

Annual General Meeting East Coast Credit Union

April 16, 2019

The Annual General Meeting of East Coast Credit Union (ECCU) was held on April 16th, 2019 at the Old Ashburn Golf Club in Halifax, N.S. and streamed online via Livestream.

Chairperson Mary Oxner introduced herself, welcomed everyone in attendance, and called the meeting to order at 7:07 p.m.

Mary Oxner introduced the head table as follows: Ken Shea (President & CEO), David Moorhouse (Parliamentarian/Scrutineer) and Caroline Dickie (Recording Secretary). Mary Oxner also introduced the Board of Directors.

Mary Oxner noted that East Coast Credit Union was the proud recipient of the 2018 Canadian Credit Union Association National Corporate Social Responsibility Award. A video was shown to highlight the award and East Coast Credit Union's green energy focus.

Dave MacLean Bursary Endowment Announcement

Mary Oxner announced the Dave MacLean Bursary Endowment, which was created to honor the life and work of Dave MacLean, a former Board member of the Bergengren Board of Directors. Mary introduced Iain Boyd, Chief Campaign Officer, Xaverian Fund, St. FX University, who spoke on behalf of St. FX University. Iain noted that the endowment fund will serve as a lasting legacy to Dave MacLean and will be awarded to four Atlantic Canadian students on an annual basis. Iain noted that he was grateful to East Coast Credit Union for taking on a leadership role in establishing the bursary and for encouraging the participation of other credit unions.

Presentation of Bursaries

Mary Oxner and Ken Shea presented the bursaries to the winners as follows:

- Gracie Macdougall, who is attending Carlton University to complete a Bachelor of Science with an Honors in Psychology.
- Caden MacLellan, who is attending St. FX University to complete a degree in Engineering.
- Reid Brown, who is attending Dalhousie University to complete a degree in Engineering.
- Olivia Day, who is attending Dalhousie University to complete a degree in Medical Sciences.
- Jaden Samson, who is attending St. FX University to complete a Bachelor of Science in Human Kinetics.
- Savanna Fougere, who is attending NSCC to complete the Early Childhood Education program.
- Josh Farmer, who is attending St. FX University to complete a Bachelor of Business Administration.
- Brooke Breen, who is attending either St. FX University or Memorial University to complete a Bachelor of Science in Human Kinetics.

- Eilidh Campbell, who is attending St. FX University to complete a Diploma in Engineering.
- Ben Hicks, who is attending Acadia University to complete a Bachelor of Business Administration.

Greetings from Joe Malek

Mary Oxner 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. Joe noted that East Coast Credit Union is the largest of the 45 credit unions in Atlantic Canada, and that credit unions contribute to the economy by employing individuals in all four Atlantic provinces, by providing capital to build businesses, and providing mortgages to families. Joe noted that Atlantic Central is a trade association owned by credit unions and provides consulting, liquidity and a number of other services to credit unions. The purpose of Atlantic Central is to help credit unions serve their members, and to enable growth and collaboration across the credit union system. Joe noted that strong leadership is key to the success of credit unions, and that currently, East Coast, League Data and Atlantic Central were working on a system wide business strategy that would allow members to open an account or apply for a loan entirely online. Joe noted that credit unions have a different approach to banking that puts their members first.

Appointment of AGM Parliamentarian and Scrutineer

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.

Declaration of a Quorum (requires 17)

Anne Sears reported the number of eligible voting members in attendance was 64. She declared that a quorum was present.

A moment of silence was observed to honor members who passed away in 2018.

Approval of Agenda

Motion made by Bill Timmons to accept the agenda as presented; seconded by David Borden.
#01-2019 AGM **Motion carried**

Approval of 2018 East Coast Credit Union AGM Meeting Minutes

Motion made by Kris Hanlon to approve the minutes from the East Coast Credit Union 2018 Annual General Meeting; seconded by Helen MacPherson.
#02-2019 AGM **Motion carried**

Business Arising from the Minutes

Motion made by Robin Barrett to approve the destruction of the ballots from the 2018 Board of Directors Election; seconded by Kathy MacDonnell-Rankin.
#03-2019 AGM **Motion carried**

From the floor, John Peach asked how members attending via the Livestream were accounted for and if any thought was given to providing a method for remote participation. Mary Oxner replied that only members physically present in the room could make motions and vote on items, but that the credit union could look at expanding that process for future years. Ken Shea noted that there have been discussions on better incorporating members into the meeting who attend remotely, and how they could be authenticated.

