

Holy Cross Energy Corporate Policies

Voting and Elections

Policy Number: 4.6

Original Effective Date: November 18, 2015

Revised Dates: May 18, 2022

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.
- 1.2 This Policy is intended to insure the fairness, impartiality, confidentiality, and integrity of the voting process. This Policy supplements the provision of Holy Cross's Bylaws, and if any provision of this Policy conflicts with the Bylaws, then the Bylaws control.

2. POLICY

2.1 General Provisions

2.1.1 Not less than six months before any election, the date and location of the election shall be fixed by the Board of Directors ("Board") and posted on Holy Cross's website along with who is entitled to vote, how a member may obtain and cast a ballot, the procedure and timing for a member to become a candidate for Board and the qualifications and requirements for appearing on the ballot.

2.1.2 Each member of Holy Cross shall be entitled to only one vote upon each matter submitted to a vote in any election. All questions other than an election of Directors shall be decided by a vote of a majority of the members voting in person, by mail or electronic ballot, except as otherwise provided by Law, the Holy Cross Articles of Incorporation or Holy Cross Bylaws. Election for a Director District shall be decided by a plurality vote of the members.

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/Other Entity 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. Other Entity members shall provide a statutory Statement of Authority showing the proper person for signature.

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 that the petition is received by Holy Cross.

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2.3 Election Supervisory Committee

2.3.1 Not less than ninety days prior to the date of any election, the Board shall employ an independent third-party that is an election management company to establish a secure and verifiable electronic transmission system through which a member may apply for, receive, and return a ballot electronically in an election and to receive, prepare and secure any paper return envelopes containing ballots, and at the appropriate time, tabulate ballots and report voting results to the Board.

2.3.2 The Board shall also appoint an Election Supervisory Committee ("Committee") consisting of three members: Holy Cross's General Legal Counsel, a representative of the independent third-party election management company, 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 any 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 may 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 [or if referred to the Board, then the Board's] decision on all such matters shall be final.

2.4 Nominations

2.4.1 Holy Cross will publish a Notice of Right to Nominate Directors not less than four months prior to the date of and Director election, which shall contain the date and time, and that the form for a nominating petition will be 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 sixty days prior to the date of the election.

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 Election Packet.

2.4.1.3 Ballots are delivered electronically or by mail to all members with the Election Packet not less than twenty days nor more than thirty days prior to the date of the election.

2.4.1.4 Return envelopes containing ballots signed by members must be received prior to the date of the election.

2.4.1.5 Members may vote in person at the Annual Meeting if the date of the election is the same day as the Annual Meeting and if the member has not already voted electronically or by mail prior to the Meeting.

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

2.4.2 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.

2.4.3 Consistent with Corporate Policy 2.1, "Access to Membership Information", each Director candidate is entitled to receive a membership list in an electronic format upon receipt and verification of a valid petition. The membership list will include the names and addresses of all members. Director candidates shall use such lists only for the purpose of distributing information to members regarding their candidacy. Each Director candidate shall comply with Holy Cross's Corporate Policy on disclosure of the membership list.

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

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2.5 Ballots

2.5.1 HCE will mail an Election Packet to each member not less than twenty days nor more than thirty days prior to the date of the election, which shall include the following information:

2.5.1.1 A Ballot for the election of Directors, with the ballot position location 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) the ballot shall then be mailed to the designated address in the return envelope, and (3) the envelope must be signed by the member.

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

2.5.2 A member may request a replacement ballot prior to submission of a written ballot. The member will be advised that the member may vote electronically, or that a written replacement ballot will be issued to the member. If Holy Cross receives more than one ballot (electronic or printed) from any member, then the first ballot received by the independent third-party election management company shall be counted, and any ballot received subsequently 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 election.

2.6 Custody of Mail Ballots

2.6.1 The process of receiving, preparing, and securing the return envelopes will be in the care, custody, and control of the independent third-party election management company under the supervision of the Committee.

2.6.2 Return envelopes shall be pre-addressed to the address designated by the independent third-party election management company. The third-party election management company shall retrieve the envelopes and keep them unopened and secure until the tabulation process begins.

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. For the ballot of a joint membership the envelope will include the name of each eligible member entitled to submit a ballot. Other appropriate information and directions will also be provided.

2.6.4 The third-party election management company shall maintain an accounting of the number of return envelopes received and compare the member label to the signature block.

