

THE BULLETIN

VOLUME 15 ISSUE 1

1ST QUARTER 2021



A Message from the Director

Your Board of Directors held the 2021 1st Quarter Board Meeting by Webex/conference call on Thursday, March 18th. The focus of the Q1 Board meeting is always a review of prior year financial results. The Board reviewed a report on 2020 portfolio performance from portfolio managers Carol Tusch and Craig Woel. The Society's investments are equally split between stocks and bonds. The portfolio earned a combined return of 14.2%. Stocks gained 14.7% and bonds gained 8.9%. The portfolio's 3, 5 and 10 year returns average 16.1%, 9.1% and 8.2% respectively. 2021 returns through February reflect a gain of 2.1%; 6.1% for stocks and -1.8% for bonds. The QCS long term portfolio returns allow the Society to remain in a strong financial position to support the Mission of helping members in financial need.

Chapter financial grant activity in 2020 reflected 55 grants totaling \$78,720. This represents a decrease in the number of grants made and a \$41,179 or 34% decrease in dollars relative to 2019. 65% of the grants made in 2020 went to retirees, 14% to active employees and 21% to dependents of QCS members. This represents a shift toward grants for active employees and QCS member dependents. 14 Chapters participated in the grant process, about the same as 2019. The Mobile, Wisconsin, Vaughn, Springhill and Clinton Chapters were the most active Chapters in 2020 grant administration. These five Chapters made grants totaling \$53,915 representing 68% of the total.

COVID played a role in Chapter activity in 2020, both in terms of overall activity as well as the shift in grants made to active employees and dependents. Chapter meetings were curtailed in 2020, limiting the social activity and interaction that plays an important role in identifying grant opportunities. Medical bills were a major factor in 2020 grant activity.

North American QCS membership currently totals 38,633, a decrease over 2019. The decrease is the result of improved database information. We lost 1019 members in 2020 and 450 new members will be added in 2021. These totals are generally consistent with 2019 changes. 13,905 members or 36% are aligned with the current Chapter network. Retirees represent 24% of the total QCS membership and 66% of our Chapter aligned membership. Increased efforts are underway to add new Chapters based on targeted facilities and regional areas with a high number of members. Local Chapter activity drives the Society's ability to identify and reach QCS members in financial need. 2021 targets include Northern California, Bogalusa and Cedar River. Eastover has experienced start up challenges but will complete the new Chapter charter

OUR MISSION STATEMENT

The Society's purpose is to provide financial aid quickly and confidentially to and for the benefit of a member or a deceased member's surviving eligible dependent who is in need of financial assistance in the face of misfortune or emergency.

A Message from the Director (Continued)

The Social Media task team consisting of Jeanie Dowdle, Christa Allen and Fred Ellrich provided an update on Facebook launch activity and results to date. The goal of the project is to increase the visibility of the Society and improve the QCS member communication process. The expanded email database has enabled the team to move into full launch mode with 2,000 new Facebook invitations now being sent monthly. Platform governance and Facebook member qualification vetting is also being managed by the team.

Key document management work is nearing completion. Website upgrades are in the final stages and will provide Chapters and QCS members with improved access to QCS information including the Quarterly Bulletin. This effort is led by Joyce Margulies, Brian Issing and Mike Gorski.

The Board approved a new initiative to formalize the strategic planning process for the Quarter Century Society. The effort will be led by Mike Gorski and include formation of a working task team in the 2nd Quarter.

A new workstream was initiated in the 1st Quarter focused on a review of QCS membership data in an effort to ensure Board and Chapter level member outreach efforts are effective. The process will also look at Chapter level succession planning opportunities. Joyce Margulies, Jack Joseph and Doug Camp are engaged in this effort.

The Board initiated the Executive Director/Treasurer search process during the March meeting. Bill Wilson will end his term in the role at year end. The target date to have the position filled is October.

The Board extends appreciation to all Chapter leadership teams for their continued commitment to the QCS Mission. Our Chapter leadership volunteers remain the key to realizing the QCS Mission.

William R. Wilson

IP Announces Spin-Off of Printing Papers

International Paper (NYSE: IP) announced a plan to pursue a spin-off of the Company's Printing Papers segment into a standalone, publicly traded company ("SpinCo"). The transaction will result in two streamlined, leading companies well positioned for long-term success. Upon completion of the transaction, International Paper and SpinCo will each be well positioned to create long-term value. The Company expects the separation to be tax-free for the Company's shareowners for U.S. federal income tax purposes and plans to complete the spin-off late in the third quarter of 2021.

"We remain committed to producing sustainable products that people depend on every day and accelerating value creation for International Paper and our shareowners. This transaction represents a logical next step as we continue to build a better IP," said Mark Sutton, Chairman and Chief Executive Officer. "International Paper will be a more-focused corrugated packaging and absorbent cellulose fibers company serving attractive segments, well-positioned to increase earnings and cash generation. I am confident that our plans will create value for our shareowners, employees, customers and other stakeholders."

International Paper intends to accelerate profitable growth in Industrial Packaging in North America and Europe, the Middle East and Africa and improve the returns of its Global Cellulose Fibers business. International Paper will continue its joint venture with Ilim Holdings in Russia.

Following the completion of the transaction, International Paper expects to have approximately:

- \$17 billion in sales, 85% in Industrial Packaging and 15% in Global Cellulose Fibers
- 20,000 customers
- 20 containerboard mills with 14.5 million tons of annual capacity
- 8 pulp mills with 3.2 million metric tons of annual capacity
- 220 converting facilities
- 350 packaging designers
- 3,500 packaging formers at customer locations

Upon completion of the spin-off, Jean-Michel Ribieras, currently senior vice president, Industrial Packaging, will become the chief executive officer of the new company, which has been named Sylvamo Corporation. John V. Sims, currently senior vice president, Corporate Development, will serve as the chief financial officer.

IP Winter Storm Disaster Relief Efforts

SEALY, Texas – North American Container's team in Sealy, Texas, is producing 36,000 boxes for International Paper to donate to the Houston Food Bank. These boxes will be used to provide emergency meals to individuals impacted by February's winter storm that took place across the southern United States. Sealy team members were also impacted by the severe storm, but when the team heard about the need for boxes, they agreed to produce them without hesitation.

The facility is one of a handful of North American Container locations which produce International Paper's community engagement boxes. These are then donated to support organizations in need and helped us fulfill our 2 million box donations to Feeding America and food banks in our communities.

International Paper is also donating \$50,000 to Feeding America to support their severe winter storm disaster relief efforts in Texas, Louisiana and Mississippi after multiple winter storms wreaked havoc in those states with record-low temperatures and unprecedented snowfall and ice. The Feeding America network of food banks, which includes the Houston Food Bank, are bringing needed supplies to the most impacted areas to ensure our neighbors have the food they need. Feeding America expects more emergency food will be diverted to areas facing the continuing fallout from the storms.

IP Named to FORTUNE's List of World's Most Admired Companies, Ranked #1 in the Packaging, Container Industry

MEMPHIS, Tenn. – International Paper has been named to FORTUNE magazine's list of World's Most Admired Companies for the eighteenth time and ranked first among its peers. FORTUNE's World's Most Admired Companies list is the definitive report card on corporate reputations. Korn Ferry has collaborated with FORTUNE annually since 1997 to identify, select and rank the World's Most Admired Companies.

Q2 2021 Calendar

- Chapter Allotment funding April 20th
- Q2 Board Meeting June 17th

QCS Web Site & email

The Society QCS web site can be accessed at <http://www.ipqcs.com>. Bill Wilson can be reached at ipqcs1923@gmail.com