accordance with these By-Laws and the policies as adopted by the Board of Directors of the TRUST.

Prior to the consideration of any disbursement, member(s) of the Board of Directors of the TRUST shall disclose and explain any personal and/or business interest, connection, kinship, or other association he or she has with the group, corporation or other entity under consideration for funding by the TRUST.

Such member shall, if requested by the Chairman or any two (2) members of the Board of Directors of the TRUST, excuse himself or herself from the meeting and not participate in the discussion of or voting on the disbursement.

If no request is made that the interested director excuse himself or herself from the meeting, then and in that event, said director may participate in the discussion of the disbursement but shall not vote on the disbursement.

ARTICLE XXVI

RETENTION OF FUNDS

The Board of Directors of the TRUST shall keep \$2,500 or more, as the Board may determine in its discretion, within the trust as all times.

ARTICLE XXVII

PROXY VOTING

There shall not exist proxy voting at any meeting of the Board of Directors of the TRUST.

ARTICLE XXVIII

AUDIT

The Board of Directors of the TRUST shall on an annual basis cause the books and records of the TRUST to be audited by a certified public accountant and a report in keeping with sound accounting principles be issued to the Board of Directors of the TRUST and the Board of Directors of Southwest Tennessee Electric Membership Corporation. The annual audit shall be paid for by Southwest Tennessee Electric Membership Corporation and shall not use any TRUST funds for payment of said audit.

ARTICLE XXIV

FISCAL YEAR

The Fiscal Year of the Trust shall commence on the 1st day of July of each calendar year and end on the 30th day of June of each calendar year.

ADOPTED: by the Southwest Tennessee Electric Membership Corporation Board of Directors on May 9, 2019