

CENTRAL MINNESOTA CREDIT UNION
2020 ANNUAL MEETING OF THE MEMBERS
MAY 19, 2020

CEO and General Manager Charles Friederichs called the meeting to order at 6:00 P.M. He greeted the members and welcomed them to our 2020 annual meeting. Mr. Friederichs then introduced the chairperson and the Board of Directors, the members of the Supervisory Committee and the members of the executive staff of the credit union.

Board chairperson Mark Meyer stated that all the members had been notified of the meeting, and that there were enough members present to constitute a quorum.

Board chairperson Mark Meyer explained that the minutes of the last annual meeting held on March 26th, 2019 had been available to the members on the website. He asked for a motion to dispense with the reading of the minutes. A motion was made by Bernard Brixius, seconded by Jennifer Hengel to dispense with the reading of the minutes. Motion passed via chat on GoToMeeting. Mr. Meyer asked for a motion to approve the minutes as written. A motion was made by Bernard Brixius, seconded by Jennifer Hengel to approve the minutes as written. The motion passed via chat on GoToMeeting.

Board chairperson Mark Meyer noted that the minutes of the Supervisory Committee report were available to members on the website, and for that reason would not be read.

Board chairperson, Mark Meyer, gave the Board of Director's report as follows: Welcome members, staff, management and the Board of Directors. I am pleased to be here to share Central Minnesota Credit Unions' 2019 highlights and its' expectations for the future. The Board, as your representatives, works with management to set the strategic priorities for the organization, monitors the progress to reach them and adjusts as organizational, industry and economic circumstances change. CMCU's strategic priorities are centered on you and include the following:

Organizational Identity – we will remain true to our Vision by adapting to industry, economic and societal changes

Optimization – we will effectively and efficiently deliver the best products and services for our members and staff

Growth – we will remain true to our Vision ensuring that our growth results from being member-focused and is both sustainable and responsible

Organizational Identity

Our Vision is “**Enhancing the lives of members and community through strength, service and growth.**” It requires us to make decisions that have meaningful and positive results for our membership as individuals and as part of a community. As appropriate, we frame our decisions on positive expectations for both our members and potential members, our employees and the organization. In 2019, we welcomed the members of Soo Line Credit Union through a merger that offered them expanded products and services, more delivery channels and a stronger financial institution. In addition, CMCU's membership was able to expand its branch network,

increase its' geographic footprint and improve its financial strength. We will continue to ensure that our strategic priorities are relevant and future-focused.

Optimization

At CMCU we focus on our members' needs. We believe that in an industry where our competitors are both traditional financial institutions and new Fintechs, our primary plans must center on providing our members with more: Everything we do needs to be better, faster or more efficient. Ideally, it will be all three. We continue to improve our products and services, primarily with enhancements to our digital offerings and development and training of our staff. We strive to do what is right, nurture relationships and build trust. During 2019 we expanded our field of membership to include our newly, merged Soo Line branches in the greater Minneapolis and St. Paul metropolitan area. Having a footprint that spans from the southern metro area to rural east-central North Dakota required that we enhance our delivery channels to ensure a more robust and integrated physical and digital approach to serve our members. We have added in-branch and online technology that allows members to access, conduct transactions or interact with members of our staff wherever they may be. In 2020 we will be opening our most technological branch yet, in Sartell. Consultation, technology and digital methods will allow our members to open accounts and conduct transactions within a self-serve environment or with the aid of staff on- or off-site. Digital solutions such as **ITM** (interactive teller machines), **NEXT terminals** (self-, assisted- or full-service teller stations) and Nomadic Tablets (Bank Consultant's mobile assistance) will be a part of our member journey in the near future. CMCU is able to innovate and change because of our financial strength and our responsible growth.

Growth

We grow organically because we have centered on the financial needs of you, our members. We grow by building strong and lasting partnerships. We grow by providing operational quality and fair and reasonable rates. We grow by sharing our success, our time and our talent with the communities we serve. During 2019 we experienced our single largest asset growth year ever that included growth in consumer and commercial loans and deposits, residential mortgage lending and our financial advisory services. CMCU's growth was significant and we maintained an equity position that remains one of the highest in country. We will continue to deliver on our vision "Enhancing the lives of members and community through strength, service and growth."

