

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

ANNUAL MEETING OF MEMBERS

April 21, 2023

The 2023 Annual Meeting of the members of Mid-Carolina Electric Cooperative, Inc. was held at Lexington One Performing Arts Center at Lexington High School in Lexington County, South Carolina on April 21, 2023. The Annual Meeting was called to order and declared to be open and in session at 5:20 p.m. by the Cooperative's Chairman of the Board, Mr. Marvin W. Sox. Present at the opening of the meeting, in addition to Chairman Sox, were the President and CEO, Mr. B. Robert Paulling, and the other eight Board Members as follows: Vice Chairman, Clifford B. Shealy; Secretary, Ms. Donette B. Kirkland; Treasurer, Mr. J. Allan Risinger, Mr. J. Carey Bedenbaugh, Mr. Eddie C. Best, Mr. Alan R. Lunsford and Mr. Justin B. Watts. Chairman Sox announced that the first item of business was to proceed with the registration of members.

**REGISTRATION BEGAN AT 5:20 P.M.
IN ACCORDANCE WITH ARTICLE IV, SECTION 5 OF THE BYLAWS**

The business session of the 2023 Annual Meeting of the members of Mid-Carolina Electric Cooperative, Inc. started at 7:30 p.m. on April 21, 2023, and the session was also live streamed. Mr. Marvin W. Sox called the meeting to order, and introduced himself as Chairman of the Board, and the Presiding Officer of the meeting. Chairman Sox then appointed Mr. David Black, the Cooperative's General Counsel, as Parliamentarian. The invocation was given by Pastor Barry Epps with Still Waters Baptist Church in Leesville. Chairman Sox thanked Pastor Epps for the invocation. He then led the Pledge of Allegiance. Chairman Sox next introduced Ms. Raimee Davis, who sang the National Anthem. Chairman Sox thanked Ms. Davis, and there was a warm round of applause.

Chairman Sox reported that the Cooperative's Bylaws require that a quorum for the annual meeting is established when at least 5% of the members have registered. Mid-Carolina currently has a total of 49,725 members, and the minimum number required for a quorum at this annual meeting was 2,486 members. The Cooperative held registration and voting on Saturday, April 15th at Beechwood Middle School and Chapin Middle School. The Secretary of the Board signed a certification at 7:25 p.m. that the total number registered on April 15th and today from 5:20 pm – 7:30 p.m. was a total of 5,593 members, and that far exceeds the required number for a quorum.

The next item of business was the reading of the Official Notice of this Meeting and the proof of mailing of that notice to the members. Chairman Sox reported that an Official Notice of this Annual Meeting had been mailed to each of the 49,725 members of the Cooperative. As required by the Bylaws, the Official Notice states the place, date and hour of the meeting, and the purpose for which the meeting was being held. Once again, the registration cards were attached to the March issue of the *South Carolina Living* magazine. The Secretary of the Cooperative had furnished proof of the actual mailing of the Official Notice which consisted of a notarized certification stating that on March 10, 2023, the Official Notice was given by depositing in the United States mail on that day with postage prepaid, an Official Notice of this 2023 Annual Meeting, addressed to each member of the Cooperative. The appropriate receipts from the mailing service and the US Postal Service are attached to the certification. A motion was then made and seconded that formal reading of the Official Notice of the Meeting and the proof of mailing be dispensed with. The motion passed without opposition.

The next item on the agenda was the reading and approval of the minutes of the 2022 Annual Meeting that was held on April 8, 2022, which consisted of eighty-eight (88) typed pages. He advised that these minutes contained a narrative statement of the business transacted at that meeting, and a list of the members who had registered. A motion was then made and seconded that the reading of the minutes be dispensed with, and that the minutes of the 2022 Annual Meeting be approved, as presented by the Secretary of the Cooperative. This motion also passed without opposition.

