

## **Annual General Meeting Minutes**

The 83<sup>rd</sup> Annual General Meeting of OMISTA Credit Union was held virtually on Thursday, March 31, 2022.

Catherine Harrop, Remote Meeting Moderator provided a few housekeeping items prior to the official meeting start.

### **1. Call to Order**

The meeting was called to order at 3:36 p.m. with the Chairperson, Jack Low, in the chair. The Chairperson asked that a moment of silence be observed to acknowledge and remember those OMISTA members, directors, friends and employees who are no longer with us.

### **2. Determination of Quorum**

The Chairperson informed the gathering that 74 registered Members were present, which constitutes a quorum.

Joanne Belliveau, Executive Assistant, was appointed as the Recording Secretary.

Gregory MacLean, Legal Counsel with McInnis Cooper was appointed as parliamentarian.

### **3. Approval of Agenda**

It was moved by Dr. Richard Vaillancourt and seconded by Rayanne Brennan that the Agenda for the 2021 Annual General Meeting be approved.

***Motion carried.***

### **4. Introductions**

The Chairperson thanked the guests for their attendance and support of OMISTA Credit Union and introduced Catherine Harrop, Moderator. Catherine Harrop then introduced the OMISTA Board of Directors and presenters.

## 5. Approval of the Minutes

The Chairperson referred to the Minutes of the last Annual General Meeting held on Thursday, April 1, 2021 and asked for a motion for approval.

It was moved by Frances LeBlanc and seconded by Stephanie Herron that the Minutes of the 2020 Annual General Meeting be approved as presented.

***Motion carried.***

The Chairperson referred to the Minutes of the Special General Meeting held on Wednesday, November 24, 2021 and asked for a motion for approval.

It was moved by Pat Duffield and seconded by Dr. Richard Vaillancourt that the Minutes of the November 24, 2021 Special General Meeting be approved as presented.

***Motion carried.***

## 6. By-Law & Article Amendments

The Chairperson called upon Claire Fanning, Chairperson of the Governance Committee to present the Articles of Amendment and revised By-Laws.

It was moved by Claire Fanning and seconded by Pat Duffield to approve the Articles of Amendment as presented.

### On the question

Reginald Dingley asked what does increased equity do for the Credit Union? The CEO advised FCNB requires each credit union have a minimum of 5% equity.

***Motion carried.***

It was moved by Claire Fanning and seconded by Sydney Constantine to approve the amendments to the By-laws Articles as presented.

***Motion carried.***

## 7. Nominating Committee Report

The Chair called upon Simon Pacey, Chair of the Nominating Committee.

In accordance with the current By-laws, the Board of OMISTA Credit Union shall be comprised of a total of 9 directors. Generally, directors serve for a three-year term and are eligible for re-election but are not eligible to serve for more than nine consecutive years.

The terms of four (4) Director positions are expiring at today's 2020 Annual General Meeting. Three (3) of the positions are for a three-year term and one (1) position is for a one-year term.

Those positions were held by Shawni Beaulieu, Robert Christie, Claire Fanning, and Frances LeBlanc. All the directors except for Claire Fanning are eligible for re-election. Claire has reached the nine-year limit and is therefore not eligible for re-election.

A call for nominations was placed on January 20, 2022, to fill these positions.

As of the close of nominations on February 4, 2022, we received the following nominations.

For the three (3) available three-year term positions:

- Shawni Beaulieu
- Frances LeBlanc
- Linda Schofield

And for the one (1) available one-year term position, we received a nomination for:

- Robert Christie

All candidates have been appropriately vetted and meet all the requirements to serve on the Board of Directors.

With four nominations for the four open positions, Shawni Beaulieu, Frances LeBlanc, Linda Schofield, and Robert Christie have been elected by acclamation.

Welcome back to Bob, Frances and Shawni and a warm welcome to Linda. And a thank you to all for your willingness to serve your Credit Union.

## **8. Presentation of Reports**

The Chairperson recommended that one motion be made to adopt all the reports once they have all been presented.

