

Annual General Meeting East Coast Credit Union

April 18, 2023

The Annual General Meeting of East Coast Credit Union (ECCU) was held on April 18th, 2023 at the Ashburn Golf Club in Halifax and streamed online via Livestream. Chairperson Dan Fougere introduced himself, welcomed everyone in attendance, and called the meeting to order at 7:01 p.m.

Dan Fougere introduced the head table as follows: Ken Shea (President & CEO), Leon Tovey (Parliamentarian/Scrutineer) and Caroline Dickie (Recording Secretary). Dan Fougere also introduced the Board of Directors and the Senior Executive Team.

Announcement of Bursaries

Dan Fougere and Ken Shea announced the following bursary winners:

- Isabella White, who is attending Cape Breton University to complete a Bachelor of Science.
- Katie MacNeil, who is attending Dalhousie University to complete a Bachelor of Science in Medical Sciences.
- Kaelyn Landry, who is attending Cape Breton University to complete a degree in Nursing.
- Julia MacDonald, who is attending St. FX University to complete a degree in Engineering.
- Madison Furlotte, who is attending St. FX University to complete a Bachelor of Arts in Celtic Studies.
- Cameron Bell, who is attending St. FX University to complete a Bachelor of Science in Human Kinetics.
- Ahmad Hadhad, who is attending St. FX University to complete a degree in Engineering.
- Jenna Hire, who will be attending Saint Mary's University or the University of Toronto to complete a degree in Anthropology.
- Belle Moore, who is attending Saint Mary's University to complete a Bachelor of Science.
- Cassandra Vail, who plans to complete a degree in Kinesiology and Biology at one of three universities she's been accepted to.
- Matti Allison, who is attending Mount Saint Vincent to complete a degree in Biology and Psychology.
- Carter MacDonald, who is attending Saint Mary's University to complete a degree in Criminology.

Appointment of AGM Parliamentarian and Scrutineer

Dan Fougere re-introduced Leon Tovey, legal counsel for Atlantic Central and League Savings & Mortgage Company, who was appointed as Parliamentarian and as Voting Scrutineer for the meeting.

Declaration of a Quorum (requires 17)

Anne Sears reported the number of eligible voting members participating in-person at the meeting was 57, therefore a quorum was present.

A moment of silence was observed to honor members who passed away in 2022.

Approval of Agenda

Motion made by Mary Oxner to approve the April 18, 2023 AGM Agenda; seconded by Ron Norquay.

#01-2023 AGM

Motion carried

Approval of 2022 East Coast Credit Union AGM Meeting Minutes

Motion made by Anne Sears to approve the minutes from the East Coast Credit Union 2022 Annual General Meeting; seconded by Bill Timmons.

#02-2023 AGM

Motion carried

Report from the Chair

Dan Fougere noted that, once again, the East Coast Credit Union team navigated challenging and uncharted waters to deliver a 9% natural growth on assets accompanied by a 92% increase in pre-tax earnings. This growth was achieved by implementing key strategies that focus on providing the best personalized banking experience for our members. Dan noted that rapidly evolving digital platforms are changing the way we serve our members, but the same values that inspired the founding of the credit union movement in Nova Scotia over 90 years ago continue to guide East Coast Credit Union today.

Dan noted that as the financial landscape changes, we need to be adaptable by continuing to explore partnerships that help us grow and strengthen into the future. Mergers with other credit unions is a key strategy we continue to prioritize as it enables us to expand our delivery of financial services while growing our membership and community impact throughout the province.

Dan noted that the impact we have on our communities remains at the core of everything we do and is an integral and growing part of our strategic plan. We have been working as an organization to advance our Diversity, Equity and Inclusion (DEI) efforts, involving a DEI consultant to assist us in assessing our current state and building a strategy as we move forward. Dan noted that this past year was an exceptional year of recognition. We received several highly regarded awards exemplifying our commitment to our communities. We were recipients of the Coady Award for our demonstration of leadership in co-operation, volunteerism, education, and environmental sustainability in our communities. We were also honored to receive the Canadian Credit Union Association's first ever National Environment, Social and Governance (ESG) Award. Dan thanked the members for their loyalty and support, the employees for their resourcefulness in meeting the evolving needs of the members and thanked the Board of Directors for their strategic vision and attention to good governance practices.