Chairman Sox next commented that the Board of Trustees has a direct responsibility to each member for the proper management and operation of the Cooperative. He commended the Board of Trustees for the excellent job they have done over the years. Chairman Sox then introduced the members of the Cooperative's Board of Trustees:

- Chairman from District 5 – Mr. Marvin W. Sox (Oak Grove area)
- Vice Chairman from District 4 – Mr. Clifford B. Shealy (Hollow Creek area)
- Secretary from District 8 – Ms. Donette B. Kirkland (West Columbia)
- Treasurer from District 2 – Mr. J. Allan Risinger (Batesburg-Leesville area)
- District 1 – Mr. J. Carey Bedenbaugh (Saluda/Hollywood area)
- District 3 – Mr. Eddie C. Best (Irmo area)
- District 6 – Mr. Kenneth E. Lindler (Chapin/Little Mountain area) *was not able to attend*
- District 7 – Alan R. Lunsford (Irmo/Spring Hill area)
- District 9 – Mr. Justin B. Watts (Gilbert area)

There was a round of applause for the Board of Trustees.

The presentation of information and reports was the next item of business. Chairman Sox reported that the Cooperative's financials for the year ending December 31, 2022 were audited by the accounting firm of McNair, McLemore, Middlebrooks & Company, LLP. The Cooperative received a clean unmodified opinion. The Audit Report was presented in detail to the Board at the February 27, 2023, meeting. The Annual Report is on the website under the About Tab on the home page. Chairman Sox reported that the direct link to the Annual Report will be in the May 2023 *South Carolina Living* magazine. Anyone who wishes to receive a printed copy of the report can contact the Cooperative.

Chairman Sox next called on Chief Executive Officer, Mr. Bob Paulling for his personal report. Mr. Paulling first welcomed the members and thanked them for attending this Annual Meeting. He stated that in 1994, the Cooperative started the Operation Round-Up program, and currently, approximately 90% of the membership contributes to the program by rounding up their electric bill to the next whole dollar, which averages about \$0.45 per month. In 2022, donations totaled almost \$309,000 helping nearly 50 families directly and hundreds more each month through the community outreach organizations that we support. The Trust Board has partnered with 76 local schools through the Snack Pack and Back Pack programs, so kids will have food at home on the weekends. The total donation now exceeds \$6.6 million since Operation Round-Up began in 1994. Mid-Carolina would like to show our appreciation to the nine volunteer Board Members who meet to administer the program.

- Mr. Stan Shealy, Chairman – Chapin
- Reverend Rus Stilwell, Vice Chairman – Lexington
- Ms. Charlotte Boozer, Secretary – Columbia
- Mr. John Beerman – West Columbia
- Mrs. Virginia Bishop – Lexington
- Mr. Greg Black – Irmo
- Mr. Frank Capobianco – Lexington
- Mrs. Daphyne Ridgell - Batesburg
- Mr. Gerry Spragg - Batesburg

Mr. Paulling thanked them for their volunteer service of meeting regularly to go over the detailed applications and make sure the funds are administered in a responsible manner.

Mr. Paulling reported that in 1964, President Lyndon Johnson created the Washington Youth Rally. Since that time, over 54,000 students from rural areas and small towns across America have participated in this unique program. They have walked away from this experience as better leaders, better citizens, and with a renewed pride in our country, knowing that they can make a difference. This summer, approximately 1,600 students from 47 states will spend a week experiencing the excitement of Washington, DC and become more informed about the electric cooperative program. I am proud to recognize the delegates that will be representing Mid-Carolina Electric Cooperative.

- Olivia Blackburn – White Knoll High School
- Michael Lester – Gray Collegiate Academy
- Ladson Porter – Homeschooled

Congratulations on this honor. There was a warm round of applause.

The Cooperative Youth Summit, is the SC version of the Youth Tour being held this summer. I would like to recognize the delegates that will be representing Mid-Carolina Electric Cooperative.

- Owen Roddy – Chapin High School
- Addison Cook – Lexington High School

Congratulations on this honor. There was a warm round of applause.

Mr. Paulling reported there were 35 worthy applications for the seven Touchstone Energy scholarships in the amount for \$4,000 each. These scholarships are given annually to outstanding high school seniors who plan to continue their formal education after their high school graduation. Over the past 34 years, Mid Carolina Electric Cooperative has provided over \$250,000 in scholarships to area high school seniors. The winners this year were as follows:

- Sydney Evans – Airport High School
- Joy Nagra – Dutch Fork High School
- Camryn Hollmon – Spring Hill High School
- Dani Hu – Lexington High School
- Kensington Martin – Pelion High School
- Constanza Vasquez – River Bluff High School
- Molly Todd – Chapin High School

Congratulations to these students for this achievement. There was a warm round of applause.