From the floor, Kris Hanlon suggested that members could meet at the three Centres of Excellence and staff in those locations could authenticate the members to allow them to vote from those locations on items that arise at the AGM. Mary Oxner replied that this will be looked into for future years.

Report from the Chair

Mary Oxner noted that the pace of change has been rapidly increasing, with advances in artificial intelligence, #MeToo Movement, and climate change as examples. She noted that changes in financial services have also been occurring at a fast pace, including digital banking services, bitcoin and blockchain. Mary noted that the Board and Management of East Coast Credit Union continue to work on innovations, focusing on serving and engaging members, and embracing new technology. She noted that the amalgamation plan was successfully completed, and allowed for the streamlining of processes and positions, an increased focus on new technology including innovation through digital platforms, improved products and services, new partnership opportunities, and branch transformations. Mary Oxner noted that East Coast Credit Union continues to differentiate itself in its communities by supporting volunteerism, non-profits and the environment. Mary thanked the members, staff, and the Board for their support during the past year.

Mary Oxner asked Ken Shea to present his 2018 report.

Report from the President & CEO

Ken Shea introduced the Executive team, consisting of Dave Macdonald (Dartmouth), Sally van de Wiel (Antigonish), Layla Khalil (Dartmouth) and Monica McCarthy (Port Hawkesbury). Ken noted that the pace of change is rapid and credit unions need to be open and adapt to it. Ken provided an update on the strategic plan of East Coast Credit Union and noted that the credit union has an aging demographic and that more members are choosing to do their banking online. Ken reviewed the credit unions mission, vision, values, and priorities (exceptional value to members, empowered engaged and motivated people, targeted growth, well recognized brand, and continuous improvement). Ken Shea thanked the staff, management team, Board, and members for their support and cooperation during the past year.

From the floor, David Barrett noted that that Ken Shea does a great job advertising the credit union, as he hears him on the radio. He noted that rural Nova Scotia needs more focus if we're going to be a great province and appreciates the employment and other benefits that credit unions provide to other parts of the province.

From the floor, Elizabeth Beaton asked what the credit union is doing to address educating young people in schools on the benefits of the credit union and suggested that the credit union

involve members by posting a call for volunteers to go into schools to talk to youth about the value and history of the credit union.

From the floor, Kris Hanlon noted that she found the slide on the vision and mission interesting. She noted that she understands the vision, but feels that as a member, she's being told why we exist. Kris Hanlon noted that it would be nice to see the mission contain a reference to the credit union being a member-owned financial institution that provides services and leadership to the community. She noted that she feels the Board is working on communicating this message, and that it would be great for our branding if we keep putting that message out there, as she feels that the mission is watered down.

Motion to approve the Report from the Chair and the Report from the President & CEO made by David Barrett; seconded by Trevor Boudreau.

#04-2019 AGM

Motion carried

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 East Coast Credit Union. David noted that an unqualified clean audit report was issued, and he highlighted the credit unions assets and loans growth, deposits, equity, financial revenue and expense, financial margin, other revenue, operating expenses, operating margin and net income.

From the floor, Kris Hanlon noted that she was pleased to see the opinion provided at the beginning of the audit report, as opposed to at the end. She asked for an explanation of bank indebtedness and noted that derivatives are now a liability, as opposed to an asset. Ken Shea replied that the bank indebtedness is the credit union's line of credit with Atlantic Central. He explained that since the credit union tends to be fairly liquid, and with our current high loan demand, we have had to utilize our own line of credit. Kris Hanlon noted that our equity at the end of 2018 was not on target, but that has been explained. She noted that share surplus is \$32,000 and that on January 22, 2019 a dividend was declared and approved. Ken Shea replied that the share dividend is approved and paid every year on both the surplus and member shares, and this year was paid as 1% of the equity and surplus share balances.

