

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 701

I. SUBJECT: INFORMATION AND RECORDS MANAGEMENT

II. POLICY

A. Information Management

It is the policy of the Board of Directors to use industry best practices to safeguard cooperative information regardless of the medium used to create or store such information. Cooperative information, including member and employee data, shall be handled using protocols to enable data security and privacy in compliance with all applicable laws and regulations and Policy 901 Employee Code of Conduct.

This policy applies to all cooperative information, whether managed internally, off-site, or via a cloud-based platform. This includes all business applications, servers and storage devices, website and social media applications, artificial intelligence, and business systems and tools such as databases and email.

The Information Technology division must be promptly notified following established cooperative processes of all systems to be deployed including, but not limited to, all cloud-based software and any system using artificial intelligence, so that alignment to strategic priorities and appropriate data security and privacy protocols can be confirmed.

Under no circumstance are Board of Directors or employees authorized to create accounts in non-approved systems using Cobb EMC domain email addresses, nor to submit any type of Cobb EMC data into unauthorized systems, platforms, test environment, or any other software, search engine, or phone app.

Administrative and procedural guidelines for maintaining security, privacy, compliance, and disaster recovery of cooperative information shall be issued by the Vice President of Information Technology, in coordination with the Chief Financial Officer and with the approval of the President and Chief Executive Officer. All employees shall acknowledge receipt of such guidelines upon employment and annually thereafter.

B. Records Retention

It is the policy of the Board of Directors to ensure that all records of the Cooperative are retained in a retrievable format according to applicable state and federal laws and sound business principles.

All records will be retained for the defined period according to the Cooperative's records retention schedule. The Chief Financial Officer shall be responsible for

COBB ELECTRIC MEMBERSHIP CORPORATION

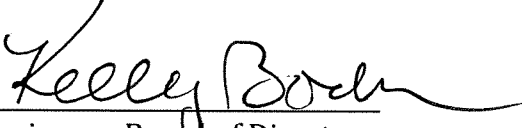
POLICY NO. 701

enforcing adherence to this policy and for maintaining the records retention schedule, and is authorized to make changes to the schedule as may be necessary from time to time to adhere to applicable laws or Best Practices.

All records, including physical or digital backups regardless of location, shall be deleted or destroyed after their defined retention period has expired. All physical or digital data that is created, transmitted, or stored utilizing company computing, copier, or facsimile assets will be managed by this policy without exception.

In the event the Cooperative is required to retain records in compliance with a court order or a directive from any legal authority, it shall be the responsibility of the Chief Financial Officer to immediately communicate such order or directive to all affected personnel. All affected personnel shall immediately comply with such an order and take all necessary steps to ensure records are retained according to such order or directive.

APPROVED: 6/24/2025


Chairman, Board of Directors

REVISION HISTORY:

ADOPTED: August 27, 2013

REVISED: February 15, 2022 – add Section A. Information Management. Section B changed responsibility to CFO and removed Appendix A.

REVISED: June 24, 2025 – added language to Section II.A.

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 702

I. SUBJECT: TREASURY POLICY

II. POLICY

To establish guidelines for maintaining proper controls over the treasury of the cooperative, including establishing of bank accounts, check signing procedures, and petty cash, etc.

A. Lines of Credit, Working Capital, and Reserves

It shall be the policy of Cobb EMC to maintain sufficient line(s) of credit, working capital and reserve cash positions to meet promptly its operating costs, taxes, quarterly debt service payments, routine construction and replacement costs, and for contingencies. General funds shall be used for the retirement of patronage capital credits, such retirements shall be consistent with bylaw provisions, contractual requirements of regulatory bodies, prudent financial management, and made only when general funds are available over and above the amount required for the cooperative to be in compliance with all financial covenants and the policies and procedures established for retiring patronage capital credits.

B. Bank Accounts and Authorizations to Sign and Countersign Checks

The cooperative shall maintain bank accounts, with authorizations for signing and countersigning checks as shown and further subject to dollar limits in the Delegation of Authority Manual:

1) General Funds – Settlement Account

The Settlement Account shall be used for ACH and Fed Wire transactions, and various deposits. The President and Chief Executive Officer (CEO), Chief Financial Officer (CFO), Controller, Manager of Finance and Budgets, and Cash Management Analyst are authorized to initiate and execute Settlement Account transactions.

