

Official Notice



90th Annual Meeting

of
Callaway
Electric
Cooperative
Members

Sat., Feb. 7, 2026
1313 Cooperative Dr.
Fulton



A Strong System, Sound Decisions and a Cooperative Built for the Future

As we reflect on the past year and prepare to gather for our annual meeting, we want to begin with a sincere thank you. Callaway Electric Cooperative exists to serve you, and everything we accomplished in 2025 was made possible through the trust, cooperation and engagement of our members. From allowing access for right-of-way maintenance and pole replacements to embracing new ways to communicate and staying current on your bills, your partnership plays a critical role in the strength of this cooperative.

Investing in Reliability, One Project at a Time

Reliable power does not happen by accident. It is the result of consistent planning, disciplined investment and ongoing maintenance across the entire system. In 2025, our crews completed work in nearly every corner of the cooperative service territory while balancing routine maintenance, system upgrades, new services and outage response, all with safety at the forefront.

Late in the year, crews completed a line upgrade out of the Holts Summit Substation that increased capacity and strengthened reliability in the area. This project marked the cooperative's first use of steel poles, which we will continue evaluating for future applications.

In Montgomery County, a multi-mile line conversion was underway during 2025 to address load growth and improve system flexibility. Converting the line to three-phase service allows



DAVID J. MEANS
President



THOMAS W. HOWARD
CEO/General Manager

us to better balance demand and reduce outage impacts as the area continues to grow.

Earlier in the year, crews worked with our transmission cooperative, Central Electric Power Cooperative, on a transformer upgrade at the Tebbets Substation. Additional work plan improvements were completed on feeders at the Williamsburg Substation, and maintenance work is planned at the Auxvasse Substation in 2026.

Beyond these larger projects, system maintenance continues year-round. As of November, nearly 400 poles had been replaced across the cooperative's system. Approximately one-third of those replacements occurred in the Big Springs area as a result of pole inspections.

Right-of-way management remains one of the most effective tools we have to prevent outages. Over the past several years, we have expanded the use of targeted spraying to complement mechanical clearing. This approach helps control long-term costs, improves access for crews and enhances reliability. In 2025 alone, we sprayed over 1,000 miles of line across five substation areas.

Measuring Performance and Preparing for Growth

While no single metric tells the full story, outage duration remains an important benchmark. Through November 2025, the average outage time was 106 minutes per member. While

Official Notice Callaway Electric Cooperative's 90th Annual Membership Meeting

Saturday, February 7, 2026

at Callaway Electric Cooperative,
1313 Cooperative Dr, Fulton

The 90th Annual Membership Meeting of Callaway Electric Cooperative, hereinafter referred to as "Cooperative", will be held at the Cooperative's office located at 1313 Cooperative Drive in Fulton, Missouri, on February 7, 2026, beginning at 12:30 p.m., for the purpose of acting upon items 1-4.

1 The determination of a quorum and reports of officers, directors, and management.

2 The approval of minutes of 2025 Membership Meeting and acceptance of Treasurer's report.

3 The election of three (3) directors for a term of three (3) years each.

In accordance with the bylaws of the Cooperative, a duly appointed committee has nominated the following members as candidates for directors to be voted upon at the February 7, 2026 Annual Membership Meeting as stated above:

District 1 - Brent Loutzenhiser | Mark Brooks | Scott Sullivan

District 2 - Steve Hotsenpiller | William Parker

District 3 - David Boessen | Alice Wolters

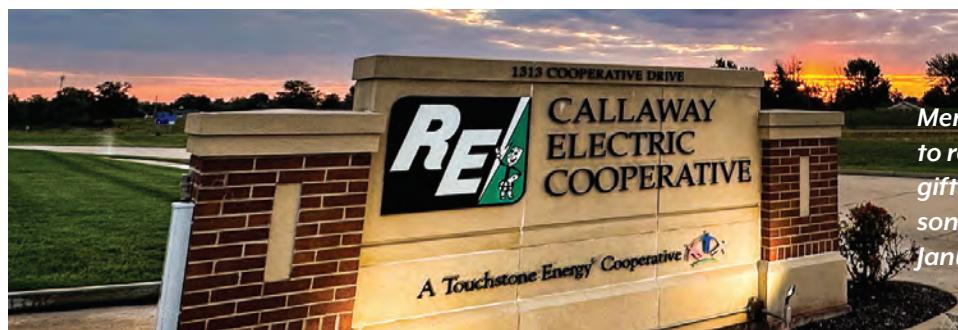
The official report of the nominating committee is posted at the office of the Cooperative, as directed by the Cooperative's bylaws.

