

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
January 21, 2024

Pursuant to due notice thereof, a meeting of the Board of Directors of the Lumbee River Electric Membership Corporation was held at the Corporation's headquarters in Pembroke, North Carolina, beginning at 3:00 p.m., Tuesday, January 21, 2025. Directors present in person were, Chairman Rory Eddings, Mary Beth Locklear, Sharon M. Burnette, Erice Locklear (arrived at meeting at 3:47 pm), Anthony Hunt, James Hardin, Ronald G. Hammonds, Secretary Elaine O. Chavis, Vice Chairman Roger Oxendine, Treasurer Kirk Lowery, Sherry Carter, Rhonda Goins Dial and Ronald Anderson (arrived at meeting at 3:31 pm). Also present were Grady Hunt representing Hunt & Brooks, the Corporation's general counsel and President & CEO Jonathan T. Locklear.

Also present were the Executive Assistant Kim Chavis, Chief Operations Officer John Dyson, Chief Financial Officer Daniel Leonard, Vice President of Information Technology Craig Davis, VP of Eng. & Operations Matt Epps, Director of Corporate Safety Mark Walters, Joshua Locklear, Manager of Key Accounts, Vice President of Human Resources Marie Hussey, and VP of Member Service & Community Relations Ruby Clark Quick.

The Chairman called the meeting to order and prayer was said by Roger Oxendine.

1. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD AGREED TO ADD AS ITEM 7F LOAN COMMITTEE RECOMENDATIONS AS AN EXECUTIVE SESSION MATTER. THE VOTE WAS CARRIED UNANIMOUSLY.
2. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD ADOPTED THE AGENDA WITH THE ADDITION OF ITEM 7F TO THE EXECUTIVE SESSION. THE VOTE WAS CARRIED UNANIMOUSLY.
3. A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE DECEMBER 17, 2024 REGULAR BOARD MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE JANUARY 14, 2024 LOAN & ECONOMIC DEVELOPMENT COMMITTEE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

4. Director of Corporate Safety Mark Walters presented the Safety Report for the month of December 2024. He noted that there were two incidents in December 2024. One incident involved a fork lift striking a tool box causing minor damage to the tool box and the second incident involved an employee being forced to run off the road and striking a fire hydrant. In the second incident, damage was done to both the vehicle and fire hydrant and incident was classified as unavoidable. The first incident was classified as avoidable. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER

OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE DECEMBER 2024 SAFETY REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

5. Ms. Elaine O. Chavis presented the Secretary's Report to the directors for the month of December 2024. A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE DECEMBER 2024 SECRETARY'S REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.
6. Mr. Kirk Lowery presented the Treasurer's Report (Form 7) to the directors for the month of December 2024. A MOTION WAS DULY MADE BY BOARD MEMBER KIRK LOWERY AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE DECEMBER 2024 TREASURER'S REPORT (FORM 7). THE VOTE WAS CARRIED UNANIMOUSLY.
7. Chief Financial Officer Daniel Leonard presented the LREMC Financial Report for December 2024.

A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE DECEMBER 2024 ESTATE RETIREMENTS. THE VOTE WAS CARRIED UNANIMOUSLY.

8. President & CEO Jonathan T. Locklear has been working with statewide for the last 6 months, requesting that statewide also meet monthly with the CFOs as they do with the CEOs. Daniel Leonard has called around and rallied support and they will now meet monthly with CFOs as well as CEOs.

President & CEO Jonathan T. Locklear attended the recent Power Supply Committee meeting and the Executive Committee meeting of NCEMC. He is not a member and was not invited but attended. The direction for the Full Board is set at these committee meetings before the Board meeting and that is the reason it is important to be a part of the committee meetings and participate in the discussions.

NCEMC is looking to invest in nuclear sites and combustion sites because they want to become more involved in G&T (Generation & Transmission). There are now somewhat G&T but want to be full blown G&T to be able to push back on things happening with Duke. NCEMC is going in the right direction but this will take time. Statewide is trying to situate itself to have more control over power costs. We are pushing conversations in how investments will be made in the nuclear sites and combustion sites and how LREMC will partner in the investments.

Hate to continue to talk about WPCAs but we have to continue to discuss as a reaction to Statewide. Our pushing back has caused better conversations and more productive conversations with Statewide concerning WPCA. We are only trying to make the best decisions possible for our organization.

President & CEO Jonathan T. Locklear said that he was disappointed that we did not get the Reconnect grant but we have obtained the scoring summary and plan to discuss the scoring with the granting agency. We have several other grant opportunities that we are pursuing at this time and hoping for better result on those grants.

President & CEO Jonathan T. Locklear discussed the weather preparation for the storm that is supposed to come in today. Matt Epps is sending home extra trucks with the crews, bringing in an extra dispatcher

and having contractors on standby just in case of outages from the storm. Based on the local weather we are expecting 2-3 inches of snow. We are also trying to make adjustments for staff due to the weather. We are concerned that if we do get snow with the safety of our employees and either allowing the staff to work from home or coming in on a delayed schedule. The board said that that decision is a management decision that should be made by Jonathan T. Locklear and Mark Walters.

