

## POLICY STATEMENT

## Policy No. 31

**Issue Date:** June 16, 2017

To provide a clear definition and understanding of the process for establishing the Record Date, quorum and determination of members considered in “Good Standing” and not in the status of suspension as provided in to Sections 1.02, 2.01, 3.04, 3.05 and 3.07 of the Bylaws of Black Warrior Electric Membership Corporation (BWEMC).

**1. Record Date. Members Entitled to Vote at Annual Meetings.**

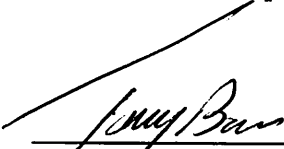
- (a) Section 1.02 of the BWEMC Bylaws provide that by application for membership the applicant agrees to comply with and be bound by the Membership Obligations that are defined in the Bylaws as compliance with Bylaws, rules, regulations, rate classifications and rate schedules established pursuant to the power vested in the Board of Trustees by the Bylaws.
- (b) In accordance with Section 3.07 of the Bylaws of BWEMC, unless the Board of Trustees designates a different Record Date, the Record Date for determining the quorum, members entitled to vote at a member meeting and the members who will be entitled to receive the notice of the meeting of members will be sixty (60) days prior to the member meeting; provided, however, that if the Record Date falls on a Saturday or Sunday or holiday observed by the Cooperative, the Record Date shall be the next day that the Cooperative is open for business.
- (c) Pursuant to Section 3.04 of the Bylaws of BWEMC, the quorum that must be met will be determined as five percent (5%) of the total members who are active members who are in good standing and not suspended on the Record Date.

- (d) An active member is in good standing and not suspended when the member is in full compliance with all the Membership Obligations as defined in Section 1.02 of the Bylaws of BWEMC.
- (e) Section 3.05 of the BWEMC Bylaws states that each member who is not in the status of suspension as provided for in Section 2.01 of such Bylaws shall be entitled to one (1) vote and no more; subject, however, to the requirements in Section 3.07 of such Bylaws that the member is in good standing on the Record Date as provided in Section 3.07 of the Bylaws of BWEMC.

**2. Determination of Members in Good Standing and Not in the Status of Suspension.**

- (a) Section 2.01 of the BWEMC Bylaws states that failure of a member to make payments when due or is otherwise not in compliance with a Membership Obligation automatically becomes a suspended member.
- (b) The record of “non-suspended members in good standing” will include payments made on the Record Date in person or by hand at any of the Black Warrior EMC offices or depositories on the date of record regardless of when the credit is applied to the member’s account.
- (c) Payments to members’ accounts received by US Postal Service, bank drafts or other ACH methods the day following the Record Date will be credited toward a member’s “Good Standing”.
- (d) Pursuant to Section 4.07 (Voting for Trustees), in the election of Trustees, each member who was a member in good standing on the Record Date shall be entitled to vote in each election of a Trustee.
- (e) Members in good standing will also include members who have received service on or before the Record Date, but have not been presented their first bill, provided that the member is in compliance with all of the Membership Obligations.

APPROVED BY:

  
Terry Barr, President

APPROVED BY:

  
Peter M. Reynolds, Jr., Secretary-Treasurer

June 16, 2017