4 Any other business which may properly come before the meeting.


GARNETT G. GARRETT, Secretary



Members must attend the meeting in person to register, cast their vote, and be eligible for the registration gift and attendance prizes. Absentee voting is available in person during business hours at the Cooperative office between January 13 and January 28.





slightly higher than last year's exceptional performance, it remains below the five-year average of 122 minutes. Some outages originate on the broader transmission system that delivers power to our substations, which are beyond our control, while others occur on the local distribution system we maintain.

Reliability is also strengthened through strategic expansion. In spring 2025, the Hatton Substation came online, bringing the total number of substations on our system to 11. This investment improves reliability, provides operational flexibility and supports continued residential, commercial and large power load growth throughout our service territory.

Growth across our communities reflects confidence in this region. Our responsibility is to ensure the infrastructure is in place not just for today's needs but for decades to come. That long-term planning is central to every work plan decision we make.

Powering Stability and Financial Stewardship

Providing reliable power requires more than maintaining poles and lines. It also depends on having access to sufficient, always-available power generation. Across the electric industry, demand continues to rise and utilities must invest in generation and transmission resources to meet that demand, especially during periods of extreme weather and peak usage.

Our power supplier, Associated Electric Cooperative, is making long-term investments to ensure system wide reliability. These investments come at a cost, but they are essential to maintaining a stable power supply and protecting members during periods of peak demand.

Looking ahead, Callaway Electric anticipates a 5.8% increase in wholesale power costs for 2026. Through careful planning, disciplined budgeting and ongoing efforts to control distribution costs, the cooperative will absorb this increase.

There is no electric rate increase planned in 2026 for Callaway Electric members.

Cost control is an ongoing discipline. From right-of-way strategies and technology investments to work practices and staffing efficiencies, we continually look for ways to responsibly manage expenses while maintaining the level of service our members expect.

Sharing the Value of Cooperative Membership

Capital credits remain one of the most tangible benefits of cooperative membership. Callaway Electric is a not-for-profit electric cooperative, which means we operate solely to provide reliable service at the lowest possible cost, not to generate profits for shareholders. When revenue collected from members exceeds the cost of providing service, the remaining amount is referred to as margins. Those margins are allocated to members based on their electric bill and later returned as capital credits.

This year, more than \$2 million in capital credits were returned to members, reflecting the financial strength of your

cooperative. Being a member of an electric cooperative means you are also an owner, and when the cooperative is financially healthy, that success is shared with the members we serve.

Growing Beyond Expectations

In 2025, our broadband subsidiary, Callabyte Technology, reached nearly 12,000 subscribers, surpassing the number of members of the cooperative. What took nearly 90 years to build on the electric side has been accomplished in just 10 years with fiber, thanks to advancements in technology.

Many Callabyte subscribers are also electric members and the success of Callabyte benefits the entire cooperative. Revenue generated by broadband strengthens the organization and supports long-term financial stability for all members.

Behind the scenes, a team of eight full-time employees in our front office provides general support for more than 24,000 electric and broadband accounts. In an average month, our front office handles more than 3,000 phone calls, processes more than 20,000 payments, initiates nearly 900 service orders and coordinates hundreds of broadband installations and service visits.

Guiding the Future Together

Callaway Electric is rooted in the communities we serve. Our employees live and work here, and our directors are elected from the membership. That local connection keeps us focused on what matters most, providing reliable service and being a responsible partner in the places we call home.

One of the benefits of cooperative membership is the opportunity to participate in the democratic process that guides your electric cooperative. We hope that you will join us for our 90th Annual Membership Meeting at the cooperative on Saturday, Feb. 7. Registration begins at 10:30 a.m., lunch will be served from 11 a.m. to 12:15 p.m., and the business meeting will convene at 12:30 p.m.

This annual tradition is an opportunity to visit with friends and neighbors, vote on fellow members to represent you on the cooperative board of directors, and hear reports from officers on the business of your electric cooperative.

