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CONTRACT OF EMPLOYMENT

THIS CONTRACT, made and entered into as of this 22 day of October, 2013, with an effective date of January 1, 2014, by and between GRADY ELECTRIC MEMBERSHIP CORPORATION, a Georgia non-profit electric cooperative with its principal offices at Cairo, Georgia, hereinafter called "GEMC", and THOMAS A. ROSSER, JR., hereinafter called "Rosser",

WITNESSETH

1. EMPLOYMENT

GEMC hereby employs Rosser as President and General Manager, and Rosser hereby accepts such employment, subject to the understandings, terms and conditions hereinafter contained.

2. SCOPE OF EMPLOYMENT

Rosser will be in active charge of the management and operation of GEMC subject to applicable laws and agreements, GEMC's Articles of Incorporation and By-Laws, as the same may be amended from time to time, the policies and directives of the Board of Directors (hereinafter "Board") now in existence, or as subsequently adopted, altered, or amended, and the responsibilities, duties, and limitations of the applicable job description as the same may from time to time be amended or supplemented by the Board.

3. TERMS

The term of Rosser's initial employment hereunder will be three (3) years, commencing on January 1, 2014, and ending on December 31, 2016, except that his employment may be earlier terminated pursuant to Paragraph 8 or 9 below. Each September 1st, or the next succeeding business day if September 1st is a weekend or holiday, one year shall be added to the end of the term hereof unless prior to September 1 the Board has given notice to Rosser of its intent not to extend the current term of this contract, or any renewal term thereof, so that this contract shall roll over and extend for an additional year the then existing term unless such notice is given to stop the automatic extension. Rosser may resign from employment during the term of this agreement after the initial period of six months. Notice of resignation shall be in writing and shall include the reason and effective date of such action. The effective date of resignation shall not be less than one hundred twenty (120) days from the date of notice. This contract may be terminated by mutual agreement of the parties upon one hundred twenty (120) days notice. In the event of resignation by Rosser or termination by mutual agreement as herein provided, this Contract shall become null and void and the parties shall have no further rights or responsibilities under its provisions.

4. COMPENSATION

GEMC will pay to Rosser for all services rendered or performed hereunder, an initial base salary of \$134,000.00 per annum, in equal installments of 26 pay periods per annum, or as otherwise agreed, with annual salary increases of 11.5 percent per year through the year of 2017.

Such sum shall be the minimum sum to be paid by the Cooperative for all his reasonable services during the term of this agreement, or any extension thereof. Effective January 1 of each year subsequent to 2017, Rosser's base salary will be adjusted upward, if applicable, but not downward, based on the following guide, to-wit:

(a) A survey will be made by the then certified public accounting firm of GEMC of all RUS cooperatives of the same size financially, and/or with substantially the same number of consumers within the United States to determine the total compensation paid to their President, CEO or General Manager, as the case may be. This survey may be done using the NRECA salary guidelines as a guide, or by any other means chosen by the accounting firm.

(b) This survey would be done as soon as possible each year, and Rosser's total compensation would be the average paid by the responding cooperatives of the survey, except that if the previous year's salary exceeds the survey average salary, then Rosser's annual increase would be frozen until the average salary exceeds his current salary. The Board of GEMC would always enjoy the privilege of paying Rosser more than the survey amount, should the Board so choose to do so, and as such, the Board's salary amount would be inserted in lieu of the survey amount.

(c) The survey is to include current wages, retirement benefits, deferred compensation plans, and employment contracts.

(d) The CPA shall report to the Board each year the results of such survey. In addition to salary payments as herein provided, travel and other necessary expenses of Rosser in the conduct of the business of GEMC are hereby authorized subject to reasonable accounting therefor.

5. SUPPLEMENTAL BENEFITS

Rosser will receive and enjoy such supplemental benefits as are provided by GEMC from time to time to its management staff, including, but without limiting the kind or scope thereto, (1) holidays, (2) vacation, (3) medical, hospital, disability, and other insurance coverage, (4) the pension programs (defined benefit and 401 K) adopted by GEMC, (5) a company car and electronic devices for business and personal use.

6. DUTIES

Within the general scope as his employment as outlined in Paragraph 2 above, Rosser together with such other staff, agents, and employees as he may select, will perform such duties, and will exercise such authority as the Board may from time to time assign to him or vest in him, including, without limitation, the management, direction, supervision, and representation of GEMC and its business and operations, and Rosser will consult with, advise, and otherwise keep the Board properly informed with respect thereto.

