



Mainstreet Credit Union Minutes of the 8th Annual General Meeting

The 8th Annual General Meeting of Mainstreet Credit Union Limited was held via zoom webcast on Tuesday, April 19th, 2022 at 7:00 p.m. under the chairmanship of Mr. Tomo Matesic. Mr. Matesic welcomed members and guests in attendance and called the Business Session to order.

Mr. Matesic reviewed with the membership a few items related to the conduct and functionality of the meeting. He noted that the supporting documentation such as agenda, annual report, full financials and minutes from the previous meeting were provided in the meeting's invitation link.

Mr. Matesic welcomed invited guests from other Credit Unions, regulators, and other affiliates.

Report on Registration and Establishment of a Quorum

Board Chair Mr. Matesic announced that according to section 7.07 of the By-laws of Mainstreet Credit Union Limited, there must be at least 30 members present at an annual meeting to constitute a quorum. There were 57 registered voting members present and therefore it was declared that the Business Meeting may proceed.

Adoption of the Agenda

Mr. Matesic moved for a motion to adopt the agenda as presented.

Seconded by Sam Hill. All in favour; none opposed. Carried.

Adoption of Minutes of Previous Annual Meeting

Mr. Matesic noted that there was no business arising from the minutes. He moved for a motion to adopt the minutes of the 7th Annual General Meeting as presented.

Seconded by Paul Harris. All in favour; none opposed. Carried.

Acclamation of the Board

Mr. Matesic noted that three incumbents: Jen Denys, Paul Harris and Sam Hill would all be acclaimed as Directors for the Board.

Mr. Matesic asked for a motion to approve the appointment of Jen Denys, Paul Harris and Sam Hill as Directors for 3-year terms.

Moved Pat O'Malley seconded by Grant Dawson. All in favour; none opposed. Carried.

Report of the Board of Directors

Mr. Matesic reported that member satisfaction remained high in 2021. For the full member survey both the overall satisfaction rating and the net promoter score were well above industry norms. Net promoter score refers to the number of respondents who indicated they had recommended the Credit Union in the past year.

Mainstreet for their 2021 fiscal year, shared \$795,000 with 11,850 qualifying members in member-sharing profits. A dividend of 2.57% on the membership shares was distributed for 2020. The Board approved a return of 2.57% for Investment share dividend holders.

Highlights of the Governance Committee

Mrs. Denys summarized a few brief reports on the Committees and Governance requirements.

The Board of Directors operates with two standing committees - the Audit & Risk Committee and the Governance & Human Resources Committee. There is a Terms of Reference and a yearly workplan that has been developed for each Committee to ensure effective governance of the Credit Union. The committees' mandates include:

- Identifying and managing risks that may affect the Credit Union's performance, reputation and viability
- Development and review of governing policies
- Ensuring compliance with governing policies, by-laws and regulatory agencies
- Managing the Director nominations and elections processes as well as the business meeting at the Annual General Meeting
- Maintaining effective guidelines and processes to ensure Directors uphold necessary competency requirements

All committees met their mandates for governance in 2021.

Each Director must meet a minimum regulatory standard in 9 identified competency areas. To meet this standard the Credit Union has established minimum training requirements that must be met by all Directors. Each Director must complete an annual self-assessment and prepare an annual development plan to achieve and maintain these competencies. Yearly training is provided through:

- Internal training sessions
- Webinars
- Third party classroom sessions
- Conferences
- Online modules

Once the minimum training requirements have been achieved, each Director must also meet requirements for continuing education. These training requirements play an integral role in ensuring that we have a qualified Board to govern our Credit Union. New Directors are given two years to achieve the strong competency level, with 1 or 2 Directors continuing to work on their development; however, Mrs. Denys summarized overall that Mainstreet's Board has a strong competency level.

Financial Review

Sandy Ferguson, SVP Finance, presented a review of the Credit Union's financials. It was noted that 2021 was a year of strong performance. Overall results and balance sheet strength show the robustness of the business in the midst of a pandemic, low interest rates and competitive market conditions.

It was noted that 2021 was a year of strong performance and growth; assets loans grew almost \$75 million over the last year and closed out the year at \$799 million. Mainstreet's actual loan growth was 10.33%, almost double the plan. There was particularly strong growth in Agricultural and Residential Mortgage segment, which grew by 25% and 10% respectively.

