

SANDIA LABORATORY FEDERAL CREDIT UNION
MINUTES OF ANNUAL MEMBERSHIP MEETING
FEBRUARY 18, 2022
Presented via Webex

The 2022 Sandia Laboratory Federal Credit Union (SLFCU) Annual Meeting was called to order at 5:30 p.m. MT by Mr. Chuck Maheras, Chairperson of the Board of Directors. He announced that with more than 300 members attending virtually, a quorum was present. C. Maheras thanked SLFCU members for their trust in the Credit Union for all of their financial needs. He noted that throughout the 2022 Annual Membership Meeting, information will be shared showing how SLFCU has continued to help members and neighbors in need throughout the ongoing pandemic.

C. Maheras informed members that if they experience video or audio lag due to personal internet connection, they may choose to listen to the audio by phone. The phone number and access code were provided, noting the call-in number will work in the U.S. or Canada only. Members may use Webex's Q&A panel to send any questions or comments during the meeting, and questions will be answered toward the end of the meeting. C. Maheras noted that questions may be edited for clarity and length and to protect member privacy. Account-specific questions will be addressed by email or phone in the next few business days by an SLFCU representative. Additionally, a PDF version of the 2021 Annual Report is available for viewing on the SLFCU website at slfcu.org/AnnualReport; printed copies may be requested at SLFCU branches beginning February 19, 2022.

C. Maheras stated a live prize drawing will be held at the end of the meeting from all members who registered and are in attendance. In lieu of an annual meeting gift, SLFCU will make a \$5,000 donation to the Native American Relief Fund through the New Mexico Foundation. This fund helps provide food, water, and other emergency supplies to families impacted by COVID-19 across New Mexico's tribal lands.

Approval of Minutes

C. Maheras entertained a motion to approve the 2021 Annual Meeting minutes as written, as all present had received a copy via email prior to the meeting. Julie Nielsen moved to approve the 2021 Annual Meeting minutes as presented; Mike Gorman seconded, and the motion carried.

Introductions

C. Maheras introduced the members of SLFCU's Board of Directors, the Supervisory Committee, Associate Directors, Directors Emeriti, and several Committee volunteers. Mr. Maheras reported the Supervisory Committee is mandated by law, and appointed by the Board of Directors, for the purpose of ensuring that fiduciary impropriety does not occur within the Credit Union. The Committee serves as a "watchdog" on behalf of the Board, management, and the membership. It is empowered by the Board to investigate and audit all facets of the Credit Union, and to proactively provide oversight in all areas of the Credit Union, in order to prevent potential illegal activity. C. Maheras stated that volunteer service is open to all SLFCU members, and encouraged any members interested in volunteering to contact SLFCU's Administration Department or current Board for more information.

Finally, C. Maheras advised the bylaws require that reports are considered from the Board of Directors, Treasurer, and Supervisory Committee; these reports have been included in the Annual Report that was distributed via email prior to the meeting.

Interviews with Leadership Team for 2021

C. Maheras invited Robert Chavez to the stage, noting Robert's leadership as President and CEO from 2014 to 2021 and his decision to retire at the end of June 2022. It was additionally noted that R. Chavez will remain on staff in the interim to help ensure a seamless transition to the new President and CEO, Stephanie Sherrodd.

R. Chavez announced that several of members of the SLFCU leadership team will be joining him to discuss SLFCU's accomplishments over the past year, as well as to review the 2021 Financial Report. He began with Andrew Jaynes, SVP/Chief Credit Officer. A. Jaynes reviewed the benefits of being a business member of SLFCU, noting that employees of partner companies and their families are eligible for membership, giving business members a competitive advantage. He stated in 2021 SLFCU provided funding for \$600 million in mortgage, auto, and business loans, which is a record high for the organization. Included in that total is SLFCU's single largest commercial loan, approximately \$37 million. A. Jaynes moved on to discuss SLFCU's involvement in the Payment Protection Program (PPP), through which the Small Business Administration offered loans to businesses financially impacted by the pandemic. He noted that SLFCU offered immediate support and guidance to business members who sought a PPP loan, resulting in 312 loans processed in 2020, and all PPP loans were forgiven in 2021. A. Jaynes presented a video showcasing business member, Celina's Biscochitos, who was heavily impacted by the pandemic. He explained that SLFCU's Business Lending team provided the member tremendous relief by walking the owners through the process of receiving a PPP loan. A. Jaynes commented that they are just one example of SLFCU's promise of "people helping people." He commended the lending department for ensuring members' needs were being met in such a difficult time.

R. Chavez thanked A. Jaynes and asked BJ Jones, SVP of Organizational Effectiveness, to join him to discuss SLFCU's role in the community. B. Jones began by discussing SLFCU's diligence in awarding scholarships to students who want to further their education. To that end, SLFCU has awarded \$171,000 in scholarships over the past 20 years. She noted that members who were selected to receive these scholarships are very grateful. She then introduced the next video, which featured one of SLFCU'S 2021 scholarship recipients, Allision Shorthair.

R. Chavez thanked B. Jones, and invited Rick Anderson, Executive Vice President, to provide an update on SLFCU operations. R. Anderson began by announcing that SLFCU now has more than 130,000 members, over \$3.5 billion dollars in assets, and has obtained additional branch locations. SLFCU recently opened its new Jefferson branch location, a 40,000-square-foot building that will house more employees and have more of a flexible office space. R. Anderson noted SLFCU has enhanced card products, which now includes up to a 1.5% cash back rebate paid monthly, and that SLFCU has been named by Forbes as a Best-in-State Credit Union for New Mexico and by Albuquerque Business First as one of Albuquerque's Best Places to Work. R. Anderson updated the membership on the New Mexico Credit Unions Connected Academy (NMCUCA) donation commitment, noting SLFCU has raised \$180,000 of the original \$200,000 commitment. He then shared a video that provided an update on the program.

