



**MINUTES OF THE 80<sup>th</sup>  
ANNUAL GENERAL MEETING  
held virtually, North Vancouver, BC  
on Thursday, April 21, 2022 at 2:00 pm**

The 80<sup>th</sup> Annual General Meeting of BlueShore Financial Credit Union was held virtually in North Vancouver on Wednesday, April 21, 2022.

**1. Call to Order**

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

**2. Opening Remarks and Welcome by the Chair**

P. Leitch 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 P. Leitch shared the following individuals were in attendance:

Chris Catliff, President and CEO  
Emiko Ando, Parliamentarian & Scrutineer  
Madeleine Tattersall, Governance Specialist and Recording Secretary

Diana Chan, Chair of the Audit Committee and the interim Risk Committee  
Lynne Charbonneau, Chair of the Human Resources and Compensation Committee  
Rod Dewar, Chair of the Governance & Conduct Review Committee  
Julie McGill, Chair of the Investment & Loan Committee  
Cybele Negris, Director  
Kevin Sandhu, Director

Two Directors, Allan Achtemichuk, Chair of the Nominations & Election Committee, and Victoria Withers were unable to attend.

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

Arnold Singh and Kristen Cheung from KPMG, BlueShore's External Auditors; Aaron Bastien and Jeremy Picco from PRA Canada, BlueShore's Internal Auditors; Yuching Ho and Akina Wong from BC Financial Services Authority; and Bill Corbett, from Stabilization Central.

**3. Notice of Meeting**

The Chair advised that notice of this meeting was posted to the Credit Union's website in the fall of 2021, it was included in the October 2021 and January 2022 editions of Shorelines, an online member newsletter, as well final notice was sent to all eligible members via mail on March 15, 2022 or email between March 9 – 14, 2022.

**4. Confirmation of Quorum**

Attendance was confirmed at 97 members and 45 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. He further stated that additions to the Agenda could be submitted by members through the digital platform.

## **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 79th Annual General Meeting of April 21, 2021 in North Vancouver**

P. Leitch, Board Chair, advised the minutes of the 79<sup>th</sup> 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, and 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 79<sup>th</sup> Annual General Meeting of BlueShore Financial held on April 21, 2021, as posted. CARRIED

## **8. Report of the Chair and Board of Directors**

P. Leitch, Board Chair, advised that the Board of Directors is dedicated to the highest level of oversight, independence and accountability to BlueShore's members and stakeholders. The talented Board of Directors take pride in the diversity and varied experience of the Directors, and work diligently to provide direction for the Credit Union's long-range plans and oversee progress towards achieving BlueShore's vision. He went on to present the 2021 activities report of the Chair and Board of Directors.

P. Leitch advised that the organization focused on:

- staying connected
- evolving the member experience
- strengthening community ties
- deepening digital offerings

He highlighted the COVID-19 Pandemic as an ongoing dominant challenge with both local and global obstacles, such as forest fires and supply chain issues.

P. Leitch went on to explain that BlueShore's focus remains on supporting clients, employees, and communities and the Organization continued upon its growth trajectory and remained in a strong, stable position. Assets Under Administration had reached \$6.9 billion by year-end.

P. Leitch expressed gratitude to employees for their agility over the past year and informed members that BlueShore continues to seek opportunities to remain an employer of choice and to benefit from a strong diversity of thought in the workforce. He shared that BlueShore had, once again, been named one of "Canada's Most Admired Corporate Cultures" by Waterstone Human Capital in 2021, recognizing the Organization's competitive advantage in attracting top talent.

Organizations who empower BlueShore's communities were supported through wellness programs and initiatives, with over 70 deserving organizations that advocate for physical, mental, financial, and community wellness and arts and culture. He highlighted the Organization's recognition of Truth & Reconciliation Day through employee education sessions and a donation to the Residential School Survivors Society. He also shared BlueShore's response to the crisis in Ukraine, supporting the Canada Ukraine Foundation's "Ukraine Humanitarian Appeal".

Finally, he concluded by reaffirming BlueShore's commitment to the well-being of its clients, employees and communities will continue into 2022 and beyond.

P. Leitch acknowledged departing Director, Allan Achtemichuk, who has completed the maximum terms allowed and concluded by acknowledging all Directors.

## **9. Report of the President and Chief Executive Officer**

C. Catliff, CEO advised his report would include BlueShore Financial's 2020 results and accomplishments and what's ahead for 2022.

The Credit Union performed exceptionally well in 2021 remaining strong and stable, despite the effects of COVID-19 and challenging external environment. This was due to Management's sound business strategy, exceptional staff to deliver on it and supportive members.

C. Catliff reviewed the numbers, detailing achievements of \$42MM in Net Operating Income, 17.8% on Retained Earnings (RORE), and Assets Under Administration growth of 5.8% to reach \$6.9 billion. In addition, wealth assets expanded \$337MM in 2021 as a result of \$169MM in net sales and strong equity market returns. C. Catliff highlighted Residential loan growth of 4.9% and Commercial loan growth of 7% and shared that BlueShore had surpassed \$123MM in revenue for the first time.

He provided a few highlights from 2021 that will carry forward through 2022.

