

COBB ELECTRIC MEMBERSHIP CORPORATION

GUIDELINES ON SIGNIFICANT CORPORATE GOVERNANCE ISSUES

The role of the Board of Directors (the “Board”) of Cobb Electric Membership Corporation, a Georgia electric membership corporation (the “Company”), is to provide effective governance with respect to the business and affairs of the Company for the benefit of its members and other constituencies, which include the Company’s employees, customers, suppliers and creditors and the communities in which it operates, in accordance with the Georgia Electric Membership Corporation Act (the “Act”) and the Company’s articles of incorporation and bylaws. The Board strives to ensure the success and continuity of the Company’s business through qualified management.

The Board has adopted the following guidelines (the “Guidelines”) to assist it in the exercise of its responsibilities. These Guidelines are in addition to, and are not intended to modify, the requirements of any federal or state law or regulation, including the Act or the articles of incorporation or bylaws of the Company. In the event of any conflict between a provision of these Guidelines and a provision of federal or state law or regulation (including, without limitation, the Act) or the Company’s articles of incorporation or bylaws, the relevant provision of law or of such articles of incorporation or bylaws shall control.

1. Chairman of the Board

The Chairman of the Board shall be chosen from among the directors of the Company and shall be independent under the rules of The New York Stock Exchange (the “NYSE”).

The Chairman will establish the agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda. Information and data that are important to the Board’s understanding of matters to be discussed at each Board meeting should be distributed in writing to the Board before each meeting, if feasible, so that meeting time may be as productive as possible. Board members are expected to familiarize themselves with such materials to help ensure productive meetings. When the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting.

2. Time Commitment of the Directors

The number of Board and committee meetings will vary with circumstances. Special meetings shall be called as necessary. It is the responsibility of the directors to attend meetings. Attendance is expected at all Board and committee meetings and at the annual meeting of members unless unavoidable circumstances preclude attendance. At a minimum, each director is expected to attend during each fiscal year at least 75% of the aggregate of the total number of meetings of the Board (held during the period for which he or she has been a director) and the total number of meetings held by all committees of the Board on which he or she served (during the periods that he or she served).

3. Board Composition

Size of the Board and Board Classification

The bylaws of the Company provide that the Board shall consist of ten (10) members. The Board shall be divided into three (3) classes as nearly equal in number as possible, with the term of one class expiring each year. Directors shall be elected for terms of three (3) years.

Qualifications

Board members must satisfy the qualifications for service set forth in the Company's bylaws. Additionally, each director or nominee should possess good judgment and an inquiring and independent mind, as well as a reputation for the highest personal and professional ethics, integrity and values.

Directors must be willing to devote sufficient time and effort to carrying out their duties and responsibilities effectively and should be committed to serve on the Board for an extended period of time.

In addition, no Board member may serve, without the prior approval of the Governance and Corporate Responsibility Committee, on the board of directors of more than three (3) other companies. Members of the Board of Directors are expected to advise the Chairman of the Board and the Chairman of the Governance and Corporate Responsibility Committee prior to accepting membership on the board of directors or equivalent governing body of any "for profit" enterprise, whether public or private.

Independence of Directors

It is the policy of the Board that all Board members shall be independent directors under the rules of the NYSE, provided that these Guidelines shall not limit any rights that the Company's members may have with respect to the election of directors under applicable law. No director shall qualify as independent unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company).

The Board will consider all relevant facts and circumstances in making a determination of independence. In particular, when assessing the materiality of a director's relationship with the Company, the Board shall consider the issue not merely from the standpoint of the director, but also from the standpoint of persons or organizations with which the director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others.

Each director must notify the Board as soon as practical in the event that his or her circumstances change in any manner that may affect the Board's independence determination.

4. Board Determination of Director Independence

The Governance and Corporate Responsibility Committee is responsible for annually evaluating the independence of each Board member and making a recommendation to the Board with respect to each Board member's independence.