R. Chavez thanked R. Anderson and invited Sastri Siravuri, SVP/Chief Information Officer, to share updates on SLFCU's technology and security improvements. S. Siravuri stated that SLFCU is focused on continually enhancing the Credit Union's ability to serve its members, noting that its online and mobile banking platforms have enhanced overall usability and now provide a more seamless experience. He then provided a brief overview of security measures that SLFCU has implemented, and advised members to take advantage of them to help minimize the opportunity for fraud, theft, etc. S. Siravuri provided additional technology updates, including Zelle®, live chat with a SLFCU employees, the ability to turn card functionality off and on, and two-factor login authentication.

R. Chavez thanked S. Siravuri and introduced Jon Moore, VP of Business Services. The two discussed the recent SLFCU/Animas Credit Union (ACU) merger, the increased opportunities for ACU employees, and the new products that are now available to the ACU membership. J. Moore introduced a video presentation highlighting activities throughout the SLFCU and Animas merger.

R. Chavez thanked J. Moore, and then moved on to review the SLFCU 2021 Financial Report. He called attention to SLFCU's deposit growth; an all-time high at approximately \$500 million. He suggested this may be due to the pandemic, while members had limited opportunities for expenditures, such as travel. R. Chavez reviewed the delinquency ratio, the net profit which went into SLFCU'S reserves and capital, and the year-end capital ratio of 10.3%, which is well above the NCUA's definition of "well capitalized" at 7%. R. Chavez presented additional financial highlights to the membership, such as Operating Expense to Assets, Total Assets, Total Deposits, Total Loans, and Membership Growth. He then moved on to address questions from members sent via Webex's chat functionality during the presentation.

Questions from Members

R. Chavez reminded members that account-specific questions would be answered via email or phone call in the next few business days to protect member privacy. The first question was regarding savings rates. He noted the market is being monitored closely, and that interest rates are expected to rise over the next few quarters. It was additionally noted that nationally, credit unions are witnessing a large growth in deposits, widely due to the pandemic. Next, he answered a question regarding members ability to pay mortgages, and other notes, from different institutions. He provided some background on what SLFCU currently offers, and what will be explored during the upcoming year. He concluded by assuring members that if their questions did not get answered during the meeting, they would be contacted within the next few business days, and turned the floor over to C. Maheras.

Robert's Retirement-

C. Maheras stated R. Chavez has announced his retirement from SLFCU after 22 years with the Credit Union. In January, he stepped into an advisory role for our new CEO, Steph Sherrodd, and he will officially retire in June. C. Maheras shared a few of R. Chavez's achievements during his SLFCU tenure, his involvement in New Mexico communities, and his roles with state and national level credit union associations and boards. C. Maheras congratulated R. Chavez and invited him to share some final thoughts with the membership.

R. Chavez reflected on the impact of his career with the Credit Union and other financial institutions, and the opportunities that were provided for the communities he served. He thanked the membership, employees, colleagues, partner companies, community organizations, and the SLFCU volunteers for their support and trust throughout the past 22 years.

C. Maheras thanked R. Chavez for his service and time at SLFCU, then introduced the incoming President and CEO, Steph Sherrodd to address the SLFCU membership. She thanked C. Maheras and shared that she's had the opportunity to meet with Board members and employees since joining in early January and has been impressed with the commitment to serving SLFCU's members. She stated much has changed at SLFCU since the first 15 Sandia National Laboratory employees started the credit union in 1948. However, the commitment to members, employees, and communities is unchanging even as the organization grows and evolves. She congratulated R. Chavez on his retirement after a long and successful tenure at SLFCU, noting his gracious leadership and passion for SLFCU has left a tremendous impact on the credit union. C. Maheras thanked S. Sherrodd and moved onto the election of new Board members.

Board Election

C. Maheras stated that in accordance with the NCUA Bylaws, a mail ballot and election were not necessary this year, as there was one candidate for one Board vacancy. The individual who was nominated, and who is starting his first three-year term, is Simon Goldfine, owner of Sierra Peaks Corporation, an engineering and manufacturing business. C. Maheras noted that this is Mark Allen's last Annual Meeting as a Board member, as he has reached his term limit for Board participation. C. Maheras noted that this created the

vacancy that Simon has filled. C. Maheras thanked the Board of Directors, the Supervisory Committee, other members who have volunteered their services, and Credit Union staff for their efforts. C. Maheras entertained a motion for adjournment. It was so moved by Brett Slayden and seconded by Kelsey Hoefel; the motioned carried.

Announcement of Prizes

R. Chavez announced the SLFCU members who were selected randomly for cash prizes that will be deposited into their savings accounts:

\$100 Cash Prize

1. Emanuela Alana
2. Janice Love
3. Mary Otmire
4. Mark Leonard
5. Sonya Martinez
6. Megan Spect
7. Natalia Pearlman
8. Rocelle Lara

\$250 Cash Prize

1. Sarah Martinez
2. Casey Cooper
3. Karen Pound
4. Jamie Hammond
5. Orlando Lucero
6. Shangrove Lagrane
7. Jean Tulito
8. H.U Yang