

Annual General Meeting East Coast Credit Union

April 11, 2017

The Annual General Meeting of East Coast Credit Union (ECCU) was held on April 11th, 2017 at St. FX University in Antigonish, N.S. and streamed online via Livestream. Chairperson Mary Oxner introduced herself, welcomed everyone in attendance, and called the meeting to order at 7:08 p.m.

Mary Oxner introduced the head table as follows: Ken Shea (President & CEO), Randy Peters (Secretary/Treasurer) and Caroline Dickie (Recording Secretary). Mary Oxner also introduced the remainder of the Board.

Mary Oxner introduced David Moorhouse, legal counsel for Atlantic Central and League Savings & Mortgage Company, who was appointed as Parliamentarian and as Voting Scrutineer for the meeting.

Presentation of Bursaries

Mary Oxner and Ken Shea presented the bursaries to the winners. The bursaries were awarded as follows:

- Claire Morley who is attending the University of Waterloo to study Environment and Business.
- Meaghan Van Zyl who is attending the University of Toronto to complete a degree in Human Biology.
- Kellina Pittman who is attending Queens University to complete a Bachelor of Kinesiology.
- Gemma MacPherson who is attending St. Francis Xavier University to complete a Bachelor of Health Science.
- Kerilyn Kennedy who is attending Queens University to complete a Bachelor of Science.
- Emily Joann Pettipas who is attending St. Francis Xavier University to complete a Bachelor of Arts in Human Kinetics.
- Jack Carmichael who is attending Cape Breton University to complete a Bachelor of Science in Nursing.
- Michaela MacLeod who is attending Dalhousie University to study Pre-Veterinary Medicine.
- Michael Cormier who is attending Mount Allison University to complete a degree in International Relations.
- Hannah Fisher who is attending Dalhousie University to complete a degree in Environmental Science.

Greetings from Joe Malek

Ken Shea welcomed Joe Malek, VP of Strategic Change with Atlantic Central to the podium. Joe Malek brought greetings from Atlantic Central, League Savings & Mortgage, and League

Data. He noted Ken Shea's leadership, innovation and services provided by credit unions in Atlantic Canada, the credit union difference and the honestmoney.ca promotion.

Declaration of a Quorum (requires 17)

Randy Peters reported the number of eligible voting members in attendance was 129. He declared that a quorum was present.

A moment of silence was observed to honor members who passed away in 2016.

Approval of Agenda

Motion made by David Harrison to accept the agenda as presented; seconded by Dan McDonald.

#01-2017 AGM

Motion carried

Approval of 2016 East Coast Credit Union AGM Meeting Minutes

Motion made by John Peach to approve the minutes from the East Coast Credit Union 2016 Annual General Meeting; seconded by Helen MacPherson.

#02-2017 AGM

Motion carried

Report from the Chair

Mary Oxner noted that the credit union has continued to make progress on its amalgamation plan, and that the Board provides oversight of the implementation of the plan, monitors the progress of milestones, and manages the amalgamation of policies and culture. The Board also generated a 2017-2019 strategic plan focusing on innovative products and services, development of employees, building the capacity of our communities, reinforcing the credit unions role, monitoring its financial performance, analyzing competitive changes in the financial landscape, working with other credit unions on projects, and focusing on the members needs and wants. Mary thanked the members, staff, management and Board of the credit union for another successful year.

Mary Oxner asked Ken Shea to present his 2016 report.

Report from the President & CEO

Ken Shea noted that one year into the amalgamation, the credit union has been focused on creating progressive change, organizational growth and development, overcoming challenges, rebalancing and realigning the business, completing the data merge, moving to one technology platform for internal communications, integrating our products and services, providing competitive pricing, implementing a member survey program across the organization, and reviewing policies and updating procedures. Ken also noted the grand re-opening of the Antigonish branch, the renovation of the Sackville branch, and a focus on sustainability, with the Bullfrog Power and Antigonish Solar Coop partnerships. Ken thanked the staff, management team, Board, and members for their support and cooperation during the past year.

