

ANNUAL MEETING MINUTES

October 20, 2020

FARM CREDIT OF NEW MEXICO, ACA FARM CREDIT OF NEW MEXICO, FLCA PCA OF SOUTHERN NEW MEXICO

The October Annual Meeting of the Farm Credit of New Mexico, ACA Stockholders was held Tuesday, October 20, 2020. Audit Committee Chairman and Board Vice Chairman Tom Drake called the meeting to order at 1:00 pm and thanked everyone for their participation on the call. He explained the need for the October Annual Meeting and reviewed several housekeeping items. He also stated the order of the business that will take place during the meeting:

Accept nominations from the floor for the four director positions
Accept nominations from the floor for the 2021 Nominating Committee
Review the 2019 and year to date 2020 Association financial performance

Vice Chairman Drake stated that floor nominations would be accepted for the four board positions:

Position 3 – Northwest Region
Position 4 – Southwest Region
Position 5 – Southeast Region
Position 7 – Southwest Region

He stated that any voting stockholder may nominate themselves or another voting stockholder. Shareholders nominated for a director position must reside in the region corresponding to the position they are nominated for. Shareholders being nominated for a director position must be less than 70 years of age at the time of term of office is scheduled to commence, which is December 1, 2020. The floor nominations must be seconded by another voting shareholder attending the meeting. The floor nominees must accept the nomination. All nominated shareholders must complete a director Candidate Disclosure Questionnaire.

He began with Position 3 – Northwest Region. This is a 4-year term, beginning immediately and ending following the elections in connection with Annual Meeting in May 2024. Nominees for this position must reside in one of the following counties:

Rio Arriba, Taos, McKinley, Sandoval, Santa Fe, Cibola, Bernalillo, Valencia, Torrance, Catron and Socorro

Vice Chairman Drake opened the floor for nominations for Position 3 - Northwest Region.

Member Kenneth Shaw nominated Member Leon Porter for Position 3 – Northwest Region; Member Lorelee Hunt made the second; Member Porter accepted the nomination.

Member Paul Madrid made a self-nomination for Position 3 – Northwest Region; Member Scott Shafer made the second; Mr. Madrid accepted the nomination.

Member Tommy Casados made a self-nomination for Position 3 – Northwest Region; Member Marty Sweeter made the second; Member Casados accepted the nomination.

Vice Chairman Drake called for additional floor nominations three times. There being none, he closed the nominations for Position 3 and continued.

Position 4 – Southeast Region has a two-year term that is the remaining two years of former Director Mike Marley's four-year term. This term begins immediately and will end following the elections in connection with Annual Meeting in May 2022. Nominees for this position must reside in one of the following counties:

Lincoln, Chaves, Eddy and Lea

Vice Chairman Drake opened the floor for nominations for Position 4 – Southeast Region.

Member Mike Marley nominated Member Doug DeGroot for Position 4 – Southeast Region; Member James Duffey made the second; Member DeGroot accepted the nomination.

Member Wayne Netherlin made a self-nomination for Position 4 – Southeast Region; Member Zack Penn made the second; Member Netherlin accepted the nomination.

Vice Chairman Drake called for additional floor nominations three times. There being none, he closed the nominations for Position 4 and continued.

Position 5 – Southeast Region is a new election for a seat that was previously in the 2019 election, the term begins immediately and will end following the elections in connection with Annual Meeting in May 2023. Nominees for this position must reside in one of the following counties:

Lincoln, Chaves, Eddy and Lea

Vice Chairman Drake opened the floor for nominations for Position 5 – Southeast Region.

Member Mike Marley nominated Member James Duffey for Position 5 – Southeast Region; Member Kim Chesser made the second; Member Duffey accepted the nomination.

Vice Chairman Drake called for additional floor nominations three times. There being none, he closed the nominations for Position 5 and continued.

Position 7 – Southwest Region is a new election for a seat that was previously in the 2019 election, the term begins immediately and will end following the elections in connection with Annual Meeting in May 2023. Nominees for this position must reside in one of the following counties:

Lincoln, Chaves, Eddy and Lea

Vice Chairman Drake opened the floor for nominations for Position 7 – Southwest Region.

