

If you have any questions about the proposed By-law amendments, please email them to memberfeedback@talquinelectric.com or call Talquin's office at (850) 627-7651 by Friday, September 18. Questions and answers will be posted promptly on Talquin's website as they are received.

SUMMARY OF PROPOSED BY-LAW AMENDMENTS

Talquin Electric Cooperative is owned by you – the members – who are responsible for electing a Board of Trustees and voting on matters affecting our Cooperative. The Board of Trustees governs through the guidance of our members, which is what makes “the cooperative difference.” Unlike other businesses, we are owned and operated by our members. Thus, member engagement is essential because it solidifies the trust and loyalty needed to guide and govern our Cooperative through all business challenges and to keep our Cooperative well managed and focused on serving its purpose.

As a part of its oversight responsibilities, your Board of Trustees reviews the Cooperative's By-laws annually to determine if they need to be updated. Recommended changes to the By-laws are based on legal and practical considerations and are presented from time to time in an attempt to keep the By-laws current. In response to the current global COVID-19 pandemic, the Board recommends that certain By-laws be amended to ensure that Board governance and the Cooperative's services continue uninterrupted for the benefit and protection of you, the members. Even when it is impracticable or prohibited for us to meet in person, it is important for our members to continue to be engaged in the governance of our Cooperative.

EXPLANATION

The proposed By-law amendments address member voting, confirm the Board's authority to meet electronically under extraordinary circumstances, and clarify date references in the By-laws. This document explains the proposed By-law amendments in general terms, followed by the

specific language changes. The proposed deletions from the current language are shown as strikethrough, and the proposed additional language is underlined.

A copy of the full text of these changes may be viewed on the Cooperative's website.

Proposal One (Member Voting Procedures)

The only method of voting allowed by the current By-laws is in person voting at the Annual Meeting. Under the proposed By-law amendments, each year your Board will designate whether the voting method will be in person or by mail-in ballot. *Even with mail-in balloting, Talquin will continue to hold the Annual Meeting in the traditional format unless extraordinary circumstances exist where, like this year, large gatherings are prohibited or impractical. The option to utilize mail-in voting will allow members to conduct Trustee elections and vote on other matters when mail-in balloting is preferable to in-person voting.* All votes related to the merger, consolidation, or sale of all or any substantial portion of the Cooperative's property will continue to be conducted only by an in-person vote.

The proposed revisions also adopt "Ranked Choice Voting" which will apply if three or more candidates qualify to serve as Trustee for a District. Under Ranked Choice Voting, voters select a first-choice candidate and have the option to rank backup candidates in order of their preference: second choice, third choice, and so on. If a candidate receives a majority of the first-choice votes, then that candidate wins. If no candidate receives a majority vote, then the race is decided by an "instant runoff." Ranked Choice Voting will allow for a more efficient election process.

The proposed By-law amendments also: (1) extend the time to provide members with notice of the Annual Meeting; (2) provide dates for determining members' eligibility to vote; (3) provide deadlines for Talquin to mail ballots and for members to return the ballots if the Board

designates voting to be by mail; (4) clarify the requirements to establish a quorum; (5) amend the dates for nominees to submit petitions so that such dates correspond with mail-in ballot deadlines; (6) require that an independent third party count the mail-in ballots if the Board designates voting to be my mail; and (7) revise the deadline for the Cooperative to post election related deadlines on the Cooperative's website.

The specific changes of the By-laws are:

ARTICLE III - MEETING OF MEMBERS

SECTION 3. NOTICE OF MEMBERS' MEETINGS. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting, a district meeting or an Annual Meeting at which business other than that listed in Section 6 of this ~~article~~Article is to be transacted, the ~~purposes~~purpose(s) for which the meeting is called, shall be delivered ~~not less than ten days nor more than twenty-five days before the date of the meeting;~~ either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member: (a) not less than ten (10) days nor more than forty-five (45) days before the date of the meeting if voting is to be conducted in-person or if no voting is to be conducted; or (b) not less than thirty (30) days nor more than forty-five (45) days before the date of the meeting if voting is to be conducted by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. QUORUM. ~~As long as the total number of members does not exceed five hundred, ten~~The presence in person of at least one (1) per centum of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or the per centum of the members established by Florida Statutes, which evermembers of the Cooperative shall be the larger, shall constitute a quorum required for the transaction of business at any members' meeting. If pursuant to Article III, Section 5 the designated method of voting is in person ballot, then the number of members in attendance at the members' meeting shall be counted as present for the determination of a quorum. If pursuant to Article III, Section 5 the designated method of voting is mail-in ballot, then the number of members voting by mail on each separate matter shall be counted as present in person for the determination of a quorum for each separate matter specifically listed and identified on the mail ballot. If less than a quorum is presentcounted at any a members' meeting, a majority of those present in-person may adjourn the meeting from to another time to time without further notice and date, not less than sixty (60) days nor more than one hundred eighty (180) days later and to any place in one of the counties in Florida within which the Cooperative serves, provided, that the Secretary shall notify any absent members of the time, date, and place of such adjourned meeting- by delivering notice thereof as provided in Article III, Section 3.

