

**STATE EMPLOYEES' CREDIT UNION
ANNUAL MEETING
119 N SALISBURY STREET
RALEIGH, NC 27603
OCTOBER 12, 2021
2:00 PM**

Due to the COVID-19 pandemic, and associated governmental guidance regarding mass gatherings, and in the interest of maintaining the health and safety of members and employees, the 2021 SECU Annual Membership Meeting in-person attendance was limited to the lesser of (i) the room occupancy limit, or (ii) the maximum number of persons permitted to gather indoors in compliance with any governmental order(s) then in effect issued in response to COVID-19. Face coverings that cover the nose and mouth were required. The meeting was broadcast virtually, although virtual voting and participation was not available.

CALL TO ORDER

After confirming a quorum, Chairman Brinson called the 84th Annual Membership Meeting to order. He noted that even though the meeting was being broadcast virtually, the minimum attendance requirement had been met.

APPROVAL OF MINUTES

Chairman Brinson noted to members that copies of the 2020 Annual Meeting Minutes had been available on SECU's website (www.ncsecu.org) since November 2020. He asked if there were any changes to the minutes from the 2020 Annual Membership Meeting minutes. Hearing none, Chairman Brinson stated he would entertain a motion to approve the 2020 Annual Meeting Minutes.

VOTED: Upon motion by Mr. Steve Herrell, seconded by Mr. Jamie Applequist, members in attendance voted and approved accepting the 2020 Annual Meeting Minutes.

RECOGNITION OF BOARD AND SPECIAL GUESTS

SECU BOARD

Chairman Brinson recognized each of his fellow SECU Board members:

- Mr. Chris Ayers, Vice-Chair of the Board
- Ms. Alice Garland, Secretary of the SECU Board

- Ms. Shirley Bell
- Ms. Karan Bunn
- Mr. Mark Fleming
- Ms. Jennifer Haygood
- Ms. Jo Anne Sanford, Chair of the SECU Foundation Board
- Ms. Mona Moon
- Dr. Stelfanie Williams
- Mr. McKinley Wooten

Chairman Brinson also recognized SECU Foundation Board member, Dr. Lee Brown.

RECOGNITION OF CLEAN FINANCIAL OPINION AUDITS FROM CLIFTONLARSONALLEN, LLP

Chairman Brinson noted he was proud to report that we obtained clean financial opinion audits in all areas from our CPAs, CliftonLarsonAllen. He added that copies of the audited financial statements are on our website (www.ncsecu.org) if anyone would like to review those reports of SECU's financial status, including its loan activity.

REPORT OF THE CHAIRMAN

Chairman Brinson then provided the Report of the Chairman. Chairman Brinson's report explained that at State Employees' Credit Union, the phrase "People Helping People®" is more than just a cliché – it's a way of life and our founding philosophy that holds as true today as it did when we were established in 1937. He noted it remains the firm foundation to keep us grounded and move us forward in our commitment to SECU members.

Chairman Brinson reported that our members are the Credit Union and our focus to improve their lives through SECU products and services is resolute. He advised that times of trouble often work as catalysts for change resulting in improvements and solutions for how business is designed and delivered. Chairman Brinson added that the past couple of years have certainly required a few of those changes at SECU, and it was his pleasure to share with members how we are working to make a positive impact for over 2.6 million members.

Chairman Brinson noted that with the ongoing pandemic, the Credit Union continued its vigilant efforts to keep members and staff protected and we are thankful to have been able to keep branches open and assist members needing in-person service. He advised that we were also pleased to report that three new branches were opened, and several others successfully relocated to larger facilities, expanding accessibility in communities across the state. Chairman Brinson noted that in our current environment,

use of SECU's contactless services saw dramatic increases, including the SECU Mobile App with the very popular Mobile Check Deposit feature, which was added this past year.

Chairman Brinson reported that we had some exciting changes in lending with the rollouts of the SECU Fast Mortgage® and SECU Fast Auto Loan™, the re-introduction of the 30-year fixed-rate mortgage, and significant drops in mortgage and auto loan rates. He advised that our members embraced the added convenience and value as indicated by significant increases in fixed-rate mortgage loan balances, used auto loan balances, and loans originated.

Chairman Brinson noted that to help meet the needs of our members, the Credit Union has nearly 7,000 employees in branches and operations statewide and their dedication is further complemented by over 3,200 volunteers serving on SECU Boards and Committees to ensure advocacy and representation for all members. He added that we appreciate their commitment and desire to make a positive difference!