Mr. Paulling explained the Cooperative's Bright Ideas Program. Years ago, teacher's funding for classrooms started dwindling. The Cooperatives came up with an idea to help the teachers, who can apply for a grant to purchase a learning tool for their classroom. There were 42 applications in 2022, and the Cooperative awarded \$18,117 to the 19 winners listed below:

Heather Reitenga – Ballentine Elementary School
Anna Gunn – Oak Pointe Elementary School
Amanda Hill – Oak Pointe Elementary School
Kristin Bowman – Irmo Elementary School
Susan Frye – Hollywood Elementary School

Kimberly Shealy – Hollywood Elementary School
Stephanie Carter – Saluda Elementary School
Danielle Smith – Saluda Primary School
Scott Johnson – Piney Woods Elementary School
Jordan Henry – White Knoll Middle School
Lizzy King – Carolina Springs Elementary School
Sarah Keefe – Saxe Gotha Elementary School
Kelly Parker – Midway Elementary School
Hillarie Collins – Lake Murray Elementary School (Lexington)
Lisa Ross – New Providence Elementary School
Nancy Roudybush – Batesburg-Leesville Elementary School
Courtney Ingle – Batesburg-Leesville Elementary School
Jennifer Simmons – Gilbert High School
Leslie Burnett – Fort Pond Elementary School

Congratulations to these teachers for their “Bright Ideas”. There was a warm round of applause.

In 2014, South Carolina’s electric cooperatives assumed the primary sponsorship of the North-South All-Star Football game played each December, and renamed it the Touchstone Energy Bowl. The game began in 1947 to highlight the best high school football players in South Carolina. Each spring, the High School Football Coaches Association selects the head coaches for each team. Every October, a committee of high school coaches select 88 seniors from all regions of the state to participate in the game. Mid-Carolina Electric Cooperative was proud to have seven players from our service area, as follows:

- Appollos Cook – North - Airport High School
- Blake Cooke – South - Gilbert High School
- Chandler Perry – South - Dutch Fork High School
- Jonah Norris – South - Lexington High School
- Max Drag – South - Chapin High School
- Tanner Staton – South - Brookland-Cayce High School
- Tyleke Mathis – North - Saluda High School

Congratulations to these athletes for their achievement. There was a warm round of applause.

Mr. Paulling discussed two Cooperative fundraisers. The first is the WIRE (Women Involved in Rural Electrification) Golf Tournament held in October 2022, which was the 17th Annual. This fundraiser supports Becky’s Place at Lexington Medical Center. The Cooperative donated \$11,000 to Becky’s Place this year, bringing the total to over \$210,000. The second fundraiser is the Sporting Clays Shooting Event, and the 8th Annual was held on March 18, 2023. The Cooperative raised \$9,000 for the Joseph Stills Burn Center in Augusta, GA, and \$9,000 to the SC Autism Society, bringing the total raised to \$178,000.

Mr. Paulling stated that every single day he gets to see servant leadership displayed throughout the Cooperative, and that is the key ingredient that makes Mid-Carolina Electric Cooperative so special. A servant leader focuses primarily on the growth and well-being of people and the communities to which they belong. While traditional leadership generally involves the accumulation and exercise of power by the ones at the “top of the pyramid,” servant leadership is different. Mid-Carolina’s pyramid is inverted. The servant-leader shares power, puts the needs of others first and helps people develop and perform as highly as possible.

This past month, the Cooperative returned \$3.5 million back to the membership. Capital credits are returned in a hybrid method. Therefore, \$1.75 million was returned to the members that were on the Cooperative's system in 2022, and the other \$1.75 million to the oldest outstanding balances which is 2010. If you were members in both years, you received both.

Mr. Paulling then discussed a very critical issue that is affecting the utility industry not just in South Carolina, but actually throughout the entire southeast, and that is the lack of an adequate supply of natural gas. This not only effects electric generation, but also economic development through industrial growth. South Carolina is a leader in economic development, which is awesome. South Carolina actually grows things and builds stuff: Think about the nearly \$52 billion annual impact of agribusiness, it depends on reliable affordable power. South Carolina builds airplanes, appliances, tires, cars and like it or not, SC will be a leader in EV manufacturing sector as well. Again, reliable affordable power is crucial, and to continue to sustain this and continue growing, South Carolina must build adequate electric generation.