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Envelopes unsigned shall not have the ballot counted. Any other defect on the return envelope will be reviewed by the Committee for a determination of validity.

2.6.5 A Director candidate whose name is on a ballot or the candidate's designated representative may view but not touch the return envelopes at the independent election management company's office with reasonable advance notice to the Committee. The candidate or candidate's representative shall not interfere with the counting process or make challenges until the final count is tabulated. Questions or concerns raised by the candidate or the candidate's representative regarding the handling of return envelopes must be directed immediately to the Committee for its immediate review and determination.

2.6.6 The independent third-party election management company will transport all envelopes received to Holy Cross's principal place of business after the election, and Holy Cross will maintain custody and control after receipt for not less than six months after the date of the election. The independent third-party election management company will also supervise the in-person and electronic voting process. Once balloting has been closed, the independent third-party election management company shall be in control of all written ballots cast by mail or in person and transport those ballots after conclusion of the election to Holy Cross's principal place of business after the election. Holy Cross may dispose of the ballots not sooner than six months after the date of the election. Tabulation of the electronic and written ballots may be completed by the independent third-party election management company at any location.

2.7 Voting in a Director Election at the Annual Meeting

2.7.1 A quorum is required for the election of Directors. A quorum is required for conduct of business other than the election of Directors at any meeting of the members. The process of registration of members to determine the presence of a quorum at a member meeting will be handled by Holy Cross's employees prior to the start of the business portion of the meeting. The Bylaws state: "Five percent of the members, or fifty members present in person, whichever is less, shall be a quorum for the transaction of any lawful business at any in person annual or special meeting of the members. Votes by mail or electronically on any specific matter where authorized and directed by the Board, shall be counted in accordance with these Bylaws."

2.7.2 If there is an election of Directors on the same day as a member meeting 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 independent third-party election management company under the general oversight of the Committee.

2.7.3 In-person balloting will be available to registered members prior to the deadline established by the independent third-party election management company that will be prior to the Call To Order of the business portion of the Annual Meeting. The Election Packet shall specify the hours of balloting and the specific time when balloting will cease.

2.7.4 In-person balloting is prohibited for a member who has voted electronically or by mail prior to the Annual Meeting. If Holy Cross first receives a mail ballot and then an in-person or electronic ballot from any one member, then only the mail ballot received from said member will count and all others shall be invalid and shall not be counted.

2.7.5 No person shall be allowed to electioneer, photograph, video or audio record any activity in the registration area, the voting area, or the tabulation area. 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.

2.7.6 Any question, concern, dispute, or challenge to any election or voting issue that arises 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 as a lawful challenge.

2.8 Tabulation of Ballots

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2.8.1 The independent third-party election management company 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.

2.8.2 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, then candidates will be elected in the order of greatest number of votes received.

2.8.3 If 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, then the independent third-party election management company shall automatically recount all ballots for that Director position or particular ballot question.

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

2.8.5 The independent third-party election management company shall certify the results of the election and provide its written certification to the Board as soon as the results are available.

2.8.6 All return envelopes, ballots and any materials used in conducting the ballot count shall be preserved and turned over to Holy Cross for safekeeping. The envelopes, ballots and materials shall be preserved by Holy Cross for a period of not less than six months after the date of the election and then such documents will be destroyed forthwith.

2.9 Challenges to Election Outcomes

2.9.1 Any candidate for Director may challenge the accuracy of the ballot count in the announced result of a Director election in which the person was a candidate. Such challenge shall be made in writing at Holy Cross's principal office, specifically asking for a recount of ballots. The written challenge shall be addressed to the Committee and presented not later than the close of business on the day that is ten calendar days after the date of the election. 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 independent third-party election management company that performed the original vote count.

2.9.2 Any challenge by a Director candidate to any other issue directly related to balloting except for the counting of the ballots pursuant to Section 2.9.1 of this Policy shall be made prior to the close of balloting at the election. 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 will be untimely and shall be forthwith denied by the Committee.

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, then 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 election management firm, that performed the original vote count.

2.10 Applicability

2.10.1 If any clause or provision of this Policy shall be finally adjudged in a court to be invalid or void, or finally determined to be in conflict with Holy Cross's Articles of Incorporation, Holy Cross' Bylaws, existing Laws, then such Laws 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.

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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.