Chairman Brinson advised that in February of 2021, then President and CEO Mike Lord announced his retirement effective August 31st and in mid-August, our Board of Directors announced the selection of Mr. Jim Hayes as our new President and CEO beginning September 1st. He commented that we were grateful for Mike's leadership and wished him the best in his retirement, and we have welcomed Jim who is leading us into an exciting future with his member-focused vision and ideas.

Chairman Brinson acknowledged another great extension of our cooperative model – the member-funded SECU Foundation, which has committed over \$216 million for large-scale projects in the areas of education, housing, healthcare, and human services since its establishment in 2004. He noted members would hear more about that inspiring work from SECU Foundation Board Chair Ms. Jo Anne Sanford.

In closing, Chairman Brinson reiterated that our Credit Union was built on the cooperative spirit of helping others, striving to make a positive difference in the lives of all those we serve. He advised that it has always been about relationships – being part of the Credit Union family where members can trust that their financial needs are a focus in every change, every solution, and every decision. Chairman Brinson noted our "People Helping People" philosophy holds true and our commitment to members endures. He then thanked members for their continued support.

ELECTION PROCEDURES AND PROCESS/REPORT OF THE NOMINATING COMMITTEE

Chairman Brinson proceeded to the election of Board members noting that Ms. Sara Trexler, SECU Chief Legal Officer/General Counsel, would serve as

Parliamentarian. He advised that the Board of Directors' overall duty is to ensure that the Credit Union is operated in a safe and sound manner, in accordance with SECU's bylaws. At that time Chairman Brinson called on Ms. Karan Bunn, Chair of the Nominating Committee, for the report of that Committee.

Ms. Bunn thanked Chairman Brinson and advised that the Nominating Committee was charged with recommending to the membership individuals to fill three expiring Board slots on the SECU Board of Directors. She noted those elected would serve on the Board for the next three years through October 2024.

Ms. Bunn then recognized the Committee noting that, in addition to her, the following Board members served on the Committee:

- Ms. Mona Moon
- Ms. Jo Anne Sanford

Ms. Bunn thanked the Nominating Committee members for their service on the Committee.

Ms. Bunn noted that the Committee met to review all background information and experience of those members being considered by the Nominating Committee for recommendation to the membership to serve on the SECU Corporate Board. She commented that after studying the needs of the Board, including an appropriate mix of membership representation and expertise on the Board, the Nominating Committee recommended, for a three-Year Term expiring on October 2024, the following individuals:

- **Mr. Bob Brinson**
 - Retired Chief Information Officer, North Carolina Department of Public Safety
- **Mr. Mark Fleming**
 - Vice President Government Affairs for Blue Cross Blue Shield of North Carolina. Formerly Vice President of Government Relations and the University of North Carolina System and served for five years as the University's primary representative to the U.S. Congress, Federal Government, the North Carolina General Assembly, Governor and state agencies.
- **Mr. McKinley Wooten, Jr.**
 - Assistant Secretary of the North Carolina Department of Revenue. Formerly served in several senior level positions in state government, including Inspector General, Deputy Secretary of the Department of Administration as well as Deputy Director and Director of the Administrative Office of the Courts.

- **Dr. Stelfanie Williams**

- Vice President for Durham Affairs, Duke University; Formerly President of Vance-Granville Community College

Ms. Bunn advised that SECU Board Election Policies and Procedures require members seeking to self-nominate to submit a completed nominating petition and other documents at least 50 days prior to the Annual Meeting. She noted there were no self-nominations received this year.

Ms. Bunn reiterated that the Nominating Committee recommends to the membership Mr. Brinson, Mr. Fleming, Mr. Wooten, and Dr. Williams.

Chairman Brinson thanked Ms. Bunn for her report and asked for a motion to elect the following by acclamation:

For a three-year term (expiring October 2024):

- Mr. Bob Brinson
- Mr. Mark Fleming
- Mr. McKinley Wooten, Jr.
- Dr. Stelfanie Williams

VOTE by ACCLAMATION:

Upon motion by Ms. Jennifer Hamrick, seconded by Mr. Warren Peacock, members in attendance voted and approved accepting the following slate of candidates by acclamation for a three-year term, expiring October 2024.