2) General Funds – Accounts Payable Account

The Accounts Payable Account shall be used for general expenditures involving checks. The CEO and CFO are authorized to sign and countersign checks up to the limits in the Delegation of Authority Manual.

3) Payroll Account

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 702

The Payroll account shall be used for payment of the cooperative payroll. The CFO is authorized to sign, and countersign checks issued under this account. The CEO, CFO, Manager of Finance and Budget, and Controller are authorized to initiate ACH transactions.

4) Special Accounts

A Credit Refund Account is set up to handle customer refunds and a special account may be established when needed for use in refunding capital credits to members. The Capital Credits Account may be closed 180 days after all checks have been issued. The CEO and CFO are authorized to sign, and countersign checks issued under these accounts.

C. Transfer of Funds

The CEO, CFO, Manager of Finance and Budget, and Controller are authorized to approve wire/ACH transactions to lenders as necessary in the orderly transaction of cooperative business, subject to limits in the Delegation of Authority Manual.

D. Petty Cash, Change and Change Control Funds

The Cooperative shall have a petty cash, change and change control fund in the amount of not to exceed \$20,000.00, which shall be used for the purpose of making change related to specific transactions, storm related expenses, taking customer payments, replenishing change funds in currency and bills to better meet revolving cash needs for serving customers, paying small bills including freight, C.O.D., postage due, travel advances, and for reimbursing employees for authorized purchases such as gas, oil, small dollar business expenses and for travel expenses and meals when approved by the proper official of the Cooperative and for refunding of membership fees and deposits when postponing the refunding by issuing a check would create a hardship.

The Controller will be responsible for the maintenance and accounting for this account.

E. Checks, Types of

All checks used by the Cooperative, drawn on the General Funds, and other funds now created or which may hereafter be created, shall include supporting documentation which shall name the account(s) affected by the transaction and have the signature of a person who can authorize the transaction.

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 702

Except that payroll checks shall be of a special form applicable to and conform to the payroll system of the Cooperative.

F. Corporate Credit Cards

The Cooperative shall have the ability to issue employees corporate credit cards and allow them to be used for expenses arising from corporate business. The CEO or the CFO shall determine which individuals are authorized to use the cards and all individual card limits. The Cooperative will assume primary liability for all charges placed on the cards. Specific guidelines governing the actual use of the corporate credit cards and the records required for maintaining accountability and safeguarding their use shall be posted for employees on the Cooperative's intranet.

G. Corporate Investments

It shall be the policy of Cobb EMC that investments be considered only if they are in accordance with prudent business practices and in conformity with the laws of the jurisdictions in which the cooperative serves. The investment portfolio shall be limited to quality investments determined to represent minimal credit risks, and stability of principle while achieving an acceptable standard of performance. All investments in associated organizations, or any organization that requires loan proceeds or the sale of an existing investment(s) to acquire and/or manage, must be authorized by the Board of Directors before the investment transaction can be consummated (does not include changes in patronage capital from associated organizations due to normal loan borrowings). All active broker/dealers, outside of those financial institutions holding a lien on or security interest in the cooperative's assets in connection with a loan or loan guarantee, must be authorized by the Board of Directors.

The cooperative's guidelines for the management of Cobb EMC's investment portfolio shall be provided in the Investment Policy. The CFO is responsible for enforcing adherence to this Policy.

APPROVED: 2/15/2022



Chairman, Board of Directors

REVISION HISTORY:

REVISED: November 17, 1987 – Title Changes

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 702

REVISED: April 21, 1992 – Petty Cash

REVISED: May 29, 1991 – “C”

REVISED: June 27, 1994 – Title changes, II.B.1 reworded, II.B.4 reworded, added II.B “F” & “G”

REVISED: March 20, 1996 – REA and CFC deleted, replaced w/trustees and/or lenders, or lenders

REVISED: September 27, 2011 – General Revision

REVISED: March 28, 2012 – Removal of Cobb Energy Management Corporation, II, B-3

REVISED: August 27, 2013 – Rewording of III-B, III-B4, and III-G, policy number change

REVISED: January 28, 2014 – Corrected titles

REVISED: January 24, 2017 – Updated title changes, added CFO to Section II, F, and removed “high liquidity” in Section II. G.