From the floor, Maurice Smith noted that the amalgamation plan listed the creation of three centers of excellence in Port Hawkesbury, Dartmouth and Antigonish. Mary Oxner replied that the three centers have been created and they have operational oversight by the CEO. Ken Shea

noted that the credit union wanted to harness the abilities of staff where they lived without having to relocate them. He noted that the credit union continues to look at its structure, but remains true to a distributed head office model.

From the floor, Elaine MacLean asked if the credit unions strategic plan was available to members. Mary Oxner replied that while the strategic plan is not available online, the vision and mission statements of the credit union are. The strategic plan is a proprietary document and outlines the credit unions competitive advantages, so is not available to the public.

From the floor, Janet Hazelton noted that streamlining occurs with amalgamations, and asked if there have been job losses. Ken Shea replied that the original amalgamation plan noted a 10% reduction in staff over five years to be achieved through attrition, and there has only been a small change in our employment base thus far. He noted that when there is a retirement or a staff departure, the credit union assesses whether there is a need to replace that individual.

From the floor, Chris Rodman noted that the credit union should not be comparing itself to banks, that the new service fees have been an upheaval to members, and is concerned with staff layoffs. Ken Shea replied that we have implemented consistent fees across the organization, and that we offer different packages for different segments of our membership, including youth, seniors, and community groups. Ken also noted that the amalgamation plan outlined a 10% reduction in staff over five years. Chris Rodman noted that he has equity shares, and surplus equity shares, which resulted from patronage and dividends. Ken Shea replied that patronage shares have been given to members as part of profitability in the past, and were retained as surplus shares.

From the floor, Elizabeth Beaton noted that she responded to a survey and expressed concerns around the policies and practices of East Coast Credit Union. She received a phone call from an individual in Halifax who told her that a call center would be created in Antigonish, and employees who had been laid off would be part of that call center. Ken Shea noted that no employees have been laid off, and a call center is being looked at, as a way of staying in touch with our members. The call center could be housed in one location, or multiple locations, but this plan has not been finalized.

From the floor, Richard MacIsaac noted the difference between individual job losses and position losses, and asked what the credit union is doing to ensure that employment levels in local communities are maintained. Ken Shea replied that the credit union has 20 locations and 41,000 members, and every community is very important to the success of the credit union.

From the floor, Mike Moeller noted his disagreement that there have been no job losses. He noted that the credit union has not been filling vacant positions, which means that casual employees will not be hired. He also noted that the 10% reduction in staff appears to be concentrated in the former Bergengren only. Mike noted a staff member who moved to Halifax, the CEO position, the Executive Assistant position, and two union positions. Ken Shea noted that the 10% reduction in staff is across the entire organization and will happen over five years. There are a few upcoming retirements that will be occurring in the former Bergengren credit union. Mary Oxner noted that from the Boards perspective, they discuss

employees and communities on an ongoing basis, and they also have to implement the amalgamation plan. Mary noted that the staff member who moved to Halifax had their position maintained within the credit union, the CEO position in Antigonish was not required as the CEO had retired and the other CEO from East Coast Credit Union was maintained, and there have been no layoffs. Mike Moeller requested to make a motion regarding the positions being eliminated through attrition and retirements at the former Bergengren credit union. Mary Oxner replied that the motion could not be made from the floor. Section 69 of the Credit Union Act states that members who want to make a proposal from the floor need to provide advance notice. Mary noted that the membership approved a 10% reduction in staff levels through attrition, which will be actualized over time. The movement of staff within the credit union is possible, and noted the employee who moved to Halifax had requested the move.