Motion to approve the Auditors' Reports made by Randy Peters; seconded by Kris Hanlon.

#05-2019 AGM

Motion carried

Appointment of External Auditor

Randy Peters, Chair of the Audit Committee, presented the recommendation to appoint BDO as External Auditors for 2019.

Motion that East Coast Credit Union engage BDO, or successors, as our External Auditors for the fiscal year 2019 made by Randy Peters; seconded by Anne Sears.

#06-2019 AGM

Motion carried

Election Results

Melanie Sampson, Chair of the Nominations Committee, reviewed the election process. She reviewed the role of the Nominations Committee, the electoral process, and noted that four three-year terms, and one one-year term, were available. The Call for Nominations was made on February 5, resulting in a competent slate of eight candidates, and electronic in-branch and online voting took place from March 22 to April 11. All regulations were followed with respect to the election and advertising was conducted on social media, on the credit union's website and in local newspapers. Melanie noted that in an effort to increase member participation in the election, the Nominations Committee introduced two contests this year, one for members and one for staff. The member contest was open to any eligible member who voted and consented to have their name entered into the draw to win \$500. Melanie drew the winning member's name from the ballot box and announced that Vernon Graham was the winner of the \$500 prize. Melanie noted that the staff contest consisted of a pizza party prize for staff, and coffee and cake for the members of the winning branch. The branch who had the highest percentage of their members voting in the election would win the prize. Melanie was pleased to announce that the Havre Boucher branch was the winner, with 13.1% of their membership voting in the election.

David Moorhouse, Voting Scrutineer, noted that the credit union utilized the e-voting services of CUES (Credit Union Executives Society) for the 2019 election. As tabulated, there were 1,555 total ballots cast, with eight of those ballots being spoiled. Of the 1,547 valid ballots, one was cast via paper ballot, and the remaining ballots were cast electronically. David noted that the election results were confirmed by the CUES Election Manager. The elected directors for the three-year terms, in alphabetical order, are Trevor Boudreau, Leroy MacEachern, Mary Oxner and Anne Sears. The elected director for the one-year term is John Berk.

Motion to Destroy the Ballots

Motion made by Maurice Smith to approve the destruction of the ballots from the 2019 Board of Directors Election; seconded by Helen MacPherson.

#07-2019 AGM

Motion carried

Old Business

From the floor, David Barrett noted that he disagrees with the way members vote for the Board of Directors. He noted that he only knew two of the candidates in this year's election and doesn't believe it is fair to ask members to vote for candidates they don't know. Mary Oxner replied that in the minutes from last year's AGM, this item was addressed, and she noted that the Board does a bi-annual review of the voting process.

From the floor, Elizabeth Beaton noted that the AGM advertising on the credit union's website had improved from last year, but still feels that since the meeting is about engagement and participation, that the credit union could do more to advertise it. She also noted that the meeting material could be easier to access by providing all of the meeting information on one page, including the AGM minutes, annual report and financial statements. Elizabeth also noted that the annual report and financial statements should have been made available ten days prior to the AGM, which they were not, and they should also be made available in paper format at

the branches. Elizabeth suggested that the AGM should be held on a weekend to allow for more member participation.

Mary Oxner replied that the annual report is provided in electronic format to improve our green footprint, but we can look at providing paper copies of the report upon request at the branches in the future. Mary noted that in terms of holding the AGM in April, the Credit Union Act stipulates that time frame, but the Board can look at the possibility of changing dates going forward.

From the floor, Colleen Cameron noted that she was pleased with the green initiatives the credit union has undertaken and noted that the credit union could do more to facilitate member participation in the AGM from remote locations, as that would reduce the number of cars on the road travelling to and from the meeting. Mary Oxner replied that this item would be considered for next year's AGM.

