

UNITUS COMMUNITY CREDIT UNION
86th ANNUAL MEMBERSHIP MEETING MINUTES
Tuesday, March 21, 2023

CALL TO ORDER

Mr. Banerjee, Board Chair, called the Annual Membership Meeting of Unitus Community Credit Union to order at 5:16 p.m. on Tuesday, March 21, 2023 in the Unitus Plaza Community Room. He welcomed everyone to the meeting, which was held virtually and noted that the materials for the meeting had been posted to the Unitus website in advance of the meeting. Mr. Banerjee stated that Spanish and American Sign Language (ASL) interpretation was available for the meeting and thanked the interpreters. He then acknowledged the Board of Directors and Director Emeritus members.

DETERMINATION OF QUORUM

Ms. Cramer, Board Secretary, declared that the quorum requirement was met, with more than thirty (30) members in attendance.

APPOINTMENT OF PARLIAMENTARIAN

Mr. Hal Scoggins was appointed to serve as parliamentarian.

APPROVAL OF MEETING MINUTES

It was moved, seconded, and passed that the minutes of the 85th Annual Membership Meeting of Unitus Community Credit Union held on March 15, 2022 be approved, as presented.

BOARD CHAIR'S REPORT

The Board Chair's Report was presented by Mr. Banerjee, as follows:

"At this time, I am pleased to present the Board Chair's Report for 2022. This is my final report to the membership as Board Chair. It has been an honor to serve in this role for the past three years. We have accomplished so much together during that time, and I would like to express my gratitude to the Board, Audit Committee, Leadership team, our employees, the membership, and our community partners.

As part of the global cooperative movement, Unitus Community Credit Union is rooted in the foundation that each member is an owner who benefits from the credit union's success. In 2022, we began facing a period of economic uncertainty—but as a fiscally strong credit union, our member-owners continue to thrive, enjoying a strong return on their investments and the opportunity to invest in the communities we serve.

Our collaborative success in 2022 can be attributed to three major factors: alignment, protection, and growth. Across the entire credit union, our strategic priorities are aligned, which allows for consistent operations and stability. Inspiring Service, Innovation, and Inclusion are at the heart of every decision we make. These priorities are baked into the culture at Unitus, with the training and support for each employee to exceed expectations. While we consistently deliver inspiring service, we invest in new products and services to support our members throughout their financial journeys, providing opportunity and access to all through our inclusive practices. The entire credit union is aligned in this commitment to our strategic priorities, focused on the needs of our members, and has the agility to meet the demands of the shifting economic environment.

As we experienced those economic shifts in 2022, Unitus stayed focused on protecting and preserving operations and its strong financial position. Ensuring we preserve the trust of our members during economic uncertainty is essential to the work we do. Every member should know that we have their best interests in mind and that our financial strength is an asset. With no pressure to pay out shareholders, our not-for-profit structure allows for flexibility, innovation, and more stability during uncertain times. We are committed to partnering with our members during good times and bad.

We also made improvements to our infrastructure in 2022 to protect and safeguard Unitus, especially within our cybersecurity operations. That protection means further peace of mind for our members, for their investments, their assets, and their financial well-being. Protection and preservation are part of our operational standard, ensuring we avoid unnecessary risk and remain a strong and financially secure credit union.

Because we are innovators, we continually balance the need for protection with growth. To meet the dynamic and changing needs of our membership, we must adapt and invest in products and services that will help them reach their financial goals. We have implemented new services to help reach people who lack access to equitable and inclusive banking. We have developed new partnerships to build new relationships and trust within the historically underserved communities. And we have established a new operational structure that distributes our facilities to different geographical areas to better support members and employees where they live and work. We planted strong seeds for growth in 2022 and look forward to the impact it will have on our members for many years to come.

Finally, I want to express how proud I am to serve on the Board of Directors and the progress we made in 2022. The opportunity to engage with members, employees, and our community is the cornerstone of our service. From our strategic planning sessions to collaboration with credit union leaders around the world, we supported the advancements Unitus made in 2022. We volunteered alongside staff and their family members during the Barbara Leonard Day of Service. We learned about credit union best practices beyond our borders through the Global Bridges Exchange with the National Credit Union Federation of Korea. And we continue to support Unitus' culture of employee engagement at every level of the organization.

I have cherished my time as the Chair of the Board of Directors at Unitus Community Credit Union. I look forward to continuing my service on the Board and supporting each and every member as they navigate their financial future.

Now, I am honored to introduce our President and CEO, Steven Stapp, to present the CEO and Treasurer's Report."

CEO/TREASURER'S REPORT

The CEO/Treasurer's Report was presented by Mr. Stapp, as follows:

"Thank you, Mr. Banerjee, Chair of the Unitus Board, and thank you for the opportunity to present the financial results for 2022 and celebrate some of our accomplishments of this past year. First, I would like to thank everyone who has joined us for our 86th Annual Meeting. We are proud to offer this virtual format, which allows more members to attend. Our entire credit union benefits when you participate in your cooperative. I'd also like to thank our employees, our Board of Directors, and our Audit Committee for all the work they do to help advance Unitus Community Credit Union.

Before I present the highlights of this past year, I would like to address the recent news about the collapse of Silicon Valley Bank, in California, and Signature Bank, in New York. While financial institutions share the same types of risks—interest rate, liquidity,

concentration, credit, and others—the way we manage and mitigate these risks are very different. All deposits at Unitus are insured by the National Credit Union Administration Share Insurance Fund to a minimum of \$250,000. Additional beneficiaries can increase that insurance limit to \$1,250,000. In the U.S. credit union system, there has never been a failure in which depositors have lost money.