We are grateful to our members for their cooperation and engagement throughout the year. From infrastructure improvements to new services, progress is possible because of the shared commitment between the cooperative and its members. Together, we are continuing to build a system designed to serve today while preparing for the future.

Thank you for being part of Callaway Electric. We value the opportunity to serve you and look forward to continuing that work together.

DAVID J. MEANS
President

THOMAS W. HOWARD
CEO/General Manager



Meeting Registration

opens at 10:30 a.m.

Voting for Director Election

open from 10:30 a.m.-12:25 p.m.

Lunch of Champs Chicken

served from 11 a.m.-12:15 p.m.

Business Meeting

convenes at 12:30 p.m.



There for you then



Meters Served
on CEC System



Total Million kWhs
of energy used by
CEC Members



Avg monthly
residential
kWh usage

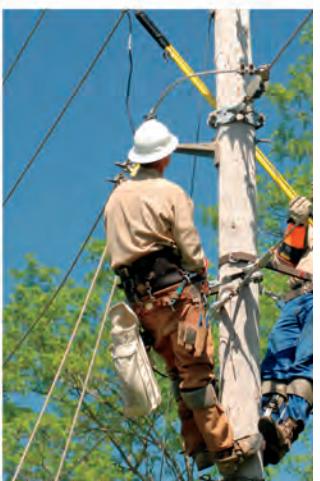


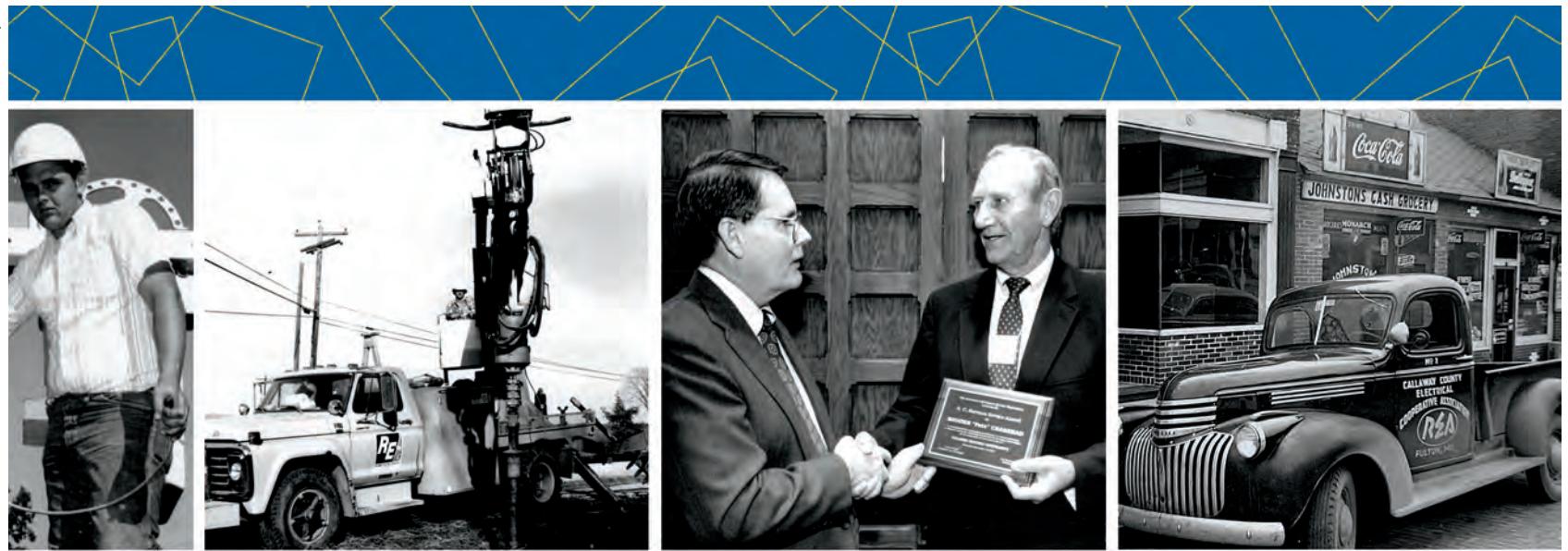
Miles of
electric line on
the CEC system