Member James Duffey nominated Member Jim Hyatt for Position 7 – Southwest Region; Member Scott Shafer made the second; Member Hyatt accepted the nomination.

Vice Chairman Drake called for additional floor nominations three times. There being none, he closed the nominations for Position 7.

Vice Chairman Drake explained the role of the Nominating Committee stating that they will be challenged with finding qualified candidates for the 2021 board election and for the 2022 Nominating Committee.

Pursuant to the Association Bylaws, the Nominating Committee is comprised of no less than three and no more than seven members. There is no limit on the number of floor nominees who may become candidates for election to the nominating committee. Any voting shareholder may nominate another voting shareholder or nominate themselves. All nominees must reside in the Association's chartered territory. To become effective, the floor nomination must be seconded by another voting shareholder attending the meeting. The floor nominee must accept the nomination. Director Candidate Disclosures are NOT needed for Nominating Committee nominees. There is no limit on the number of floor nominees received. Those receiving the highest number of votes on the ballot will be deemed members of the 2021 Nominating Committee.

Vice Chairman Drake opened the floor for Nominating Committee nominations:

Member Kenneth Shaw nominated Member Cole Gardner; Member Danita Agar made the second; Member Gardner accepted the nomination.

Member James Sloan nominated Member Bill King; Member Jim Hyatt made the second; Member King accepted the nomination.

Member James Sloan nominated Member Zack Penn; Member Marty Sweetser made the second; Member Penn accepted the nomination.

Member Zack Penn nominated Member James Sloan; Member Devin Kanapilly made the second; Member Sloan accepted the nomination.

Member Danita Agar nominated Member Devin Kanapilly; Member Cole Gardner made the second; Member Kanapilly accepted the nomination.

Member James Sloan nominated Member Jett Sharp; Member Cole Gardner made the second; Member Sharp accepted the nomination.

Member Kim Chesser made a self-nomination for the 2021 Nominating Committee; Member Cole Gardner made the second; Member Chesser accepted the nominations.

Member Lance Vicente made a self-nomination for the 2021 Nominating Committee; Member Mike Marley made the second; Member Vicente accepted the nomination.

Member Leon Porter nominated Member Lorelee Hunt; Member Kenneth Shaw made the second; Member Hunt accepted the nominations.

Vice Chairman Drake called for additional floor nominations for the 2021 Nominating three times. Member Marley moved that floor nominations cease; Member Duffey made the second. .

Vice Chairman Drake thanked both the board candidates and the nominating committee candidates. He introduced President/CEO Alan Feit for the financial performance update. Feit stated that 2019 year-end was strong, the Association ended with loan volume growth of \$263 million or 6%. Final net income was \$30 million, supporting a strong patronage payment to our borrowers totaling \$11.8 million. After the patronage payout, our capital position remained strong at 21.2%. Overall 2019 was a strong year achieving business plan results.

President Feit continued with the 2020 Focus areas. The world changed quickly with the pandemic and FCNM is well positioned and financially strong to handle the COVID19 pandemic. Our control environment is rapidly improving and close to fully functional as evidenced by the quality of the 2020 audits. Customer experience enhancements continue. Loan growth is challenged. Overall YTD performance is very acceptable. Business continuity plans and implementation continue to keep our Customers, Staff and Directors safe. Feit closed reiterating that we are here for our borrowers – we stand ready to serve.

Vice Chairman Drake asked the Members if there were any additional comments or questions. He expressed appreciation for the Members' interest and support of Farm Credit of New Mexico. He concluded the meeting asking the director candidates to remain on the conference call so that contact information could be obtained for purposes of sending the Candidate Disclosure Questionnaire to them. The meeting adjourned at 1:40 pm.

Tom Drake, Vice Chairman

Kim Ronquillo, Secretary

Total Stockholders attending the business meeting – 16
Elected Directors attending the business meeting – 6
Appointed Directors attending the business meeting - 2
Total Employees attending the business meeting – 9
Outside Legal Counsel attending the business meeting – 1
Total – 34