Dan Fougere asked Ken Shea to present his 2022 report.

Report from the President & CEO

Ken Shea noted that at East Coast Credit Union, service excellence, social responsibility, accountability, and preparing for the future are at the core of everything we do. 2022 was another progressive year, marked by membership growth to 42,807, asset growth to \$1.17 billion, equity at 7.80%, and a loan portfolio increase of 21% (or \$177 million) due to growth in our mortgage subsidiary launched in 2021 and unprecedented growth in commercial loans. Ken noted that throughout the past year we launched a new website, transformed the St. Peter's branch into an eco-friendly, professional space where members come to receive expert financial advice, launched a preferred share offering investment option (which resulted in members investing a total of almost \$17 million), and launched our Debit Mastercard product. Ken noted that in addition to providing financial support to members, we also offer coaching and mentorship to our business clients including welcome programs for new immigrant entrepreneurs, technical support to social enterprises, and sharing our wealth of knowledge on building a business.

Ken noted that our members are banking digitally across all segments. This is supported by the fact that over 90% of our members use digital banking or digital payment transactions, a record level of e-transfer transactions totaling \$427 million was sent and received in 2022, almost 50% of member transactions were completed by debit card tap, 1,696 accounts were opened online, and our online calendar booking system accounted for 9,764 appointments over a 6-month period. Ken noted that these transactions demonstrate member demand for fast, easy and safe methods for paying for things and transferring money to friends and family and for convenient ways to connect with East Coast Credit Union for account and banking advice. Ken noted that cyber security is a top priority for the credit union, and we continue to offer additional layers of protection to online banking, including implementing 2-step verification and strong PAC. It is important that members keep their personal and contact information up to date to secure their account and protect them from fraudulent activities.

Ken noted that in 2022, Canada's Credit Unions were once again the top pick for customer service excellence in the 2022 Ipsos Financial Service Excellence Awards. East Coast Credit Union was also named as one of Atlantic Canada's and N.S. Top Employers for a 4th year in a row, and our Human Resources team was the recipient of the Nova Scotia Provincial HR Team of the Year Award. 2022 was the second year for our East Coast CU Cares Grant Program, with our credit union making \$100,000 in grants available to help co-operatives and social enterprises in Nova Scotia. In total, we contributed over \$400,000 in community impact funds in the areas of environment, community wellbeing, economic development, education, and governance. Coupled with these financial contributions are countless hours of volunteerism by our staff and Board. Ken noted that the relationships we build in our communities from this volunteerism is the essence of what we do every day – we are more than a bank – we feel great satisfaction in our work when we see jobs created, homes purchased, and businesses succeeding. Alongside other participating Atlantic Canadian Credit Unions, we joined the Loyal2Local Challenge again this year to help inject over \$100,000 into the local economy. We also participated in our annual #EastCoastCUCares initiative, providing random acts of kindness to community members and organizations.

Ken thanked the Board for their continuous support, strategic advice and leadership. Ken also thanked the East Coast Credit Union team for their dedication to supporting our members, our communities and each other. Ken closed by thanking the members for their loyalty and support and welcomed members who joined in 2022. Ken noted that by joining a credit union and investing locally, members are giving back to their communities.

Dan Fougere introduced Josephine Wieczorek of BDO Canada LLP, the auditors of East Coast Credit Union.

