
**Minutes of Kindred Credit Union's 57th Annual General Meeting
Zoom Webinar Meeting
April 13, 2021 at 5:00 p.m.**

Attendance: 261 TOTAL

Board members present: Susan Taves, Carolyn Albrecht, Greg Brimblecombe, Jim Erb, Gerry Frey, Gloria Martin, Nelson Scheifele, Leroy Shantz, Randy Shantz, Kaylie Tiessen, Tim Wagler, John Wiebe

Regrets:

Prelude by Banking with Purpose staff video and Whatsoever Things Are Good video.

1. WELCOME AND INTRODUCTION

Ian Thomas, CEO, walked through the instructions for the Zoom meeting and how the meeting will be conducted. Ian welcomed the members, Board of Directors and staff to the 57th Annual General Meeting of Kindred Credit Union. Ian welcomed special guests including community partners, credit union peers, trade associations and service partners. The following were acknowledged:

- Boniface Tuurosong, Financial Services Regulatory Authority (FSRA)
- David Beaudoin, PricewaterhouseCoopers LLP

2. COMMUNITY PARTNER PRESENTATION – MennoHomes

A video presentation from Dan Driedger, Executive Director at MennoHomes, shared about their work in affordable housing and how Kindred's partnership and contribution of \$250,000 to MennoHomes' capital campaign has helped to move their affordable housing project forward.

3. BOB TJART MEMORIUM

Ian took a moment to acknowledge Bob Tjart, who passed away December 25, 2020. Appreciation for his service and condolences were conveyed to Bob's family, as he was the second employee of Mennonite Credit Union and served as General Manager from 1976 – 1982, leading the credit union through significant changes during that time.

4. OPENING PRAYER

Hugh Donnelly, Lead Minister at Knox Presbyterian Church, led in prayer.

5. HYMN

Ian invited everyone to join in reflection and singing of Hymn – "Great is Thy Faithfulness".

6. CALL TO ORDER / BUSINESS ITEMS

Susan Taves, Chair of the Board, reiterated the opportunities for members to participate in the meeting.

Susan introduced the current Kindred Board members:

- | | |
|---------------------|--------------------|
| • Carolyn Albrecht | • Gerry Frey |
| • Greg Brimblecombe | • Gloria Martin |
| • Jim Erb | • Nelson Scheifele |

- Leroy Shantz
- Randy Shantz
- Kaylie Tiessen
- Tim Wagler
- John Wiebe
- Susan Taves

Susan introduced the Kindred Senior Leadership:

- John Klassen, Chief Finance and Compliance
- Max Bentz, Vice President , Member Relationships
- Nolan Andres, Chief, Technology and Innovation
- Rebecca Smith, Vice President , Engagement and Values
- Nick Savva, Vice President, Credit Strategy and Underwriting
- Ian Thomas, Kindred CEO

Susan officially called to order the business portion of the 57th Annual General Meeting of Kindred Credit Union.

Susan stated that the Board operated at its full complement of 12 directors throughout 2020 and that significant time was invested in orientation and training activities, as well as resources to ensure the Board continued to be properly equipped to govern and oversee Kindred's operations.

7. 2020 AGM MINUTES

Susan Taves highlighted the minutes of the 56th Annual General Meeting.

Motion #1 (AGM 13/04/2021) to accept the minutes of the April 14, 2020 AGM (held in Kitchener).

Kaylie Tiessen / Victor Hiebert / Carried.

8. FINANCIALS, AUDIT AND RISK COMMITTEE, AND AUDITOR REPORTS

Susan Taves stated the next two motions relate to the 2020 year-end financial statements and our auditors. John Klassen, Chief Finance and Compliance, was invited to share the highlights of the financial report.

9. FINANCIAL REPORT

John Klassen, Chief, Finance and Compliance, presented the financial report for the fiscal year ended December 31, 2020.

In 2020, the credit union saw solid growth, increased earnings, and stability building. Even with great uncertainty at the start of the pandemic, 2020 was a very successful year for the credit union. Kindred continues to make steady progress towards the financial objectives in its strategic plan, and Kindred's very strong financial position gives confidence, even as the pandemic continues.

John highlighted the following from the 2020 financials:

- 2020 saw an overall asset growth of 15.6% bringing year-end assets to \$1.586 billion
- \$137.4 million or about 11% overall loan growth.
- \$213.7 million or almost 18% deposit growth.
- \$5.5 million in core earnings.
- \$1.12 million of 2020 profits shared with members through Kindred Profit Shares program.

- \$4.13 million in net earnings after distributing Profit Shares.
- Increase of \$102 thousand due to fair market value adjustments.
- 2020 capital levels remained above regulatory minimums.
- 50 basis points return on average assets.

There was an opportunity for questions, which members submitted through the Zoom Q&A functionality.

10. AUDIT AND RISK COMMITTEE REPORT

Susan Taves read from the Audit and Risk Committee Report on behalf of the committee. For 2020, the committee consisted of Greg Brimblecombe, Kaylie Tiessen, Tim Wagler, and Randy Shantz who served as Chair.