Charles Friederichs gave the CEO and General Managers report as follows: On behalf of CMCU's management team I want to welcome our members, staff and Board of Directors. As Mark shared with you, CMCU had a strong growth and a financially successful year in 2019. CMCU's assets grew over \$100 million last year with additional growth of \$100 million in assets that we manage in residential real estate loans and investment portfolios. Members' equity remained steady at over 15 percent, as our net income kept our equity position on par with our asset growth. What does it take to grow our assets and maintain our equity? It requires that we have the trust of our members and they are assured that we will grow with them and their needs and wants. Last year, I stated that delivering on our Vision, which is "Enhancing the lives of members and community through strength service and growth" means that we need to do what is right, nurture relationships, build trust, and repeat. Our staff delivered on that in 2019 and you, the members, responded by putting your trust in CMCU and growing with us. We also delivered

on our vision by ensuring that our strategic priorities impact our daily decisions and our ongoing operations. Decisions at CMCU are made with our strategic priority of Organizational Identity in mind. We make decisions based on the following three expectations:

1. Improve and build on the member experience
2. Engage our staff and improve the employee experience
3. Ensure that CMCU is both financially strong and sustainable into the future

Additionally, the Board and management have made optimization a priority, better, faster and more efficient, as we are centered on our members' needs. In an age where the consumer can stream a new movie from anywhere, research, buy and have a new car delivered without leaving their home and families, friends and businesses utilize smart phones to transfer funds, split the cost of dinner or pay for purchases, we need to not only be ready, but help lead the way. In 2019, CMCU improved its online and mobile banking by consolidating into to one platform. We also added new features and functionalities to improve the member experience.

In 2020 our membership will also have the ability to utilize new technologies that Mark mentioned. ITMs, Next Terminals and Nomadic tablets and additional technologies as we continue to optimize the member experience. Our Sartell branch will lead the way with one of the most advance branches in the state. CMCU's focus on maintaining safety and improving both the member and the employee experience have also been extremely important during the current Covid-19 Pandemic. Our focus on consistent and simplified delivery channels allowed us to quickly and effectively move to alternate ways for us to maintain our relationships with you, the member for these past few months. We did this, while providing safety, security and flexibility to you and our employees during these difficult times. There are numerous stories to share about how CMCU's staff is supporting our members and their teammates, while keeping CMCU culturally and financially strong in just the last few months. In closing, I would like to tell you about a little about what CMCU staff have been doing for the past few weeks. The Payroll Protection Program (PPP), designed to keep businesses in business and employees receiving paychecks was developed less than 2 months ago. In that very short period of time CMCU's staff implemented procedures and automated systems to ensure we could lead in helping local businesses. As of today, we have helped over 1400 businesses, with an average loan size of around \$53,000, meet the paycheck needs of their thousands of employees. CMCU originated approximately 50% of the PPP loans underwritten by credit unions in Minnesota. We have granted nearly \$100 million in emergency response loans and programs to help both our consumer and business members navigate these times. CMCU is centered on you during this Pandemic as we have been for the past 85 years. We promise to do what is right, nurture relationships, build trust, and repeat. Thank you and stay healthy and safe.

Mr. Meyer asked if there was any unfinished old business. There was none.

Mr. Meyer asked if there was any new business. Mr. Meyer reported that we had three amendments to our by-laws which included: adding the territory and Select Employee Groups from the Soo Line Credit Union merger; expanding our field of membership to include the 4 counties of Chisago, Ramsey, Scott and Washington; and adopting standard bylaw language to change the minimum number of Board members to five.

Mr. Meyer asked for a motion to establish the volunteer compensation at \$50 per hour. A motion was made by Jennifer Hengel, seconded by Chris Lubarski to approve the volunteer compensation of \$50 per hour. Motion passed via chat on GoToMeeting.

Mr. Meyer asked if there was any other new business that the organization should consider. There was none.

On behalf of the nominating committee, Mr. Meyer explained the nominating process and explained that there are three Board positions open. The positions are three year terms. The following candidates have been nominated and have accepted the nomination as candidates for the Board of Directors. Mark Meyer, Jim Gondringer and Fred Fleischhacker.

Chairperson Meyer explained that since there are three positions, and three candidates that in accordance with Central Minnesota Credit Union bylaws the three nominees are therefore elected by general consent to the three open Board positions. He encouraged anyone who has an interest in a Board position, or knows of an individual that would represent the credit union and its member's well, to contact any of the current Board members or a member of the Executive Management team.

A motion was made by Bernard Brixius, seconded by Stacy Meyer to adjourn. Motion passed via chat on GoToMeeting. Meeting adjourned at 6:18 P.M.

CHAIRPERSON

SECRETARY