New Business

Mary Oxner noted that two member proposals were submitted for consideration at the AGM, and that Proposal #1 was submitted by Elaine MacLean, and she invited Elaine to the microphone to speak to her proposal. From the floor, Elaine MacLean noted that at the 2017 AGM, Mike Moeller had spoken about the issues with the current Board of Directors election process. She noted that while she is not concerned with the issue of voting for people that she doesn't know, she does want the credit union to consider the voting process known as cumulative voting. She noted that although in her proposal, it states that the Board did not discuss this at last year's AGM, this was not correct, as the Board did discuss it with the membership. She noted that cumulative voting would allow for members to cast their required number of votes for any number of candidates, up to the required number, so a member could place all of their votes for the same candidate. She noted that she would like to see the Board provide a formal report to the membership that shows that the Board analyzed a variety of voting methods and let the membership discuss. She also noted that an alternative voting process may encourage more diversity in the slate of candidates, and hopefully result in more diversity on the Board.

Mary Oxner replied that the Board has agreed to revisit the research they have already conducted on this issue and commits to providing a report at the 2020 AGM containing information on various voting options available and will also investigate how to increase diversity as part of that process. Since the Board has agreed to take this action, no vote on the proposal is required.

From the floor, Robin Barrett asked if the current credit union constitution prevents the use of cumulative voting, and if it did, could an amendment to the bylaws be made at next year's AGM. Mary Oxner replied that to her knowledge, there is nothing preventing the use of cumulative voting in the credit union's bylaws.

From the floor, John Peach noted that he doesn't like some aspects of the current electoral system, as the credit union has just seen six of its branches frozen out with no representation, due to the election results, as there are no directors on the Board until you reach New Glasgow,

and the regions of the credit union are not fairly represented. He noted that a large portion of the credit unions assets come from the HRM, in yet the governance of the credit union is being controlled by a small nucleus, and that members have created this split. Mary Oxner noted that the Board will consider a number of aspects of the voting process and the results that come from that.

From the floor, David Borden asked for clarification on the proposal and if it states that members would still have to vote for five candidates, as he feels that allowing members to vote for any number of candidates, up to the desired amount, would be fair. Mary Oxner replied that the proposal is suggesting an alternative voting method to allow members to vote a specific number of times, not necessarily for different candidates.

Mary Oxner noted that the second member proposal that was submitted for consideration is Proposal #2, submitted by Maurice Smith, and she invited Maurice to the microphone to speak to his proposal. From the floor, Maurice Smith noted that members in Antigonish started meeting as part of a Study Group, looking at the effects of the amalgamation on the credit union, as study groups have been the foundation of many credit unions, as the Bergengren Credit Union formed from a study group in 1933. The current Study Group met and came up with a number of issues that they felt were important to the membership and that they felt the Board should address. One of those issues was the voting issue that was addressed in Proposal #1, as the group felt that members were unhappy with being unable to bring the item forward sooner, as it had been discussed in past years. Maurice noted that The Credit Union Act is very limiting as far as how motions and proposals can be brought forward. He noted that the Study Group would like the Board to consider having an advisory committee of members to advise the Board on issues the members bring forward, although this should not be considered as members trying to take over the authority of the Board, as this is not the intent. The Study Group would like to increase engagement of members with the credit union and allow members to bring concerns forward when they have them. Maurice noted that the proposal is asking for an advisory committee (or similar) to be created to increase member engagement.

Mary Oxner noted that the credit union's legal counsel has requested that Maurice make a motion from his proposal.

Motion made by Maurice Smith that an advisory committee to the Board of East Coast Credit Union composed geographically of representatives (minimum of six; three from Cape Breton, three from the Mainland) to further the goals of member engagement and pride in membership; seconded by Colleen Cameron.

From the floor, Bill Timmons asked if the Study Group has attempted to contact any member of the Board to discuss the advisory committee, and where the Study Group holds their meetings, how many meetings have been held, and if they are open to the public. Bill noted that he doesn't believe the Board has been invited to attend the Study Group meetings. Bill also noted that he has studied the history of the credit union movement and that communication has changed from the time of Study Groups and doesn't see how an advisory committee would be helpful to the Board. Bill noted that he is speaking against this motion and

doesn't feel an advisory committee would be conducive to running an efficient and democratic credit union where directors are duly elected by a majority of members across the organization.

