

Holy Cross Energy Corporate Policies

Voting and Elections

Policy Number: 4.6

Original Effective Date: November 18, 2015

Revised Dates: December 18, 2019

1. OBJECTIVE

1.1 To create general rules and guidelines governing the voting process primarily for the election of Directors and for other matters as established by Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy's ("Holy Cross") Articles of Incorporation and Bylaws. These rules and guidelines are intended to insure the fairness, impartiality, confidentiality and integrity of the voting process.

2. POLICY

2.1 General Provisions

2.1.1 No less than six months before the election, the date and location of the Annual Meeting shall be fixed and posted on the Holy Cross website, along with the procedure and timing for a member to become a candidate for the Board of Directors ("Board") and the qualifications and requirements for appearing on the ballot.

2.1.2 Each member of Holy Cross shall be entitled to one vote upon each matter submitted to a vote at any Annual Meeting of the Members ("Annual Meeting"). At all Annual Meetings at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting in person and, for the election of Directors and where authorized by resolution of the Board, by mail ballot; except as otherwise provided by law, the Articles of Incorporation or Bylaws.

2.2 Eligibility to Vote

2.2.1 Only a member of Holy Cross may vote at regular and special meetings of members or sign a nominating petition.

2.2.2 Specific membership types and acceptable signatures for each include, without limitation, the following:

2.2.2.1 Individual Membership. Only the signature of the member of record is accepted. In the case of a joint membership, one signature of a joint member is acceptable on a return envelope.

2.2.2.2 Corporate/LLC/Partnership/Trust Membership. The signature of an officer or assistant officer of the corporation such as President, Vice President, Secretary or Treasurer, Manager of an LLC or General Partner of a Partnership; and a Trustee of the Trust.

2.2.2.3 Unincorporated Entity Membership. The signature of an authorized representative.

2.2.3 The "Record Date" for determination of the members who are entitled to vote in the election shall be 30 days prior to the date of the Annual Meeting of Members.

2.2.4 The date of determination of whether a member's signature on a nominating petition is valid shall be the date on which that the petition is received by Holy Cross.

2.3 Election Supervisory Committee

2.3.1 As necessary, and not less than 90 days prior to the date of any Annual Meeting at which an election may occur, the Board shall appoint a Certified Public Accounting firm ("CPA firm") to

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receive, prepare and secure the return envelopes containing ballots, and at the appropriate time, tabulate ballots and report voting results to the Board.

2.3.2 At the same time, the Board shall also appoint an Election Supervisory Committee ("Committee") consisting of three members: Holy Cross's General Legal Counsel, a representative of the CPA firm, and a member of Holy Cross's management staff to oversee the election and voting process. The Committee's responsibilities include, without limitation, resolving all issues or questions that may arise with respect to the election and voting process, the validity of member's signature on nominating petitions and return envelopes, the registration of members, the tabulation of ballots and any challenges to the election and voting process. The Committee shall have the authority to refer to the Board for adjudication any challenge, protest or objection made with respect to any election or conduct that may affect the results of any election. The Committee's decision on all such matters shall be final.

2.4 Nominations

2.4.1 HCE will publish a Notice of Right to Nominate Directors not less than six months prior to the date of the Annual Meeting, which shall contain the date and time that blank nominating petitions will be made available, along with the following information:

2.4.1.1 Qualified Director candidates must file a valid nominating petition signed by 15 or more members not less than 60 days prior to the date of the Annual Meeting.

2.4.1.2 At the time of nomination, a candidate may submit up to a 250-word statement of the candidate's qualifications and views for inclusion in the Notice of Annual Meeting.

2.4.1.3 Ballots are delivered by mail to all members with the Notice of Annual Meeting not less than 20 days nor more than 30 days prior to the date of the Annual Meeting.

2.4.1.4 Return envelopes containing ballots signed by members must be received prior to the Annual Meeting.

2.4.1.5 Members may vote in person at the Annual Meeting.

2.4.1.6 Ballots will be tabulated with results available to the public as soon as practicable.

2.4.2 No later than 120 days prior to the date of the Annual Meeting, HCE will provide to each member and post on the HCE website information on how to become a Director candidate and the schedule for Director nominations and elections.

2.4.3 Holy Cross requires all members who sign a nominating petition to certify their membership on the petition form. Holy Cross's staff will verify the status of membership of a person signing a petition based upon Holy Cross's records and on the member's application for service. From time to time, the member's signature may vary from Holy Cross's records and, in the event of any variance, then Holy Cross may require further evidence of signature validity.