50 years 1986 7,452 80.3 840 1,729

75 years 2011 13,023 212.7 1,272 2,276

90 years 2026 13,429 221.8 1,169 2,172





Electric meters
per mile of line
on CEC



total
full time
CEC employees

4.3

26

5.7

38

6.2

53

Here for you now  **CALLAWAY
ELECTRIC
COOPERATIVE**

A Touchstone Energy® Cooperative 

Proudly serving rural Callaway & southern
Montgomery Counties since 1936



Consolidated Financial Report

OPERATING REPORT

Operating Revenue

	AUDITED 2023	AUDITED 2024	UNAUDITED 2025
Electric Sales Revenue	\$ 32,685,868	\$ 34,414,143	\$ 36,685,190
Subsidiary Revenue	\$ 11,230,550	\$ 12,153,477	\$ 11,425,284
Other Revenue	\$ 38,161	\$ 20,652	\$ 34,668
Total Operating Revenue	\$ 43,954,579	\$ 46,588,272	\$ 48,145,142

Operating Expenses

Cost of Purchased Power	\$ 14,430,815	\$ 15,658,477	\$ 16,749,308
Cost of Subsidiary Revenue	\$ 5,203,442	\$ 2,875,261	\$ 1,864,683
Operating, Maintenance, & Other Expenses	\$ 13,428,509	\$ 13,589,180	\$ 13,982,014
Depreciation of Plant	\$ 4,114,839	\$ 6,604,286	\$ 7,221,952
Interest on LT Debt (CoBank & CFC)	\$ 4,813,895	\$ 5,280,979	\$ 5,711,233
Total Operating Expenses	\$ 41,991,500	\$ 44,008,183	\$ 45,529,190

Operating Margins	\$ 1,963,079	\$ 2,580,089	\$ 2,615,952
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Non-Operating Margins

Interest and Dividend Income	\$ 399,681	\$ 646,586	\$ 1,538,151
Patronage Capital Allocations (Central Electric Power Coop, CoBank, CFC, etc.)	\$ 1,343,401	\$ 1,299,908	\$ 877,735
Gain on Sale of Subsidiary	\$ -	\$ -	\$ -
Total Net Operating Margins	\$ 3,706,161	\$ 4,526,583	\$ 5,031,838

Total Taxable Allocation	\$ 1,044,094	\$ 2,059,728
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BALANCE SHEET

Assets (What We Own)

Current Assets

	AUDITED 2023	AUDITED 2024	UNAUDITED 2025
Cash	\$ 3,910,015	\$ 6,082,134	\$ 5,006,310
Accounts Receivable	\$ 4,451,312	\$ 5,053,388	\$ 3,435,882
Note Receivable	\$ -	\$ -	\$ 1,816,667
Materials on Hand	\$ 1,642,305	\$ 1,873,370	\$ 1,598,287
Prepayments	\$ 338,780	\$ 307,306	\$ 300,465
Total Current Assets	\$ 10,342,412	\$ 13,316,198	\$ 12,157,611

Other Assets

Total Plant in Service	\$ 181,386,006	\$ 197,349,106	\$ 208,167,399
Less Accumulated Depreciation	\$ (40,745,977)	\$ (46,557,919)	\$ (52,674,104)
Investments in Associated Companies (Central Electric Power Coop, CoBank, CFC, etc.)	\$ 15,854,215	\$ 16,579,861	\$ 18,445,015
Deferred Expenses	\$ 1,216,495	\$ 6,158,231	\$ 847,164
Other Assets	\$ 1,275,778	\$ 1,400,368	\$ -
Total Assets	\$ 169,328,929	\$ 188,245,845	\$ 186,943,085

Liabilities (What We Owe)

Current Liabilities

	AUDITED 2023	AUDITED 2024	UNAUDITED 2025
Current Portion of Long-Term Debt	\$ 8,245,469	\$ 3,885,066	\$ 4,250,618
Accounts Payable	\$ 3,032,533	\$ 4,965,407	\$ 2,611,233
Customer Deposits	\$ 903,211	\$ 926,569	\$ 954,515
Other Current Liabilities	\$ 4,267,000	\$ 4,252,834	\$ 4,462,588
Total Current Liabilities	\$ 16,448,213	\$ 14,029,876	\$ 12,278,954