From the floor, Elaine MacLean noted that at last year's AGM she invited everyone in attendance to provide their email address to her and the Study Group would be in contact with them to extend an invitation to their meetings. She noted that the Study Group meets every third Sunday at the Town House Pub in Antigonish at 4 pm.

From the floor, David Barrett noted that he understood that at the annual meeting, members could bring up motions and discussion items and suggestions and is concerned that his understanding may not be correct.

Mary Oxner replied that there is a time frame to be followed for the submission of proposals to allow members time to review and consider the proposal, to attend the meeting if they wish and to vote on the motion.

From the floor, David Barrett noted that the credit union is a large organization and members should be able to bring items forward at the AGM.

Mary Oxner replied that members are welcome to speak at the AGM, but for motions and proposals, they are required to be submitted in advance.

From the floor, Nadia Gardin-Langille noted that she would like to see the proposal include representation from the HRM, as the mainland is a large area.

From the floor, Maurice Smith noted that the intent of the proposal was not to exclude anyone, and the three representatives from the mainland and three from Cape Breton was just a suggestion. The intent of the committee would be to provide the membership with a means for getting their concerns to the Board level, not just being able to raise concerns at an AGM.

From the floor, John Peach noted that if the Board considers creating a committee like what is being proposed, the representation on the committee should be based on asset size, so it is truly representative across the entire organization, and not strictly based on geography.

From the floor, Maurice Smith noted that the six representatives as outlined in the proposal was a suggestion, and there could be more representatives if needed from different areas. He noted that the prime function of the committee is getting member concerns to the Board.

From the floor, Randy Peters noted that he is confused by some aspects of the proposal and noted that if the concern is getting member issues to the Board level, members have access to the Board via an email address and have the opportunity to have representation on the Board through the Board election. He noted that there is no limit on who can run or where they come from, and the issue to him seems to be that we have a small percentage of our membership voting in the election. He noted that if more members voted, the representation on the Board should satisfy the needs of the membership, and he is not in favor of this proposal. Randy noted that the creation of this committee would provide another filter over what information

the Board receives, and he would rather hear from all members as to what their concerns are and would like to see members using their voice to vote for who sits on the Board. He noted that it is the Board's job to seek input from the members and feels the priority should be on encouraging more members to vote in the Board election.

From the floor, Elizabeth Beaton noted that she was upset by the adversarial tone at one of the recent annual meetings in Antigonish and felt that in a credit union where the members are the owners, she always understood the role of the Board to be one of responding to members concerns. She noted that she was approached by another member who asked her to speak to a member of the Board about some concerns they had. She noted that she sent an email to a Board member that she knew and received an email response back from Ken Shea. She had asked the Board member to meet to discuss some of the concerns she had been hearing, and in the reply she received from Ken Shea, she was asked to send her concerns in and the Board would discuss them as a group. Elizabeth noted that as a result of this interaction, she does not feel that members can go to the Board with their concerns at any time.

Mary Oxner noted that she encourages members to also contact staff if they have questions and concerns. She also noted that there is a Board email available on the website that members can use.

Ken Shea noted that a question was posed from an attendee watching via Livestream, and the question asked by Corrine Carey was how would members be selected for the member committee? Mary Oxner replied that the proposal is for the Board to consider setting up the committee, and the logistics would have to be part of an extensive discussion.

From the floor, John Peach called for the question on the motion.

Mary Oxner noted that the motion is for the Board to consider the formation of an advisory committee that has geographical representation, as it is under the Board's consideration to establish committees. Mary noted that given the structure of the Board and Board decision making, it is up to the Board to consider the establishment of a committee, and that is why the proposal had to be amended. David Moorhouse noted that the membership cannot compel the Board to strike a committee, as that is up to the discretion of the Board. Mary called for a vote on the motion for the Board to consider forming an advisory committee with geographic representation.

