
MEETING MINUTES

CU*Answers Annual Stockholders Meeting

Grand Rapids, MI

June 17, 2020

4:30 P.M. ET

STOCKHOLDERS

PRESENT AT THE MEETING WERE REPRESENTATIVES FROM:

1. 1st Street Credit Union
2. AAC Credit Union
3. Advantage Credit Union
4. Affinity Credit Union
5. Alpena Alcona Area Credit Union
6. Calcite Credit Union
7. Chief Financial Credit Union
8. Chiphone FCU
9. Cincinnati Ohio Police FCU
10. CommStar Credit Union
11. Community West Credit Union
12. Everence FCU
13. Cumberland County FCU
14. Day Air Credit Union
15. Delta County Credit Union
16. Element Federal Credit Union
17. Evergreen Credit Union
18. First Financial Credit Union
19. First Ohio FCU
20. First Trust Credit Union
21. First United Credit Union
22. Florida Hospital Credit Union
23. FOCUS Credit Union
24. Frankenmuth Credit Union
25. GR Consumers Credit Union
26. Greater Metro FCU
27. Heartland Credit Union
28. Heartland FCU
29. Honor Credit Union
30. Horizon Utah FCU
31. Illinois Community Credit Union
32. Isabella Community Credit Union
33. Kalsee Credit Union

34. Kellogg FCU
35. Kent County Credit Union
36. Lakeshore FCU
37. Lenco Credit Union
38. Madison County FCU
39. Members Source Credit Union
40. Michigan Coastal Credit Union
41. Michigan Legacy Credit Union
42. MidUSA Credit Union
43. Muskegon Co-Op
44. Muskegon Governmental Credit Union
45. NorthStar Credit Union
46. Notre Dame Federal Credit Union
47. NW Consumers Credit Union
48. Park City Credit Union
49. Peninsula FCU
50. PowerNet Credit Union
51. Public Service Credit Union
52. Quest FCU
53. RIPCO Credit Union
54. River Valley Credit Union
55. Safe Harbor Credit Union
56. San Antonio Citizens Federal Credit Union
57. Service 1 Federal Credit Union
58. Shoreline Credit Union
59. Sioux Empire Federal Credit Union
60. SPE FCU
61. Tahquamenon Area Credit Union
62. TBA Credit Union
63. Traverse City FCU
64. Tri-Cities Credit Union
65. Unison Credit Union
66. Viriva Community Credit Union
67. Washtenaw FCU
68. Western Districts Members Credit Union
69. Western Division FCU
70. Wolverine State Credit Union

OTHERS PRESENT WERE REPRESENTATIVES FROM:

1. Randy Karnes, CU*Answers, CEO
2. Geoff Johnson, CU*Answers, CU*Answers, COO
3. Bob Frizzle, CU*Answers, CFO
4. Stephanie Underwood, CU*Answers, VP of Administration
5. Patrick Sickels, CU*Answers, Internal Auditor
6. Scott Collins, CU*Answers, EVP Sales/Marketing

7. Joe Tomaszewski, Crowe
8. Brian Maurer, CU*Answers, EVP of Programming
9. Dave Wordhouse, CU*Answers, EVP of Network Services
10. David Damstra, CU*Answers, VP of Web Services
11. Dawn Moore, CU*Answers, VP of Writing Team
12. Jim Vilker, CU*Answers, VP of Professional Services
13. Chip Filson
14. Liz Winninger, CEO, Xtend

Quorum present? **Yes**

CALL TO ORDER

- Chairman Scott McFarland, Honor Credit Union, St. Joseph, MI, called the meeting to order. He welcomed everyone to the meeting and thanked everyone for coming.
- The Chairman introduced everyone to the virtual format of the meeting, and instructed participants on how the meeting would be conducted.

MINUTES

- The minutes of the June 19, 2019, Annual Meeting were reviewed.

Action Item: A motion by Kris Lewis, Allegan Community Credit Union, and supported by Tom Gryp, Notre Dame FCU, was made to accept the minutes of the June 19, 2019, Annual Meeting. Motion passed.

CHAIRMAN'S COMMENTS

- Chairman Scott McFarland's message this year was "The Year of the Asterisk."
 - The Chairman's welcomed the 5 new owners.
 - Discussion followed on the 50-year anniversary of CU*Answers.
- The Board of Directors were recognized for their dedicated work. Linda Bodie, Tom Gryp, Kris Lewis, Jeff Jorgensen, Dean Wilson, Vickie Schmitzer and Scott McFarland.

ELECTION OF BOARD

Regular Election

The nominating committee this year included Tom Gryp (Chair), Notre Dame FCU, Scott McFarland, Honor CU.

There are 136 Class A shareholders entitled to vote at this meeting. A notice of the meeting, proxy statement, and form of proxy were mailed/emailed to all shareholders on May 1, 2020.

Tom Gryp, Nominating Committee Chair, announced there were two director positions available, and four candidates running for election. The four candidates running for election are Gregory Gurka, Forest Area FCU, Val Mindak, Park City CU, Vickie Schmitzer, Frankenmuth CU, Dean Wilson, FOCUS CU for a 3-year term to begin October 1, 2020 through September 30, 2023.

The winners of the 2020 Election were Vickie Schmitzer, Frankenmuth CU and Dean Wilson, FOCUS CU.

FINANCIAL STATEMENT

- Bob Frizzle reviewed the Financial Statement and presented “A Benchmark Before the Asterisk.” For those not able to attend, the presentation will be posted on the CU*Answers website, www.cuanswers.com.
- Bob highlighted the following:
 - Net Income & Patronage Dividends were discussed.
 - 2019 numbers worth celebrating were discussed.
 - Year-end 2019 dividend payments – these numbers can flex, and Bob predicts they will change in the future.
 - 2019 return on investment was \$7,161,206.00
 - Understanding the formula is important to how we set the boundaries for our future, and Bob discussed the 2019 return per total dollars received.
 - Discussion on the projected revenues for 2020-year end.
 - Bob discussed investing in a community and building a network.
 - Bob discussed areas impacted due to the coronavirus pandemic. These included:
 - Member behavior and the impact on our revenue streams.
 - Staffing/employee expenses.
 - Customer/market interaction (lack of spending in areas such as T&E due to cancelled events and travel bans).
 - The importance of the value per share vs. the purchase price for stockowners.
 -

CEO COMMENTS

- This year’s theme for the CEO’s comments was, “Diet Coke and Lemonade” Randy Karnes discussed the following:
 - On March 24, 2020 became the year of the asterisk.
 - Refocus on the financial engine. How to respond to the current situation?
 - Reengineer revenue for a marketplace turned upside down.
 - Respond with precision to being an essential business.
 - Refocus our expenses to maximize the refunds and invest in the moment.
 - Importance of building a high availability people plan.
 - Announcement of the 2020 CEO Strategies event: November 10-12, 2020

Scott McFarland, Chairman

Linda Bodie, Secretary/Treasurer