

MINUTES OF THE SIXTY-FIFTH ANNUAL MEETING held on Tuesday, March 28, 2023

**MINUTES OF THE SIXTY-FIFTH ANNUAL GENERAL MEETING  
TUESDAY, MARCH 28, 2023**

The 65<sup>th</sup> Annual General Meeting of Kingston Community Credit Union Limited was held virtually via GoToWebinar on Tuesday, March 28, 2023.

Agenda Item #	Acceptance/Discussion	Status
<b>Welcome, Virtual Meeting Instructions, CEO Remarks</b>	<p><i>Before the Annual General Meeting (AGM) was called to order, the Corporate Secretary, Mary Lowdon, introduced a series of housekeeping rules. She pointed out the attendee interactive panel which allowed attendees to raise their hand and ask questions. The “Raise Your Hand” function was used to record the acceptance and opposition to motions. An attendee could also ask a question which were answered in the Q &amp; A session at the end of the meeting. All meeting materials had been made available on the KCCU website in advance of the meeting.</i></p> <p><i>Jon Dessau, CEO, was introduced as the moderator for the meeting. He welcomed all attendees and explained that when we started planning for this meeting, back in December, we had to decide early on the format and given the unpredictability of the pandemic, only a virtual meeting could be guaranteed to succeed. He is looking forward to the day when we can interact directly as we are about local, building relationships and knowing our members. Mr. Dessau encouraged attendees to use the question function to interact with the presenters and staff.</i></p> <p><i>Mr. Dessau introduced Lisa DiRocco, Chair of the Board of the Directors.</i></p>	
<b>1) Enrolment of Members</b>	<p>At 7:02pm, the meeting was called to order by the Chair of the Board of Directors, Lisa DiRocco.</p> <p><u>Determination of Quorum:</u> The Corporate Secretary confirmed that there were fifty-four (54) registered Kingston Community Credit Union members in attendance. In accordance with the by-laws, the required number is 20. The Chair declared that a quorum was present and thus the meeting was duly constituted.</p>	
<b>2) Chair’s Opening Remarks</b>	<p>The Chair introduced herself and welcomed the assembly to the Annual General Meeting of Kingston Community Credit Union. She provided an overview of the meeting’s proceedings and the structure of the meeting and encouraged everyone to ask questions and make comments. AGM information packages for members were provided on the Kingston Community Credit Union website, containing the Agenda, minutes of the last AGM held in 2022, Annual Report, and the 2022 Audited Financial Statements.</p> <p>The Chair introduced her fellow Board members: Vice-Chair Bob Trentadue, Directors Stephen Bach, Brent Bellamy, Paul Lorenz, Josephine Matyas and Reta McCormick. Special mention was made to Paul Lorenz for his dedication and commitment to KCCU as he begins his retirement from the Board of Directors after 18 years of service.</p> <p>At this time, Mrs. DiRocco referred to the slide presentation on screen and asked the membership to observe a moment of silence in remembrance of members who had passed away in the last year. Mr. Dessau, CEO, then spoke kindly in memory of Mr. Blake Halladay who served as CEO of KCCU from 1980-2014 as Mr. Halladay had passed away recently.</p>	

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	<b>It was moved by the Board of Directors and seconded by Steve Barrie, that the agenda be adopted as presented.</b>	<b>CARRIED</b>
<b>3) Minutes of the 64<sup>th</sup> Annual General Meeting</b>	Minutes of the 64 <sup>th</sup> Annual General Meeting were provided in advance of the meeting on the Kingston Community Credit Union website.  <b>It was moved by the Board of Directors and seconded by Jennifer Mulholland, that the Minutes of the 64<sup>th</sup> Annual General Meeting be approved as written.</b>	<b>CARRIED</b>
<b>4) Business Arising from Minutes</b>	There was no business arising from minutes.	
<b>5) Report of the Chair of the Board of Directors</b>	<p>The Chair referred to the Report of the Chair of the Board of Directors found on page two of the Annual Report.</p> <p>Mrs. DiRocco began by saying that she is pleased to report to the membership that the credit union is strong, stable, financially healthy, with a positive and sustainable strategic plan. The Report of the Chair outlines our financial accomplishments and dedication of our staff in 2022 and perseverance of our community. She informed the membership that the Board launched a renewal of our Strategic Plan, evaluating the profile and financial needs of future membership, market conduct, community engagement and capital funding to support technological developments in member services, internal processes, payments modernization, and succession planning. On behalf of the Board, she extended gratitude to our management and staff for their volunteerism and spirit in assisting and supporting the community in so many ways. She also thanked our members for their generous support of our community initiatives. Kingston Community Credit Union is involved with countless organizations throughout the community. A sample of these organizations is listed in our 2022 Annual Report.</p> <p>Mrs. DiRocco then announced that the Board of Directors recommended approval for the following to be paid for the 2022 financial year to the membership:</p> <ul style="list-style-type: none"> <li>• a 5% Dividend on the Equity Share Account, and</li> <li>• a 10% service charge rebate on chequing account packages.</li> </ul> <p>Mrs. DiRocco extended her appreciation to the board members, management and staff congratulating them on another successful year. Mrs. DiRocco concluded her remarks by saying that she was pleased to be able to report an excellent return to the membership this year totalling approximately \$74,000 in dividends.</p> <p><b>It was moved by the Board of Directors and seconded by Joanne Field, that for the 2022 financial year, the membership be paid a 5% Dividend on the Equity Share Account and a 10% service charge rebate on chequing account packages.</b></p> <p><b>It was moved by the Board of Directors and seconded by Carrie Periera that the Report of the Chair of the Board of Directors be accepted.</b></p>	<p><b>CARRIED</b></p> <p><b>CARRIED</b></p>
<b>6) Report of the CEO</b>	Report of the CEO was presented by CEO, Jon Dessau. Mr. Dessau welcomed the membership and guests. Upon thanking the membership for their support, he referred to the written report and he reviewed the broader strategic context and delivery of KCCU's financial performance. He emphasized the consistency of growth, profitability, and stability over the past decades, having an unbroken record of profitability and paying dividends. This has been achieved by continually evolving	