Jack Low, Chairperson handed the Chair to Claire Fanning, Vice Chairperson

## **a. Board Chairperson – Report to the 2021 Annual General Meeting**

*Good afternoon, my fellow members. I am pleased to be with you, but wish we were doing this in person. Hopefully that will happen next year. Regarding the issue of the pandemic; the past 2 years have been very tough years for all of us. Particularly for financial institutions like OMISTA which were designated essential services. All our staff were amazing in their dedication to OMISTA and to our members, even throughout all the stress and anxiety that came their way. I and all your Board directors appreciate and thank them for their service.*

*I also want to thank my fellow Directors as well as Tammy and our Executive Assistant Joanne Belliveau for their hard work and many meetings this past year. As a result of the new Credit Union Act and a need to refresh our Board policies, together we reviewed, amended and created over 50 documents resulting a substantially revised Board Policy book. These are critical policies designed to ensure adherence to the regulations and adherence to our oversight responsibilities as a Board. A job well done.*

*I considered what else I would say in these remarks. I leave all what has happened with OMISTA in the past year to our CEO, Tammy and our Director of Finance and Risk, Asha. Except that to say, thanks to the very hard work by management and all staff, we had very good financial year.*

*I believe members want to hear something of the challenges OMISTA is facing and our strategies for sustainability. Your credit union is facing significant challenges; however, I believe we have the resources and people to overcome them. By “overcome”, I mean embracing the changes they will bring us, adapting to new processes, and accepting the new opportunities created.*

*“Open banking” is beginning and will be part of our culture within a couple of years. Increasing regulation is already here, requiring increased diligence by both staff and your Board. What can I say about “technology”...what we will see in the next few years will affect us all, challenge our processes, require more specialized staff, change the way we actually work. “Environmental, social and governance issues” are increasingly important to our members, our communities, and our regulators. Addressing these issues must become a permanent part of our strategies and processes, to achieve our goals.*

*Let’s address some of our strategies for sustainability. I don’t mean sustainable just in terms of the environment, but also in terms of financial sustainability, adherence to regulations, and retention and growth of our staff.*

*Your Board and management recently held a day and a half of strategic planning concentrating on the next 3 years. The overall objective arising from that experience is “growth”. Growth of our human resources, growth of revenue but most importantly growth of membership, our most important asset. Over the next few weeks, a detailed plan for achieving our objectives will be created and approved.*

*I am excited about our future and look forward to all the challenges coming forward and the opportunities they will provide us. Thank you.*

*Jack Low, Chairperson*

## **b. Management Report from the Chief Executive Officer**

*Good afternoon and thank you members for joining us today for a look back on 2021 and the accomplishments of our Credit Union.*

*This past year saw much growth for New Brunswick. Net interprovincial migration in the second quarter of 2021 was at its highest since 1975. The ability for individuals to work from home made New Brunswick a top choice for those wanting to leave the big cities. With their big city salaries, this raised the roof on home resales. New Brunswick experienced the hottest seller’s market in decades with massive increases in the cost of housing. As quick as a house would be listed, multiple offers would come in above asking price, sometimes creating a bidding war. Adding to that the low cost of borrowing and you have significant growth in mortgage market. OMISTA’s mortgage portfolio grew by almost 10% and our commercial portfolio grew by almost 30%. This growth has led to strong financial performance that our Director of Finance & Risk, Asha Jammula will highlight in her report.*

*The management and employees of OMISTA Credit Union remains to be a partner for our members, small business owners, and our communities. In a time when the pace of change has never been faster, we have been determined to find new and innovative ways to meet the demands and expectations of the next generation of Credit Union Members, while maintaining our core values of fairness, trust, honesty, and service to all. Whether that service be in branch performing transactions with a Customer service representative, or receiving advice from a Lending or Investment specialist, or from the comfort of you sofa performing digital transactions through Member Direct, OMISTA will continue to provide you with the service you have come to depend upon.*

