

Minutes of the
Virginia Bankers Association
Board of Directors Meeting
June 22, 2021 at 10:30am via Zoom

In attendance: Rick Adams, John Asbury, Chris Bergstrom, Marc Bogan, David Boyle, John Brough, Steven DeLuca, Dexter Gilliam, Todd Hall, Jeff Haley, Leton Harding, Scott Harvard, Charlie Henderson, Dick Holland, Brandon Lorey, Dan O'Neill, Brad Schwartz, Rob Shuford, Linda Stanley, Maria Tedesco, Joe Thomas, Janet Tope, Litz Van Dyke.

Staff: Anne Atkinson, Matt Bruning, Courtney Fleming, DeMarion Johnston, Laurie Milligan, Chandler Owdom, Stacy Puckett, Bruce Whitehurst.

Welcome and Call to Order

VBA Board Chairman John Asbury called the meeting to order and welcomed VBA's new board members, Linda Stanley, David Boyle, and Steve DeLuca. He stated that Federal Reserve Bank of Richmond President and CEO Tom Barkin delivered a terrific presentation on the economy during the preceding hour's VBA annual meeting. He noted that he will preside for the first part of the board meeting, and then turn the meeting over to Chairman Leton Harding for the 2021-2021 VBA Board organizational items.

Consent Agenda

The board approved the consent agenda, which included:

- Minutes of the March 19, 2021 Board meeting.
- VBA and consolidated financial statements as of April 30, 2021.

Audit Committee Report

Brad Schwartz reported the VBA Audit Committee met on June 1, 2021 and reviewed the following audits: VBA Association and subsidiaries; VBA Medical and Dental Trust; State Bankers Association Group Insurance Trust and VBA BankPAC. All audit opinions were unqualified, a weblink to these audit reports was included inside the June 22 board packet. Brad reported that an IT audit was completed by NetBank Audit and showed that VBA has a relatively low vulnerability and users passed social engineering tests. Brad stated that the Trust Fund of the VBA Association's Master Defined Contribution Plan will be completed later in June and approved by the Audit Committee through email.

Legislative Update

Matt Bruning reported four incumbent Democratic Delegates and one incumbent Republican Delegate were defeated in the June 8th primary election. He also reported that Virginia legislative work groups are now focused on:

- Affordable Housing
- Energy efficiency lending; tax and data privacy

At the federal level, Matt reported on VBA and VBA efforts to defeat the possibility of banks acting as IRS collection agents.

Matt also reported on the formation of a VBA working group - consistent with a recent request from Senator Mark Warner – which will identify the best ways the banking industry can support minority communities and minority owned small businesses as federal and state funds are dedicated to these uses. VBA Chairman Leton Harding will also chair the working group, which will hold its initial meeting next month.

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Credit Union Appeal Update

DeMarion Johnston presented an update on the Virginia Credit Union – Medical Society of Virginia expansion appeal. She apprised the VBA's three new Board members that the VBA and seven of its member banks are in the process of appealing the legality of adding the Medical Society of Virginia's 10,000 members to VACU's field of membership. She reported that the State Corporation Commission has appointed SCC Hearing Examiner Alexander Skirpan to the case, and that additional testimony is being filed by all parties. She reported that the burden of proof has now been shifted in this second hearing to VACU to show that the proposed expansion is compliant with the law. The hearing will be conducted by Hearing Examiner Skirpan on October 27, 2021. After the hearing, Examiner Skirpan will make his recommendations to the SCC Commissioners, who will rule on the expansion application.

Strategic Plan Spotlight: Careers in Banking Toolkit

Monica McDearmon, VBA Manager of Communications and Financial Education reviewed the VBA Education Foundation's new Careers in Banking Toolkit. The toolkit webpage offers bankers customizable resources to use to fit their careers in banking presentation needs. Resources include links to a career in banking; video series created by members of the VBA Emerging Bank Leaders; customizable PowerPoints and presentation guides; articles, infographics, and careers in banking brochures; careers in banking podcast links; and VBA and ABA programs and training opportunities. This page will be continually updated as new resources become available, with the objective of increasing student interest in banking as a career path.

