

EASTMAN CREDIT UNION
MINUTES OF ANNUAL MEMBERSHIP MEETING

March 11, 2022

The 87th Eastman Credit Union (ECU) Annual Membership Meeting was conducted online this year. This manner allowed members to participate by visiting ECU's website or a branch most convenient to them.

A video which summarized ECU's accomplishments for 2021, copy of the 2021 annual report, copy of the minutes from the March 12, 2021 annual meeting, as well as voting ballots were made available online for member review and vote between March 1 through March 11, 2022. Voting ballots, copies of the 2021 annual report, and copies of the previous year's meeting minutes were also made available in branches. In addition, the 2021 Year in Review video was also shown continuously in branch lobbies from 11:00 a.m. to 1:00 p.m. EST (10:00 a.m. to 12:00 p.m. CST) on Friday, March 11th, 2022. Ballots included the election of 2022 ECU Board of Directors, approval of the 2021 annual meeting minutes and approval of the actions of the Board of Directors and its Committees during 2021.

Voting ended at close of business on Friday, March 11, 2022. ECU received 246 eligible ballots. The minutes of the previous meeting, the actions of the Board of Directors and its Committees during 2021 and the following ECU Board of Directors were approved by a majority vote:

Three-Year Term:

- Mr. Gary A. Bass
- Mr. J. Andrew Hatfield, Jr.
- Mr. Kyle P. Macione
- Mr. Brian K. Miller
- Ms. Kelly F. Price

REPORT OF THE CHAIRMAN AND CEO

As mentioned earlier, a video which summarized ECU's accomplishments for 2021 was shared with the membership. This was used to present the Chairman and CEO's report. 2021 highlights from the video were as follows:

- ECU's asset size grew by 16% or an increase of \$984 million, while member deposits grew \$886 million or 17%.
- A 9% increase in membership was experienced with almost 23,000 new members joining ECU in 2021 bringing the total membership to over 283,000.
- ECU experienced record loan originations adding \$522 million or an increase of 10% to the loan portfolio of \$5.5 billion.
- Net worth as of December 31st was 11.73% which indicates a financially sound and strong organization.

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- Several records were surpassed in 2021, including opening more than 20,000 new checking accounts and providing over 58,000 consumer loans to members.
- Numerous upgrades, enhancements, and additions to ECU's fleet of ATMs were completed which will ensure continued security and provide exciting new ATM features in the future.
- Over 1,200 additional surcharge-free ATM locations were added for member use through the Presto ATM Network at Publix Supermarket locations across the southeastern United States. In addition to ECU-owned ATMs, members now have access to over 56,000 surcharge-free ATMs through the Allpoint and Presto ATM networks.
- ECU's contactless Visa debit and credit cards were made available in branches instead of members having to wait for their card to arrive in the mail.
- An enhancement was made to ECU Online banking by launching Zelle, a person-to-person payment service that allows members to transfer money to others in minutes within ECU Online and ECU's Mobile Banking App.
- The ability to communicate with members via text messaging was also enhanced in 2021 with over 200,000 text messages shared between ECU employees and members.
- A member satisfaction score of 84.7% on the annual member survey was achieved, once again surpassing 80% happy members for the eighth consecutive year.
- ECU was named as a 2021 Top Performer by our mystery shop provider which evaluates member experience in the categories of Competitive Comparison, Emotional Connection, Referral Rating, and Use of Name.
- In August, a third ECU facility in Longview, TX, opened in the Pine Tree community. This new three-story, 34,000 square-foot location offers a full-service branch on the first floor, while the upper floors provide office space, training facilities, and room for future growth.
- Construction began on a new, full-service branch in Hallsville, TX.
- Construction in downtown Kingsport, TN on a newly designed and innovative branch concept offering curbside member service began.
- Lobby kiosks were introduced in several ECU branches, allowing members to bypass the teller line and self-check in when needing to see a Member Service or Mortgage Representative.
- An Extraordinary Dividend payout of \$15M was approved, totaling \$162 million returned to members since 1998.
- Multiple shred day events were held throughout the year at several branches to provide members with the opportunity to safely destroy personal files they no longer need.