Report from the President & CEO

Josephine Wieczorek of BDO presented her audit report and an overview of the 2022 financial statements of East Coast Credit Union. Josephine thanked East Coast Credit Union for the opportunity to conduct the audit, noted that an unqualified clean audit report was issued, and highlighted the credit unions assets and loans growth, member deposit growth, equity, financial revenue, financial expense, financial margin, other revenue, operating expenses, operating margin and net income. Josephine noted that the increase in loans was partially due to Yes Capital and commercial loan growth, and that growth in equity came from two main sources, the Class A Preferred Share issuance and net income.

Motion to approve the Auditors' Reports made by Mary Oxner; seconded by Don Smith.
#03-2023 AGM **Motion carried**

Appointment of External Auditor

Mary Oxner, Chair of the Audit Committee, presented the recommendation to appoint BDO as External Auditors for 2023.

Motion that East Coast Credit Union engage BDO, or successors, as our External Auditors for the fiscal year 2022 made by Mary Oxner; seconded by Ron Norquay.
#04-2023 AGM **Motion carried**

Board of Directors Election Process and Summary

Anne Sears, Chair of the Nominations Committee, reviewed the role of the Nominations Committee, the electoral process, and noted that four three-year term positions were available this year. The Call for Nominations was made on February 3, and concluded on March 3, resulting in a competent slate of seven candidates: John Berk, Corinne Carey, Dan Fougere, Peter Goth, Melanie Sampson, Anthony Scoggins and Peter Wilde. Online and electronic in-branch voting commenced on March 23 and concluded on April 13. Anne noted that in an effort to increase member participation in the election, two contests were held, the first being a member contest with three prizes. Anne drew the winning names as follows: Emily MacNeil (\$500), Donald Beaton (\$300) and Ian Wood (\$100). Anne noted that the second contest was a staff contest where the branch with the highest percentage of their members voting in the election would win a pizza party for their staff. The winning branch was the Havre Boucher branch, with 9.5% of their membership having voted.

Anne Sears introduced Leon Tovey, Voting Scrutineer, to announce the results of the Board of Directors election.

Leon Tovey, Voting Scrutineer, noted that the credit union utilized the evoting services of CUES (Credit Union Executives Society) for the 2023 election. As tabulated, there were 1,086 total ballots cast, with 8 of those ballots being spoiled due to commercial voters who had not submitted Authorization to Vote forms prior to voting, and due to more than the allowed number of voters for an account. The election results were confirmed by the CUES Election Manager. The elected directors are John Berk, Corinne Carey, Dan Fougere and Melanie Sampson.

Motion to Destroy the Ballots

Motion made by Dawn Foster to approve the destruction of the physical and digital ballots from the 2023 Board of Directors election; seconded by Bill Timmons.

#05-2023 AGM

Motion carried

Old Business

There was no old business.

New Business

From the online attendees, a question was asked regarding the Sheet Harbour branch and its future. Ken Shea responded that the Sheet Harbour branch will remain open and that we have worked hard since the closure of the Scotiabank branch to serve the broader needs of that community.

Special Resolution – Bylaw Amendments

Dan Fougere noted that amendments to the existing East Coast Credit Union Bylaws were approved by the Board of Directors on March 28, 2023 and are being recommended to the membership for approval. In July 2020, the Credit Union Act was updated, which governs the operations of Credit Unions in the province of Nova Scotia. The Act provides guidance and regulations on the incorporation of Credit Unions, capacity and powers of a Credit Union, capitalization and operating standards, membership, directors and officers, returns and financial disclosure, and other areas. East Coast Credit Union operates under a set of Bylaws that are a reflection of the Credit Union Act. As the Act was updated in 2020, we must also update our Bylaws to reflect those changes.

Dan Fougere asked Ken Shea to present the bylaw amendments.

Ken Shea noted that the proposed changes to the East Coast Credit Union Bylaws are as follows:

- The age of eligible membership has changed from 19 to 18. This age change also applies to common share requirements, voting rights and serving as a Director.
- The number of associate members shall not exceed one quarter of the number of members of the credit union. This is a change from 10%.
- The number of members required to request a special meeting has changed from 150 to 250 members, and guidelines on the special meeting process have been clarified.
- Clarity has been added regarding a member voting on behalf of a body corporate or association, as well as their own behalf.