REVISED: October 22, 2019 – Updated titles and responsibilities. Added reference to Delegation of Authority Manual

REVISED: February 15, 2022 – Updated titles and grammatical edits.

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 703

I. SUBJECT: FINANCIAL REPORTING

II. POLICY

A. Annual Budget

At the regular or a special board meeting held each year, the Budget and Finance Committee shall submit to the Board of Directors for approval an operating budget for the next year.

The budget shall be full and complete showing a statement of the anticipated revenues, expenditures, and cash flow for the coming year.

B. Operating Reports

The Chief Financial Officer shall have a condensed operating and financial report provided in the materials for each regular monthly board meeting.

C. Financial Statements

The Cooperative shall not allow its financial statements to be given to any natural person, company, or corporation for the purpose of evaluating the credit worthiness of the cooperative without prior approval of the President and CEO.

An Independent Accountant's annual Audit Report of the Financial Statements for the fiscal year-end shall be posted to the member's portal on the company website and made available to members upon request.

An abbreviated version of the Financial & Statistical Report shall be posted monthly to the member's portal of the company website.

Annual Reports for each of the last five fiscal years shall be posted on the company website. A condensed financial statement shall be mailed and made available to the members at the annual membership meeting, per the requirements of Policy 605 Disclosure of Cooperative Information.

APPROVED: 2/15/2022



Chairman, Board of Directors

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 703

REVISION HISTORY:

REVISED: November 17, 1987 – Title changes

REVISED: June 28, 2005 – IIC- approval of President/CEO

REVISED: March 28, 2012 – IIC, reports to be posted on company web site

REVISED: August 27, 2013 – Name of policy changed, removed month as to when operating budget is submitted, changed name of committee in II-A to Budget and Finance, II-C added “and made available to members upon request” and “An independent Accountant’s annual Audit Report of the Financial Statements for the fiscal year end shall be posted to the company web site and made available to members upon request.”
Policy number change.

REVISED: April 22, 2014 – Revised “shall be mailed and given” to “made available.”

REVISED: November 25, 2014 – Title Changes; President/Chief Executive Officer to President and Chief Executive Officer

REVISED: April 24, 2018 – Removed quarterly posting requirement

REVISED: February 15, 2022 – Section B changed responsibility to CFO. Section C updated posting to member’s portal, five years of Annual Reports, and reference to Policy 605 Disclosure of Cooperative Information.

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 704

- I. SUBJECT: ACCOUNTING RECORDS - AUDIT OF SAME
- II. POLICY:

The accounting system of the cooperative shall be established and maintained in accordance with generally accepted accounting principles and practices, consistent with industry standards and regulatory bodies to which the cooperative may be subject.

The accounting records of the cooperative shall be audited at least once each year by a Certified Public Accountant, who shall be approved by the Board of Directors prior to commencement of the annual audit.

REVISED: March 20, 1996 - Reworded in entirety

REVIEWED: August 27, 2013 - Policy number change.



Chairman, Board of Directors

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 705

I. SUBJECT: FINANCIAL MANAGEMENT

II. POLICY

- A. Financial management shall consider the following factors affecting financial and operational requirements:
 - 1) Providing quality service at reasonable rates;
 - 2) Meet or exceed loan and mortgage requirements of lenders;
 - 3) Meet or exceed financial strength ratios required under power supply agreements;
 - 4) Minimizing the cost of capital, both debt and equity;
 - 5) Meeting capital requirements for construction of utility plant; and,
 - 6) Maintaining adequate credit for procurement of power and other cooperative purchases.
- B. The goals of financial management are to:
 - 1) Provide quality service at reasonable rates;
 - 2) Comply with all mortgage covenants and lender agreements;
 - 3) Maintain a distribution equity level as determined by the board;
 - 4) Maintain an annual Modified Debt Service Coverage that exceeds the level required by lenders;
 - 5) Retire capital credits in a manner that does not adversely impact the cooperative's financial position; and,
 - 6) Maintain an investment grade credit rating.
- C. The Board will annually establish a budget and set electric rates to provide reliable electric service to the members at a reasonable cost. The budget will allow for the cooperative to meet target equity levels, to exceed all financial covenants, provide sufficient liquidity, and retire capital credits on a rotation basis.
- D. The Budget & Finance committee will review monthly the cooperative's compliance with mortgage covenants and lender agreements.
- E. The Board may consider the petitions of estates of deceased members for retirement of capital credits if, in their opinion, the financial position of the cooperative will not be impaired and if such action is in compliance with state law.
- F. The Board shall follow the requirements of Policy 618 Capital Credits to determine the availability of capital credits to allocate and return to members after the end of each fiscal year. The capital credits will be retired on a cycle no more than 15 years on a basis approved by the Board of Directors. The Chief Financial Officer shall follow the requirements of Policy 618 Capital Credits to provide the Board with an annual written recommendation for the allocation and retirement of capital credits.

