

## **COBB ELECTRIC MEMBERSHIP CORPORATION**

### **POLICIES AND PROCEDURES GOVERNING RELATED-PERSON TRANSACTIONS**

The Board of Directors (the “Board”) of Cobb Electric Membership Corporation, a Georgia electric membership corporation (the “Company”), hereby establishes the following Policies and Procedures (the “Policy”) that must be followed in connection with any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships, including any indebtedness or guarantee of indebtedness, with a Related Person, as hereinafter defined, where the aggregate amount involved is reasonably expected to exceed \$25,000 in any calendar year (“Related-person Transactions”):

1. The Affiliated Transactions Committee of the Board (the “Committee”) must review the material facts of any Related-person Transaction and approve such transaction. If advance approval is not feasible, then the Committee must ratify the Related-person Transaction at its next regularly scheduled meeting or the transaction must be rescinded. In making its determination to approve or ratify the Related-person Transaction, the Committee should consider all material factors, including, without limitation, (i) the extent of the Related Person’s interest in the Related-person Transaction, (ii) if applicable, the availability of other sources of comparable products or services, (iii) whether the terms of the Related-person Transaction are no less favorable than terms generally available in unaffiliated transactions under like circumstances, (iv) the benefit to the Company, and (v) the aggregate value of the Related-person Transaction.

2. For purposes of this Policy, “Related Person” means:

(a) any person who is or was an officer, director or nominee for election as a director of the Company since the beginning of the last fiscal year; or

(b) any immediate family member of any of the foregoing, which means any child, parent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and anyone residing in such person’s home (other than a tenant or employee); or

(c) any firm, corporation, charitable organization or other entity in which any of such persons is employed or an officer, general partner or principal or in a similar position or in which the person and all related parties has beneficial ownership interests of ten percent (10%) or more.

3. The Committee shall collect and maintain a master list of all Related Persons and, on an annual basis, distribute that list to appropriate officers and employees so that such officers and employees may identify and bring forward any transaction or proposed transaction involving a Related Person. The Committee shall review each transaction or proposed transaction where the aggregate amount involved exceeds or is reasonably expected to exceed \$25,000 in a calendar year and consider such transaction for approval or ratification.

4. No director of the Company may engage in any Committee discussion or approval of any Related-person Transaction in which he or she is a Related Person; provided, however, that such director must provide to the Committee all material information reasonably requested concerning the Related-person Transaction.

5. All ongoing Related-person Transactions must be reviewed and approved or ratified annually by the Committee.

6. The following transactions are exempt from the definition of Related-person Transactions and are hereby deemed pre-approved:

(a) any compensation paid to a director of the Company if such compensation is pursuant to the Board-approved standard compensation arrangements for directors;

(b) any transaction in which the Related Person's interest arises solely from his or her interest as a member of the Company and all other members of the Company received the same benefit on a pro rata basis (e.g., dividends); and

(c) transactions available to Company employees generally.

7. Notwithstanding anything contained herein to the contrary, all Affiliated Transactions (as such term is defined in the Charter of the Committee) shall remain subject to the terms and provisions of said Charter and shall not be deemed to be Related-person Transactions for purposes of this Policy.

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*Adopted and effective as of September 4, 2008.*