

CENTRAL ELECTRIC MEMBERSHIP CORPORATION

Minutes of the 2025 Annual Member Meeting

October 3, 2025

Sanford, North Carolina

Pursuant to due notice thereof, the 2025 Annual Member Meeting ("Meeting") of Central Electric Membership Corporation ("Central EMC" or the "Cooperative") was conducted Remotely and Virtually via Streaming Video (over the Internet) from Central EMC Headquarters in Sanford, North Carolina, beginning at 10:00 a.m. on Friday, October 3, 2025. President Rebecca G. Cogan presided over the Annual Meeting. Associate Pastor Steve Richardson of Shallow Well Church gave the invocation. Central EMC Lineman Sergio Orr presented the Pledge of Allegiance.

President Cogan thanked the Membership for their participation in the remote Annual Member Meeting. She explained that if any Members have any questions or comments that the Member should send Central EMC a direct message through Facebook or the Cooperative website. Central EMC will answer each Member individually.

The Annual Meeting was conducted virtually, without objection, due to ongoing issues related to the COVID-19 Pandemic and the sequelae of COVID-19 issues and in order to ensure participation and the safety of the Cooperative Members and the Cooperative Employees. Members were given the opportunity to vote for the Election of Directors by submitting a ballot by United States Mail or by submitting a ballot electronically. Section 3.09 of the Central EMC Bylaws provides that Management will count each Member who submitted a "Vote" (either electronically or by United States Mail) as attending this Meeting for purposes of a Quorum.

With Cynthia M. Currin, General Counsel, presiding at the Business Session at the request of the Cooperative's Board of Directors, and with these minutes being transcribed under the direction of Secretary James B. Brooks, the following proceedings were had:

1. President Cogan welcomed the Membership to Central Electric's 84th Annual Meeting and thanked them for their attendance. President Cogan expressed, on behalf of the Board of Directors, appreciation to General Manager Edward B. Oldham and to all Central Electric employees for their dedication and hard work.

2. General Counsel, Cynthia M. Currin provided the following report. The Central EMC Bylaws define a Quorum for the Annual Meeting as 2% of the Membership or 414 Members.

Central EMC Bylaw §3.09 provides that (for purposes of a Remote Streaming Annual Meeting), Central EMC will count each Member who submitted a "Vote" for the Election of Directors (either electronically or via United States Mail) as attending this Annual Meeting for purposes of a Quorum.

Central EMC had 745 Members submit a “Vote” for the Election of Directors. Therefore, the number of Members participating by Vote exceeded the Quorum requirements. The Annual Meeting could therefore proceed as scheduled.

The Cooperative mailed a Notice of the Annual Meeting to each Member by United States Mail on August 22, 2025. This Notice of Annual Meeting was prominently published and displayed on the Cover-Wrap of the Carolina Country Magazine.

Management reviewed the Proof of Mailing from the Carolina Country Publication which certified that the Notice was mailed to all Central EMC Members on August 22, 2025.

Both the Notice and the Proof of Mailing satisfied the Central EMC Bylaw requirements. Each document is a part of the Cooperative’s official files.

3. General Counsel Cynthia M. Currin reported that the Minutes of the 2024 Annual Member Meeting had been posted on the Central EMC website. In accordance with the Membership’s standard directives, these Minutes of the 2024 Annual Member Meeting will be submitted to the Board of Directors for review and approval.

Ms. Currin reported that the Business Session would continue with the Central EMC Officers’ Reports.

4. The Officers’ Reports were presented to the Membership in the form of an audio/visual presentation entitled “Power You Can Trust.”

A. Introduction

Since Central Electric was founded, its goal has always been to bring progress and new opportunities to this region.

Central EMC celebrates a year of investment, innovation and services to its Members.

B. Reliability

Reliable power is Central EMC’s goal and daily mission. Central EMC’s advanced monitoring systems detect outages early. New technology helps protect the grid from lightning, wildlife and weather.

Central EMC continues to clear and maintain its rights of way around its power lines to prevent service disruptions.

In 2024, Central EMC upheld a 99.9% reliability rating thanks to its upgrades and a dedicated workforce.

C. Central EMC Team

Central EMC invests in its employees by training its workforce. Linemen are trained for the skill-sets required, including critical rescue and safety exercises, as well as pole top rescue drills.

