



**MINUTES OF THE 79th
ANNUAL GENERAL MEETING
held virtually, North Vancouver, BC
on Wednesday, April 21, 2021 at 2:00 pm**

The 79th Annual General Meeting of BlueShore Financial Credit Union was held virtually in North Vancouver on Wednesday, April 21, 2021.

1. Call to Order

Chair, Allan Achtemichuk, called the meeting to order at 2:00 pm and advised the meeting was being recorded.

2. Opening Remarks and Welcome by the Chair

A. Achtemichuk welcomed members and guests and thanked everyone for attending.

He advised that instructions on how to ask questions and vote are included on the information page of the virtual platform, as are links to all meeting material. In addition, he shared that in order to avoid delays, voting would be held for multiple items at a time.

Subsequent to these announcements A. Achtemichuk shared the following individuals were in attendance:

Chris Catliff, President and CEO
Anna Hardy, Parliamentarian
Madeleine Tattersall, Assistant to the Board of Directors and Recording Secretary

Diana Chan, Chair of the Audit Committee
Lynne Charbonneau, Interim Chair of the Human Resources and Compensation Committee
Dave Davenport, Past Board Chair, and Chair of the Nominations & Election Committee
Rod Dewar, Chair of the Governance & Conduct Review Committee
Peter Leitch, Vice-Chair
Julie McGill, Chair of the Investment & Loan Committee
Victoria Withers, Director

The Chair acknowledged the following guests and thanked them for their attendance:

Arnold Singh and Kristen Cheung from KPMG, BlueShore's External Auditors.
Peter Reimer, Aaron Bastien and Jeremy Picco from PRA Canada, BlueShore's Internal Auditors
and Judy Mack, Yuching Ho and Akina Wong from BC Financial Services Authority.

3. Notice of Meeting

The Chair advised that notice of this meeting was posted to the Credit Union's website in the fall of 2020, it was included in the October 2020 and January 2021 editions of Shorelines, an online member newsletter, as well final notice was sent to all eligible members via mail on March 15, 2021 or email on March 17, 2021.

4. Confirmation of Quorum

Attendance was confirmed at 118 members and 51 guests. Quorum for the meeting is 50 members; therefore, the meeting could proceed.

5. Adoption of Agenda

The Chair noted the meeting Agenda was posted to the BlueShore Financial website, and a link to it provided on the information page.

6. Adoption of the Rules of Order

The Chair drew the attendees' attention to the Rules of Order, which could be viewed via a link included on the information page.

7. Adoption of Minutes of the 78th Annual General Meeting of July 30, 2020 in North Vancouver

A. Achtemichuk, Board Chair, advised the minutes of the 78th Annual General Meeting are posted to the Credit Union's website and a link to them is included on the information page.

The Board Chair asked members to now vote on the last three items using the virtual platform. The following Motions were put forward, and all approved.

It was MOVED and SECONDED to adopt the Agenda for the meeting as presented. CARRIED

It was MOVED and SECONDED to adopt the Standing Rules of Order for the meeting as presented. CARRIED

It was MOVED and SECONDED to adopt the minutes of the 78th Annual General Meeting of BlueShore Financial held on July 30, 2020, as posted. CARRIED

8. Report of the Chair and Board of Directors

A. Achtemichuk, Board Chair, advised that the Board of Directors is committed to the highest level of oversight, independence and accountability to BlueShore's members and stakeholders. The talented Board of Directors have diverse backgrounds in business and provide direction for the Credit Union's long-range plans and monitor progress towards achieving its' vision. He went on to present the 2020 activities report of the Chair and Board of Directors.

BlueShore met the unique challenges of 2020 with agility, resilience, and compassion. As the effects of the pandemic were managed, the priority remained the health and well-being of employees, clients, the organization and communities. A. Achtemichuk reported that BlueShore grew steadily in 2020, despite constraints caused by COVID-19.

A. Achtemichuk advised that the organization focused on:

- continuing its effective crisis response
- evolving the member experience to respond to these exceptional times
- ensuring employees felt informed and supported
- deepening its digital offerings

He thanked the members for adapting with BlueShore through 2020, and thanked the leadership team, for leading through the past year with skill and determination.

A. Achtemichuk went on to describe some of the credit relief solutions which were put in place to assist clients, as well as new in branch processes and safety protocols which had been implemented. He remarked on members increased use of digital tools.

He stated how critical it was to provide staff with the tools, resources and support they needed, and detailed some of the way's the organization did that.

Organizations who empower BlueShore's communities were supported through wellness programs and initiatives, with over 65 deserving organizations that advocate for physical and mental wellness, arts and culture, education and COVID relief included. He provided an update on BlueShore's COVID-19 Response Fund, the Double Your Impact and Pay It Forward Programs, and then shared a video detailing the latter.

And finally, recognizing the effect of the pandemic on small businesses, a Business Client Spotlight series was implemented to promote and provide visibility for a number of business clients on BlueShore's social media channels.

A. Achtemichuk shared with the members and guests that the media again took notice of the expertise of BlueShore's leaders and advisors in 2020 and sought their perspectives on a range of topics. Through these expert spokespeople, BlueShore was featured over 100 times in national and local media outlets.