- ECU hosted virtual seminars educating members on a variety of topics including Retirement Planning, Social Security, Student Lending, Home Selling and Buying, and Construction Loans.
- ECU contributed over \$1.1 million to 165 charitable and community organizations within its field of membership.

The video also highlighted what is on the horizon for ECU in 2022 which included the following:

- The Ravine Road branch will be moving to a new location on the corner of Clinchfield Street/West Market Street in downtown Kingsport, TN. This branch will provide easier access and more efficient service through multiple drive-through lanes, curbside service, and Interactive Teller Machines (ITMs).
- A 4,000 square-foot full-service branch in Hallsville, TX is scheduled to open in mid-2022.
- Due to limited surcharge-free ATM options available for members in Gregg and Harrison Counties, ECU is working on expanding the ability to access surcharge-free ATM services in TX.
- A multi-year project to optimize digital banking offerings will be launched. Over the next few years, ECU plans to improve members' interactions with these important technologies to provide even more convenience.
- As ECU's Member Contact Center continues to evolve beyond traditional phone calls, expansion of ways to interact with members and providing a more efficient experience with the Contact Center is planned.

QUESTION AND ANSWER SESSION

Question:

Is there any way to add check register to online banking? We had it on another CU, and it made it easy to keep up with checks that were delayed in cashing.

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

We are unaware of an option that will allow us to add a check register within our online banking; however, we will be glad to inquire about this as a potential feature for ECU Online Banking. We currently offer the Manage Money feature within ECU Online Banking that allows you to track transactions and functions like a check register. It imports transactions from your account,

but you also create an account where you can add transactions on your own. If you want to know more about this feature, please let us know.

We appreciate your business and interest in ECU.

Question:

Many other banks offer high yield savings accounts. Is that something ECU will offer in the near future? Or will there be an increase to the current 0.3% APY rate in order to compete with the 1% APY rates for high yield savings accounts?

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

ECU has evaluated offering these types of accounts in the past and will continue to do so in the future. Our objective is to provide the best rates possible in the areas we serve. We do this through constant analysis of the local and national economy. We may introduce a high yield savings account in the future, but we currently do not have plans to do so. However, we offer higher rates on our IMMA account and provide highly competitive share certificate rates.

We appreciate your business and interest in ECU.

Question:

Considering the vast membership of ECU, the list of diversity on your Board of Directors is disappointing. Are there no members who could provide valuable insight or a different perspective than those on your current roster? Specifically, a member who is from a different socioeconomic background, which includes ethnicity.

Recently, I secured a home mortgage product with ECU. Why do you sell member information? Daily, I receive solicitations from random organizations who reference the Eastman Credit Union name.

Reply:

Thank you for your questions and your participation in the ECU Annual Meeting.

The ECU Board composition is representative of the communities we serve throughout Northeast Tennessee, Southwest Virginia, and the greater Longview, Texas area. ECU strives to maintain a qualified Board, seeking individuals who have a wide array of skill sets, views, and knowledge to round out the needs of our Board of Directors. All the Board members are servant leaders in local communities that care deeply about the value that ECU can bring our members and the communities we serve.

Regarding your question about selling member information, ECU prides itself on the privacy of member information. A lien is filed at the local courthouse when a mortgage loan closes. That information is public knowledge/information. Companies offer a service to businesses to retrieve and provide that information to solicit individuals that recently filed a lien. ECU does not sell any member information.

We appreciate your business and interest in ECU.

Question:

What are the possibilities of having a few branches open on Saturdays?

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

ECU continually looks for ways to provide members with the most convenience possible. While Saturday hours are not part of our business model, we offer many digital channels that conveniently allow ECU members to transact business every day of the week. Members can retrieve information, perform transactions, and complete numerous other tasks 24/7 electronically via a personal computer, mobile device, or at one of our many ATMs.

Should you have the need, one of our friendly staff will be happy to review these options with you during your next branch visit.

We appreciate your business and interest in ECU.

Question:

Why doesn't the primary share account have at least one additional tier? i.e., above \$25K or \$50K = .005 step up vs. .003 for everything

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

Although we do not offer this on the primary share account, we do offer it on our Insured Money Market Account (IMMA). The IMMA allows access to your funds if needed and pays a higher rate that is based on the account balance. At this time, we are not planning to add any tiers to the primary share, but this is something we may consider in the future. If you would like more information about our IMMA account, please let us know.

