



**MINUTES OF THE 81<sup>st</sup>  
ANNUAL GENERAL MEETING  
held virtually, North Vancouver, BC  
on Thursday, April 20, 2023 at 2:00 pm**

The 81<sup>st</sup> Annual General Meeting of BlueShore Financial Credit Union was held virtually in North Vancouver on Wednesday, April 20, 2023.

**1. Call to Order**

Chair, Peter Leitch called the meeting to order at 2:00pm, advised that the meeting was being recorded and acknowledged the territories of the Musqueam, Squamish and Tsleil-Waututh Nations.

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

P. Leitch welcomed members & 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, Manager, Governance & Assistant Corporate Secretary (Recording Secretary)  
Diana Chan, Vice-Chair & Chair of the Risk Committee  
Rod Dewar, Chair of the Audit Committee  
Lynne Charbonneau, Chair of the Human Resources and Compensation Committee  
Cybele Negris, Chair of the Governance & Conduct Review Committee  
Julie McGill, Chair of the Investment & Loan Committee  
Victoria Withers, Chair of the Nominations & Elections Committee  
Chris Tham, Director

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

Arnold Singh, Kristen Cheung and Om Choudhary from KPMG, BlueShore's External Auditors; Aaron Bastien from PRA Canada, BlueShore's Internal Auditors; Matthew Usborne, Peter Palikot and Derrick Lau 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 2022, it was included in the October 2022 and January 2023 editions of Shorelines, an online member newsletter, as well final notice was sent to all eligible members via mail on March 13, 2023 or email on March 16, 2023.

**4. Confirmation of Quorum**

Attendance was confirmed at 93 members and 66 guests. Quorum for the meeting is 50 members; therefore, quorum is met and 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 80th Annual General Meeting of April 21, 2022 in North Vancouver

P. Leitch, Board Chair, advised the minutes of the 80<sup>th</sup> Annual General Meeting are posted to the Credit Union's website and a link to them 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 80<sup>th</sup> Annual General Meeting of BlueShore Financial held on April 21, 2022, 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 2022 activities report of the Chair and Board of Directors.

P. Leitch advised that the organization focused on:

- reconnection;
- evolving the member experience; and
- strengthening community ties.

P. Leitch went on to explain that BlueShore's focus remains on supporting clients, employees, and communities and that, despite the challenging market conditions, the Organization remained in a secure position, with Assets Under-Administration at \$6.9 billion by year-end.

He expressed gratitude to employees for their commitment and agility over the past year and informed the membership that BlueShore is working to build connections both virtually and in-person, and highlighted the formalization of BlueShore's hybrid work program as an example. He commented on the Organization's commitment to advancing both its Diversity, Equity and Inclusion (DEI) journey and its Environmental, Social and Governance (ESG) practices.

BlueShore also helped support its community partner organizations through wellness programs and other initiatives. P. Leitch then highlighted BlueShore's recognition of Truth & Reconciliation Day through employee education sessions, support of local Indigenous arts & culture and a donation to the Residential School Survivors Society.

P. Leitch then reaffirmed BlueShore's commitment to the well-being of its clients, employees and communities will continue into 2023 and beyond.

Finally he concluded by acknowledging the announced retirement of BlueShore's CEO, Chris Catliff, who is anticipated to depart in September 2023, and assured the membership of the diligent efforts being made to

prepare the Organization for a transition in leadership. He thanked C. Catliff for his vision, leadership and commitment to people, throughout his tenure.

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

C. Catliff, CEO, advised his report would include BlueShore Financial's 2022 results and accomplishments and what's ahead for 2023.

The Credit Union performed well in 2022 remaining steady, despite a challenging external environment and he attributed this to a sound business strategy, an exceptional workforce and a supportive membership.

C. Catliff reviewed the numbers, detailing achievements of \$19.3MM in Net Operating Income, 7.3% on Retained Earnings (RORE), and Assets Under-Administration remaining at \$6.9 billion. In addition, revenue surpassed \$105MM, which he noted is comparable to pre-pandemic years. BlueShore has robust capital reserves, with a capital base \$112MM above the regulatory requirement, and a low rate of >90 day delinquencies on real estate loans.

He outlined the importance of the Credit Union's paramount goal to improve clients' overall financial well-being, which is especially key in the current uncertain economic climate. He shared the results of BlueShore's client survey for 2022, thanked the members for participating, and highlighted that 88% of respondents who work with a Financial Advisor would recommend BlueShore.