The Audit and Risk Committee has met its annual mandate and has identified no matters that should be reported to members, nor are there any further matters that are required to be disclosed pursuant to the Credit Union Act or its associated regulations.

11. AUDITOR'S REPORT

Susan Taves highlighted the Auditor's Report issued by the external auditor, PricewaterhouseCoopers, LLP. The report states that, in the opinion of the external auditor, the financial statements present fairly, in all material respects, the financial position of the credit union as at December 31, 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Motion #2 (AGM 13/04/2021) to accept the Financial Report, Audit and Risk Committee Report, and Auditor's Report as presented.
Gloria Martin / Brent Zorgdrager / Carried.

12. APPOINTMENT OF AUDITOR FOR 2020

Susan Taves stated that the Audit and Risk Committee unanimously recommended to the Board of Directors, who recommend to the members that PricewaterhouseCoopers LLP be appointed as Kindred's auditors for 2021.

Motion #3 (AGM 13/04/2021) to appoint PricewaterhouseCoopers LLP as the auditor for the 2021 fiscal year.
Jim Erb / Marcus Shantz / Carried.

13. BOARD SLATE AND RATIFICATION VOTES

Susan Taves reiterated that the Board operated this year with a full complement of directors. For the upcoming year, the slate of directors includes two new nominees, Rosemary McCrie and Henry Petkau, who have been proposed to join the Board at this AGM.

Each of the candidates indicated in writing that they do not have any conflicts of interest in a material contract with the Credit Union based on their review of the associated sections of the *Credit Unions and Caisses Populaires Act, 1994* as amended and proclaimed into force on October 1, 2009.

Motion #4 (AGM 13/04/2021) to ratify the slate of the two members as listed.

Fred Martin / Paul Heidebrecht / Carried.

Susan noted that with the ratification of this slate, Kindred once again has a full complement of 12 directors serving the members as their Board of Directors for 2021.

Susan thanked the outgoing Directors, Nelson Scheifele and Randy Shantz.

14. COUNCIL OF MEMBERS UPDATE

The Council of Members includes member volunteers with representation from Kindred branches. The Council is tasked with discerning qualified candidates for the Board of Directors of Kindred. Council of Members candidates are identified upon recommendation from Branch Managers, staff, current Directors, and members. The ultimate recommendation of members who will serve on the Council of Members and Board of Directors rests with the Board.

15. BY-LAW CHANGES

Kindred's Board and Leadership are proposing some changes to the General By-law. These changes were approved by Kindred's Board of Directors on February 25, 2021. The proposed changes are as follows:

- Number of Directors
- Director Term Limits (Qualification)
- Committees of Directors
- Executive Committee to Governance Committee
- B Corp Certification

Motion #5 (AGM 13/04/2021) to approve the adoption of the Kindred Credit Union General By-Law as approved by the Board on February 25, 2021 and recommended for membership approval at the AGM.

Leroy Shantz / Dan Driedger / Carried.

Susan noted that in 2020, the provincial government reviewed recommendations from the Canadian Credit Union Association, our national trade association, to adopt a modern framework for credit unions with the aim to drive competitiveness and innovation, while enhancing the member experience. In December last year, a new *Credit Union and Caisses Populaires Act, 2020*, was passed as part of the government's omnibus budget bill, Bill 229. The Act will not take effect until our regulator, the Financial Services Regulatory Authority of Ontario, develops the regulatory framework that underpins the Act. This work will likely be completed by the end of this year or mid-2022. Once this framework is finalized, all credit unions in Ontario will take this opportunity to update their by-laws to ensure they better align with the emerging framework.

16. OTHER BUSINESS / DISCUSSION

John shared the success from the Crisis Care GIC, which was available from May – August 2020. Investors earned an interest rate of 1.50% and Kindred allocated an additional 0.25% to a pool of funds that was donated to organizations serving the most vulnerable. Kindred made an initial donation of \$15,000 to organizations from across branch locations.

Ian shared the increased ways that members can now bank with Kindred, as a result of the necessity the pandemic provided. In order to allow members to bank with purpose wherever they're at, a new website and online banking platform have been fully



redesigned to align with the new mobile app, and will be launched next month. A preview of the new website and platform was shared.

Ian introduced Kindred's Community Inspiration Framework, and shared a clip of Ben Janzen and Amy Zavitz sharing elements of the framework, explaining what Kindred's purpose is, and showing examples of how this work is tangible in the communities Kindred serves.

Ian shared about Kindred's Equity, Diversity, and Inclusion (EDI) journey, highlighting that for many years, the credit union was fairly exclusive by catering to a Mennonite and faith community. Now, Kindred has the opportunity to be more inclusive and remove barriers that may unnecessarily limit or restrict people who need access to banking services and advice.

There was an opportunity for questions, which members submitted through the Zoom Q&A functionality.

17. CLOSING COMMENTS

Susan Taves noted that just as 2020 offered some unexpected lessons in resilience and managing expectations, 2021 will continue to offer challenges that Kindred must overcome.

18. ADJOURNMENT

Susan Taves adjourned the 57th Annual General Meeting in Kitchener.

Adjournment – 6:15pm

Chairperson

Secretary