

Holy Cross Energy Corporate Policies

Legal Representation and Use of Attorneys

Policy Number: 4.9

Original Effective Date: June 26, 2024

Revised Dates:

1. OBJECTIVE

1.1 To set forth guidelines for the relationship between Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy ("Holy Cross"), and any attorney that represents it.

2. POLICY

2.1 The Board of Directors of Holy Cross Electric Association, Inc. ("Board") recognizes that competent legal representation and effective use of attorneys are critical to the successful operation of Holy Cross. Although an attorney or law firm retained or employed by Holy Cross ("attorney"), and the attorney's representation of Holy Cross are governed by rules of professional conduct and other local, state, and federal laws, the objective of this policy is to provide additional guidance for, and emphasize important aspects of, the attorney's representation of Holy Cross and Holy Cross's use of an attorney.

2.2 General Counsel. Holy Cross shall retain or employ an attorney to provide general legal services to Holy Cross ("General Counsel") that include without limitation:

2.2.1 Attending, and drafting or reviewing minutes of all meetings of the Board and all annual and special meetings of HCE members;

2.2.2 Negotiating, drafting, and reviewing contracts, at the request of the President and CEO ("CEO") or their designee;

2.2.3 Providing legal services for the disposition or acquisition of real property and interests in real property;

2.2.4 Providing legal services for the borrowing or lending of money; and

2.2.5 Providing legal services regarding general business, employment, legislative, cooperative, tax, litigation, and electric utility law.

2.3 Special Counsel. As reasonably necessary, and following consultation with the General Counsel, Holy Cross may retain or employ an attorney to provide special legal services to Holy Cross ("Special Counsel"). Special legal services require competence in a particular field of law and include without limitation:

2.3.1 Representing Holy Cross in state or federal court, or before a local, state, or federal agency including proceedings before the Federal Energy Regulatory Commission; and

2.3.2 Providing legal services regarding power supply, labor, employment, tax, antitrust, environmental, or intellectual property law.

In providing special legal services to Holy Cross, a special counsel shall provide the General Counsel with copies of all written communications, memoranda, briefs, notices, motions, and other documents prepared, filed, received, or sent by the special counsel. Legal counsel appointed by any insurance company for Holy Cross may appoint such special legal counsel for Holy Cross as the insurance company may determine from time to time. As determined by the Board, the General Counsel may provide special legal services to Holy Cross.

2.4 Holy Cross as Client. In providing legal services to Holy Cross, an attorney (General Counsel or Special Counsel) represents Holy Cross as a client, acting through its authorized directors, officers,

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employees, and members. In representing Holy Cross, an attorney does not represent Holy Cross's directors, officers, employees, or members. If the Board gives its informed, written, and prior consent, and if an attorney complies with applicable conflict of interest requirements, then the attorney may represent an affiliated entity and the attorney may represent individual Holy Cross directors, officers, employees, and members in matters related to the attorney's representation of Holy Cross.

2.5 Directing Attorney. Only the Board, the Chair of the Board, or the CEO or their designee, may request that an attorney provide legal services to Holy Cross. As requested by an attorney, and as reasonably necessary or helpful in providing legal services to Holy Cross, Holy Cross shall provide the attorney reasonable access to its directors, officers, employees, consultants, agents, representatives, records, and documents. The CEO and an attorney shall keep the Board reasonably informed regarding any matter for which the attorney is providing legal services to Holy Cross. In consultation with the Board or as directed by the Board, the CEO shall direct an attorney. In providing legal services to Holy Cross, and subject to the Board or CEO's direction, an attorney may act on Holy Cross's behalf in any manner reasonably believed to be in Holy Cross's best interest. Unless the CEO gives the CEO's prior consent, an attorney may not make a statement outside of a tribunal regarding the attorney's provision of legal services to Holy Cross, which statement the attorney knows or reasonably should know will be disseminated by means of public communication. No Holy Cross director, officer, employee, consultant, agent, or representative may interfere with the attorney's ability to exercise independent professional judgment and render candid advice.

2.6. Retaining, Employing, and Discharging Attorney. The Board shall make decisions regarding retaining, employing, and discharging the General Counsel and shall evaluate the performance of the General Counsel as needed, but at least once every three years. Following consultation with the General Counsel and the Board, the CEO shall make decisions regarding retaining, employing, and discharging any other attorney, including any attorney that may become an employee of Holy Cross who will provide legal services. By providing written notice to an attorney, only the Board may discharge the General Counsel, and only the CEO may terminate any other attorney engagement agreement, at any time for any reason. By providing written notice to Holy Cross, and as required or allowed by applicable law and rules of professional conduct, an attorney may withdraw from representing HCE and terminate any attorney engagement agreement.

2.7 Competent Legal Representation and Conflicts of Interest. An attorney shall provide competent legal representation to HCE, and shall have or acquire the appropriate knowledge, skills, time, and qualifications necessary to provide competent legal representation. No attorney, however, guarantees, promises, or warrants a successful or favorable outcome regarding legal services provided to Holy Cross. An attorney shall comply with conflict-of-interest requirements prescribed in applicable local, state, and federal law and rules of professional conduct. An attorney may provide legal services to an entity in which HCE owns an interest ("affiliated entity") only if the attorney complies with these conflict-of-interest requirements. An attorney shall inform Holy Cross's CEO of any other entity engaged in generating, transmitting, distributing, marketing, or selling electric energy to which the attorney provides legal services.