Board/Committee Updates

VBA Benefits Corporation

Chairman Tom Cherry reported that the VBA Benefits Health Insurance Trust is in good shape with cash reserves. He announced that the Benefits Corporation will be partnering with Bank HR, which has live HR advisors, beginning on July 1, 2021. Tom recognized and thanked Laurie Milligan for her strong leadership of the VBA Benefits Corporation Board.

VBA Management Services, Inc.

Chairman John Brough reported on a busy and productive year and pointed to numerous scheduled in-person events planned for summer through fall 2021, including the next cohort of the VBA Management Development Program. He reported that MSI has just endorsed KlariVis for customer and financial data reporting. KlariVis was developed by a former Virginia CFO and it offers tremendous financial insight and support to banks.

VBA Education Foundation

Chairman Scott Harvard reported the Foundation has officially entered a partnership with the Virginia Foundation for Community College Education (VFCCS) to create the Virginia Banking Fellows Program. The Banking Fellows program is designed for second year students from the 23 community colleges across the state. Through this new Virginia Banking Fellows cohort, the VBA Education Foundation and banks across Virginia will select and support one underrepresented student from each of the six regions of Virginia as a "Virginia Banking Fellow." Students will have the opportunity to make connections with VBA members and students in their region and statewide. Fellows will receive opportunities to take

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industry online training and learn about internship opportunities at Virginia banks. This new partnership will be the focus of the upcoming VBA Education Foundation Annual Fund Campaign, which has a goal of \$65,000. This program will launch during the 2022-2023 school year.

Government Relations Committee Update

Chairman Maria Tedesco reported the 2021 BankPAC campaign pledges are currently at \$250,000 and thanked board members for their strong support. Resources available include a video on BankPAC and an online payment website. She encouraged VBA Board members to host VBA staff members to serve as guest speakers for their Board meetings regarding this year's BankPAC initiatives.

Chair Asbury recognized newly elected Board Chair Leton Harding and requested that he preside over the remainder of the agenda. Chair Harding requested and the board approved the following 2021-2022 Board organizational committees and VBA staff officers:

VBA Executive Committee

John Asbury, Immediate Past Chairman
Leton Harding, Chairman
Chris Bergstrom, Chairman-Elect
Dan O'Neill, At Large Member
Litz Van Dyke, At Large Member
Bruce Whitehurst, VBA President & CEO

VBA Audit Committee

Brad Schwartz, Chairman
Chris Bergstrom, VBA Board Representative
Tom Cherry, VBA Benefits Corporation
John Brough, VBA Management Services, Inc.

VBA Staff Officers

Bruce Whitehurst, President & CEO
DeMarion Johnston, General Counsel & Corporate Secretary
Stacy Puckett, Chief Financial Officer
Matt Bruning, Senior Vice President
Courtney Fleming, Senior Vice President
Chandler Owdom, Vice President

Chair Harding then invited VBA board members to confirm their hotel reservations for the September 11 Annual Convention at Charleston Place, the meeting held at 4:00 pm followed by a 6:15 pm reception. He also noted that the final board meeting of 2021 will be held on Friday, December 10 from 10:00am to 1pm at the VBA office in Glen Allen.

Other Business

Leton stated he is honored to be named the new 2021-2022 VBA Board Chair. He is proud of the VBA's staff and numerous accomplishments and looks forward to a great year ahead. He recognized outgoing

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board members Jeff Haley, Charlie Henderson and Dexter Gilliam for their dedication and service to the VBA and appreciation of their continued support to the VBA.

There being no other business, the meeting adjourned for executive session.

Minutes prepared by:

Anne Atkinson

Executive Assistant to Bruce Whitehurst