President & CEO Jonathan T. Locklear briefly discussed the planning events that are upcoming for employees which is a half day in February for culture development and a half day in March for training on the new phone system.

Vice President of Information Technology Craig Davis briefly updated the Board on the transition to the new phone system. He noted that we are anticipating the transition to be in April. The goal all along was to be transition by the first quarter of 2025 and it appears that it will be late first quarter or early second quarter. The Board has real concerns about the current phone system that is just not user friendly for the members.

Vice President of Information Technology Craig Davis provided the Cybersecurity report for the 4th quarter of 2024. In October of 2024 there were 262 blocked emails from bad recipients, 7,971 blocked from spam, 436 blocked from viruses, 10,412 quarantined and 181,943 that were allowed. In November of 2024 there were 205 blocked emails from bad recipients, 6,978 blocked from spam, 370 blocked from viruses, 9,884 quarantined and 179,795 that were allowed. In December of 2024 there were 169 blocked emails from bad recipients, 6,995 blocked from spam, 376 blocked from viruses, 10,895 quarantined and 192,423 that were allowed.

The Palo Alto Firewall Threat Report showed 150 threats from the United States, 8 from the Netherlands, 44 from Germany, 4 from the Republic of Korea, 5 from Singapore, 3 from Ukraine, and 1 from Brazil.

Craig Davis stated that there was an outside agency that conducted a penetration test and there were no issues with the penetration test. Penetration Testing (PEN Testing) is a security exercise that simulates an attack on a computer system to identify vulnerabilities. The goal is to find and explode weaknesses in the system defenses.

9. Chairman Rory Eddings noted matters of interest to Directors to include the following:
 - a. All LREMC offices will be closed in observance of Good Friday on April, 18, 2025.
 - b. 2025 NRECA Directors Conference will be held on January 25-28, 2025 (also Online) in Ponte Verde Beach, FL.
 - c. 2025 Rally in Raleigh will be held on Tuesday-Wednesday, March 4-5, 2025 at the NC General Assembly, Raleigh, NC
 - d. 2025 PowerXchange will be held on Friday-Wednesday, March 7-12, 2025 in Atlanta, GA.
 - e. New Director Orientation will be held on Wednesday-Friday, March 26-28, 2025 in Arlington, VA.
 - f. The Brighter Future Summit will be held on Wednesday-Thursday, April 2-3, 2025 at Raleigh Marriott Crabtree Valley, Raleigh, NC.

- g. 2025 LREMC Spring Planning Session will be held on Friday-Sunday, April 4-6, 2025 at the Hilton Myrtle Beach at Kingston Resort, Myrtle Beach, SC.
 - h. 2025 Legislative Conference will be held on Sunday-Wednesday, April 27-30, 2025 at the Marriott Marquis, Washington, DC.
 - i. The Annual Meeting Committee Meeting will be held on Thursday, February 13, 2025 at 5:30 pm at LREMC Headquarters, Pembroke, NC.
10. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD HAMMONDS AND WAS PROPERLY SECONDED AND THE BOARD ENTERED EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
 11. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
 12. A MOTION WAS DULY MADE BY BOARD MEMBER ELAINE O. CHAVIS AND WAS PROPERLY SECONDED AND THE BOARD CONFIRMED ALL ACTIONS TAKEN IN EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried. All votes were reaffirmed without discussion as follows:

A MOTION WAS DULY MADE BY BOARD MEMBER ERICE LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE 2025-2028 CONSTRUCTION WORK PLAN. THE VOTE WAS CARRIED UNANIMOUSLY.

A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED A LOAN FROM THE NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (CFC). THE VOTE WAS CARRIED UNANIMOUSLY.

A MOTION WAS DULY MADE BY BOARD MEMBER ERICE LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD APPROVED A LOAN FROM COBANK. THE VOTE WAS CARRIED UNANIMOUSLY.

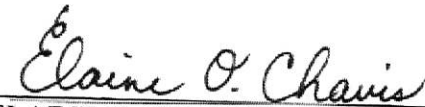
A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED LOANS TO ROBESON COUNTY AND ROBESON HEALTH CARE COPORATION. THE VOTE WAS CARRIED UNANIMOUSLY.

A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND SECONDED BY ERICE LOCKLEAR TO PAY A BONUS TO THE PRESIDENT & CEO. THOSE VOTING IN FAVOR OF PAYING A BONUS WERE RONALD ANDERSON, SHERRY CARTER, ELAINE O. CHAVIS, RHONDA GOINS DIAL, JAMES HARDIN, ERICE LOCKLEAR AND MARY BETH LOCKLEAR. THOSE VOTING AGAINST PAYING A BONUS WERE SHARON M. BURNETTE, RONALD G. HAMMONDS, ANTHONY HUNT, KIRK LOWERY, AND ROGER OXENDINE. THE MOTION PASSED.

13. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED TO ADJOURN THE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.



RORY EDDINGS, CHAIRMAN



ELAINE O. CHAVIS, SECRETARY