2.8 Third Party. As part of providing legal services to Holy Cross, and with the CEO's prior consent, an attorney may retain another attorney or may use an attorney or paraprofessional associated with the attorney in a law firm. As reasonably necessary or helpful in providing legal services to Holy Cross, and subject to any limitations stated in an attorney engagement agreement, an attorney may contract for a non-attorney and non-paraprofessional third party to provide goods or services.

2.9 Attorney Fees and Expenses. Holy Cross shall pay an attorney a reasonable fee and reasonable expenses. An attorney shall provide legal services to Holy Cross in a cost-effective and efficient manner. The fees and expenses for an attorney retained by Holy Cross must be specified in an attorney engagement agreement. Holy Cross shall indemnify an attorney for liability and expenses, including reasonable attorney fees, to which Holy Cross has exposed the attorney without the attorney's fault.

2.10 Unauthorized Practice of Law. Except as provided for in Section 2.6 of this Policy, no Holy Cross director, officer, employee, consultant, agent, or representative may provide legal services to Holy Cross.

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2.11 Attorney-Client Privilege. Confidential communications between Holy Cross, or its agent or representative, and the attorney, or the attorney's agent or representative, made to facilitate the attorney's provision of legal services to Holy Cross are protected by the attorney-client privilege. Holy Cross directors, officers, employees, consultants, agents, and representatives shall not disclose these communications to third parties, other than those to whom disclosure is made in furtherance of this provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to Holy Cross employees, consultants, agents, or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.

2.12 Attorney's Duty to Inform and Consult. An attorney shall keep the Board and the CEO reasonably informed regarding a matter for which the attorney is providing legal services to Holy Cross. For decisions regarding such matter to be made by Holy Cross, the attorney shall explain the matter to the Board and the CEO to the extent reasonably necessary to permit Holy Cross to make an informed decision. An attorney shall promptly comply with Holy Cross's reasonable request for information.

2.13 Reliance. In providing legal services to Holy Cross, an attorney may rely upon information provided by Holy Cross, unless the attorney knows that the reliance is unwarranted. In performing the attorney's duties, an Holy Cross director, officer, or employee may rely upon information, opinions, reports, and statements prepared or presented by an attorney. A director, officer, or employee's reliance, however, is only permitted regarding matters involving skills or expertise that the person reasonably believes are within the attorney's professional or expert competence. Further, this reliance is only permitted if the director, officer, or employee acts in good faith and reasonably believes that reliance is warranted and that the attorney merits confidence.

2.14 Legal Programs, Publications, and Memberships. HCE shall encourage the General Counsel to:

2.14.1 Attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and any association of electric cooperatives located within the state; and

2.14.2 Be a member of, and attend programs sponsored by, the Electric Cooperative Bar Association and any association of attorneys representing electric cooperatives located within the state.

The payment of any fees and expenses related to a General Counsel retained by the electric cooperative attending these legal programs, subscribing to these legal publications, or being a member of these associations must be specified in an attorney engagement agreement.

2.15 Evidence of Violation of Law or Breach of Duty. If an attorney, other than the General Counsel, knows or reasonably should know of any evidence of an actual or intended material violation of law or material breach of duty, or evidence of an actual or intended violation of law or breach of duty likely to result in substantial injury to Holy Cross, by Holy Cross or by any Holy Cross director, officer, employee, consultant, agent, or representative ("evidence"), then the attorney shall report the evidence to the General Counsel. If the General Counsel knows or reasonably should know of any evidence, then the General Counsel shall report the evidence to the CEO.

2.15.1 Within thirty days of evidence being first reported, the General Counsel or the CEO, as determined by the CEO, shall investigate the evidence, respond appropriately to the evidence, and inform the reporting attorney regarding the investigation and the response.

2.15.2 If an attorney, other than the General Counsel, reasonably believes that neither the General Counsel nor the CEO has investigated or responded appropriately to the evidence, or if the attorney believes it is reasonably necessary in the best interest of Holy Cross, then the attorney shall report the evidence to the Board or the audit committee of the Board ("Audit Committee") in person and without the presence of any other person, except a person invited by the attorney.

2.15.3 If the General Counsel reasonably believes that the CEO has not investigated or responded appropriately to the evidence, or if the General Counsel believes it is reasonably necessary in the

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best interest of Holy Cross, then the General Counsel shall report the evidence to the Board or the Audit Committee in person and without the presence of any other person, except a person invited by the General Counsel.

2.15.4 If a reporting attorney reasonably believes that the attorney has been discharged because the attorney reported evidence, then the attorney shall inform the Board or the Audit Committee of this belief.

2.16 Limitations. To the extent this policy is inconsistent with rules of professional conduct (including, but not limited to, the current edition of the Colorado Rules of Professional Conduct) or similar requirements governing attorneys, the rules or requirements govern.

3. RESPONSIBILITY

3.1 The Board will be responsible for the administration of and compliance with this policy.

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