
**Minutes of Kindred Credit Union's 58th Annual General Meeting
Knox Waterloo Presbyterian Church and Zoom for Remote Online Attendance
April 12, 2022 at 7:00 p.m.**

Confirmed Registrations at Date of AGM: 327

Official Attendance: 261 TOTAL

Board members present: Susan Taves, Greg Brimblecombe, Gerry Frey, Gloria Martin, Rosemarie McCrie, Henry Paetkau, Leroy Shantz, Kaylie Tiessen, Tim Wagler, John Wiebe

Board members online: Carolyn Albrecht, Jim Erb

Prelude by Bonnie Ropp.

1. VIDEO INTRODUCTION – Whitecrest Mushrooms

A video presentation introducing Whitecrest Mushrooms, shared about Murray Good's work in providing a sustainable food source and being a good steward, while entrusting Kindred to walk alongside him in this financial journey.

2. WELCOME AND INTRODUCTION

Ian Thomas, CEO, welcomed the members, Board of Directors and staff to the 58th 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:

- Mehrdad Rastan and Dan Oprescu, Financial Services Regulatory Authority of Ontario (FSRA)
- Jacqueline Peterson, PricewaterhouseCoopers LLP
- Kim Lester, Associate Executive Director for Mennonite Central Committee
- Fauzia Mazhar, Executive Director of the Coalition of Muslim Women in Kitchener-Waterloo
- The numerous credit union colleagues, business delivery partners and community partners also joining the AGM in person and virtually

3. OPENING PRAYER

Rev. Courtney Crawford led in prayer.

4. HYMN

Leroy Shantz and Bonnie Ropp directed singing of Hymn – "All People That on Earth Do Dwell".

5. 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 noted above under attendance.

Susan introduced the Kindred Senior Leadership:

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| <ul style="list-style-type: none">• John Klassen, Chief, Finance and Compliance | <ul style="list-style-type: none">• Max Bentz, Vice-President, Member Relationships |
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- Nolan Andres, Chief, Technology and Innovation
- Rebecca Smith, Vice-President, Engagement and Values
- Nick Savva, Vice-President, Credit Risk
- Ian Thomas, Kindred CEO

Susan thanked the outgoing Directors, Leroy Shantz, John Wiebe, and Jim Erb.

Susan officially called to order the business portion of the 58th Annual General Meeting of Kindred Credit Union.

It was confirmed that the Board operated at its full complement of 12 directors throughout 2021 and that significant time was invested in orientation, training, and resources to ensure the Board continued to be properly equipped to govern and oversee Kindred's operations.

6. 2021 AGM MINUTES

Some highlights were provided from the minutes of the 57th Annual General Meeting.

Motion #1 (AGM 12/04/2022) to accept the minutes of the April 13, 2021 AGM (held in Kitchener).

Victor Hiebert / Fred Martin / Carried.

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

Susan Taves stated the next two motions relate to the 2021 year-end financial statements and our auditors. John Klassen, Chief Finance and Compliance, was invited to share the highlights of the financial report.

8. FINANCIAL REPORT

John Klassen, Chief, Finance and Compliance, presented the financial report for the fiscal year ended December 31, 2021.

In 2021, the credit union saw strong growth, increased earnings, and organizational development. Even with continued uncertainty from an economic perspective related to the ongoing pandemic, 2021 was a very successful year for the credit union. Kindred continued to make steady progress on financial objectives and achieved all of the key financial milestones in the five-year strategic plan, that was begun in 2016.

John highlighted the following from the 2021 financials:

- 2021 saw an overall asset growth of 14.5% bringing year-end assets to \$1.8 billion.
- \$253.1 million or about 18.3% overall loan growth.
- \$234.9 million or almost 17% deposit growth.
- \$8.9 million in core earnings.
- \$1.45 million of 2021 profits shared with members through Kindred Profit Shares program.
- \$9.46 million in net earnings after distributing Profit Shares.
- Decrease of \$202 thousand due to fair market value adjustments.
- Gain of \$494 thousand due to transition of mandatory liquidity deposits to high-quality liquid asset securities.
- 2021 capital levels remained above regulatory minimums.
- 60 basis points return on average assets.

There was an opportunity for questions.

9. AUDIT AND RISK COMMITTEE REPORT

Susan Taves read from the Audit and Risk Committee Report on behalf of the committee. For 2021, the committee consisted of Greg Brimblecombe, Henry Paetkau, Kaylie Tiessen, and Tim Wagler 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.