2.4.4 Each Director candidate shall have access to Holy Cross's membership lists on an equitable basis regardless of incumbency. Director candidates shall use such lists only for the purpose of distributing information to members regarding their candidacy, in accordance with Corporate Policy 2.1, and shall return or destroy such lists immediately after the conclusion of the election.

2.4.5 No Director candidate shall use the Holy Cross Energy logo or other HCE marketing or brand materials in any advertising or candidate literature.

2.5 Ballots

2.5.1 HCE will publish a Notice of Annual Meeting not less than 20 days nor more than 30 days prior to the date of the Annual Meeting, which shall include the following information

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2.5.1.1 A Ballot for the election of Directors, with the ballot position of a qualified Director candidate determined by lot by the Committee.

2.5.1.2 Biographical information about each qualified Director candidate. Candidates will be identified by name, town of residence and length of membership.

2.5.1.3 Any statement of qualifications and views submitted by a Director candidate at the time of nomination.

2.5.1.4 Instructions for voting that specifically state that if the member wishes to vote, then (1) the ballot shall be marked in accordance with instructions placed on each ballot, (2) such ballot shall then be placed in the special envelope, and (3) the special envelope containing the ballot shall then be mailed to Holy Cross in the return envelope, which envelope must be signed by the member.

2.5.1.5 The deadline for return of the ballot by mail to Holy Cross, which shall also be posted on the HCE website at least 90 days prior to the deadline and shall remain so posted until after the election.

2.5.2 From time to time, a member may request a replacement ballot. The member will be advised that the member may vote in person at the Annual Meeting or that a replacement ballot and attendant information will be reissued to the member. If Holy Cross receives more than one ballot from any one member, all ballots received from said member shall be invalid and shall not be counted.

2.5.3 The Committee will determine signature and membership validity based upon Holy Cross's records and on the member's application for service. From time to time, the member's signature may vary from Holy Cross's records and, in the event of any variance, then Holy Cross may require further evidence of the validity of the signature. Holy Cross will use traditional methods of determination of signature validity and will exercise discretion to ensure that the voting process is upheld considering the intent of the member who signed the petition.

2.5.4 Return envelopes that are unsigned or show clear evidence of a signature by someone other than the member shall invalidate any ballot contained therein and shall remain unopened until after the Annual Meeting.

2.6 Custody of Mail Ballots

2.6.1 Generally, the process of receiving, preparing and securing the return envelopes will be in the care, custody and control of the CPA firm under the supervision of the Committee.

2.6.2 Return envelopes shall be pre-addressed to the CPA firm. The CPA firm shall retrieve the envelopes from the post office box, keep them unopened and secure until the tabulation process begins. The final tabulation process will begin after member registration to receive a ballot has been closed prior to the business portion of the Annual Meeting.

2.6.3 The return envelopes shall have affixed the member's name and address label generated from the membership records of Holy Cross. The envelopes shall have a signature block for the member's signature, printed name and title. Other appropriate information and directions will also be provided.

2.6.4 The CPA firm, with assistance from the Committee, and with assistance of the Holy Cross staff, while under the supervision of the CPA firm, shall (1) maintain an accounting of the number of return envelopes retrieved from the post office box, and (2) sort the envelopes into groups after comparing the member label to the signature block. The groups include: (a) envelopes signed by the member, officer or authorized representative, (b) envelopes unsigned, and (c) envelopes to be reviewed by the Committee for a determination of validity.

2.6.5 A qualified Director candidate or the candidate's designated representative may view the return envelopes at the CPA firm's office with reasonable advance notice to the Committee. The candidate's representative shall not interfere with the counting process or make challenges until

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the final count is tabulated. Questions or concerns raised by the candidate, regarding the handling of return envelopes, should be directed immediately to the Committee for its immediate review and determination.

2.6.6 The CPA firm will transport a record of all returned envelopes to the site of the Annual Meeting and maintain custody and control during meeting registration and tabulation. The CPA firm will also supervise the in-person voting process. Once balloting has been closed, the CPA firm shall be in control of all return envelopes and any ballots cast in person and transport those ballots to a secure site at the Annual Meeting for tabulation chosen by the CPA firm.

2.7 Voting at the Annual Meeting

2.7.1 A quorum is required for the election of Directors at each Annual Meeting. The process of registration of members to determine the presence of a quorum and, if required, to verify membership for voting purposes will be handled by Holy Cross's employees prior to the start of the business portion of the meeting.

2.7.2 In the event there is an election of Directors or a membership vote on any other issue, the registration process will continue to be carried out by Holy Cross employees, and the voting process will be supervised by the CPA firm under the general oversight of the Committee.

2.7.3 In-person balloting will be available to members prior to the business portion of the Annual Meeting for a specific period. The Notice of Annual Meeting of Members shall specify the hours of balloting and the specific time when balloting will cease.