Secondly, C. Catliff noted the Credit Union's evolution towards balancing new technologies with personalized advice and highlighted the successes seen in BlueShore's Solutions Centre. He then outlined the approaches being taken to retain and develop critical staff and remarked on the financial planning outreach services provided to our members.

He also shared updates on the evolution of the in-person BlueShore experience, in particular highlighting the Park Royal Financial Spa expansion project and the relocation of the Lynn Valley Financial Spa.

Thirdly, C. Catliff informed the members that DBRS Morningstar confirmed BlueShore Financial's ratings, reflecting 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 commented on BlueShore's preparedness to manage the uncertain economic cycle and highlighted the protection provided by the Credit Union Deposit Insurance Corporate of British Columbia for deposits held at BC credit unions.

C. Catliff then reiterated his commitment to the Credit Union during the leadership transition and acknowledged the exceptional Board of Directors, employees, and members.

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

R. Dewar, Audit Committee Chair, presented the report of the Audit Committee. He acknowledged his 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, R. Dewar informed the membership that he would comment on two key ones.

The key oversight responsibilities are to ensure BlueShore Financial continues to be financially strong and to ensure the Credit Union's internal control systems are effective.

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 well, as seen in the strong financial position as reported in the 2022 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. He was happy to report that there are no concerns.

KPMG, the External Auditors, performed an audit of the 2022 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. He also noted the increased scope & depth of internal audits in 2022. These audits have been completed with satisfactory results.

R. Dewar confirmed all eligible members would have received a copy of, or link to, the 2022 Year-End Summarized Consolidated Financial Statements in the AGM Overview Brochure, alongside KPMG's 2022 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, 2022 and its consolidated financial performance and consolidated cash flows for 2022 are in accordance with the International Financial Reporting Standards.

As a consequence of BlueShore's growth and the cumulation of risks, the Board continued to advance the Risk Maturity Roadmap, forming a stand-alone Risk Committee and adding a CRO to the Executive Leadership Team.

R. Dewar outlined the challenging business environment in 2022 and noted the Credit Union's intentional build up of capital to offset the associated risks and prepare for regulatory developments which are anticipated in 2026. He also remarked on the healthy state of BlueShore's capital & liquidity base and the role of the Credit Union Deposit Insurance Corporation of British Columbia.

He 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 and elevated healthy capital levels. In addition, it is their view the Credit Union has a very strong and effective Finance Team.

He finished his report with acknowledgements to associated internal and external stakeholders.

## 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, 2022. 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 Financial's external auditors for 2023. CARRIED

## 12. Report of the Nominations and Election Committee

V. Withers, Committee Chair, acknowledged her fellow Committee members, the Board Chair, P. Leitch, and Manager, Governance, M. Tattersall, and then provided the Nominations & Election Committee's Report.

She confirmed that two Directors, Lynne Charbonneau and Rod Dewar, have reached the end of their current 3-year terms and a third, Kevin Sandhu, also reached the end of his 3-year term, however he had tendered his resignation in early 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.

V. Withers reviewed the importance of, and the Committee's process for ensuring existing Directors are performing and contributing as expected. They assess the required competencies, both current and future, and assess prospective Directors against this criteria. Director diversity has been an area of increased focus and evolving Board diversity is targeted to drive richer conversations within BlueShore's leadership.

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 nominated candidates, and endorsement decisions completed with background and statutory requirement checks.

V. Withers confirmed that six nominations were received following the Call for Nominations, with the two Directors with terms expiring in 2023 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.

V. Withers was pleased to welcome back to the Board returning Directors, R. Dewar and L. Charbonneau; and new Director Oliver Grüter-Andrew.

She then concluded by informing the membership that a Director, C. Negriz, had tendered her resignation and the Board anticipates appointing Yale Loh as a director to serve the remainder of her term. A brief outline of the appointment procedure was also shared.

### **13. Question Period**

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

- The relationship between fixed rate loans and rising deposit costs and the associated interest rate risk that could occur, as in the United States.
- BlueShore's preparedness for Open Banking.
- Returning excess earnings to members.
- Formatting and totalling of client monthly statements.
- BlueShore's derivatives performance.
- Increased borrowings in 2022.
- The state of Deposit Insurance for credit unions in BC.

### **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 2:56 pm.