Key changes in BlueShore's digital journey are the launch of BlueShore's redesigned website, reflecting both the Westcoast brand and Financial Spa experience, and BlueShore's new digital app, which will connect clients with advisors in real-time, which is scheduled to be rolled out later in 2022. Key features of the new website include Advice hub and an Artificial Intelligence Concierge chatbot.

Secondly, C. Catliff outlined BlueShore's approach to evolving the Financial Spa experience, in particular mentioning the expansion of the Park Royal Branch and opening of the new Lynn Valley Branch later in 2022.

Thirdly, C. Catliff remarked that despite the continuing global economic challenges in 2021, BlueShore performed exceptionally well. DBRS Morningstar confirmed BlueShore Financial's ratings which reflect the Credit Union's strong franchise position, asset quality, risk profile and prudent levels of liquidity and capital.

He went on to consider future forecasting for the organization and remarked that BlueShore is achieving its budget in almost all areas and that he does not foresee any elevated credit risk. He identified one area of ongoing concern is the safeguarding of sensitive information by members and he recommended techniques members can employ to reduce risks to their personal information.

C. Catliff then acknowledged the exceptional Board of Directors, employees, and members.

## **10. Report of the Audit Committee**

D. Chan, Audit Committee Chair, presented the report of the Audit Committee. She acknowledged her fellow Committee members, stating they bring unique skills and are very knowledgeable and effective in their work. While the Committee has a number of oversight responsibilities, D. Chan remarked she would comment on three key ones.

The key oversights responsibilities are to ensure BlueShore Financial continues to be financially strong, to ensure the Credit Union's internal control systems are effective, and to ensure the organizations risk profile and risk management practises are appropriate.

The Audit Committee meets 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.

Through the guidance of its very capable and experienced management team, and the diligent and dedicated employees, BlueShore Financial has performed very well, as seen in the very strong financial position as reported in the 2021 Year-End Financial Statements.

The Committee meets at least quarterly with the internal and external auditors, allowing the Committee to hear directly about any concerns the auditors may have with regard to the Credit Union's financial well-being, or quality of internal control systems. She was happy to report that there are no concerns.

KPMG, the External Auditors, performed an audit of the 2021 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 all eligible members would have received a copy of, or link to, the 2021 Year-End Summarized Consolidated Financial Statements in the AGM Overview Brochure, alongside KPMG's 2021 Independent Auditors' Report on the Summarized Consolidated Financial Statements.

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, 2021 and its consolidated financial performance and consolidated cash flows for 2021 are in accordance with the International Financial Reporting Standards.

As a consequence of BlueShore's exceptional growth and the cumulation of risks, the Board has advanced the Risk Maturity Roadmap and will form a stand-alone Risk Committee. She added a Chief Risk Officer (CRO) will be recruited into the Executive Leadership Team.

D. Chan commented on the challenging business environment in 2021.

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

## **11. Appointment of the External Auditor**

On behalf of the Audit Committee and the Board of Directors, P. Leitch, 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, 2021.	CARRIED
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It was MOVED and SECONDED to receive the External Auditor's Report.	CARRIED
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It was MOVED and SECONDED to appoint KPMG LLP as BlueShore Financial's external auditors for 2022.	CARRIED
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## **12. Report of the Nominations and Election Committee**

In the absence of the Committee Chair, Allan Achtemichuk, Committee Member, Lynne Charbonneau presented the Nominations and Election Committee's report. L. Charbonneau thanked both the Chair and her fellow Committee member, and also the Governance Team, and then provided the Committee Report.

She advised that three Directors, Julie McGill, Allan Achtemichuk and Victoria Withers, have reached the end of their current 3-year terms, as well A. Achtemichuk has reached the limit of four consecutive three-year terms.

L. Charbonneau informed the membership that following the 2021 AGM Kevin Sandhu had been appointed to fulfil the two-year remainder of a Director's term, and he will stand for election in 2023.

She advised that as part of the multi-step process the Committee re-confirmed their long held practice of endorsing the same number of candidates as there are vacant positions.

L. Charbonneau reviewed the importance of and Committees process of ensuring existing Directors are performing and contributing as expected. They assess the competencies required today and those expected in

the future and look for these in potential Directors. Director diversity has been an area of increased focus and adding more diversity to the Board beyond gender is targeted for current and future recruitment.

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

L. Charbonneau confirmed that nine nominations were received following the Call for Nominations, with the two Directors with terms expiring in 2022 each expressing their willingness and desire to stand for re-election.

After careful consideration the Committee endorsed the three individuals they felt best met the required competencies. The endorsed candidates include the two incumbent Directors and one new candidate.

While any nominee that meets the statutory requirements can choose to stand for the Board, no unendorsed individuals chose to do so. 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.

L. Charbonneau was pleased to welcome back to the Board returning Directors, Julie McGill, Victoria Withers; and new Director Chris Tham.

### **13. Question Period**

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

- Request to modify balance statements.
- Renovations to both the Park Royal and Lynn Valley branches.
- How excess profits are returned to the members
- BlueShore's community & environment strategy
- Impact of changing workforce demographics
- Returning to in-person AGMs.
- BlueShore's definition of wealthy.

### **14. Other Business**

P. Leitch, Chair, confirmed that no other business was proposed or put forward.

### **15. Closing Remarks**

P. Leitch, Chair, advised 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 2:53 pm.