~~SECTION 5. VOTING. Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the articles of incorporation or these By laws. No voting by mail or by proxy shall be permitted.~~

SECTION 5. VOTING. Each member shall be entitled to only one vote on each matter submitted to a vote. A majority of a quorum is required to approve each motion or matter presented to the members for a vote. The voting method may either be by in person ballot or mail-in ballot as determined by the Board of Trustees. If the vote will be in conjunction with a members' meeting, then the Board shall designate the voting method not less than one hundred forty (140) days prior to the members' meeting. If the vote will not be in conjunction with a members' meeting, then the vote shall be by mail-in ballot and the Board shall provide members notice of each specific matter to be voted upon not less than forty-five (45) days prior to the date on which the ballots are due. However, notwithstanding the foregoing or the remainder of this Section, all voting shall be conducted in person for mergers, consolidations, or voting required by Article VIII of these Bylaws for the disposition or sale of all or any substantial portion of the Cooperative's property.

To be eligible to vote, a member must be a member of record: (a) at the time the ballot is cast if voting is conducted in-person or at the time the ballot is due if voting is conducted by mail in ballot; and (b) as of sixty (60) days prior to the date of the members' meeting if the voting (whether by mail or in-person) is to be conducted in conjunction with a members' meeting or sixty (60) days prior to the date on which ballots are due if voting is by mail in ballot and not in conjunction with a members' meeting.

If the designated voting method is by in person ballot, then all voting shall be by in person ballot at the members' meeting.

If the designated voting method is by mail-in ballot in conjunction with a members' meeting, then the ballot must be mailed to the members at least thirty (30) days prior to the date of the meeting. If not in conjunction with a members' meeting, then the ballot must be mailed to the members at least thirty (30) days prior to the date on which ballots are due. Mail-in ballots must be returned by mail or in person to a secure drop box at a location(s) designated by the Board. For votes conducted in conjunction with the members' meeting, completed ballots must be received by the Cooperative or its designee not later than ten (10) days prior to the meeting to be counted as a vote of the member at such meeting. The date of receipt of a ballot by the Cooperative shall be the day the ballot is physically received by the Cooperative. The failure of any member to receive a copy of any such ballot by mail shall not invalidate any action which may be taken at the meeting at which the ballot is to be voted. The counting of ballots shall be by an independent third party designated by the Board. Unless otherwise prescribed by these Bylaws or the Florida Statutes, the Board shall establish the procedure for conducting member voting by mail-in ballot.

To ensure the winning candidate in a Trustee election meets the required vote threshold of a majority of a quorum, where three or more nominees qualify as candidates for election from a single district, votes shall be cast and counted by "Ranked Choice Voting." Under Ranked Choice Voting, voters will select a first-choice candidate and have the option to rank backup candidates in order of their preference: second choice, third choice, and so on. If a candidate receives a

majority of the first-choice votes, then that candidate wins. If no candidate receives a majority vote, then the race is decided by an “instant runoff” (i.e., the candidate with the fewest votes is eliminated, and voters who selected that candidate as their first choice will have their votes for their second choice counted). The Board shall adopt policies and procedures for conducting an election by Ranked Choice Voting not less than one hundred forty (140) days prior to the date of the Annual Meeting.

In the case of any tie vote in the election of a Trustee, the prevailing candidate will be decided by coin toss. The coin toss shall be conducted by the Cooperative’s attorney or designee. The nominee whose last name appears first alphabetically by last name shall choose heads or tails.

Voting by proxy shall not be allowed.

SECTION 6. 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 be essentially as follows:

- (1) Report as to the number of members present in order to determine the existence of a quorum.
- (2) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of reports of officers, trustees and committees.
- (5) Election of trustees. If the designated voting method is by in person ballot, then all voting shall be by in person ballot at the Annual Meeting and the results shall be announced at the Annual Meeting. If the designated voting method is by mail-in ballot, then all voting shall be by mail-in ballot prior to the Annual Meeting and the results shall be announced at the Annual Meeting.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

Notwithstanding the foregoing, the Board of Trustees or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; provided, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV – TRUSTEES

SECTION 3. NOMINATION AND ELECTION OF TRUSTEES

- (b) **Nominations.** Nominations for Trustee shall be by Petition only. To be nominated and included on the ballot to represent one of the nine (9) geographic districts, a candidate for Trustee must submit to the Talquin Electric Cooperative Headquarters located at 1640 West Jefferson Street, Quincy, Florida 32351 a written Petition including the names, addresses, and verifiable signatures of at least fifteen (15) current Cooperative members. All Petitions must be submitted to the Talquin Electric Cooperative Headquarters prior to the deadline prescribed below and shall include the name of the nominee and his or her district. A member may sign the Petition of more than one candidate.