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<p><b>6) Report of the CEO (continued)</b></p>	<p>and adapting our strategy to meet member needs and requirements, utilizing the suggestions of the membership. Mr. Dessau continued, stating that we continue to expand our online and mobile features while being ever mindful of cyber security, engaging in a revolving cycle of information security audits, penetration testing, and staff training. Mr Dessau further presented new products and services to members.</p> <p>Mr. Dessau discussed the new Credit Union and Caisses Populaires Act (CUCPA 2020) that came into force in March 2022 and the new role and approach of the Financial Services Regulatory Authority of Ontario (FSRA)</p> <p>He then congratulated the entire staff for the successful results of 2022 adding that we are a community-based credit union with a mission to engage with the community, and staff lives this mission every day. They contributed time and effort to countless charitable activities, raising donations, providing financial literacy education, fundraising and participating in local events. He congratulated staff for their accomplishments. Mr. Dessau then shared a video presentation on the community engagement efforts of KCCU in 2022. He thanked the membership, his colleagues, and the Board for their support and for the continued success of KCCU.</p> <p><b>It was moved by the Board of Directors and seconded by Mark Kahnt, that the Report of the CEO be accepted.</b></p>	<p><b>CARRIED</b></p>
<p><b>7) Report of the Governance Committee</b></p>	<p>Brent Bellamy, Governance Committee, Chair presented his report found on page 10 of the Annual Report. Mr. Bellamy reported that the Governance Committee is constituted as an advisory committee with an objective to make recommendations to the Board with respect to board training and qualifications, board succession planning, governance practices and board-level policies. The Committee is comprised of a minimum of three Directors appointed by the Board. In 2022, the committee members included Stephen Bach, Paul Lorenz, Josephine Matyas and himself. Mr. Bellamy stated that the Governance Committee met four times during 2022 supporting the work of the Board by reviewing FSRA Rule 001: Sound Business and Financial Practices, development of Governance Committee duties, workplan and Charter, review of Risk-based Supervisory Framework, sourcing and engaging a Strategic Plan Facilitator, and review of the Director Training Plan.</p> <p><b>It was moved by the Board of Directors and seconded by Brian Dennie that the Report of the Governance Committee be accepted.</b></p>	<p><b>CARRIED</b></p>
<p><b>8) Report of the Audit Committee</b></p>	<p>Bob Trentadue, Audit Committee Chair, presented his report found on pages 5 and 6 of the Annual Report provided in advance of the meeting. Mr. Trentadue stated that the Audit Committee, meeting four times in 2022, conducted its activities in accordance with the Act and Regulations. He was pleased to report that KCCU has continued to surpass its regulatory and policy requirements for reserves, capital and liquidity and is in a strong and sound financial position. There were no other matters which were required to be disclosed pursuant to the Act and Regulations. Mr. Trentadue thanked the other Committee members, Lisa DiRocco and Reta McCormick, for their hard work on the committee.</p> <p><b>It was moved by the Board of Directors and seconded by Angelica Ryan that the Report of the Audit Committee be accepted.</b></p>	<p><b>CARRIED</b></p>
<p><b>9) Report of the CFO/Credit</b></p>	<p>The Report of the CFO/Credit Manager was presented by Mr. David Bull, CFO/Credit Manager. Mr. Bull referred to pages 7 to 9 of the Annual Report and summarized that 2022 was another successful year. Mr. Bull's slide presentation illustrated some of</p>	