From the floor, Mike Moeller presented the following motion:

Whereas the East Coast Credit Union management has made a decision to eliminate decent, well paid, full time permanent positions in the Antigonish branch of the former Bergengren Credit Union, two of them being union positions; whereas the special meeting of 2015 resulted in the merger of Bergengren Credit Union and the former East Coast Credit Union merged into East Coast Credit Union, information was presented to credit union members that evening that no positions would be eliminated in Antigonish, except through retirements and attrition, and then, only after 12 months where there was and is clear duplication of duties being performed elsewhere. There was no indication that there would be job losses due to transferring duties of positions from one branch to another. Whereas the decision to eliminate these positions has been justified with the reasoning and appearance of attrition and retirements, and that most of these jobs are duplication of duties already being performed in other branches of East Coast Credit Union. Be it resolved that a committee be formed immediately known as the Service Expansion Committee, comprised of an equal compliment of union members and management of the former Bergengren Credit Union, to determine exactly what duties are being transferred to other credit union branches, and what duties and duplication of other branches. This committee is to be established permanently within 90 days of acceptance of this motion. Be it further resolved that any and all work done is determined by the committee to be not duplication, whether unionized or management positions, this work will be kept within the current positions that are held at the former Bergengren Credit Union as permanent full-time positions. Be it further resolved that if any of these, or any other positions or duties are transferred out to other branches or not staffed properly, that a formal letter, approved by the Antigonish union members, be sent to all the former Bergengren Credit Union members. If there is an impasse between the parties of the committee on this topic, then a special meeting of all credit union members will be called to resolve this issue.

Motion to approve the above motion made by Mike Moeller; seconded by Elizabeth Beaton.

Motion ruled out of order

Mary Oxner noted that the motion as read is not an appropriate motion from the floor, as notice would need to be provided to members prior to this meeting. Mary noted that the Board of Directors are also members, and are listening to the concerns of the greater membership, and have been elected to represent the credit union, which means supporting the employees, who are also members. She noted that there are provisions for calling a special meeting to discuss a

proposal. Mike Moller asked that the credit union hold a special meeting within 90 days of the AGM to discuss the motion he presented earlier. Mary Oxner replied that we will refer to the bylaws to ensure the process being proposed is appropriate.

From the floor, Janet Hazelton noted that rural Nova Scotia is experiencing job losses, Antigonish in particular, and is very concerned about well-paying jobs leaving the community, as this results in people leaving the community. She cautioned the credit union to take consideration when analyzing these well-paying jobs, and noted that unions have their money with the credit unions in this province because they don't want to deal with big banks. Mary Oxner replied that employees, as well as sustainability, are very important to the credit union.

David Moorhouse noted that Bylaw 5.11 of the East Coast Credit Union Bylaws states that to call a special meeting, 150 members must provide written requisition to the Board of Directors. Mary Oxner asked Mike Moeller to follow this section of the bylaws in order to call a special meeting.

From the floor, Mike Moeller noted that Antigonish has lost positions, not individuals, and the focus of his motion was on positions being eliminated due to work being moved to another location, not duplication. If there was no duplication of job duties, then misleading information was provided in the amalgamation plan. Mike also noted that casual employees have not been hired as a result of work being moved. Mary Oxner replied that the Board is mindful of the employees, and also that the Antigonish branch is one of twenty branches. She noted that the Board takes its members comments seriously and will be discussing them at future Board meetings.

From the floor, Susan Adams noted that Cooperative Social Responsibility, and a financial institution that gives back to its community, is very important. She noted that there has been some concern expressed from members and the public that in the last year, sponsorships and donations in the former Bergengren area have been lower than in previous years. Mary Oxner replied that the Cooperative Social Responsibility giving has been restructured, as it now covers 20 branches. The credit union would like to give more back to its communities, but it also has to maintain a sense of fiscal responsibility. Mary noted that the 10-15% giving portion of the credit unions budget is surplus driven. Mary also noted the volunteer hours of staff and the fundraising they do is not counted as part of corporate giving, and that giving back to the community is part of what makes the credit union unique. Susan Adams requested a list of corporate donations, and Bill Timmons, Chair of the CSR Committee, noted that he would provide her with a list. Ken Shea noted that all of the 2015/2016 sponsorship and donations commitments were met.