Other Liabilities

Long Term Debt	\$ 102,526,818	\$ 118,930,034	\$ 118,655,869
Deferred Revenues & Other Liabilities	\$ 3,437,495	\$ 5,786,053	\$ 3,397,808
Total Liabilities	\$ 122,412,526	\$ 138,745,963	\$ 134,332,630

Member's Equity (Our Net Worth)

Memberships	\$ 56,885	\$ 57,185	\$ 57,730
Patronage Capital	\$ 46,015,393	\$ 48,694,250	\$ 52,045,725
Other Equities	\$ 844,125	\$ 748,447	\$ 507,000

Total Liabilities & Member's Equity	\$ 169,328,929	\$ 188,245,845	\$ 186,943,085
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★ ★ ★
SECOND
COOPERATIVE
PRINCIPLE
★ ★ ★

DEMOCRATIC MEMBER CONTROL
Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (directors/trustees) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

Financial Report cont'd

As we look back on 2025, Callaway Electric Cooperative, and its subsidiaries, saw material pricing remain consistent from 2024. Interest also remained relatively flat.

Financially, we saw continued progress at all levels of the cooperative in 2025. Electric revenues increased \$2,271,047 or 6.6% from 2024. We have experienced growth in our large commercial accounts that is helping drive this number. For reasons beyond our control, Callabyte Technology ended its TV services in February 2025 which resulted in a notable revenue decrease. However, continued revenue growth in both our internet and VOIP phone service categories helped to mostly offset the losses from TV. Management continues to work hard to minimize overhead costs in the still challenging supply chain and labor environment. For 2025, consolidated Net Operating Margins are projected to be \$5,031,838. This is an increase of \$505,255 over 2024. Additional details can be seen in the financials presented.

The cooperative continues to invest in capital improvements to 1) enhance the quality and reliable electric service to the membership and 2) expand our fiber optic network to our members and into areas which provide an economic benefit to the membership. In 2025, these investments originated from a combination of margins, federal & state grants, and long-term debt financing. During 2025, total debt increased \$1,425,000. This includes new debt of approximately \$5,600,000 with \$4,175,000 of outstanding debt retired in 2025.

Please review the Consolidated Financial Report. This is our opportunity to share the Cooperative's financial information with our members as we move into 2026.

Lise M. Fuller

LISE M. FULLER,
Manager of Finance & Accounting



Independent Auditor's Report

Board of Directors
Callaway Electric Cooperative and Subsidiary
Fulton, Missouri

Opinion

We have audited the consolidated financial statements of Callaway Electric Cooperative (the Cooperative) and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Cooperative and its subsidiary as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Cooperative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information (Not Subjected to Audit Procedures)

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Minutes of the 2025 Annual Meeting

The 89th Annual Meeting of Callaway Electric Cooperative, hereinafter referred to as "Cooperative", was held at the Cooperative's headquarter facilities in Fulton, Missouri on Saturday, February 1, 2025.

Registration of members began at 10:30 a.m. Starting at 11:00 a.m. lunch was served by Lee's Famous Recipe Chicken.

David J. Means, President of the Cooperative called the meeting to order at 12:30 p.m.

The invocation was given by Bruce Williamson. At this time, the members said in unison the Pledge of Allegiance followed by a presentation of the National Anthem.

President Means introduced the Board of Directors, which were all present. He also introduced CEO/General Manager Thomas Howard and Cooperative Attorney Andrew Sporleider.

The Cooperative has a total of 11,437 members and 134 members are required to meet a quorum. President Means reported that 370 members were present in person, there were no proxies, and that a quorum was present for the transaction of business.

President Means appointed Cooperative Attorney Andrew Sporleider as Parliamentarian over the meeting.

President Means then recognized Patrick McKenna for his dedicated service to the cooperative and acknowledged his passing in December, expressing gratitude to the McKenna family for their time and contributions.

President Means noted that the members' presence indicated receipt of the Annual Meeting notice and proof of due publication thereof.

President Means then asked Secretary Garnett Garrett to come forward and review the unapproved minutes of the 2024 Annual Meeting. Secretary Garrett called for the reading of the unapproved minutes of the meeting held February 3, 2024. A motion was made and seconded to dispense with the reading of the minutes and to approve them as mailed. Motion carried.