A. Achtemichuk acknowledged two departing Directors, Dave Davenport, who has completed the maximum terms allowed and Gordon Janzen, who resigned from the Board, effective February 28, 2021, in order to pursue a new employment opportunity with a financial institution. He confirmed that in accordance with BlueShore's Rules, the Board will work to appoint a Director to complete the remainder of G. Janzen's three-year term, which is set to expire in 2023.

He acknowledged all Directors and advised that Peter Leitch has been selected to be the next Chair of the Board, and will assume this role immediately following the AGM.

9. Report of the President and Chief Executive Officer

C. Catliff, CEO advised the members he would report on BlueShore Financial's 2020 results and accomplishments, what's ahead for 2021, and how BlueShore continues to protect staff and clients.

He stated that the Credit Union performed exceptionally well in 2020 and remained strong and stable, despite the effects of COVID-19 and the challenging environment. This was due to Management's prudent approach, sound business strategy, and exceptional staff to deliver on it.

C. Catliff reviewed the numbers, detailing achievements of \$32MM in Net Operating Income, \$15.5MM on Retained Earnings (RORE), and Assets Under Administration growth of 4% to reach \$6.5 billion. In addition, a low delinquency rate was maintained, despite the COVID environment. This was primarily due to staff assisting members to return to financial stability through loan deferrals and helping many gain access to government assistance.

He shared member survey results which indicated BlueShore significantly outperformed the banks in a number of areas as they responded to the pandemic and supported members. In addition, an annual independent survey, conducted by Ipsos, showed BlueShore is making a positive impact on its clients' financial well-being, and is significantly outperforming the other financial institutions in every area members say matter most to them.

C. Catliff was proud to report that BlueShore Financial earned the honour of being named a Best Employer in Canada by Kincentric for a tenth consecutive year. This national award is a testament to the team's innovative spirit, can-do attitude and agility.

He went on to advise that the challenges presented by COVID-19 remain wide-spread, and its effects are still being navigated, but he is looking optimistically to the future. He shared a few highlights from 2020 that will carry forward through 2021.

The first is the irrevocable increase in digital adoption. BlueShore continues to invest in digital strategy to better serve members, and further the high-tech, high-touch approach to the premium client experience.

A highlight is the increased adoption of eSignatures by the members. Thanks to system capabilities and highly skilled staff, many transitioned to eSignatures to sign for financial documents securely and remotely, resulting in no disruptions to addressing members' banking needs during the pandemic.

In addition, a smooth and seamless upgrade to the banking system was completed, which will ensure BlueShore leverages the latest technologies and enhancements to continue to serve its members better. In short, COVID accelerated BlueShore's existing digital strategy, and there are no plans to slow down.

Secondly, C. Catliff remarked that despite the global economic challenges of 2020, BlueShore performed exceptionally well. DBRS Morningstar, a globally recognized credit rating agency, reconfirmed BlueShore

Financial's ratings which reflect the Credit Union's strong franchise position, asset quality, liquidity and capitalization.

He went on to detail increased provision for credit losses, bolstered capital, and noted virtually all of BlueShore assets are real estate-secured, and the BC housing market experienced a very strong 2020, which enabled BlueShore to remain profitable, safe and stable.

Thirdly, C. Catliff detailed how BlueShore protected its staff and members by following the directives of the Provincial Health Authority. Working to keep the organization, people and communities whole and protected remains top priority.

Through BlueShore's four pillars of wellness, Management is focusing on staff's mental, physical, financial and social wellness to ensure the well-being of our people. Diversity, equity and inclusion training and initiatives are being invested in, and will contribute to building an even better and stronger BlueShore.

C. Catliff suggested 2021 will likely have even higher profit, however the profitability may not sustain at these levels well into the future.

He acknowledged the exceptional Board of Directors, employees, and members, and provided a personal thank you to retiring Director Dave Davenport, departed Director Gordon Janzen, and a deep thank you to the Board Chair, Allan Achtemichuk, whose term as Chair has come to an end.

C. Catliff shared that BlueShore celebrates its 80th birthday in 2021, and provided a brief history of the organization stating it all started in 1941 during WWII at the Lonsdale Shipyards, when BlueShore serviced dockworkers and deep sea fishermen. While BlueShore's clientele has grown, the organization's sense of purpose, to help our evolving members is enduring.

10. Report of the Audit Committee

D. Chan, Audit Committee Chair, presented the report of the Audit Committee. She began by acknowledging her fellow Directors who serve as members of the Audit Committee, stating that the members bring unique skills to the Committee and are very knowledgeable and effective in their work. She shared that while the Committee has a number of oversight responsibilities, she wanted to comment on two key ones.

The first key oversight responsibility is to ensure that BlueShore Financial continues to be financially strong and, the second is to ensure that the Credit Union's internal control systems are effective.

The Audit Committee primarily carries out these responsibilities by meeting at least quarterly with the President and CEO, Chris Catliff and CFO, Richard Butterworth to discuss the financial results and the quality of the Credit Union's control systems.