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<b>Manager</b>	<p>the milestones of the credit union and the financial highpoints of 2022 including:</p> <ul style="list-style-type: none"> <li>• Over the past 3 years, KCCU has maintained above peer levels of capital and liquidity for maximum flexibility in accordance with our Strategic Plan. Deposits have grown by \$53.3M and Credit Growth was \$43.8M over the period.</li> <li>• Our overall combined Wealth divisions had off book asset growth of 2.8% in 2022 (\$1.53M) showing our resilience in the face of challenging market conditions and rapid central bank interest rate increases. Since Dec 31, 2019, wealth AUM has increased by 54% (\$19.5M).</li> <li>• Record low credit losses at \$4,736 (\$57,586 losses less \$52,850 in recoveries (0.035% on \$163.6M))</li> </ul> <p>Mr. Bull next commented on the new services KCCU is providing in commercial credit and wealth management. Mr. Bull discussed the impact of increased interest rates on business and member engagement and non-contact solutions that were implemented such as video conferencing and e-signatures.</p> <p>Mr. Bull continued his presentation with a detailed discussion of the following areas on interest for the credit department:</p> <ul style="list-style-type: none"> <li>• Contact-free solutions became commonplace options for members with virtual signing for many new and legacy products.</li> <li>• Strong internal &amp; external audit and Regulatory Examination results in credit showed no deficiencies, strong processes, and good credit quality.</li> <li>• Record credit growth contributed to improved interest margin as we managed investment rates and rapid deposit growth with lower risk short-term duration structural asset-liability matching strategies.</li> </ul> <p>In conclusion, Mr. Bull shared with the membership some historical trends in key asset categories over longer periods of time.</p> <p><b>It was moved by the Board of Directors and seconded by Adam Koppany, that the Report of the CFO/Credit Manager be accepted.</b></p>	<b>CARRIED</b>
<b>10) Report of the Auditors</b>	<p>The Auditor's Report was presented by Brent Wilson, Auditor with MNP LLP.</p> <p>Mr. Wilson referred the financial statements included in the meeting package and to page 16 of the Annual Report which contains the Balance Sheet. He added that the financial statements can also be found on the KCCU website. He provided the Credit Union with a clean report, stating that he found the affairs of KCCU to be in good order and fairly presented. Mr. Wilson highlighted a few points in the Financial Statements.</p> <p>He concluded with the following statement: "In our opinion, the accompanying financial statements present 'fairly', in all material respects, the financial position of the Credit Union at December 31, 2022 in accordance with International Financial Reporting Standards."</p> <p><b>It was moved by the Board of Directors and seconded by Nicole Bryant, that the Auditor's Report be accepted.</b></p>	<b>CARRIED</b>
<b>11)a, b Report of the Nominating</b>	<p>The report of the Nominating Committee was given by Chair of the Nominating Committee, Reta McCormick. Mrs. McCormick stated that as the standing practice, the Nominating Committee consists of a minimum of three members of the Board</p>	

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<b>Committee</b>	<p>whose term has not expired. This year, the Committee was also comprised of Stephen Bach and Lisa DiRocco. Mrs. McCormick related the work and considerations of the Committee.</p> <p>There were two Board Members, Brent Bellamy and Bob Trentadue, whose terms have expired and one Board Member retiring, Paul Lorenz.</p> <p>In accordance with the By-laws, a notice of vacancy was posted on November 30, 2022 and nominations closed at 4 pm on February 28, 2023. The Committee reviewed the number of vacancies on the Board of Directors of Kingston Community Credit Union Limited. The Committee received and reviewed three nominations.</p> <p>The Nominating Committee reported these results to the Board of Directors at their meeting held on March 8, 2023 and recommended that the Director incumbents, Brent Bellamy and Bob Trentadue, and the new nomination, Frank Huntley stand for election to the Board. The Committee further recommended that the candidates be acclaimed at the Annual General Meeting.</p> <p>In closing, Mrs. McCormick stated that the Nominating Committee seeks to promote diversity and monitors the gender distribution of applicants. The Act and Regulations require the credit union to annually report on the gender diversity of the Board. She reported that the Board of Kingston Community Credit Union is presently composed of three female directors, four male directors, and none identifying as other. The Committee further recommends member engagement in governance and invites all members to support the KCCU's recruitment efforts.</p> <p><b>It was moved by the Board of Directors and seconded by Evelyne Laurin, that the Report of the Nominating Committee be accepted.</b></p>	<p><b>CARRIED</b></p>
<b>11)c Amendment to the Bylaws</b>	<p>The <i>Amendments to the Bylaws</i> was presented by Mary Lowdon, Corporate Secretary. Ms. Lowdon informed the membership that the Directors of the credit union may make Bylaws not contrary to the Act or Articles of Incorporation. They may also amend, vary or repeal the Bylaws provided that such changes will not take effect until confirmed or approved by a vote of two-thirds of the votes cast at a members meeting. Subject to the Act, these Bylaws shall come into force upon being passed by the Board and confirmed by a Special Resolution of the members.</p> <p>The Board of Directors approved and passed the Bylaw amendments under guidance of the Act at their meeting on March 8, 2023 and recommended to the membership to confirm the special resolution to amend the bylaws.</p> <p>Ms. Lowdon explained that the new Act, CUCPA (2020), requires a number of immediate changes to our Bylaws of a housekeeping nature and provides for an opportunity for more substantive changes. At this time, only necessary changes were presented to the membership such as updating references and making the language gender neutral. A more material change includes the insertion of the requirement of the Board to report on their gender composition to the membership. She added that an outline of the Proposed Special Resolution for Amendments to the Bylaws and DRAFT KCCU Bylaws was made available to the membership in the document package published on our website for this AGM.</p> <p>A vote by the membership was performed. By a show of hands, those who:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the Proposed Special Resolution – 29</li> </ul>	