5. Board Committees

The committee structure of the Board consists of a Governance and Corporate Responsibility Committee, an Affiliated Transactions Committee, an Audit and Budget Committee, a Finance Committee and a Public Relations Committee. This structure is appropriate for the Company's current needs. The Board, from time to time, may elect, in its discretion, to form a new committee or disband a current committee depending upon the circumstances. All committees are encouraged to have written charters which are approved by the full Board.

The Board, by resolution, may designate from among its members one or more committees, each committee to consist of two or more directors and to satisfy any otherwise applicable provisions of the Act. The Board has no set policy for the regular rotation of committee members or committee chairs. However, as part of its normal review of governance issues, the Governance and Corporate Responsibility Committee will from time to time examine committee assignments and make recommendations to the Board concerning changes in such assignments that it deems appropriate.

6. Frequency of Committee Meetings

Each committee Chair, in consultation with committee members and management, will determine the frequency and length of the meetings of the committee. Regular meetings of any committee may be held without notice at such time and at such place, within or without the State of Georgia, as from time to time shall be determined by such committee or by the committee Chair. A special meeting of any committee appointed by the Board may be called by the Chairman of the Board, the Chief Executive Officer, the Board, the committee Chair, the committee by vote at a meeting or by two members of the committee in writing without a meeting, in each case, by giving each committee member two days written notice of the date, time and place of the meeting.

The committee Chair, in consultation with the appropriate members of management and staff, will develop each committee's meeting agenda. Each committee is encouraged to develop a schedule of agenda subjects to be discussed for the ensuing year and share them with the Board.

Information and data that are important to a committee's understanding of matters to be discussed at each committee meeting should be distributed in writing to the committee before each meeting, if feasible, so that committee meeting time may be as productive as possible. Committee members are expected to familiarize themselves with such materials to help ensure productive meetings. When the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting. Certain committees, as provided in their charters, shall have access to, and the means to engage, independent advisors.

7. Relationship with Cobb Energy Management Corporation

In recognition of the nature of the relationship between the Company and Cobb Energy Management Corporation, of which the Company is a significant shareholder, the Board has formed an Affiliated Transaction Committee to assist the Board in its oversight of such relationship.

8. Board Access to Senior Management

Board members have complete access to the Company's senior management personnel. It is assumed that Board members will use judgment to be sure that such contact is not distracting to the business operations of the Company and that such contact, if in writing, be copied to the Company's Chief Executive Officer. Furthermore, the Board encourages members of the Company's senior management to, from time to time, bring managers into board meetings who can provide additional insight into the items being discussed because of personal involvement in those areas.

9. Board Compensation Review

The Board shall periodically review the per diem compensation payable to directors. The Board may engage outside consultants to assist with such review. Changes in Board compensation, if any, should be made with full discussion and concurrence by the Board.

10. Assessing the Board's Performance

The Governance and Corporate Responsibility Committee is responsible for overseeing an annual assessment of the Board's performance and the performance of each committee of the Board. The assessment results will be discussed with each committee and with the full Board, as applicable.

11. Board Interaction with Company Constituencies

Directors generally owe a broad legal duty of confidentiality to the Company with respect to information they learn about the Company in the course of their duties. Maintaining confidentiality is essential for the protection of the individual directors, since directors can be responsible for any misleading statements that are attributable to them. Even when a director believes that the subject matter of his or her statements is within the public domain, individual directors should avoid commenting on matters concerning the Company.

Management should speak for the Company, and individual directors should not, without prior consultation with management, have substantive discussions regarding Company policy or Company business issues with constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman.

12. Succession Planning

The Governance and Corporate Responsibility Committee shall review with the Chief Executive Officer management succession and executive development plans. In addition, there

should be available to the committee, on a continuing basis, the Chief Executive Officer's recommendation as to a successor(s) should he or she become disabled.

There should be an annual review of succession planning by the Chief Executive Officer with the Board.

13. Director Education

Management will develop and implement an orientation program for new Board members. The orientation process will include providing new Board members with comprehensive information about the Company's operations, as well as the policies, procedures and responsibilities of the Board and its committees. New Board members also will meet with senior management of the Company, and the Company will facilitate the participation of all Board members in relevant continuing education programs.

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Adopted and effective as of September 4, 2008.