A very strong financial position was reported in the 2020 Year-End Financial Statements, and BlueShore Financial, through the guidance of its very capable and experienced management team, and the diligence and dedication of its employees, has performed very well.

D. Chan advised that the Committee also meets at least quarterly with the internal and external auditors, both with and without BlueShore Financial management. This allows the Committee to hear directly about any concerns the auditors may have with regard to BlueShore's financial well-being, or the quality of internal control systems. She was happy to report that there are no concerns.

KPMG, the External Auditors, performed an audit of the 2020 Year-End Financial Statements and the Capital Adequacy Return. PRA Canada, the internal auditors, perform audits to evaluate the effectiveness of, and adherence to, the credit union's organization and procedural controls, plus compliance and risk management policies and practices. These have been completed with satisfactory results.

D. Chan confirmed that all eligible members would have received a copy of, or link to, the 2020 Year-End Summarized Consolidated Financial Statements in the AGM Overview Brochure, alongside KPMG's 2020 Independent Auditors' Report on the Summarized Consolidated Financial Statements. As well, she noted the full statements and report are available on BlueShore Financial's website and a link to them is included on the information page of this virtual event.

She shared that KPMG's audit opinion is that the financial statements present fairly, in all material respects, the consolidated financial position of BlueShore Financial as at December 31, 2020 and its consolidated financial performance and consolidated cash flows for 2020 are in accordance with the International Financial Reporting Standards.

The business environment was extremely challenging in 2020 due to the emergence of the COVID-19 pandemic, however BlueShore was able to maintain business operations and support members with payment deferral options and access to various government relief programs.

She concluded by stating that the Audit Committee, based on the oversight work performed, is satisfied that the Credit Union is financially strong with effective internal control systems. In addition, it is their view that the Credit Union has a very strong and effective Finance Team, whom she thanked.

11. Appointment of the External Auditor

On behalf of the Audit Committee and the Board of Directors, A. Achtemichuk, Chair, asked members to vote on the following three motions which had been previously put forward. The motions were voted on using the virtual platform and all three approved.

It was MOVED and SECONDED to receive the Report of the Audit Committee for the year ending December 31, 2020. CARRIED

It was MOVED and SECONDED to receive the External Auditor's Report. CARRIED

It was MOVED and SECONDED to appoint KPMG LLP as BlueShore Financials external auditors for 2021. CARRIED

12. Report of the Nominations and Election Committee

Dave Davenport, the Nominations and Election Committee Chair thanked both his fellow Committee members and Management support, and then provided the Committee Report.

He advised that two Directors, Peter Leitch and Diana Chan have reached the end of their current 3-year terms, as well he has reached the limit of four consecutive three-year terms. In addition, Director Gordon Janzen tendered his resignation at the end of February, after the work of the Nominations and Election Committee had been completed. The Board is currently working to replace him with an appointed Director who will fulfill the remaining two years of his term and will stand for re-election in 2023.

He advised that as part of the multi-step process the Committee re-confirmed their long held practice of endorsing only three (3) candidates for three (3) vacant positions.

D. Davenport remarked on the process taken by the Committee and the importance of ensuring all existing Directors are performing and contributing as expected. The Committee assesses what competencies are required today and expect to be needed in the future to ensure they look for these in potential Directors. Director diversity has been an area of increased focus for the Board in recent years, and adding more diversity to the Board beyond gender is a targeted focus for current and future recruitment.

A long list of potential Director candidates is created from the official Call for Nominations, the Director's own networks, past applications, and by reaching out to organizations such as the Institute for Corporate Directors. Panel interviews are then held with the final candidates, and final endorsement decisions are completed with background and statutory requirement checks.

D. Davenport confirmed that thirteen nominations were received following the Call for Nominations, with the two Directors with terms expiring in 2021 each expressing their willingness and desire to stand for re-election.

After careful consideration and review, the Committee endorsed the three people the Committee felt best met the required competencies. The endorsed candidates comprised the two incumbent Directors with expiring terms, and one new candidate.

While any nominee that meets the statutory requirements can choose to stand for the Board, no unendorsed individuals chose to stand this year. Thus, as there were three vacancies, and no unendorsed nominees choosing to stand, an election was not required and the three endorsed candidates are declared elected by acclamation.

D. Davenport was pleased to welcome back to the Board returning Directors, Peter Leitch, Diana Chan; and new Director Cybele Negris.

13. Question Period

Questions were asked via the platform's messaging feature and A. Achtemichuk, C. Catliff and R. Butterworth responded. The questions revolved around the following topics:

- BlueShore's continuing response to the ongoing pandemic.
- How excess profits are returned to the members.
- Cryptocurrencies, and BlueShore's response.
- Maximum capital levels BlueShore targets.

14. Other Business

A. Achtemichuk, Chair, confirmed that no other business was proposed or put forward.

15. Closing Remarks

A. Achtemichuk, Chair, advised that all items on the agenda had been discussed and offered final thank yous before ending the meeting.

16. Adjournment

There being no further business, the meeting was adjourned at 3:02 pm.