- **Mr. Bob Brinson**
- **Mr. Mark Fleming**
- **Mr. McKinley Wooten, Jr.**
- **Dr. Stelfanie Williams**

Chairman Brinson called for a round of applause to congratulate the nominees on their election. He then declared that Mr. Bob Brinson, Mr. Mark Fleming, Mr. McKinley Wooten, Jr., and Dr. Stelfanie Williams were elected by acclamation to serve three-year terms on the SECU Board of Directors.

Chairman Brinson advised the Election Process for 2021 was concluded.

SECU FOUNDATION REPORT

Chairman Brinson called on Ms. Jo Anne Sanford, SECU Foundation Board Chair, to provide the report of the SECU Foundation.

Ms. Sanford proceeded to provide an update on the SECU Foundation noting that she was pleased to share information about some of the ways our member-funded SECU Foundation is making a tremendous difference in the lives of North Carolinians across the state.

Ms. Sanford advised that the goal of building strong North Carolina communities was at the core of SECU Foundation's mission. She noted that since its establishment 17 years ago, the Foundation has marked each year with incredible accomplishments that have far exceeded our initial goals. Ms. Sanford added that this past fiscal year was no different as our members' monthly contributions continued to support amazing initiatives that have brought hope, relief, and desperately needed help to our fellow North Carolinians.

Ms. Sanford reported on our recently increased efforts to assist non-profits by providing targeted COVID-19 disaster relief, which cumulatively totaled over \$4.7 million for organizations spanning all regions of the state. She added that we have also been able to celebrate dedications for several facilities funded in part by the Foundation.

Ms. Sanford advised that these facilities benefit North Carolina veterans, victims of domestic violence, and patients and families in need of hospitality house services associated with medical centers.

Ms. Sanford noted that in 2021 the Foundation launched new initiatives to support youth programs, addiction recovery services, and two important ventures in education spurred by issues that developed from the pandemic. She added that the Foundation also provided numerous mission development grants to help worthy groups further their goals through organizational capacity building.

Ms. Sanford advised that, from its beginning, SECU Foundation has been a critical component of State Employees' Credit Union's commitment to social responsibility which, together with others who share the Credit Union philosophy of "People Helping People®," works to advance innovative projects and provide valuable services in the areas of education, housing, healthcare, and human services. She noted that it is our belief that these efforts will continue to lead to stronger North Carolina communities.

Ms. Sanford closed by thanking our members for their continued support of SECU Foundation and for the profound difference they are making in North Carolina!

Ms. Sanford then introduced a video that highlighted a sampling of initiatives representing the heart of SECU Foundation's mission in action.

Chairman Brinson thanked Ms. Sanford for her report.

REPORT OF THE PRESIDENT

Chairman Brinson then called on SECU President and CEO Jim Hayes, to present the Report of the President.

Mr. Hayes thanked Chairman Brinson and also thanked the members who had joined the 2021 SECU Annual Meeting of the Membership – noting it was his first with State Employees' Credit Union. Mr. Hayes commented he was excited to be in attendance, and although he did wish they were able to greet one another face-to-face, COVID-19 continued to have an impact on our ability to safely gather. He added that, as was the case in 2020, we once again chose to broadcast the meeting virtually for everyone's protection. Mr. Hayes thanked members for their understanding of this decision, and noted he hoped we can reunite in person in 2022.

Mr. Hayes advised that even though he was new to this Credit Union, he had been graciously welcomed by everyone here and had gained an even greater understanding of why State Employees' Credit Union is one of the top Credit Unions in the nation. He noted that it all starts with the founding philosophy of "People Helping People." Mr. Hayes noted that, as Chairman Brinson had said earlier, it is more than just a cliché – it's a way of life for the Credit Union and our staff. He added that for the past 84 years, SECU has kept its member-first focus, and this philosophy and focus have guided us as we continued to expand, improve, grow, and evolve to meet the ever-changing needs of our more than 2.6 million members. Mr. Hayes then shared a bit about the progress that has been made over the past year to provide a glimpse into our path for the future.

Mr. Hayes reported that with members' ongoing support, SECU closed the fiscal year with assets hovering near the \$50 billion mark, an increase of over \$4.7 billion over the prior year. He added that we also welcomed over 93,000 new members to the cooperative and we are working hard to further expand accessibility and convenience to ensure that members have what they need, when they need it, and through the channels of their choice. Mr. Hayes advised that whether a member prefers contactless options or in-person branch services, SECU is here for them and we continue to look for additional ways to enhance member service experience.