*Much work has been completed in 2021 that continues to propel OMISTA forward.*

- *Our new CU Response Team matured and further developed. This group has become the dedicated resource for Members. Any member or customer is able to contact us either via telephone or electronically and reach a live person who is ready to assist. Even when a branch is required to be closed, this team is there for you. During 2021 they answered hundreds of inquiries. Members have told*

*us how refreshing it is that OMISTA still answers the phone and can be relied upon for that personal touch.*

- Following an extensive market analysis, we launched our new personal account packages in April. More than 4300 members received reductions in their service charges.*
- Work continued at the National level on finding a suitable replacement for our Global Payment Card. I am happy to inform you that the foundation has been laid and later this year we will be launching a new debit Mastercard option.*
- Cybersecurity remains at the forefront. More than ever cyber criminals are trying to penetrate companies. As a system, all Credit Unions in Atlantic Canada have gone through a thorough review of their security measures and protocols. Led by security experts at CGI and LD we have reviewed over 100 control areas. OMISTA has successfully implemented protection measures in all areas and currently has no high-risk areas. All risk areas are within acceptable tolerances. This is an ever-changing area and because of that we have implemented processes to continually monitor and test our controls to ensure they remain strong and relevant.*
- During the year we conducted a Customer Experience Survey. Some members told us that they would like to have an extra layer of security for their online banking. We heard you. In January 2022 we introduced two factor authentication. You would have recently experienced this new level of security when you logged in to Member Direct. Later in 2022 a further security enhancement you will see is strong pac. Members will be required to update their member direct pac from the current 5 digits code to a pac that will require a combination of numbers, letters, and symbols.*
- Much work was completed from a regulatory perspective. In compliance with the CU Act, OMISTA implemented new liquidity and capital plans. Part of our new capital objectives was to reach an equity percentage of 6%. To do so, we wanted to offer members an avenue to invest in their credit union while being rewarded with a great return. In December we completed a Preferred Share offering in which over \$1.5M was invested with a return to the member of 3.00%. Thank you to those members invested. For any member who missed out on this sale, another opportunity will be provided in 2022.*
- As a B Corp certified company, OMISTA continues to focus on sustainability efforts. I am proud to report that we are now offsetting 100% of our energy consumption through Bullfrog Power. Also, together Atlantic Central, LSM, and 41 fellow Credit Unions we published our 2020 sustainability report entitled "Living our Values: Leading in Exceptional Times". The report summarizes our social, environmental, economic, and governance activities, performance, and impact during 2020. I urge you to take a read through it at [insert link].*
- On September 30th we observed the first National Day for Truth and Reconciliation. Each employee and director received Reconciliation Education and Indigenous Awareness training. We still have much to learn but are committed to listening and learning of all aspects of diversity and inclusion as a credit union.*

- *Once again, the overall Customer Service Excellence Award among all financial institutions in the retail banking sector has been awarded to Canada's Credit Unions. This is the 17th consecutive year that Canada's Credit Unions have received the award, reflecting the continuing high levels of service provided to their member bases. We know that this award is because of the exceptional team of people employed with the Credit Union. Our outstanding team are the heart of OMISTA. Each team member gives tirelessly to provide outstanding service to our members. We have many long serving employees at OMISTA. During 2021, nine employees celebrated milestones. I'd like to recognize them now.*

5 Years

Sydney Constantine

10 Years

Chantal Calvert

15 Years

Angela Steeves

20 Years

Rachelle Cassie  
Jennifer Englehart  
Darlene Kelly  
Deanna LeBlanc

30 Years

Stephanie McGrath

- *This past year has continued to put a strain on all individuals. Now is the time that I must give thanks. Thank you to the wisdom and support of our Board of Directors whom provided support, guidance and oversight. Thank you to OMISTA's pandemic team who continued to adjust as we moved with the province through restriction levels and compassionately considered the effects of decisions on our members and your fellow employees. Thank you to the Leadership Team who kept a keen focus and demonstrated immense flexibility and innovation. And above all Thank you to our employees who continued to put themselves out there every day to provide exceptional service and support to our Members. My hopes for all of us are an end to this pandemic. Relief for those who have been impacted physically and mentally through this challenging time. May we get back to the peaceful country we all share and call home.*

~Tammy Christopher, CEO

### **c. Audit Committee Report**

Ajit Gautam, Chairperson of the Audit Committee presented the Audit Committee report. Mr. Gautam thanked KPMG for preparing the audited financials.