COBB ELECTRIC MEMBERSHIP CORPORATION

POLICY NO. 705

III. RESPONSIBILITY

It shall be the responsibility of the Board of Directors, the President and CEO, and the Chief Financial Officer to administer this policy.

APPROVED: 2/15/2022



Chairman, Board of Directors

REVISION HISTORY:

ADOPTED: September 27, 2011

REVISED: January 29, 2013 – Re-wording of Section II, F.

REVIEWED: August 27, 2013 – Policy number change.

REVISED: November 25, 2014 – Title Changes; President/CEO to President and CEO

REVISED: June 30, 2015 – Re-wording of Section II, F.-Retirement cycle of capital credits revised from “not more than 40 years” to “a cycle of no more than 25 years”

REVISED: January 24, 2017 – Removed the word “plan” throughout the policy and deleted the word “annually” and added “by the end of the first quarter of every year” to Section II. F.

REVISED: April 27, 2021 – Added cross-reference to Policy 618 Capital Credits. Changed retirement cycle to “no more than 15 years”

REVISED: February 15, 2022 – Add II.B.6 to maintain an investment grade credit rating, II.D change from Board to Budget & Finance Committee, III. add CFO to those responsible for administration.

COBB ELECTRIC MEMBERSHIP CORPORATION

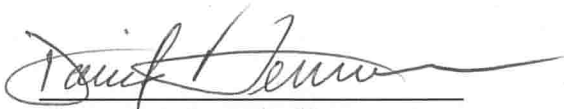
POLICY NO. 707

I. SUBJECT: CIVIC AND COMMUNITY CONTRIBUTIONS

II. POLICY

- A. Requests for civic and community contributions and sponsorships should be made in person or in writing by letter or Email by an official representative of the organization requesting the contribution. Each request will be considered on its own merits. While Cobb EMC recognizes there are numerous organizations involved in many worthwhile community service projects, the cooperative's decision to make financial or in kind contributions will be determined by the nature of the project and by our ability to make the contribution at the time of the request. Except for contributions to support national (NRECA) or statewide (GEMC) programs, contributions must benefit our members and the communities we serve. The annual cooperative budget will contain a specified amount for sponsorships and contributions, and no contributions will be made beyond this amount without specific board approval.
- B. As detailed in the Delegation of Authority Manual, only the President and CEO, Chief Financial Officer, and Vice President of Marketing and Corporate Communications are authorized to approve sponsorships or civic and community contributions.
- C. The President and CEO is authorized to make contributions from cooperative funds up to \$5,000 per request. Any request in excess of \$5,000 shall be presented to the Public Affairs and Education Committee and ultimately approved by the board of directors.

APPROVED: 2/15/2022



Chairman, Board of Directors

REVISION HISTORY:

ADOPTED: May 30, 1990

REVISED: June 28, 2005 – Policy number changed

REVISED: August 27, 2013 – Changed charitable to community in subject line, replaced “be a good corporate citizen in the communities we serve to “have concern for the communities we serve” in paragraph of section I, rewording of section II-A, deletion of II-B and renumbered II-C to II-B and increased \$300 to \$5000 and corrected committee name. Policy number change.

REVISED: November 25, 2014 – Title Changes-President/CEO to President and CEO

REVISED: January 24, 2017 – Added language to Section II. B.

REVISED: February 15, 2022 – Added new II.B to reference Delegation of Authority Manual.