2.7.4 In-person balloting is not allowed by members who have voted by mail prior to the Annual Meeting. If Holy Cross receives both a mail ballot and an in-person ballot from any one member, all ballots received from said member shall be invalid and shall not be counted.

2.7.6 No person shall be allowed to electioneer, photograph, videotape or tape record any activity in the registration and voting area while an election is in progress. Unauthorized persons shall not congregate within the registration and voting area, which shall include the interior of the building where registration and voting are taking place.

2.7.7 Any question, concern, dispute or inquiry regarding any election or voting issue that might arise during the registration and voting process will be submitted in writing to the Committee for its immediate review and determination. Any form of written submittal to any member of the Committee shall be sufficient. The Committee may respond to non-written questions, but a verbal question or verbal objection shall not be considered a legal inquiry.

2.8 Tabulation of Ballots

2.8.1 The CPA firm will supervise Holy Cross's employees in the opening of the return envelopes, removal and opening of the special ballot envelope, the removal of ballots and the counting of ballots.

2.8.2 The CPA firm shall develop its own method of counting, cross-checking, recording and reporting the election results. Determination of the handling of any questionable or irregular ballots will be completed immediately by the Committee.

2.8.3 The Director candidate who receives the greatest number of votes shall be elected to the Director position for which that candidate was nominated ("plurality vote"). If there are multiple positions to be filled within a District, candidates will be elected in the order of greatest number of votes received.

2.8.4 In the event that an election contest is won by a margin of 1% or less of total votes cast for that Director position or that particular ballot question, the CPA firm shall automatically recount all ballots appropriate to that Director position or particular question.

2.8.5 In the event two or more candidates receive the highest number of votes for a Director District position and the number of votes is identical, then the winner of the election shall be

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decided by a game of chance chosen by and conducted by the Committee in the presence of the Board and the candidates. In the event any other issue that is voted on by the members at the Annual Meeting receives a tie vote, the proposition or issue shall fail.

2.8.6 The CPA firm shall certify the results of the election and provide its written certification to the Board as soon as the results are available.

2.8.7 All return envelopes, ballots and any materials used in conducting the ballot count shall be preserved and turned over to the Committee for safekeeping. The envelopes, ballots and materials shall be preserved by the Committee for a period of not less than 90 days after the date of the election and then such documents will be destroyed.

2.9 Challenges to Election Outcomes

2.9.1 Any candidate for Director who was unsuccessful in the election may challenge the accuracy of the ballot count in the announced result of a Director election in which the person was a candidate. Should a challenge be presented, it shall be made in writing at Holy Cross's headquarters, specifically asking for a recount, addressed to the Committee and presented not later than the close of business on the day that is 10 calendar days after the date of the Annual Meeting of Members. The Committee may authorize a recount at the requesting candidate's expense; and the recount shall be performed within a reasonable time in the same manner as, and by the same CPA firm that performed the original vote count.

2.9.2 Any challenge by a Director candidate who was unsuccessful in the election to the balloting by mail and/or electronic ballot process, to the method of handling return envelopes, to the validation of members' signatures, to acceptance or rejection of return envelopes or to any other issue directly relating to balloting by mail, shall be made prior to the close of balloting at the Annual Meeting. Any such challenge shall be made in writing to the Committee for its immediate review and determination. Once balloting has been closed, then any such challenges to the ballot by mail process will be untimely and shall be forthwith denied.

2.9.3 For ballot measures other than the election of a Director, if 25 or more members who voted in the election submit a signed, written request at Holy Cross's headquarters for a recount to the Committee not later than the close of business on the day that is 10 calendar days after the Annual Meeting of Members, the Committee may authorize a recount at the requesting members' expense; and the recount shall be performed within a reasonable time in the same manner as, and by the same CPA firm, that performed the original vote count.

2.10 Applicability

2.10.1 In the event any clause or provision of this Policy shall be finally adjudged to be invalid or void, or finally determined to be in conflict with Holy Cross's Articles of Incorporation, Bylaws, existing laws, rules and regulations of the United States of America, State of Colorado, or any governing body having jurisdiction over Holy Cross, then and in that event such laws, rules and regulations shall take precedence over the Policy provision. If any such clause or provision is finally adjudged to be invalid or void, then such final order shall not invalidate the remaining guidelines, clauses and provisions contained in this Policy.

3. RESPONSIBILITY

3.1 The Board shall be responsible for the administration of and compliance with this Policy.

3.2 The Committee shall be responsible for the conduct of elections in accordance with this Policy.

3.3 The President and CEO shall ensure this Policy is adhered to by Holy Cross employees.