As of the financial close on February 28, 2023, Unitus had a capital ratio of 9.83% or \$165 million in Net Worth, exceeding the 7.0% standard for a well-capitalized credit union. Through a robust risk management process, we regularly test the adequacy of capital through various scenarios, including market impacts such as rising interest rates. In addition to normal liquidity reserves, Unitus maintains multiple lines of credit exceeding \$300 million on a total deposit base of \$1.5 billion. Deposits exceeding share insurance limits represent less than 7% of total deposits. Unitus also has a well-diversified loan portfolio of member loans in the following categories: consumer including credit cards, personal, and auto loans, mortgage and home equity loans, and commercial/business loans. Loans are fully amortizing, and delinquency of the portfolio stood at .29%, which is a strong indication of excellent credit quality. We also maintain \$16.5 million or 1.20% of loans as reserve against credit losses. The net results of these measurements and ongoing risk management practices ensures that we maintain a strong credit union to serve the needs of our membership and community.

And now I would like to highlight some of our accomplishments of 2022. We are entering the third year of our Juntos Avanzamos designation. Juntos Avanzamos means “Together We Advance” in Spanish. While this designation is specific to our efforts to be an inclusive credit union that empowers and supports Hispanic communities, “Together We Advance” includes every member, employee, and community partner.

Together, we made significant advancements in 2022. In the following video are a few of the accomplishments your membership helped support.”

At this time, Mr. Stapp showed an eight-minute video. He then continued the CEO/Treasurer’s Report, as follows:

“You saw some financial highlights in the video but let me briefly touch on the 2022 financial results. With the strength of 106,000 members, net assets held steady at \$1.7 billion in 2022. Total equity provides for the safety and soundness of the credit union, totaling \$150 million, which exceeds all statutory requirements. Unitus is positioned as one of the most fiscally strong credit unions in the Pacific Northwest. This position of strength allows us to assist our members in times of need.

I am proud of what we accomplished together in 2022, and I look forward to the advancements we’ll make in 2023. We will continue to focus on the strength and stability of our finances while giving you the opportunity to grow your money even faster. We are making significant investments in financial education and wellness programs that can help everyone in the community assess where they’re at and create a customized plan to help them get where they want to go. And like always, we will work with members to find the right solution for what is next on their financial journey.

In conclusion, I would like to thank our outgoing Board Chair, Sam Banerjee. His leadership and collaboration over the past three years has been integral to the success of our credit union. I would also like to thank the entire Board of Directors, Audit Committee, Leadership team, and staff for their commitment to our shared values and strategic priorities. The advancements we make as a credit union come from our collective efforts, with our members and our communities at the center of our work. I am grateful to lead Unitus Community Credit Union into its 86th year of service.

I would now like to introduce John Pierce, the Audit Committee Chair, for this year's Audit Committee Report."

AUDIT COMMITTEE REPORT

The Audit Committee Report was then presented by Mr. Pierce, as follows:

"The Audit Committee is appointed by the Board of Directors to provide oversight of the financial reporting process, system of internal controls, monitoring of compliance with laws and regulations, and code of conduct activities. Serving with me on the committee in 2022 were Rebekah Anderson, Will Clark-Shim, Terry Donahe, Harit Ghelani, Kenny Sallee, Luke Watson, Everett Wild, and Board Liaison Laura Conroy. To fulfill its duties, the committee worked with an independent audit firm and used the credit union's internal audit function.

The committee engaged the independent accounting firm Moss Adams LLP to conduct a financial audit as of and for the year ended December 31, 2022 and perform a verification of member accounts in accordance with federal and state laws. The committee continued to partner with internal audit to review, measure, and report on activities that ensure compliance with laws and regulations, as well as the continued integrity of the credit union's internal control environment.

Based on reports and information received, the Audit Committee's opinion is that Unitus Community Credit Union's financial operations and system of internal controls are sound. Summarized financial statements are included in our Annual Report, published on our website.

I want to sincerely thank the Audit Committee members for their commitment, energy, and enduring effort throughout 2022.

Now, I will turn it back over to Board Chair, Sam Banerjee, to conduct the remainder of the Annual Meeting's business."

UNFINISHED/NEW BUSINESS

Mr. Banerjee reported that there were no unfinished or new business items for discussion.

BOARD ELECTION REPORT

Mr. Chinn, Board Nominating Committee Chair, thanked the committee members for their service and presented the Board Election report on behalf of the Board Nominating Committee. The Board Nominating Committee recommended the following individuals for the 2023 Slate of Board Candidates: Sam Banerjee, Rhonda Cramer, and Matthew Mičetić. There being no opposition, these candidates were elected to the Board of Directors by acclamation for three-year terms.

BOARD CHAIR FAREWELL

Mr. Banerjee then delivered the following message:

"As I complete my term as Board Chair of Unitus, I would like to thank the Official Family, our most wonderful Unitus employees, and all our members. I am humbled by your trust and grateful for the opportunity to serve. The world was a bit different when I stepped into this position. While the last three years have been the most challenging that I have ever experienced, I am beyond impressed to see the entire organization come together to deal with each of those challenges, effectively and efficiently, with a singular mission to protect and preserve the trust of our membership. I am very proud of where we stand as a financial

organization, and I have absolute confidence in the Leadership team at Unitus. I am excited for the opportunity to continue serving you on the Board and am looking forward to everything that's ahead of us. Thank you."

ADJOURNMENT

There being no further business, the meeting adjourned at 5:42 p.m.

On behalf of the Board of Directors and Audit Committee, Mr. Banerjee thanked everyone for attending.

Somnath Banerjee
BOARD CHAIR

Rhonda Cramer
BOARD SECRETARY