

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

August 19, 2024

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on August 19, 2024.

Meeting was called to order at 9:00 a.m. by President Schneider.

Present: Gabe Schneider, President
Valarie Handy, Sr. Vice President
Melinda Lautner, Secretary
Thomas Van Pelt, Treasurer
Terry Lautner
David Schweitzer
Dean Adams
Rachel Johnson, CEO
Shannon Beery, Assistant Secretary

Mr. Mark Wilson, CFO; Mr. Frank Siepker, COO; Ms. Deidra Charnes, Director of Human Resources; Ms. Courtney Doyle, Communications & Member Relations Manager; Mr. Greg Jenkins, General Counsel; Mr. Brad Pavwoski, Controller; and Ms. Bailey Watson, Communications & Marketing Specialist, joined the meeting.

President Schneider reviewed the board agenda. Motion by Ms. Handy, supported by Mr. Van Pelt, and carried to approve the agenda.

The July meeting minutes for the regular board meeting were discussed. Motion by Ms. Lautner, supported by Mr. Schweitzer, and carried to approve the minutes of the regular board meeting, both held on July 22, 2024.

Upcoming meetings were discussed. Ms. Beery indicated a voting delegate was needed for the CFC District Meeting, being held in Grand Rapids on September 5, 2024. Motion by Mr. Lautner, supported by Mr. Van Pelt, and carried to approve Mr. Schneider as the CFC District Meeting voting delegate.

No members were present for public input.

Mr. Wilson and Mr. Pavwoski gave a presentation on the 2023 Key Ratio Trend Analysis. This annual data comes from CFC and measures Cherryland's key financial ratios and other cooperative-specific information against that of other co-ops in the state and of those of similar size across the country. The overall results position Cherryland as leaders, specifically in

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measurements of reliability and financial efficiency. The board posed questions related to the data presented and Messrs. Wilson and Pawwoski provided answers regarding same.

Ms. Charnes provided a brief overview of the co-op's executive compensation 457(b) plan for directors.

Reports from the safety team and CFO were reviewed and discussed.

The board recessed for a break at 10:21 a.m. and reconvened at 10:29 a.m.

Following the recess, the board reviewed and discussed additional reports from managers and general counsel.

Ms. Johnson provided her CEO report. She shared additional updates on the co-op's Rural Economic Development Loan program as well as recent progress of the board policy review committee and facilities planning team. She also highlighted a director training opportunity at NRECA's upcoming regional meeting in Grand Rapids and provided updates from Wolverine. Ms. Johnson discussed the need to consider expanding the co-op's borrowing debt limit in anticipation of the upcoming work plan and possible facilities expansion, and preliminary recommendations from CFC regarding same. The board posed related questions and engaged in thoughtful discussion throughout Ms. Johnson's report.

Two board members, one director and one employee, are needed to serve a one-year term on the Spartan Renewable Board. Motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried to recommend for nomination Terry Lautner and Frank Siepker as candidates for election.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided a brief update on MECA. MECA's President & CEO, Craig Borr, has announced his retirement, effective March 2025. A search for his replacement is forthcoming and will be conducted under the oversight of Wolverine and MECA's board of directors. Mr. Schneider will sit on the interview committee.

Board member updates were discussed.

At 11:18 a.m. the board entered Executive Session to discuss CEO compensation package. Motion by Mr. Schweitzer, supported by Ms. Handy, and carried to enter Executive Session.

At 11:52 a.m. the board ended Executive Session by motion of Mr. Schweitzer, supported by Mr. Van Pelt, and carried to end Executive Session.

Following Executive Session, motion by Ms. Handy, supported by Mr. Schweitzer, and carried to implement the CEO compensation package as recommended by staff, with a goal to meet target by November 2025. Further, the approved compensation package is to be backdated to June 2024.

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There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 11:53 a.m.

Gabe Schneider, President

Melinda Lautner, Secretary

We, the undersigned directors of the Cherryland Electric Cooperative, do hereby approve, ratify, and conform to all respects of the above and foregoing minutes of this regular meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