### **d. External Auditor and Financial Statements**

The Chairperson called upon Jennifer Clement, Audit Partner with KPMG to deliver the External Auditor Opinion. In closing, Jennifer Clement thanked OMISTA noting KPMG appreciates and takes pride in being their external auditor.

The Chairperson called upon Asha Jammula, Director of Finance & Risk to present the Audited Financial Statements and review the Auditor's Report.

Claire Fanning, Vice Chairperson returned the Chair to Jack Low, Chairperson. At this time, the Chairperson asked for a motion to accept the reports and financial statements as presented.

It was moved by Frances LeBlanc and seconded by Simon Pacey that we adopt all the reports and approve the 2021 Audited Financial Statements as recommended.

#### On the question

Wilfred Allision asked what is the percentage of total loans that are delinquent. The CEO advised OMISTA has a very low delinquency ratio; less than 1% to be exact 0.17%

***Motion carried.***

## **8. Recommendations from Board of Directors:**

### **a. Approval of Directors Remuneration**

As per our by-laws Article 5.05 (a) (iv) at each AGM we must approve the maximum annual amount to be paid to Directors as remuneration for the performance of their duties during the current fiscal year. Included in Note 16 of the Audited Financial Statement we have reported this amount for 2021 to be \$90,955, up from 2020's amount of \$66,490. The amount for 2020 was low as we shifted to virtual Board meetings during COVID restriction. We also held additional committee meetings during 2021 as we completed a full review of all Board policies. We anticipate this amount will return to pre-covid levels and are therefore setting the maximum aggregate amount of remuneration and reimbursement to directors at \$125,000 for the 2022 fiscal year.

It was moved by Dr. Richard Vaillancourt and seconded by Ajit Gautam to approve the maximum aggregate amount of remuneration and reimbursement to directors at \$125,000 for the 2022 fiscal.

**Motion carried.**

### **b. Appointment of External Auditors**

The Chairperson called upon Ajit Gautam, Chairperson of the Audit Committee for the appointment of external auditors. As a best practice your Audit Committee issued a Request for Proposal for external audit services in 2021 and invited 6 firms to submit request for proposal. The committee evaluated the proposals and selected Deloitte LLP as external auditors, and we are recommending Deloitte LLP for 2022 fiscal year.

It was moved by Ajit Gautam and seconded by that the recommendation to appoint Deloitte LLP as the external auditors for the upcoming 2022 fiscal year be approved.

**Motion carried.**

## **10. New Business**

### **a. Message from Atlantic Central/League Savings and Mortgage CEO**

The Chairperson welcomed Michael Leonard, CEO of Atlantic Central and League Savings & Mortgage who provided us with an update on the Credit Union system in Atlantic Canada.

### **b. Retiring Director Recognition**

The Chairperson noted this year we have one retiring director. The foundation of OMISTA's Board is the contribution made by our individual directors, all of whom give of their expertise and time for the greater good of OMISTA and our membership. This year, we are recognizing Claire Fanning; we thank you for your service.

## **11. Other Business**

- Haylie Tesiere asked if OMISTA will adopt the digital ID plan like other banks and if so when? The CEO responded this is a hot issue and it is still quite early in the discussion. Credit Unions are provincially regulated financial institutions and do not follow OSFI. We will stay on top of this as it moves along.
- Darren MacLeod asked if OMISTA has been in merger discussions with other credit unions? The CEO confirmed we are not in any merger talks.

## **13. Adjournment**

The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Rayanne Brennan  
Secretary