We appreciate your business and interest in ECU.

Question:

Why are BOD nominees elected as a group rather than individually? How often do the BOD and committees meet?

Reply:

ECU Board members are elected individually rather than as a group. However, after reading your question and then looking back at the current structure of the ballot, I can see where it might appear that Board members are elected as a group instead of individually. We will take appropriate action to be sure this is clarified on next year's ballot to eliminate any possible confusion. Thank you for bringing this to our attention.

Regarding your question related to how often the Board and its committees meet, per ECU's Bylaws, "Board of Directors can meet as often as the business of the Credit Union may require, but in no event less than monthly". Board committees are structured differently with most meeting at least quarterly. However, they too can meet more frequent should the need arise.

Thank you again for your questions and for your membership with ECU.

Question:

Why is there such a long wait for a check to clear? Shortly after I opened my account, I deposited a \$190,000 check from a local bank to my account, but there was a 7 business day hold put on the check, which included 2 weekends. Just seemed too long for me in this age of electronic banking.

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

Check holds at ECU are governed by Regulation CC (Availability of Funds and Collection of Checks). Regulation CC sets the requirements that credit unions make funds deposited into transaction accounts available according to specified time schedules. When a hold is placed on an item, ECU discloses the timeframe of this hold to the member in the form of a check hold notice.

In the future, should you need an exception made regarding a check hold please speak to a branch manager who can review your options with you. We apologize for any inconvenience this may have caused you.

We appreciate your business and interest in ECU.

Question:

Would you consider a branch at other Eastman locations? Eastman has sites in Martinsville, VA. I would love to have a branch or at least an ATM in Martinsville. Thank you!

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

When selecting where to build branches, we listen to the requests of our members and compare the opportunity for growth in the area. We do a competitive analysis of the market and make every effort to determine if it's a convenient location for a significant portion of our field of membership. This information combined with the real estate available within the area assist us in making the decision to build a branch.

There are currently no plans to build a branch in Martinsville, VA; however, we do offer several ATMs in the Martinsville, VA area through the AllPoint surcharge-free ATM network. You can visit www.ecu.org/atmlocator to find an ATM near you.

We appreciate your business and interest in ECU.

Question:

How long should I wait until I qualify for a refinance in my mortgage loan?

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

There are a lot of factors that go into determining the ability to refinance. Equity in your home, length of time from the purchase of a home, current rate versus today's rate and cost to refinance. We suggest you reach out to one of our Mortgage Loan Originators at your local branch or online to look at these scenarios to see if it makes sense for you to refinance.

We appreciate your business and interest in ECU.

Question:

When do you plan on increasing your interest rate on CD's and regular savings accounts?

Reply:

Thank you for your question and your participation in the ECU Annual Meeting.

Our objective is to provide the best rates possible in the areas we serve. We do this through constant analysis of the local and national economy and Federal Funds Rate. We are always

closely monitoring the rate environment for deposits and will make changes to our rates when appropriate. ECU always tries to maintain competitive rates on certificates and will continue to do so in the future.

We appreciate your business and interest in ECU.

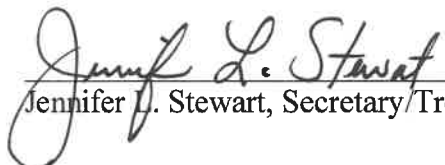

DOOR PRIZES

Members submitting a valid voting ballot were eligible to win a door prize. The following winners were drawn and individually notified soon after the annual meeting concluded.

Amy Griffin	\$25 Target Gift Card
Shania Leonard	\$50 Amazon Gift Card
Helen Kay Helton	\$50 Lowe's Gift Card
Ira Clayton Massey	\$75 Wal-Mart Gift Card
John Brown	\$100 Target Gift Card
Ryan Morgan	\$100 Amazon Gift Card
James Blair	\$150 Lowe's Gift Card
Mark Stevens	\$200 Wal-Mart Gift Card
Baldomero Vela Flores	\$250 Target Gift Card

Grand Prize:

Martha Fulkerson Fuller \$500 Amazon Gift Card

	9/20/22		9/20/22
Jennifer L. Stewart, Secretary/Treasurer	Date	E. Wayne Kirk, Chairman	Date