10. 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, 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Motion #2 (AGM 12/04/2022) to accept the Financial Report, Audit and Risk Committee Report, and Auditor's Report as presented.
Brian Dudley / Dave Epp / Carried.

11. APPOINTMENT OF AUDITOR FOR 2022

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 2022.

Motion #3 (AGM 12/04/2022) to appoint PricewaterhouseCoopers LLP as the auditor for the 2022 fiscal year.
Brent Zоргdrager / Susan Lofthouse / Carried.

12. 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 three new nominees, Wanda Wagler-Martin, James Schenk, and Rick Martin, 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 12/04/2022) to ratify the slate of the three members as listed.
Victor Hiebert / Jose Patino / 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 2022.

13. CREDIT UNION GOVERNANCE (BY-LAW CHANGE)

Kindred's Board and Leadership are proposing a change to the General By-law. This change was approved by Kindred's Board of Directors on March 24, 2022. The proposed change sets the number of directors, instead of a maximum and minimum.

Motion #5 (AGM 12/04/2022) to approve the amendment of the Kindred Credit Union General By-Law as approved by the Board on March 24, 2022 and recommended for membership approval at the AGM.

Dan Driedger / Nick Driedger / Carried.

EDI

Susan noted that in 2021, steps were taken in Kindred's EDI journey, highlighting four main identities (Indigenous Peoples, Racialized Newcomers, Single Mothers, and Persons with Disabilities) that brings forward explicitly the desire of Kindred to advance economic justice through community and bring focus to the EDI work.

14. INVESTMENT SHARE OFFERING

Ian Thomas announced that Kindred has received approval from the regulatory authorities to offer a new series of investment shares to members.

Following the similar Investment Share Offering in 2019, where Kindred successfully raised \$25 Million in capital in order to support growth and aspirations, the credit union seeks to raise capital to support ongoing plans for growth and to provide the flexibility to meet any unforeseen market challenges or seize opportunities that may arise. It was noted that Kindred is sufficiently-capitalized at present, and this is a proactive step to set up the credit union for future success.

John Klassen reviewed that Investment Shares are capital investments in the credit union offered with a dividend rate of 4.00% paid annually for the first five years, subject to Board approval. Kindred plans to retain this capital following that initial five-year period paying a competitive rate of return.

The following conditions will apply to the Investment Share Offering:

- Kindred must sell at least \$5 million in Investment Shares and the Offering will be closed when \$50 million in sales is reached or after six months or when Kindred Credit Union closes the sale, whichever occurs first.
- For members, the minimum investment is \$5,000 and the maximum investment is \$800,000.
- Investment Shares are available as RRSPs, Tax-Free Savings Accounts, and Non-Registered Investments.
- Investment Shares are capital investments, not deposits. They are not covered by deposit insurance through FSRA and the rate of return is not guaranteed. However, Board and Management fully expect to be able to continue the credit union's track record of committed payments as was done with the existing Investment Share Offerings.

John reviewed who might find this investment attractive.

15. COMMUNITY PARTNERS – MCC AND CMW

Kim Lester from Mennonite Central Committee shared about the long relationship and history between MCC and Kindred, highlighting the many points of connection, including shared faith and values, and a relationship built on trust, not just transactions, developed over decades. Along with financial support, including grants and capital investments, MCC

and Kindred continue to explore how to intentionally partner into the future through the Community Inspiration Framework.

Fauzia Mazhar from the Coalition of Muslim Women in Kitchener-Waterloo shared how shared values as people of faith, economic justice, and humanity bring the Coalition and Kindred together. What has been a mutual partnership is becoming a financial partnership as Kindred becomes a title sponsor, and the Coalition becomes a Kindred member.

16. OTHER BUSINESS / DISCUSSION

There was an opportunity for questions from members.

17. CLOSING COMMENTS

Susan Taves thanked the Council of Members, Board of Directors, Senior Leadership Team, and Kindred staff members for perseverance and adaptability in 2021. Community and industry partners were also thanked for their ongoing impact in local communities. By working together to create thriving communities that Kindred's purpose envisions, Kindred has and will continue to inspire peaceful, just, and prosperous communities.

18. ADJOURNMENT

Susan Taves adjourned the 58th Annual General Meeting in Kitchener.

Adjournment – 8:45pm

Chairperson

Secretary