From the floor, Jennifer Benoit asked where the credit union stood on achieving the 10% reduction in staff that was outlined in the amalgamation plan, and that the former Bergengren branches have seen more of a reduction through attrition than other parts of the organization. Ken Shea replied that the credit union has currently achieved around 1% reduction in staff.

Motion to approve the Report from the Chair and the Report from the President & CEO made by Willie Cormier; seconded by Kathy MacDonnell-Rankin.

#03-2017 AGM

Motion carried

Mary Oxner noted that the Board appreciates the comments from the membership and will be discussing the comments at their next Board meeting.

Report from the Auditors

Mary Oxner introduced David Yuill of BDO Canada LLP, the auditors of East Coast Credit Union.

David Yuill of BDO presented his audit report and an overview of the financial statements of the former East Coast Credit Union. David noted that the clean audit report was issued in March 2017, and also noted that the financial results for 2015 for Bergengren credit union were not audited by BDO, as they had used another firm. David highlighted management's responsibility, the auditor's responsibility, the credit unions assets and loan growth, liabilities, equity, income statement and net income.

From the floor, Chris Rodman asked if the financials were available broken down by branch. David Yuill replied that the entire organization is audited, not the individual branches. Ken Shea noted that the Board would need to consider providing a branch break-down to members.

Motion to approve the Auditors' Reports made by John Peach; seconded by Helen MacPherson.

#04-2017 AGM

Motion carried

Appointment of External Auditor

Dan Fougere, Chair of the Audit Committee, presented the recommendation to appoint BDO as External Auditors for 2017.

Motion that East Coast Credit Union engage BDO, or successors, as our External Auditors for the fiscal year 2017 made by Bill Mills; seconded by Craig Williams.

#05-2017 AGM

Motion carried

Election Results

Anne Sears, Chair of the Nominations Committee, reviewed the election process. She noted that the Nominations Committee was comprised of herself as Chair, Bill Timmons and Craig Williams. The Committee also received assistance from staff members Caroline Dickie and Jessica Sellars. Anne noted that the Call for Nominations was issued on January 26, 2017 to fill four vacant seats, and nominations closed on February 24, 2017. Eight candidates were accepted: John Butler, Maureen Farmer, Dan Fougere, Kathy MacDonnell-Rankin, Helen MacPherson, Melanie Sampson, Anthony Scoggins and Blair van Veld. Anne noted that the committee was very impressed by the credentials of all the candidates. The candidate biographies were posted in all branches and on the East Coast Credit Union website. Anne noted that evoting was offered to members, along with in-branch voting. She noted that the Nominations Committee would like to recognize the efforts of those staff who worked to implement evoting: Shauna Cranton, Caroline Dickie, Carolyn Grant, Jessica Sellars, Chuck Tibbo, and Trudy Wells.

David Moorhouse, Voting Scrutineer, noted that there were 651 ballots cast, with 41 ballots spoiled, resulting in 610 valid ballots. The elected directors, in alphabetical order, are Dan Fougere, Helen MacPherson, Melanie Sampson and Blair van Veld.

Motion to destroy the ballots made by Mike Moeller; seconded by Craig Williams.

#06-2017 AGM

Motion carried

Old Business

There was no old business to report on from the last Annual General Meeting.

