

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD MAY 27, 2021**

The Regular Meeting of the Board of Directors of South Central Indiana Rural Electric Membership Corporation was held pursuant to notice as required by the Bylaws at the principal office of the Cooperative, 300 Morton Avenue, Martinsville, Indiana on Thursday, May 27, 2021, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser (virtual), Rex Franklin, Jim Koch, Bruce Hamlin, and Heather Mollo. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; and Stacey Sauer, Executive Assistant.

Mr. Franklin opened the meeting with prayer. Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held April 29, 2021. There were no amendments or corrections. Mr. Smith made a motion to approve the minutes as presented. The motion was seconded by Mr. Pheifer and passed.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions. Following discussion, Mr. Cox made a motion to accept the Safety Report. The motion was seconded by Mr. Franklin and passed.

Financial Reports: The Board reviewed the financial reports for April 2021. Following discussion, Mr. Smith made a motion to accept the financial reports and write-offs to bad debt for April 2021 as presented. The motion was seconded by Mr. Franklin and passed.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting on in-home installations (projecting 7,500 by year-end), the fiber network, staffing, and smart grid. He

provided a written update to the Board highlighting fiber to SCI members, large business internet and fiber transport, and relationships with other companies/organizations.

Committee Reports:

Personnel Committee: The Board then went into an executive session to discuss the Personnel Committee Meeting held May 20, 2021. Following the executive session, the Board voted to approve the recommendation of the Personnel Committee regarding certain terms and conditions of employment of senior level employees.

Unfinished Business: Mr. Tanneberger reported his goals for 2021 were included in the Board Report with updates in red.

The President/CEO reported that COVID cases continue to trend in a positive direction. All employees working remotely will return to the office beginning June 1, 2021.

Chairman Hamlin reported that a committee of four directors and the President/CEO will interview three potential candidates for the vacancy in District 6. Following the interviews, a recommendation will be made to the Board at the June Board Meeting.

Mr. Tanneberger reported that a location and facilitator has been selected for the June 24-25 strategic planning session of the board and staff. The Board will receive additional details prior to the meeting.

Ms. Mollo reported that the Member Service and Marketing Committee met on May 25 to review plans for the 2021 Annual Meeting to be held September 25, 2021. The meeting will be held virtually with live streaming and phone access. Three director districts (3, 4 and 8) are up for election with voting being both electronic and mail-in. The group further discussed incentives for voting and meeting attendance. Following discussion, Mr. Smith made a motion to approve the recommendation of the plans for the 2021 Annual Meeting. The motion was seconded by Mr. Pheifer and passed.

New Business: The Board authorized Chairman Bruce Hamlin to cast the vote for the NCSC director ballot.

Mr. Tanneberger reported that SCI had received correspondence from CFC regarding SCI's contribution to the Cooperative System Integrity Fund. SCI currently contributes five percent of the annual patronage capital credit retirement. This will continue annually until SCI notifies CFC otherwise. The Board approved continuing the contribution.

The Board then considered the 2020 Capital Credit Allocations. Following discussion, Ms. Prosser made a motion to approve the allocations as presented. The motion was seconded by Mr. Franklin and passed. A copy is attached.

The Board then discussed possible industry risks including regulatory issues and fuel sources.

Attorney: Mr. Schultz discussed proposed board policy changes as follows:

Board Policy No. 2-8 – Business Ethics for Directors and Employees – Following discussion of the policy and proposed changes, Mr. Franklin made a motion to approve the policy as amended. The motion was seconded by Mr. Cox and passed with Director Jim Koch opposed.

Mr. Schultz further reported on several ongoing projects.

President/CEO Report: Mr. Tanneberger reported he continues to communicate SCI's strategic vision, mission statement and internal vision to employees to ensure all are working toward the same goal.

He then asked if there were any questions regarding the President/CEO's monthly written report. Following questions, Mr. Cox made a motion to accept the President/CEO Report. The motion was seconded by Mr. Koch and approved.

Miscellaneous Reports: The Board reviewed the recap of the Operation RoundUp Meeting held May 12, 2021.

Hoosier Energy: Mr. Pheifer reported on the Hoosier Energy Board of Directors meeting held in May.

Indiana Electric Cooperatives: Mr. Hamlin reported on the IEC Board Meeting held in June discussing the upcoming legislative session and the importance of board members contacting legislators regarding key issues.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary