



## **ANNUAL GENERAL MEETING**

**Northern Credit Union**

**Corporate Board Room & Teleconference  
Sault Ste. Marie, ON**

**MINUTES**

**April 17, 2020**

Northern Credit Union's Annual General Meeting was held on **Friday, April 17, 2020** at Northern Credit Union's Corporate Board Room and via teleconference.

### **1. Chair's Report on Registration, Determination of Quorum and Welcome**

Jeannie Kilgour, Board Chair, called this 'virtual' meeting to order at 3:00 PM and reminded everyone to be "mindful" of the fact that this is our Annual General Meeting and we must conduct ourselves as we would if this were an "in person" meeting. She noted that electronic devices should be turned 'off' and that the physical environment would allow you to be "present without distraction" as much as possible. Your phone should be on 'mute' when not speaking to avoid background interference.

Board Chair asked the Corporate Secretary to conduct a roll call and once completed, continued.

A year of firsts – facing a global pandemic we have had to make major changes as to where and how the AGM would be conducted. As a result, for the health and safety of everyone, this AGM is being held with a restricted number in physical attendance and the Board of Directors each joining via teleconference.

This was the first year we had voting open for our membership - One Member One Vote. As a result we had 664 votes cast electronically in advance of our AGM, which represents 8.7% of our membership. In comparison, in 2019 we had a total of 95 votes cast. This meets our quorum requirement.

### **2. Motion to Approve Agenda**

MOTION: **to approve the agenda for the 2020 AGM as presented**

Moved by John Fogarty & Seconded by Sue Klatt  
CARRIED

### **4. Introductions**

Board Chair, Jeannie Kilgour, introduced what would be the Head Table for the AGM as follows:

President & CEO – Richard Adam  
VP CFO – Tammy Buchanan  
Audit Committee Chair – Folgo Della Vedova  
Corporate Secretary – Vicki Caicco

The guest joining via teleconference is Mike Marinovich, of KPMG LLP, our external auditor.

The 2019 – 2020 Board of Directors were introduced as follows:

Louise Ahrens, Peter Beaucage, Brian Cairns, Folgo Della Vedova (retiring), Kevin Eccles, Tim Foster, Sue Klatt, Max Liedke, Grant Love, John Mangone (Cameron Ross is not in attendance)

Congratulations and a warm welcome was extended to the newly elected directors Daniel McCoy and Lori Martin.

#### **5. Moment of Silence for Deceased Members**

A Moment of Silence was dedicated to members of Northern Credit Union who passed away in 2019.

#### **6. Motion to approve minutes of the Annual General Meeting held April 13, 2019.**

MOTION **to approve the minutes of the April 13, 2019 Annual General Meeting**

Moved by Folgo Della Vedova & Seconded by John Mangone  
CARRIED

The Board Chair asked for any errors or omissions. There were none brought forward.

#### **7. Reports**

The Board Chair noted that typically at this point in the AGM reports are provided by the Board Chair, President & CEO, Audit Committee Chair and External Auditors. Due to the change in format for this year's AGM, the reports have been provided, in advance of the AGM, by way of the Annual Report and Audited Financial Statements which were posted on Northern's website in advance of the AGM.

##### **a) Board of Directors – Board Chair, Jeannie Kilgour**

MOTION **to approve the Board of Director's Report as presented in the Annual Report**

Moved by Matt Porco & Seconded by Brenda Ansley  
CARRIED

##### **b) Chief Executive Officer – Richard Adam**

MOTION **to approve the Report of the CEO as presented in the Annual Report**

Moved by Emily Thibeault & Seconded by Alannah Tomberg  
CARRIED

##### **c) Audit Committee**

MOTION **to approve the Audit Committee Report as presented in the Annual Report**

Moved by Max Liedke & Seconded by Peter Beaucage  
CARRIED

##### **d) External Auditor**

MOTION **to approve the External Auditor's Report as presented in the Audited Financial Statements**

Moved by Tammy Buchanan & Seconded by Steve Hatzipantelis  
CARRIED

## 8. Unfinished Business

There was no unfinished business to address.

## 9. New Business

### (a) *Motion to appoint external auditors for 2020*

MOTION **to appoint KPMG LLP as External Auditors for 2020**

Moved by Patricia Lachowsky & Seconded by John Fogarty  
CARRIED

### (b) *Formal Announcement of Voting Results – Election & By-Laws*

The Chief Returning Officer provided the following announcement of election results.

For our Director elections, there were five (5) positions on Northern's Board of Directors available to be filled. Four of those position are for 3-year terms and one is for a 1-year term.

We had nine (9) candidates who had properly filed nomination forms with the Corporate Secretary, and each person has disclosed any legal direct conflict of interest. The nominees all meet the conditions under the Act and Northern's By-Laws to stand as Directors.