New Business

From the floor, Maurice Smith noted that he is part of a study group looking at East Coast Credit Union, and is concerned about the existence of Class A Shares and the rules around dividends and voting rights. Mary Oxner replied that while the bylaws provide for the option of issuing Class A Shares, no Class A shares have been issued. The credit unions equity remains in equity and surplus shares. If the credit union decided to issue Class A Shares, there would be a detailed process that would have to be followed. Ken Shea noted that credit unions have certain requirements to support their growth, and one is equity. The former Heritage Credit Union required more equity, and as a result decided to issue Class A Shares. The shares only have voting rights in their own share class, and have no impact on the voice of members who hold other shares. The philosophy of one member, one vote is still maintained. The Class A Shares were maintained in the bylaws in case there was a future need for them. If the credit union determines they would like to issue Class A Shares, there is a process to be followed, including obtaining the approval from the Superintendent of Credit Unions, the development of a detailed prospectus, and a review of the offering from the membership before the shares are issued. The dividends offered by the shares are disclosed as part of the process.

From the floor, Kris Hanlon inquired about Class A Shares, their dividend process, and how these shares fit with the third cooperative principle. Ken Shea replied that Class A Shares had been offered in the past, as it has been challenging for credit unions to build their retained earnings quickly enough to support their growth. These shares provided some comfort to our regulators that we had the ability to cover our assets. When the shares were offered at Heritage Credit Union, the minimum purchase of Class A Shares was \$100.

From the floor, Elizabeth Beaton suggested that the Board of Directors provide the membership with financials on each individual branch. She also inquired as to the education expense in the financial statements. Ken Shea replied that education expense relates to the costs of training and education for staff. Mary Oxner noted that the Board will take the recommendation to provide branch financials to the membership and discuss at their next meeting. She noted that the credit union is comprised of numerous branches in various communities, and the credit unions costs are allocated to each branch.

From the floor, David Fletcher asked if there was a Board Committee that looked at member education, if the credit unions strategic plan could be provided to members for collaboration and if it addresses maintaining the cooperative principles. Mary Oxner replied that there is no

committee dedicated to member education, but the credit union does have a financial literacy program that is delivered by staff in the communities, and focused on youth. Mary noted that there is room for education at any age and welcomed suggestions from the membership on how the credit union can better deliver financial literacy to all of its members. Mary also noted that although the strategic plan is not available to members due to proprietary rights, there are ways in which the credit union can communicate parts of the strategic plan to its members. She noted that this item will be discussed at the May Board meeting.

From the floor, Mike Moeller asked for clarification on acceptable motions. David Moorhouse replied that when a specific matter is being debated, an acceptable motion would be one based on procedure and suggested amendments to procedure. David noted that the nature of Mike's motion was very detailed, and at the core, it was presenting a proposal from a member. Members can make proposals, but there is a process for doing this, as they must provide advance notice to the credit union, so the proposal can be shared with the entire membership for their review.

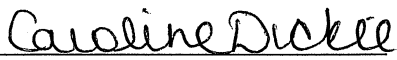
Mike Moeller asked about voting procedures for Board of Directors elections, and why there is a requirement for members to vote for a specific number of candidates. Mary Oxner replied that members vote for the number of vacancies available on the Board, and this process has been consistent year over year. If a change in process was desired, it would also require a change to policy. She noted that it is important that the membership elect the Board of Directors, and is not clear on the benefits of voting for less than the required number. Mike Moeller replied that if a member only knows one or two of the candidates, but is required to vote for four, they are voting for individuals they don't know. Mary Oxner replied that candidate biographies are provided for the members to review, but the Board will take this item back and discuss at a future Board meeting, and communicate the results of their discussion to the membership.

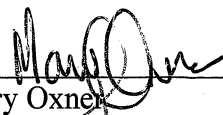
Mary Oxner thanked the staff at the St. FX Campus, the staff volunteers, Carolyn Grant, Trudy Wells, Jessica Sellars, Shauna Cranton, Caroline Dickie and the members for attending. She noted that the Board of Directors appreciated the level of engagement.

Having concluded the business agenda, Mary Oxner declared the meeting adjourned.

The meeting adjourned at 9:18 pm.

Respectfully submitted,


Caroline Dickie
Recording Secretary


Mary Oxner
Chair of the Board