D. Innovation

Because Central EMC is owned by its Members, Central EMC can offer innovative energy solutions such as the following:

- At the Doc's Road Substation, battery storage technology helps manage peak demand and provide back-up energy when it is needed. This project is part of a 10-site Cooperative initiative, delivering 40 megawatts of flexible energy, with savings pushed directly to Central EMC Members;
- In 2024, Central EMC introduced a Trifecta manual transfer switch – a state-of-the-art solution – allowing a Member to safely connect a portable generator during an outage;
- In 2024, Central EMC met the newest Cybersecurity goals set by the National Rural Electric Cooperative Association;
- The Central EMC website offers tools and resources for Members who express interest in home solar power and electric vehicles; and
- Central EMC provides a balanced portfolio of power that includes natural gas and nuclear energy along with renewable energy.

E. Accounting

- In 2024, 63 cents (63¢) of each dollar of revenue went toward purchasing wholesale power. Operational expenses – such as maintaining power lines, fueling vehicles, trimming trees and payment taxes – accounted for 25 cents (25¢). Depreciation, which represents the aging and wear of equipment and infrastructure, made up 9 cents (9¢). Interest on loans for line construction projects took 4 cents (4¢). Due to sharply rising wholesale power costs in 2024, Central EMC operated at a net loss of one cent (1¢) per dollar of revenues.
- In 2024, Central EMC returned margins to its Members by issuing Capital Credits for the 16th year in a row. As a non-profit, Central EMC returns margins to the Members who own the Cooperative.
- In 2024, Central EMC completed 72 in-home audits. Central answered nearly 1,000 bill inquiries – helping Members identify ways to save energy and money,
- The Central EMC “Energy Advisor App” and the monthly newsletter provided personalized tips, usage breakdowns and recommendations for ways to save on electric costs.
- The Central EMC “Comfort Loan Program” offers Members low fixed interest rates for financing up to \$30,000.00 for energy efficient upgrades for heat pumps, water heaters or energy efficient windows.

F. Community

- The spirit of Community is at the heart of the Central EMC's "Cooperative" Identity. Central EMC operates on the principle of democratic control – one Member, one vote.
- In 2024, Central EMC partnered with Randolph EMC to host a "Cooperative" Fundamentals Course at the Central EMC headquarters.
- Central EMC leaders joined other electric Cooperatives to advocate for policies to strengthen the Cooperatives' futures.
- In 2024, Central EMC sponsored local students to participate in the Electric Cooperative Youth Tour in Washington, D.C., to learn about the Cooperative business model.
- Central EMC also sponsored students to the Touchstone Energy Sports Camp to promote teamwork, leadership and sportsmanship.
- Central EMC invested in education through the Bright Ideas Grant Program, awarding over \$14,000 to eleven (11) educators reaching 2,700 students.
- Central EMC granted scholarships to Central Carolina and Sandhills Community Colleges.
- Central EMC celebrated student success in the "Give Us An 'A'" program.
- Central EMC Members donated over \$117,000.00 in 2024 through the "Operation RoundUp®" program to address local needs for food, housing, health and education.
- Central EMC sponsors locals to the Cooperative Leadership Camp.

G. Conclusion

- Central EMC provides safe, reliable and affordable power to its Members.
- Central EMC provides "Power You Can Trust."

5. SERVICE PROJECTS

The Membership received a report from Meg Moss, Director of Marketing & Member Engagement. Ms. Moss reported on two (2) Service Projects for which Central EMC and its employees had donated time and energy to benefit local communities in the Service Territory: (1) "Sleep in Heavenly Peace" bed building project in Moore County and (2) "Free Book Fair" through the Chatham County Education Foundation. Ms. Moss presented a video showing the Central EMC employees in action on these projects.

Thereafter, Ms. Moss introduced Edward B. Oldham for the General Manager's Report.

6. GENERAL MANAGER'S REPORT

General Manager Edward B. Oldham provided a Manager's Report. Mr. Oldham explained that the Annual Meeting is a critical part of the Cooperative's business model. It provides an opportunity to update the members on how the Cooperative is operating to serve the Membership. Central EMC serves its members not only by providing safe, reliable and affordable electricity, but also by being a resource and advocate for improving and enriching the lives of individuals throughout the Central EMC community.

Mr. Oldham welcomed the Membership, stating that the Annual Meeting is a vital part of the Cooperative model. Mr. Oldham reported that the Cooperative remains in a strong and stable position, with ongoing potential for significant growth. Mr. Oldham gave the following updates:

- **Economic Growth**

Central EMC continues to experience steady growth, adding several hundred new members each year. Central EMC has been growing at a healthy pace – about 7.5% over the last five (5) years. This equates to a growth rate of 1.5%/year.

