

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF  
ARROWHEAD ELECTRIC COOPERATIVE, INC.

ARTICLE 1  
NAME

The name of the cooperative shall be ARROWHEAD ELECTRIC COOPERATIVE, INC. (hereinafter the "Cooperative").

ARTICLE 2  
PURPOSE

Section 2.1. The conduct of business of the Cooperative shall be conducted upon the Cooperative's plan. The Cooperative shall be authorized to exercise and enjoy all of the powers, rights, and privileges granted to or conferred upon cooperatives under Minnesota law as now or hereafter in force, and such additional powers as not restricted by law.

Section 2.2. The general purposes of the Cooperative are to sell, provide, deliver, furnish, or distribute electric energy and other services to its members and patrons and to engage in any other lawful business.

ARTICLE 3  
PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of transacting the business of the Cooperative is 5401 MN 61, Lutsen, Minnesota 55612.

ARTICLE 4  
DURATION

The period of duration of the Cooperative shall be perpetual.

ARTICLE 5  
MEMBERSHIP

Section 5.1. The Cooperative shall be organized on a membership basis and without capital stock. There shall be only one class of membership. Each member shall be entitled to one vote in the affairs of the Cooperative. Membership shall be transferable only with the approval of the Board of Directors of the Cooperative.

Section 5.2. Capital stock outstanding at the time of adopting these Amended and Restated Articles shall be retired in an orderly and non-discriminatory manner as the financial condition of the Cooperative permits, according to such policy or policies as shall be adopted from time to time by the Board of Directors.

Section 5.3. Any person may become a member of the Cooperative as set forth in the Bylaws. No person shall hold more than one membership in the Cooperative.

Section 5.4. Each member shall be bound by these Articles, the Bylaws, applicable law, and the rules, policies, and regulations adopted by the Board, as amended from time to time.

Section 5.5. The Bylaws of the Cooperative define and fix the duties and responsibilities of the members, as well as the offices and directors of the Cooperative and may also contain any other provision for the regulation of the business and affairs of the Cooperative not inconsistent with these Articles or the laws of the State of Minnesota.

## ARTICLE 6 PATRONAGE

The Cooperative shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its members or nonmember patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members or nonmember patrons.

The net income of the Cooperative, except for amounts set aside as capital reserves or additional reserves, shall be administered on the basis of patronage as provided in the Cooperative's Bylaws. The records of the Cooperative may show the interests of nonmember patrons and members in the reserves.

As provided for in the Bylaws, nonmember patrons may be allowed to participate in the distribution of net income. Nonmember patrons are not entitled to any governance rights and/or voting rights in the affairs of the Cooperative.

## ARTICLE 7 BOARD OF DIRECTORS

Section 7.1. The governance of the Cooperative and the management of its affairs and business shall be vested in the Board of Directors.

Section 7.2. The Board of Directors shall have the power to make and adopt such rules, policies, and regulations, not inconsistent with these Articles, the Bylaws, or the laws of the State of Minnesota, as the Board may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

Section 7.3. The Board of Directors is authorized to do and perform for either itself or its members and nonmember patrons any and all acts and things and to have and exercise any and all powers as may be necessary or convenient to accomplish any or all of the purposes of the Cooperative or as may be permitted by applicable law under which the Cooperative is formed.

Section 7.4. Members of the Board of Directors shall have no personal liability to the Cooperative or its members or nonmember patrons for monetary damages for breach of fiduciary duty as a director, except that this article shall not limit or eliminate a director's liability:

- a) for a breach of the director's duty of loyalty to the Cooperative or its members or nonmember patrons;
- b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c) for a transaction for which the director derived an improper personal benefit; or
- d) for an act or omission occurring prior to the date the Cooperative adopted these limitations on director's liability.

Section 7.5. The Board of Directors shall have full power and authority to authorize the execution and delivery of mortgages, security agreements, or other security instruments upon, or otherwise pledge and encumber, any or all of the property and assets of the Cooperative to include all revenues and income of the Cooperative, all upon such terms and conditions as the Board of Directors shall determine in its discretion are necessary and appropriate to secure any indebtedness of the Cooperative.

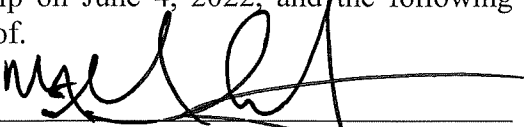
#### ARTICLE 8 INDEBTEDNESS


The highest amount of indebtedness to which the Cooperative shall at any time be subject shall be established by the Board of Directors through a duly enacted resolution.

#### ARTICLE 9 AMENDMENT OF ARTICLES

The Articles may be altered, amended, or repealed by the affirmative vote of a majority of the members of the Cooperative present in person or voting by other permitted means at any regular or special meeting of the Cooperative's members at which a quorum of the members is registered as being present or represented as present by other permitted means, provided, these Articles shall not be altered, amended, or repealed at any meeting of the members unless notice of such proposed alteration, amendment, or repeal shall have been contained in or provided along with the notice of any such meeting.

IN TESTIMONY WHEREOF, these Amended and Restated Articles of Incorporation were approved and adopted by the Cooperative's membership on June 4, 2022, and the following officers' signatures have been affixed in attestation thereof.

  
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Mike Littfin  
President

  
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Donna Lunke  
Secretary