Mr. Paulling then gave a real world example of how critical this is: This past December 23-24, 2022, a strong windstorm came through, and the temperatures plummeted across the southeast. The shortage of electric generation caused rolling blackouts throughout the southeast, including here in South Carolina. The Cooperatives were fortunate, because a few industrial plants voluntarily dropped load, allowing the members of Cooperatives in South Carolina to make it through that early morning.

Mr. Paulling stated that he received a message before sunrise on Christmas Eve from Santee Cooper that they were planning to drop transmission service to several of the Cooperative's substations for "load curtailment", which is a fancy term for rolling blackout. If the industrial customers would not have dropped their load, and the load curtailment would have happened, the Cooperative's system would have been in the dark from about St. Andrews Road to Chapin around lunchtime and remember that was Christmas Eve, again extremely blessed it did not happen.

Your Cooperative is working diligently both at the Statehouse and in Washington, DC on this issue. The main issue is with permitting gas pipelines. The cost, the time it takes, and the frivolous lawsuits where basically anyone can stop a project. You may recall a few years ago the Atlantic Pipeline that was planned to deliver natural gas from the Marcellus gas fields in Pennsylvania down into the Carolinas was making great progress and way down the permitting path. It was simply abandoned when the Keystone pipeline out west was stopped by multiple lawsuits. Like it or not, natural gas is the only "bridge" fuel that can save the Cooperatives in South Carolina. There is dire need for new baseload generation and natural gas is the only choice for fuel.

Other technologies such as SMR's (Small Modular Nuclear Reactors) are in the future, but are at least a decade away from commercial production. Elected officials in Columbia and in Washington absolutely know what needs to be done, now we just hope and pray that they act. The Cooperative may be calling on you, our members, to help deliver this critical message to our policymakers.

Mr. Paulling then stated that the creation of CarolinaConnect Internet Cooperative is one of the greatest accomplishments of Mid-Carolina Electric Cooperative. CarolinaConnect was formed when Mr. Glenn Martin, CEO was hired seven years ago. The mission was simply to create the perfect Internet Service Provider. CarolinaConnect now has over 30 employees, 25,000 customers, with Newberry Electric Cooperative and Aiken Electric Cooperative also as members. Mr. Paulling expressed how proud he is that the Cooperative made the decision to bring this life changing technology to our members.

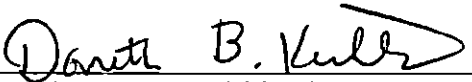
Mr. Paulling thanked the Board and employees for all they do for Mid-Carolina Electric Cooperative.

Chairman Sox proceeded with the order of business. As a matter of unfinished business, Chairman Sox thanked Lexington County School District One for the use of the Lexington One Performing Arts Center this evening. To Lexington District One Superintendent, Dr. Gerrita Postlewait; the Principal of Lexington High Dr. Ryan Pool; the Principal of Beechwood Middle, Ms. Gloria Jenkins; the Superintendent of Lexington//Richland District Five, Dr. Akil Ross; and the Principal of Chapin Middle, Ms. Stephanie Huckabee, as well as all school district officials, we thank you for your cooperation and help with our Annual Meeting.

Chairman Sox next called on the Cooperative's Attorney, Mr. David Black to handle the election process of the Board of Trustees.

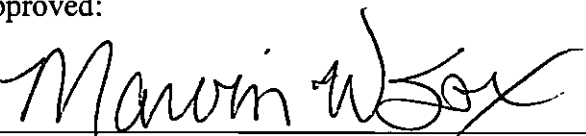
Pursuant to the Cooperative's Bylaws, notice was furnished to the members in November 2022 through *South Carolina Living*, of the following three seats up for election for Mid Carolina Electric Cooperative's Board of Trustees for Districts 1, 2 and 3 for the term 2023-2026. The following candidates have applied and have been found to be qualified by the Nomination and Qualifications Committee. District 1, Mr. J. Carey Bedenbaugh, Jr.; District 2, Mr. J. Allan Risinger; and District 3, Mr. Eddie C. Best, Jr. Because there is not a contested election of the three seats, the candidates are elected and seated by acclamation. Mr. Black congratulated everyone.

Chairman Sox then adjourned the Cooperative's 2023 Annual Meeting, and announced the prize winners.



Donette B. Kirkland, Secretary

Approved:



Marvin W. Sox, President and Chairman of the Board