To be considered for inclusion on the ballot, Petitions must be submitted to Talquin Electric Cooperative Headquarters, located at 1640 West Jefferson Street, Quincy, Florida 32351 by 5:00 P.M. E.S.T. not less than ~~forty-five (45)~~sixty (60) days, but not more than ~~ninety (90)~~one hundred (100) days before the date of the Annual Meeting. A Cooperative designee with the assistance of the Cooperative's attorney shall verify the signatures on the Petitions and refer the names of those candidates who have satisfied the fifteen (15) signature requirement for qualification review in accordance with Article IV, Section 2.

Not less than ~~thirty (30)~~forty-five (45) days prior to the date of the Annual Meeting, the Secretary shall ~~post~~be responsible for posting the names of the qualified nominees for election at the Talquin Electric Cooperative Headquarters, located at 1640 West Jefferson Street, Quincy, Florida 32351. ~~The~~If the designated voting method is by in person ballot, then the Secretary shall ~~mail~~be responsible for mailing with the Annual Meeting Notice a complete list of the names and addresses of all qualified nominees for election. If the designated voting method is by mail-in ballot, then the ballot shall be mailed with the Annual Meeting Notice.

If any of the dates for compliance specified in this Article shall fall on a Saturday or Sunday or legal holiday, then the next business day following the Saturday, Sunday or legal holiday shall be the day of compliance. All dates for compliance specified in this Article shall be posted on the Cooperative's website at least ~~ninety (90)~~one hundred thirty-five (135) days before the ~~deadline~~Annual Meeting.

- (d) **Election.** The election of Trustees at an Annual Meeting shall be conducted by in person ballot at the Annual Meeting or by mail-in ballot prior to the Annual Meeting as determined by the Board of Trustees as prescribed in Article III, Section 5. Qualified nominees shall be listed alphabetically by last name on the ballot. An “Incumbent” designation shall appear on the ballot in conjunction with the name of any Trustees running for re-election.

Each member may vote for one (1) candidate per district.

~~The qualified nominee receiving a majority of the total votes cast (greater than 50%) shall be deemed the winner of the election. In the event there are more than two candidates nominated in a district and no nominee obtains a majority of the total votes cast, a run-off election of the two candidates receiving the highest numbers of votes shall be held at the Annual Meeting.~~

~~In the event of a tie vote, the winner of a coin toss shall be declared the nominee receiving the higher number of votes. The coin toss shall be conducted by the Cooperative’s attorney at the Annual Meeting. The nominee whose last name appears first alphabetically by last name shall choose heads or tails.~~

Proposal Two (Trustee Meetings Held Electronically in Extraordinary Circumstances)

During the COVID-19 pandemic, the Cooperative’s Board has continued to meet regularly through the use of communications media technology, such as telephonic or video conferencing. This proposed By-law amendment specifically addresses the Board’s ability to conduct virtual meetings and workshops when the Board has determined by resolution that, due to extraordinary circumstances, it is not prudent for the Board to conduct regular meetings, special meetings, or workshops in person. The specific changes to the By-laws are:

ARTICLE V – MEETING OF TRUSTEES

SECTION 5. MEETINGS HELD ELECTRONICALLY. If the Board determines by resolution that, due to extraordinary circumstances, it is not prudent for the Board to conduct regular meetings, special meetings, or workshops in person, then the Board may conduct the meetings or workshops through the use of communications media technology, such as telephonic or video conferencing, that allows the Trustees, the staff, and the Cooperative’s attorney to attend the meetings or workshops electronically in lieu of attendance in person. A Trustee participating in a regular meeting, special meeting, or workshop by this means, under these circumstances, is deemed to be present in person at the meeting.

Proposal Three (References to Days/Numbers)

Many of the proposed By-law amendments include time deadlines so that the voting procedure will run smoothly. To avoid confusion, the proposed Bylaw amendment clarifies all references to “days” in the By-laws mean calendar days unless otherwise stated to mean business days. In addition, for consistency throughout the By-laws, all references to numbers are amended to consistently appear the in following format: “twenty-one (21)”. These changes appear in the amended provisions set forth in this Memorandum as well as the Equal Opportunity Statement and Art. I, §7.

ARTICLE XI - MISCELLANEOUS

SECTION 8. REFERENCE TO DAYS. For the purposes of these bylaws, all references to days shall mean calendar days unless otherwise stated to mean business days.