Mr. Hayes advised that our branch network increased to 273 locations, and we added more CashPoints ATMs for greater access where members live and work. He noted that our online services were enhanced, including the addition of Mobile Check Deposit

through the Mobile App and the introductions of SECU Fast Mortgage and SECU Fast Auto Loan for an easier, quicker loan application process. Mr. Hayes added that E-sign options for credit cards, signature loans and SECU Fast Auto Loans now eliminate the need for a branch visit and additional improvements are in the works and we look forward to sharing even more in the coming year.

Mr. Hayes also expressed how happy we were to have re-introduced the 30-year fixed rate mortgage option, something members had requested for quite some time. He noted that good news could only be topped by several drops in mortgage and auto loans rates, which added more savings for members.

Mr. Hayes advised that members' positive responses to the added convenience and value was evident as fixed-rate mortgage balances jumped \$1.1 billion, and during the fiscal year 26,350 mortgage loans were sent to closing, an increase of over 2,000 loans. He reported that we opened approximately 8,900 new Home Equity Lines of Credit – up nearly 1,000, while used vehicle loans spiked to \$2.2 billion, an increase of \$183 million, with over 72,300 auto loans originated in the past year. Mr. Hayes thanked members for embracing these positive changes and allowing SECU to meet your lending needs.

Mr. Hayes noted that with the ongoing challenges of a pandemic and life in general, more members sought the benefits of the Credit Union's financial advisory services. He noted words that member Mr. Shawn Davis spoke in his powerful testimony which was included in the 2021 Report to the Membership, "It's amazing to know you can get all of these services in one place." Mr. Hayes told Mr. Davis that he appreciated him and his family for choosing us as your trusted financial provider.

Mr. Hayes advised that the Credit Union's financial counseling services have also been a great benefit to many members, especially with hardships compounded by COVID-19. He highlighted another impactful Annual Report testimony, where member Ms. Amy Jones recounted how she and her husband's weekly meetings with a local SECU Financial Services Officer had been life-changing – helping them gain financial stability, and work towards a debt-free future. Mr. Hayes advised that these stories represent what SECU is all about... "People Helping People". He noted that we appreciated their willingness to share and give others guidance and hope through their testimonies.

Mr. Hayes reported that it takes a lot of hands to bring our cooperative mission to fruition, taking an opportunity to say heartfelt thank you to the nearly 7,000 SECU employees serving in branches and operations centers statewide. He noted his appreciation for SECU is immense and he looked forward to getting to know staff members better as we work together in our mission to make a positive difference for all members.

Mr. Hayes also thanked our more than 3,200 volunteers serving on SECU Boards and Committees across the state – for their service and commitment to fellow-members. He noted their guidance, support and advocacy are invaluable.

Mr. Hayes mentioned the member-funded SECU Foundation, noting he was so impressed by the work being done for the people of North Carolina. He advised that Ms. Jo Anne Sanford gave a wonderful report on what is being accomplished and the video really drove home how SECU Foundation is truly strengthening our North Carolina communities.

Mr. Hayes closed by saying how excited he was to be part of State Employees' Credit Union. He noted he appreciated the confidence the SECU Board of Directors have placed in him to lead SECU into the future. Mr. Hayes advised he looks forward to working with our staff and the Board to carry our mission forward and continue to make positive impacts for our members. He added the best is yet to come!

Chairman Brinson thanked Mr. Hayes for his report.

OLD BUSINESS

None.

NEW BUSINESS

None.

ADJOURNED

Chairman Brinson called for a motion to adjourn to adjourn the Annual Meeting.

VOTED: Upon motion by Mr. Jerry Harmon, seconded by Mr. Cory Mathes, members in attendance voted and approved to adjourn the meeting.

Chairman Brinson announced that the 2021 Annual Meeting of the Members of State Employees' Credit Union was adjourned.

On behalf of the Board, Chairman Brinson thanked members for attending the virtual broadcast of the 2021 SECU Annual Meeting. He noted that he hoped that the program had provided members with an update on State Employees' Credit Union and the SECU Foundation. Chairman Brinson advised members to please stay safe and added that we hope to see members in person at the 2022 Annual Meeting.

Respectfully submitted for,

Mr. Bob Brinson, Chairman

Ms. Alice Garland, Secretary/Treasurer