The candidates were:

Louise Ahrens  
Kyle Cormier  
Jeannie Kilgour  
Sue Klatt  
George Lowes  
Lori Martin  
Daniel McCoy  
Martin Poirier  
Cameron Ross

The four (4) nominees obtaining the top number of votes will fill the three-year terms and the fifth nominee obtaining the top number of votes will fill the 1-year term.

We had 664 members vote electronically. This year's participation rate is 8.7%. The election results were emailed directly to me, as Chief Returning Officer. Each director nominee was personally contacted to inform them of their results. The results were then posted on Northern's website. The results are:

The top 4 director nominees who will have a 3-year term are:

1. Lori Martin
2. Sue Klatt
3. Louise Ahrens
4. Jeannie Kilgour

The 5<sup>th</sup> director, Daniel McCoy, will have a 1-year term.

MOTION **to destroy the electronic voting information**

Moved by Kevin Eccles & Seconded by Louise Ahrens  
CARRIED

The voting for proposed by law changes was conducted through electronic voting as well. There were 664 votes cast by members of which the results were provided to me, as the Chief Returning Officer.

On the by law proposal there were 664 votes cast of which 2/3 of the votes are required to pass the resolution to amend the by-laws.

There were 589 yes votes and 75 no votes. Therefore, the proposed by-law amendment passes.

## 11. Question Period

The Board Chair reiterated - Once again due to the unusual circumstances we find ourselves in, members were informed via Notice of Meeting and the AGM microsite that they could forward any questions, concerns or comments they may have through the Corporate Secretary.

At this time, there were only two emails received. For purposes of recording in the minutes, the Board Chair read the questions and the President & CEO responded.

In summary, Member, Terry Bodnar, questioned why the proposed by-law amendments were contained within one resolution. It was his opinion that Members would have been better served if there had been an 'unbundling' of housekeeping amendments from substantive changes which would have more transparently disclosed the change to former employees being able to serve on the Board.

In reference to the substantive change, Mr. Bodnar indicated he was not in agreement with changes to Article 4.02 (e) and 4.02 (f) whereby any former employee of the credit union would be ineligible to run for a position on the Board into perpetuity as this would prohibit potentially highly-qualified past employees to sit on the Board and fill specific recruitment gaps.

President & CEO, Richard Adam responded:

The By-Laws are reviewed on annual basis to ensure they appropriately reflect current circumstances. All proposed amendments are reviewed by legal counsel to ensure they are in compliance with the Act and are considered best practice. Legal counsel prepares the resolution(s) and determines in what fashion the proposed by-law amendments are presented to the members. The Board reviewed the recommendation of legal counsel and agreed that no individual change was substantive or controversial to impact, or risk, other changes not being approved. The Board reviews by-law changes every year in this context and will continue to do so to ensure potential controversial changes are segregated as not to jeopardize other required changes and to provide better transparency.

With respect to Article 4.02 (e) and 4.02 (f), the rationale to change the restriction from a 3-year period to perpetuity is primarily based on Board governance. The Board is a policy Board focused on strategic and generative leadership rather than operational. Consideration was given with respect to being able to maintain independence and objectivity as a director from prior experience as an employee – it was thought that it could be a challenge. It should be noted that throughout the period of time that the 3-year limitation has been in place, there hasn't been any interested prior employee coming forward seeking nomination, therefore considering this a low risk change to protect proper governance at the Board level.

Mr. Bodnar's full letter will be presented and discussed at the next Governance Committee meeting in June 2020.

Board Chair read Question #2 – Member, John Fogarty asked - Some economists are predicting that there will be a world-wide depression as a result of the fallout from the Covid-19 virus. How will Northern Credit Union need to adjust strategies to prepare for this downturn in the economy?

President & CEO, Richard Adam responded:

Over the last few months, Northern's focus has been on the health and safety of our members and staff and ensuring we can continue to deliver and provide access to financial services. We are currently working through forecasts to determine the potential impact to our business of a prolonged pandemic and down turn in the economy. We do anticipate a decrease in loan growth and an increase in credit losses which both will have a negative impact on net income. We do not necessarily see a change in our strategic priorities but certainly a shift in our business model and timing of certain strategic projects. These are uncertain times and there can be a number of different scenarios coming out of this, which we are working on to ensure we adjust our business accordingly.

Board Chair stated that members would be welcome to bring forward any questions they may have after the AGM if they hadn't been able to beforehand.

Board Chair concluded by thanking the external auditor, Mike Marinovich for joining the AGM via teleconference noting that it is a very different process for us this year rather than being able to be face-to-face.

#### 14. Adjournment

The meeting was adjourned at 3:20 pm on a motion moved by Folgo Della Vedova and seconded by Brian Cairns.

CARRIED



Jeannie Kilgour – Chair of Board



Victoria Caicco – Corporate Secretary