The potential for substantial future expansion in the northern portion of the Service Territory is strong. Chatham Park, the live-work-play development in Pittsboro, is a key area for future growth. Development continues to move closer to the Moncure Pittsboro Road area of the Central EMC System.

Projects in the Moncure area and the Randolph-Greensboro-Piedmont Triad region will likely result in growth of new housing and infrastructure in the Central EMC Territory.

Central EMC is preparing for this growth with proactive system planning, including a substation in the Moncure area. This substation will provide capacity for growth in residential and commercial projects from Chatham Park and related developments.

- **Electric Industry**

The electric utility industry is changing rapidly. The industry is pushing to keep pace with the rising demand for electricity. The demands on the Grid are at an all-time high. Demand continues to grow with local development and the growing needs of artificial intelligence.

The industry is addressing a “reduced carbon future.” Central EMC is supportive of renewable and carbon-free energy sources. Central EMC also supports a balanced approach in the transition.

- **Energy Costs**

Limited growth in generating reliable supply, along with rising demand, has resulted in higher prices. For every dollar of revenue, Central EMC pays 63 cents (63¢) for wholesale electric energy. The remaining portion pays for equipment, maintenance, labor and other expenses.

With rising generation costs, Central EMC's expenses have climbed over the last eighteen (18) months. In May 2025, Central EMC increased its kWh rates and basic facility charge. Central EMC implemented a Wholesale Power Cost Adjustment ("WPCA") effective September 1, 2025.

Central EMC remains committed to: (1) keeping electric costs as affordable as possible; and (2) maintaining and improving electric service.

- **Capital Credits**

Central EMC uses the members' investment of capital to assist with operating costs. Any excess operating margins (the difference between revenue and expenses), are allocated to each Member's account as "Capital Credits." Approximately nineteen (19) years later, Capital Credits are returned directly to the member in the form of the retirement of capital credits.

For the past 16 years, Central EMC has made a capital credit general retirement. During Fiscal Year 2025, Central EMC will continue with this strong commitment by making a capital credit general retirement for its seventeenth (17th) year

This general retirement to be made in Fiscal Year 2025 will be based on allocations of the capital credits for the remaining allocations in Fiscal Year 2006 and 80% of allocations from Fiscal Year 2007. Total capital credits to be returned to the Central EMC membership in Fiscal Year 2025 equal approximately \$1.1 million. At the conclusion of Fiscal Year 2025, Central EMC will have returned over \$19 million in capital credits to its members over the past 17 years.

Members will receive their general capital credit checks between Thanksgiving and December 1, 2025. Amounts less than \$25.00 will be issued as a credit on the member's billing statement for that month.

Mr. Oldham thanked the Board for participating in the Annual Member Meeting. Mr. Oldham turned the meeting over to General Counsel Cynthia M. Currin.

7. Ms. Currin provided a list of the current Members of the Board of Directors.

The Business Session continued with the Election of Directors. Ms. Currin explained the two (2) methods by which an individual can be nominated as a candidate for election to

the Cooperative's Board of Directors. These methods include nomination by the Cooperative's Nominating Committee and nomination by written petition.

The Central EMC Nominating Committee met on June 2, 2025. The Committee elected Ronnie Lambert as the Chairman and C. Richard Williams as the Secretary. The nominated the following individuals to stand for election for the Board:

- (1) District 1 (Lee County) – Bianka Stumpf;
- (2) District 2 (Chatham and Randolph Counties) – James B. Brooks; and
- (3) District 3 (Harnett County) – Charles E. Cameron, Sr.

The Cooperative had received no written petitions nominating additional individuals to stand for election.

Ms. Currin then provided a report on the Election results. Central EMC had employed an independent third-party Consultant, Survey and Balloting Services ("SBS") to tabulate the Members' Votes. Central EMC Members had voted by either: (1) Returning the ballot through United State Mail, or (2) Voting electronically.

Ms. Currin reported the results of the tabulation of Votes for the Election (as certified by SBS) and the individuals elected for each position as follows:

- District 1, Bianka Stumpf received 589 votes;
- District 2, James B. Brooks received 569 votes; and
- District 3, Charles E. Cameron received 632 votes.

Each of these Directors will serve three (3) year terms as members of the Board. These terms expire at the 2028 Annual Member Meeting.

8. Ms. Currin reported that no Member has presented any old business to come before the Membership.

9. Ms. Currin reported that no Member has presented any new business to come before the Membership.

10. There being no further business, the meeting was adjourned.

SIGNED:

James B. Brooks, Secretary

APPROVED:

Rebecca G. Cogan, President