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<b>11)c Amendment to the Bylaws (continued)</b>	<ul style="list-style-type: none"> <li>• <b>Opposed</b> the Proposed Special Resolution - 0</li> <li>• <b>Abstained</b> from voting on the Proposed Special Resolution - 3</li> </ul> <p><b>The Special Resolution for Amendments to the Bylaws passed and all changes were adopted on March 28, 2023.</b></p>	
<b>11)d New Business – Appointment of the Auditor</b>	<p>Mr. Dessau stated that the next item for business was the appointment of the Auditors. He referred to By-Law 6.7, stating that at each annual meeting, the members of the Credit Union shall appoint an Auditor.</p> <p>Annually, the Audit Committee is required to evaluate the external auditors and assess the value received for their fee. The Committee has completed their review and evaluation of MNP LLP at their meeting on January 31, 2022. Following this review, the Audit Committee recommended to the Board of Directors that the Board recommends to the Membership to re-appoint MNP LLP as the Credit Union's Auditor for 2023. The Board accepted their recommendation at their meeting on February 22, 2023.</p> <p><b>It was moved by the Board of Directors and seconded by Concetta Silva, to appoint the firm of MNP LLP Chartered Professional Accountants as the auditors for Kingston Community Credit Union for the financial year ending December 31, 2023.</b></p>	<p><b>CARRIED</b></p>
<b>12) Announcements and Q &amp; A</b>	<p>Mr. Dessau, CEO, moderated the Question-and-Answer session of the AGM. He noted that in advance of the Annual General Meeting, a member sent in the following question:</p> <p>1. Why report specifically on gender diversity since that is a limited definition of diversity?</p> <p>A. Mr. Dessau, CEO, agreed with the implied sentiment of the question and that it was the present specific legal requirement under the Act, and that he looked forward to a more inclusive statement of diversity in the future. He added that Equity, Diversity and Inclusion are important to KCCU. In 2021, we joined the City of Kingston Workplace and Inclusion Charter Project which included fact finding, review of existing policies and practices by a community equity, diversity and inclusion expert and KCCU received valuable feedback. We are engaged in making changes wherever it has been recommended.</p> <p>A few questions were asked by members:</p> <p>2. Is the number of terms correct for Bob Trentadue? I was mentioned that he is entering his third term.</p> <p>A. Mr. Dessau, CEO, answered that Mr. Trentadue has served much longer. He explained that KCCU amended the Bylaws in 2016 and created term limits. At that time, the terms were re-set for all existing Directors. Therefore, for Mr. Trentadue, as of 2016, this will be the beginning of his third term.</p> <p>3. Have you installed HEPA filtering units (or DIY Corsi-Rosenthal air cleaning boxes) in KCCU offices? Given the pandemic is still here, it's important to protect staff and members.</p> <p>A. Mr. Dessau, CEO, responded that this question requires a technical answer which he is unable to answer at this time. We did review all of our protocols during the pandemic and a lot of work was done on the branches. He said that</p>	



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<b>12) Announcements and Q &amp; A (continued)</b>	he will respond directly in short time with a precise answer as he does not want to give misleading information.  Mr. Dessau said that he would welcome further questions, that could be e-mailed to him, or the corporate e-mail address and they will be answered directly.	
<b>13) Adjournment</b>	Mr. Dessau thanked everyone for attending the virtual Annual General Meeting.  <b>There being no further business, it was moved by Jason Field that the meeting be adjourned at 8:08 pm.</b>	<b>CARRIED</b>

These minutes were received by the Board.

SIGNED:

\_\_\_\_\_  
Chair – Lisa DiRocco

\_\_\_\_\_  
Corporate Secretary – Mary Lowdon

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date