President Means asked Treasurer Brent Loutzenhiser to come forward and give the Treasurer's Report. Treasurer Loutzenhiser called for the reading of the unapproved Treasurer's report. A motion was made and seconded to accept the Treasurer's report as mailed in the official notice of the meeting. Motion carried.

President Means then asked Cooperative Attorney Sporleider to conduct the election of directors.

Attorney Sporleider explained that in accordance with the bylaws, a committee on nominations had been selected, had met and made its report. Attorney Sporleider read the nominating committee report, which indicated the following had been nominated for a term of three years:

District 1 -

Wesley Zerr

District 2 -

David Guerrant

Travis Graves

District 3 -

Anita Ruga

Steven Moak

Jamie Barton

Attorney Sporleider announced the Secretary had informed him that no nominations by written petition had been submitted.

Attorney Sporleider directed the members to cast their votes for directors via electronic ballot facilitated by personnel from the Association of Missouri Electric Cooperatives (AMEC).

Attorney Sporleider then conducted the voting on the proposed bylaw amendments. Attorney Sporleider read the proposed bylaw amendments along with an explanation. Attorney Sporleider called for any questions regarding the proposed bylaw amendment. There being no questions, Attorney Sporleider directed the members to cast their vote for or against the proposed bylaw amendment via electronic ballot.

The following persons were appointed to serve as inspectors of

the election: Robert Maddox, Cindy Harris and Jennifer Delashmutt.

Attorney Andrew Sporleider along with the election judges retired to count the ballots.

CEO/General Manager Thomas Howard introduced special guests which included 10th District State Senator Travis Fitzwater; 49th District State Representative Jim Schulte; Western District Commissioner Christopher Scott; Eastern District Commissioner Curt Warfield, Callaway County Sheriff's Deputy Sermano; Callaway County Treasurer Debbie Zerr; and Holts Summit Mayor Landon Oxley. Guests from cooperative related organizations included Associated Electric Cooperative's Harrison Waters and Skyler Easterling; Association of Missouri Electric Cooperative's Manager of Member Services Nikki Roach; Central Electric Power Cooperative's CEO/General Manager Chris Turner; Three Rivers Electric Cooperative's Communications Specialist Lorie Kiso; and Consolidated Electric's Christa Baumhoer. Retired board members Linus Rothermich and Randy Gastineau were introduced, and current employees of the Cooperative were recognized.

President Means then gave a brief President's Report which included reaching a reliability rate of nearly 99.99% in 2024, a recap of Winter Storm Blair and the accomplishments of Callabyte Technology with the achievement 11,000 subscribers. He also congratulated the staff and directors on receiving the Callaway Chamber of Commerce's Large Business of the Year award at the 2025 Chamber of Commerce's Annual Banquet.

President Means then introduced CEO/General Manager Thomas Howard and asked him to give the CEO/General Manager's Report.

CEO/General Manager Howard thanked the members for attending and gave a recap of 2024 including updates on the proposed EPA Regulations, supply chain issues and youth programs that are available throughout the year. Looking forward into 2025, he discussed the electric rate increase, the discontinuation of Callabyte TV services and 4 gig speed availability.

Cooperative Attorney Sporleider returned and announced the election results as certified by the election judges and AMEC:

Wesley Zerr, David Guerrant and Anita Ruga had been duly elected to serve as directors for a term of three years each or until their successors were duly elected and qualified, with the report of judges of election as follows:

District 1 -

Wesley Zerr

District 2 -

David Guerrant

District 3 -

Anita Ruga

Travis Graves

Steven Moak

207

101

55

Jamie Barton

Attorney Sporleider also announced that the proposed bylaw amendment was passed by the membership, with the report of the inspector of election being as follows:

Bylaw Amendment

Change to Article IV, Section 3

YES

NO

310

18

Change to Article IV, Section 4

311

12

Change to Article VII, Section 3

297

22

Attorney Sporleider called for unfinished business. There was none.

Attorney Sporleider called for new business. There was none.

After receiving a motion and a second to adjourn the meeting, and an affirmative majority vote on such motion, Attorney Sporleider adjourned the meeting at 1:25 p.m.

Manager of Member Services Clay Carroll then held a drawing of registered members to award fourteen certificates for free electricity.