- Clarity has been added regarding methods of voting, including specifying electronic voting.
- Language has been added to incorporate the consideration of the impact of governance decisions on all stakeholders.
- Clarify has been added on director resignations, removals and suspensions.
- Spelling and grammatical corrections have been made throughout.

There were no questions from the floor.

Motion made by Jerome Downey to approve the East Coast Credit Union Amended Bylaws as presented; seconded by Robin Barrett.

#06-2023 AGM

Motion carried

New Business – Merger Announcement

Dan Fougere noted that on March 28th we announced a partnership with LaHave River Credit Union to explore a merger to create an even stronger credit union, with improved sustainability and greater potential for growth and innovation. Dan noted that one of the most important roles of the Board is to provide oversight to the credit union and ensure we take steps to promote the long-term interests of our membership. The Boards of both credit unions feel that our shared mission of positively impacting the lives of our members and communities will serve as a strong base for this partnership. Dan noted that LaHave River Credit Union is a strong and growing credit union who serve their 2,200 members from their branch location in Bridgewater. In January 2023, we signed a Management Services Agreement with LaHave to provide management and support services to their staff. Dan noted that a committee of representatives from both credit unions are meeting monthly to explore the merger opportunity. The next step is to complete the due diligence process and create a business case. Following that process, if the Board of Directors from both credit unions choose to recommend a merger, we will seek membership approval in the Fall of 2023. A merger website has been created, where members can learn more: www.growingbettertogether.ca.

From the online attendees, a question was asked regarding BCorp. Ken Shea responded that BCorp is an independent group who audit what we do from a social responsibility perspective, and we are currently seeking BCorp Certification from this organization.

From the floor, Robin Barrett noted that although he felt some hesitation at not being able to easily call his local branch, he has found the telephone support he has received from our centralized team has been good. Robin also noted that the two-step verification is an appreciated additional piece of security. Robin noted that he would like to see more education for members on the subject of financial literacy, and would like to speak to someone at the credit union regarding services like Qtrade, rather than a representative of another company. Ken Shea noted that we do offer a program called Each One, Teach One, which provides financial literacy sessions facilitated by our own staff on a variety of topics from budgeting to credit health. Ken also noted that we are in the process of sponsoring an independent financial expert’s television show. Ken noted that East Coast Credit Union is part owner of CUFM (Credit Union Financial Management) who provide financial advice services.

From the online attendees, a question was asked regarding membership growth and how are we reaching newcomers. Ken Shea responded that our membership growth has been occurring broadly across our communities, and we are actively reaching out to newcomers and immigrants through co-op programs to provide employment, partnering with settlement organizations, and providing Each One, Teach One courses for newcomers to assist in understanding the Canadian financial system.

From the floor, John Cross noted that he was attending the meeting as a representative from Holy Trinity Church and wanted to pass along their thanks for the service they are receiving from the credit union.

From the online attendees, a question was asked regarding environmental stewardship and fossil fuel lending. Ken Shea responded that we are not as exposed as other financial institutions to the fossil fuel industry, and we are participating in a program through the Canadian Credit Union Association to identify the types of loans we offer and how that affects our environmental footprint and impact. Ken noted that as we transform our branch locations, we incorporate solar energy, efficient lighting, and other environmentally friendly features to the buildings, and we have completed energy audits on all of our locations.

Dan Fougere thanked the Voting & Elections Team, the Marketing & Communications Team, the IT department, the staff volunteers, the Ashburn Gold Club and the team from 45North for their role in putting the meeting together. Dan also thanked the members for attending.

Having concluded the business agenda, Dan Fougere declared the meeting adjourned.

The meeting adjourned at 8:16 pm.

Respectfully submitted,

Caroline Dickie
Recording Secretary

Dan Fougere
Chair of the Board