

UNION ELECTRIC MEMBERSHIP CORPORATION

Monroe, North Carolina
Minutes of Board of Directors Meeting
June 12, 2021

Pursuant to due notice thereof, a regular meeting of the Board of Directors of Union Electric Membership Corporation (hereinafter called the "Cooperative") was held on June 12, 2021, at 9:00 a.m.

All Directors were present. Also present were Greg Andress, Executive Vice President and General Manager; and Aaron Christensen, General Counsel.

With President Kirk presiding, the following proceedings were held:

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| Invocation | 1. | Mr. Kirk gave the invocation. |
| Approval of Minutes of Board Meeting | 2. | On MOTION and second, the minutes of the April 10, 2021, Board Meeting were approved. |
| New Member Applications – April 1, 2021, through May 31, 2021 | 3. | <p>A total of 1,021 new members made application for service during the period of April 1, 2021, through May 31, 2021, and those new members are now actively receiving electric service from the Cooperative. A total of 969 members resigned their membership during this period. Thereafter, on MOTION and second, the following resolution was approved:</p> <p style="margin-left: 40px;">RESOLVED, the resignations and/or disconnections of resigning members is hereby accepted and approved. The applications of new members are hereby accepted and approved. A list of resigning members and new members is hereby directed to be filed in the official records of the Cooperative.</p> |
| Acceptance of Board of Directors and EVP General Manager's Expense Reports | 4. | Mr. Kirk reported that the Executive Committee had reviewed and approved all expenses for the Board of Directors, and for the Executive Vice President and General Manager, for the period of February through May 2021. On MOTION and second, the Board accepted the Expense Reports. |
| Financial Report – Union Power | 5. | Mr. Andress provided the financial report for Union Power, including a review of the Statement of Operations, the Balance Sheet, and various year-to-date statistics. He further commented on related federal initiatives to provide |

financial relief for the rural electric cooperative industry. On MOTION and second, the Board accepted the Financial Report.

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| Financial Report –
Union Services | 6. | Mr. Address reported on the financial performance of Union Services, including trends relating to weather and HVAC sales. On MOTION and second, the Board accepted the Financial Report for Union Services. |
| Notification and
Assignment of Capital
Credits | 7. | Mr. Address reported on the allocation of Cooperative and G&T sourced margins, with anticipation of a 20-year retirement cycle. On MOTION and second, the Board approved the assignment of capital credits. |
| Bylaws | 8. | Mr. Address reviewed proposed changes to the bylaws, providing for mail and electronic voting in the event of future contested elections. On MOTION and second, the Board adopted the bylaw amendments. |
| Holiday Policy | 9. | Mr. Address reported on proposed changes to Policy No. 215 to adopt Martin Luther King, Jr. Day as an official corporate holiday and to add a floating holiday to honor other important observations. On MOTION and second, the Board adopted the policy revisions. |
| Appointment of
Nominating Committee | 10. | On MOTION and second, the Board appointed members to the Nominating Committee, as follows: Kathy C. Odell, Jimmy D. Carver, Brian Baucom, Greg Rushing, Gary Bostian, Mike Easley, Hilton Hinson, and Peter Harden, IV. |
| Appointment of
Credentials and
Elections Committee | 11. | On MOTION and second, the Board appointed members to the Credentials and Elections Committee, as follows: Rebecca Sistare, Donald S. Robinson, Steve Griffin, Eric B. Leonard, and Gene Wilson. |
| Confidential Legal
Report | 12. | Mr. Christensen presented the confidential legal report. |
| Executive Session | 13. | The Board entered an Executive session. No Board vote or other official actions were taken during the session. The regular meeting resumed thereafter. |

Report of the Executive Committee

14. On behalf of the Executive Committee, Mr. Kirk reported that the Committee had received and carefully evaluated the performance reviews for Mr. Andress, carefully studied the wage and salary consultant's report and corresponding data, reviewed market data and trends, and observed that Mr. Andress' salary is below market for similarly sized electric cooperatives in the southeast. Mr. Kirk further discussed Mr. Andress' performance during the pandemic and noted that Mr. Andress had declined any salary adjustment during 2020 pandemic year. Thereafter, following extended discussion by the entire Board, and on MOTION and second, the Board approved an increase in Mr. Andress' annual salary, retroactive to anniversary date, to capture the 2-year increase and bring Mr. Andress to a competitive market salary.

Manager's Report

15. Mr. Andress presented the General Manager's report, commenting on planning for the Annual Member Meeting, return-to-work, strategic planning, electric vehicle initiatives, cyber security priority initiatives, state and federal political developments, and various statewide initiatives.

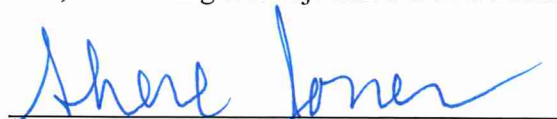
Write-off Report

16. Mr. Andress reported on net write-off for the period of January 2021, through April 20, 2021, in the amount of .17% of revenues, provided a general overview of recoupment strategies, and commented on the anticipated impacts of the Governor's Executive Order establishing a moratorium on cut offs.

Safety Report

17. Mr. Andress presented the Safety Report for April and May 2021, indicating there had been no recordable injuries during April and May. Mr. Andress further commented on employee efforts to work safely through the pandemic.

There being no further business, on MOTION and second, the meeting was adjourned at 11:30 a.m.
Respectfully submitted this 12th day of June 2021.



Sherise Jones, Secretary

Approved: 

Lee Roy Kirk, President