#08-2019 AGM

Motion failed (13 in favor, 26 opposed)

From the floor, David Barrett noted that the credit unions account statements are a great benefit to the membership in how they are formatted and how the information is easy to locate, and this could be used in the credit union's advertising strategies. He also noted that the staff in the Lower Sackville branch are excellent and noted that he would like to make a motion on behalf of the membership to thank all of the staff for the tremendous service they provide.

From the floor, Elaine MacLean noted that if a member submits a proposal three months in advance of the AGM, there should be an obligation to check with the Parliamentarian to verify

if the proposal meets the requirements or not, and if the proposal did not meet the regulations, than the person who submitted the proposal should have been contacted to make adjustments to it. Elaine noted she felt it was disrespectful to wait three months to inform the membership that the motion was out of order.

Mary Oxner replied that legal counsel was consulted with prior to the AGM, and the format of the motion was amended and clarified at this meeting and put forward for a vote of the membership.

From the floor, Elizabeth Beaton noted that she disagrees with the explanation of the amendment to the motion and feels that the Board has imposed an amendment on the proposal without consulting with the membership or with the individual who submitted the proposal, and as a result suggested that the Board consider the vote on the motion to be null and void.

Mary Oxner replied that the motion couldn't be voted on as presented and so the proposal was amended so the membership could vote on it.

From the floor, John Peach noted that he has difficulty with a group of members, who represent less than .04% of the entire membership, expecting all members in attendance to support an item that they put forward. He noted that the members spoke, and it is now a dead issue, and the group who put forward the motion do not speak on behalf of all other members.

From the floor, Kris Hanlon noted that they thought they were doing a good thing, as they are an engaged group who had some ideas and invited people in the area to join them to discuss their thoughts. She noted that no one is trying to shut anyone out, and the motion that was submitted was not meant to be adversarial or insulting.

From the floor, Robin Barrett noted that he has been with the Lower Sackville branch of the credit union for a long time and is a great fan of the credit union. However, he noted that in 2014, a contractor for his family business approached him with concerns over travelling to and from the Valley to obtain their funds and inquired about direct deposit. Robin noted that the branch informed him that direct deposit wasn't available for this contractor, and in 2019 the contractor was involved in a motor vehicle accident driving to the city to obtain their funds. Robin noted that in 2014, banks were offering to provide the direct deposit service for his contractor, but the credit union was not. In 2016, Robin noted that his company wanted to set up direct deposit for their own employees and were told by the credit union that the only way to achieve that was to obtain the services of an outside payroll company. Recently, he noted that his company has been doing etransfers, but finds the process very cumbersome, because as the signing authority, he has to authorize every single deposit, instead of being able to authorize one of his staff to do this function. Robin noted that all of these items are things that the credit union should be able to provide to their members and is concerned that the credit union is falling behind. Robin Barrett noted that the AGM follows Roberts Rules of Order, and those rules state that if you are a voting member, you are able to put a motion on the floor and there are no restrictions. If we are not allowing members to put motions forward, then we are not following Roberts Rules of Order, and we should be open to hearing everyone and letting everyone make a motion if they desire.

Ken Shea acknowledged that the credit union has struggled with falling behind the competition, and noted that we are in the process of finalizing a system that will allow for the facilitation of transactions such as the ones Mr. Barrett mentioned, and are also first on a list of credit unions who will be implementing a program that will provide commercial members who conduct etransfers the ability to pre-approve transactions to their accounts.

David Moorhouse noted that he understands Mr. Barrett's comments in terms of Roberts Rules of Order and allowing due process, but also noted that there are limitations placed on member proposals by the credit union's bylaws and legislation. The Credit Union Act requires that member proposals be brought forward in advance and contain a certain amount of information so that members can choose to attend the AGM and speak to the proposal if they wish.

Mary Oxner thanked the staff at the Old Ashburn Golf Club, staff from 45North, East Coast Credit Union staff volunteers, and the members for attending.

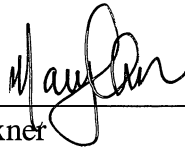
Having concluded the business agenda, Mary Oxner declared the meeting adjourned.

The meeting adjourned at 9:43 pm.

Respectfully submitted,



Caroline Dickie
Recording Secretary



Mary Oxner
Chair of the Board