

MINUTES OF MEETING OF DECEMBER 30, 2025

The regular meeting of the Board of Directors of Southwest Tennessee Electric Membership Corporation was held in the office of the Cooperative in Brownsville, Tennessee, on Tuesday, December 30, 2025, at 8:00 a.m.

All the Directors were present. Also present were Clint Malone and Shawn Lillie.

David McDaniel, Chairman, presided over the meeting. Shawn Lillie kept the minutes of the meeting. Clint Malone led an opening prayer and David McDaniel led the Pledge of Allegiance.

Upon motion by Audrey Blue and seconded by Brad Franks, the board Adopted the meeting Agenda. The following items were reviewed, discussed, and/or considered:

1. Clint Malone reviewed governance issues and pros and cons of peer director assessments by showing a short video provided by NRECA.
2. Shawn Lillie explained the Board meeting Agenda Format and how individual Board Members can add items to the agenda, or amend the agenda, through contacting the Board Chair ahead of the meeting and/or by a motion at the start of the meeting. He also explained how other Boards handle minutes being taken and who normally takes the meeting minutes. The Board was generally supportive of utilizing an Executive Assistant, who would be able to assist in a number of responsibilities for the Board, including taking minutes, once Clint fills that position. The Board will continue to ask Anna Jackson to take minutes for the interim period.
3. Clint Malone reviewed the Policy Review - 1-1 Board of Directors - General Powers and Functions. This particular policy has not been amended in many years. While no decision was made during this meeting, the Board discussed establishing a subcommittee of the Board to review the policies. Clint provided policy samples and templates for review. The Board had a good discussion on reviewing and updating policies. Marilyn Means and

Teri Robinson were appointed as a subcommittee to review and update Board policies with an initial plan to review one policy per month.

4. Clint Malone initiated a discussion about the CEO Evaluation. Brad Franks provided an excellent overview of CEO Compensation and Evaluation. The market sets the level of for compensation for all our employees. The Cooperative's strategic plan will impact and establish the goals and metrics used to evaluate and compensate the CEO. The Board plans to establish a measurable process where Clint will know how he is performing and where the Board members will have input into his evaluation and resulting compensation. Clint reviewed a draft evaluation format for the Board's consideration. This discussion was for information and planning only. No decisions were made at this time. The strategic planning retreat is scheduled for February 20, 2025, at the Aeneas building.

5. A motion to adopt the Consent Agenda was made by Scott McCaskill and seconded by Marilyn Means. The Consent Agenda was adopted and approved.

- a. Minutes of November 2025 Meeting were approved.
- b. Write-Off Amounts were reviewed.
- c. Vendor Payment List were reviewed.

6. Clint Malone reviewed the President's Report provided to the Board, and he gave an update on the IBEW Negotiations. According to the information provided by the union representatives, the IBEW members are planning to vote on the Cooperative's last, best, and final offer this week.

There being no further business to come before the Board, the meeting was duly and regularly adjourned.

Secretary-Treasurer

APPROVED:

Chairman