Mainstreet's deposits grew almost \$79 million, closing out the year at almost \$869 million, and deposit growth of 9.96% far exceeded the planned growth of 3.5%. In 2021, total assets grew to \$980 million, up 9.8%. Total assets under Management was \$1.2 billion, which represents 12% growth over the prior year.

Mainstreet's net income before taxes and dividend distribution was \$4.4 million – the highest it has been in the last five years, and in the history of the credit union. Mainstreet's liquidity ratio at year-end was at 18.2%, which is well-ahead of the 6% policy. Mainstreet's 13% risk-way to capital and 6.4% leverage capital were solidly passing regulatory minimums.

No questions were raised.

Report of the Audit and Risk Committee

Patrick O'Malley, Chair of the Audit & Risk Committee highlighted that the report of the Audit and Risk Committee is included in the Annual Report which is located on our website. Links were sent out in the AGM meeting reminder emails.

There were no questions.

A motion was called to accept the Report of the Audit and Risk Committee. Moved by Darrin Canniff and seconded by Tyler Damen. All in favour; none opposed. Carried.

Mr. O'Malley noted that that full financial reports are on the website with links sent out in tonight's meeting invite.

Report of the Auditors

Representing MNP, Ashley Didone presented the Report of the Auditor which is included in the Annual Report.

It was stated that it is under the opinion of MNP that the Credit Union is all in accordance with Financial Reporting Standards.

The floor was opened for questions specific to the audit. There were no questions raised.

A motion was called to accept the Report of the External Auditor. Moved by Pat O'Malley seconded by Tomo Matesic. All in favour; none opposed. Carried.

A motion was called to accept the 2021 Financial Statements. Moved by Pat O'Malley seconded by Darrin Canniff. All in favour; none opposed. Carried.

Appointment of the Auditor

Mr. O'Malley noted the that an important piece of tonight's events consist of appointing the independent Auditor for 2022.

No questions were raised.

A motion was called to re-appoint MNP as the External Auditor for the 2022 fiscal year. Moved by Pat O'Malley seconded by Paul Dhaen. All in favour; none opposed. Carried.

CEO Report

Chris Inniss, President and CEO presented his report on operations and the strategic plan, as well as Mainstreet's achievement in 2021 and what our plans for 2022. Mr. Inniss thanked Janet Grantham, his predecessor, the Board, staff and the members.

A few items Mr. Inniss highlighted were Mainstreet's four unique value propositions:

- High quality person-to-person advice, with flexible customized solutions.
- Highly responsive through empowered team members we are extremely knowledgeable on local market
- Purpose-driven organization connected to community
- Convenient, member-centric omni-channel

Final Questions

Mr. Matesic inquired if there were any final questions, and the following questions were raised:

██████████ asked: What is open banking?

Management answered that in Canada, it's commonly known as consumer-directed finance. Open banking starts with who owns the data (the member or the Financial Institution). Some countries (like the U.K) have regulators that have stated that the customers own the data; therefore, if the customers would like, the financial institutions must use that data for third parties plug into. Management provided the example of doing taxes: a member could provide to a third party to view their Mainstreet account. In sum, financial institutions in Canada and financial technology companies will have to be able to talk to each other.

██████████ asked: Is Mainstreet working with other groups that also align with UN Sustainability Goals? Any affiliations?

Management answered that Mainstreet does not have any formal relationship or affiliations. Mainstreet would like to adopt some of the UN Sustainable Development Goals (i.e. Gender Equality, Climate Change) and the Board and Management want to ensure that Mainstreet is doing business in such a way that supports those goals.

██████████ further asked: Are you going to include the members in making these decisions?

Management answered that member engagement is greatly important to Mainstreet.

██████████ asked: What is the biggest risk going forward for Mainstreet? And are we protected from cyber-attacks?

Management answered that cyber-attacks are a huge risk and is something that the Board and team at Mainstreet take very seriously. Management noted that Mainstreet is constantly implementing ways to prevent cyber-attacks, including: a two-factor authentication method to increase security and implementing more active monitoring solutions.

Closure

Mr. Matesic expressed his thanks to the credit union staff for all of their hard work and dedication this year.

Mr. Matesic thanked the membership for attending tonight.

A motion was called to close the 8th Annual General Meeting. Moved by Tomo Matesic and seconded by Jen Denys to close the meeting at 7:38 pm. All in favour; none opposed. Carried.