7. EXTENT OF SERVICES

Except during periods of illness, vacation, and other authorized absence, Rosser will devote his best efforts to the performance of his duties and responsibilities hereunder, but nothing herein will limit Rosser's right to make passive investments, to serve on Board of Directors of banks and other corporations, to participate in charitable service, other community activities, and trade and professional organizations, or to undertake other activities which do not interfere with the performance of his duties hereunder, it being mutually agreed that his participation in such activities is beneficial to GEMC.

8. TERMINATION FOR CAUSE

(a) The Board reserves the right to terminate Rosser's employment for cause, which shall be defined as (a) dishonesty; (b) conviction or admission of a crime classified as a felony or involving moral turpitude; (c) gross neglect of duty; (d) immoderate use of, or addiction to alcohol, or use thereof to the visible and perceptible prejudice of his employment or representation responsibilities; (e) any use, possession or sale of any illegal controlled substance. Illegal controlled substances are defined by State and Federal Regulations; or (f) willful failure to follow a direction of the Board within the scope of his employment as provided in Paragraph 2 above, and which has been communicated to Rosser in writing.

(b) If the Contract and Rosser's employment hereunder are terminated under the provisions of this paragraph, then in such event Rosser shall be entitled to no further pay based on his actual salary at the date of his termination; provided further, that such termination will be without prejudice to any insurance or other vested benefits, to which he may be entitled; and provided further, that if Rosser's employment is terminated because of theft or embezzlement on his part, Rosser shall not be entitled to any further pay hereunder.

9. TERMINATION OF THIS CONTRACT AT REQUEST OF RUS

If, during such periods as GEMC shall be in default in the making of a payment or payments of principal or of interest on one or more of its notes payable to the United States of America, CFC or CoBank secured by the Supplemental Mortgage and Security Agreement by and among the Coöperative, RUS, CFC, or CoBank, as supplemented and amended (hereinafter referred to as the 'Mortgage') or otherwise be in default under the Mortgage, the United States of America, acting through the Administrator or RUS, shall in any time give notice to GEMC that, in its opinion, such system is not being efficiently operated and shall request the termination of the employment of Rosser, GEMC will terminate such employment contract within thirty (30) days after the date of such notice, but GEMC will be required to pay to Rosser the then base salary and other benefits, less and except only the car and electronic devices expense for and during the balance of the contract term plus any renewal extension hereof.

10. DISABILITY

In the event that Rosser becomes sufficiently incapacitated as to prevent adequate performance as Manager, his services may be terminated by the Board upon his qualification for long term disability insurance. Such incapacity shall be determined by a duly licensed physician based upon the Manager's physical and mental condition and potential of recovery within a reasonable time. In the event of determination of incapacity by a duly licensed physician, such determination shall be presented to the Board for appropriate action under the provisions hereof.

11. NOTICE AND CONSENT

Any written notice or consent required by this Contract to be delivered by Rosser shall be deemed delivered when either personally delivered by him to GEMC's Chairman, Vice Chairman, Secretary or Treasurer or dispatched by him via certified or registered mail to any such officer at his mailing address as most recently reflected in GEMC's records; and any written notice or consent required by this Contract to be delivered by GEMC to Rosser shall be deemed delivered when either personally delivered to Rosser by one of such officers or dispatched via certified or registered mail to Rosser at the mailing address as most recently reflected in GEMC's records.

12. MODIFICATION

The terms of this Contract may be modified by mutual consent of the parties hereto provided same are in writing and approved by the Board.

13. PRIOR CONTRACTS.

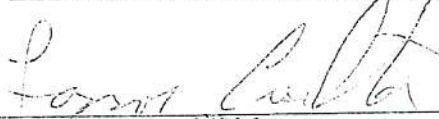
As of the effective date, this contract supersedes and voids all prior Contracts of Employment between the two parties.


14. COUNTERPARTS


This Contract is simultaneously executed and delivered in two (2) counterparts, each of which will be deemed to be an original, and will constitute but one and the same instrument.

IN WITNESS WHEREOF, GEMC acting by and through its duly authorized officers, has caused this Contract to be executed and its seal to be affixed and attested and Rosser has hereunto set his hand and seal on the day and year first above written.

GRADY ELECTRIC MEMBERSHIP CORPORATION

BY:  (SEAL)
~~Chairman~~
Donald Cooper, ^{VICE} Chairman
~~Chairman~~
Lamar Carlton

ATTEST:  (SEAL)
Robert E. Lee, Secretary

 (SEAL)
Thomas A. Rosser, Jr.