



2023 Prospera Credit Union
Annual General Meeting
April 27, 2023 | 6:30 pm





Contents

1. Message from the Board Chair, and President and CEO
2. Agenda
3. Rules of Order
4. Minutes from the 2022 Annual General Meeting
5. Ordinary Resolutions

Welcome to Prospera's Third Annual General Meeting (AGM)

Our members are at the heart of everything we do. We exist because of you and we are grateful for your continued support. Prospera's enduring purpose speaks to our collective desire to contribute in a meaningful way to our membership and to the communities where we all live, work and play. In 2022, more than any other year since our merger, we have made great strides toward our purpose: **Together, we will build vibrant and healthy communities, thriving local enterprises and financially empowered people.**

This past fall, we completed one of the last steps of our merger integration by aligning all members onto one banking system. Completing this important step brought our organization together to better serve you, no matter where you live, by enabling you to bank at any of our 26 branches across the Lower Mainland, Fraser Valley and Okanagan. This is a key step in our digital transformation journey, which supports one of our overarching goals: **creating sustainable member value.**

As well, our focus on doing Local Good was stronger than ever in 2022. Because of your support, we were able to invest more than \$1.2 million locally in 2022 – supporting vital causes and charitable organizations such as Archway Community Services, Special Olympics BC, KCR Community Services in Kelowna and Junior Achievement of British Columbia, just to name a few.

Notably, 2022 was a challenging year for many British Columbians, grappling with the high cost of living and doing business, as well as escalating rates on borrowing. In these challenging conditions, our team continued to offer valued advice to you on how to navigate these unprecedented times and stay on track to reaching your financial goals. In addition, we're hard at work to further enhance how we serve you through our online and in-person channels. We strive to be your trusted financial partner as you pursue your financial goals – from buying your first home and growing your business to developing your retirement plan.

Art Van Pelt
Chair, Board of Directors

Gavin Toy
President and CEO



Agenda

- Chair's Welcome
- Keynote Speaker – Roy Pogorzelski
- Call to Order
- Ascertainment of Quorum
- Appointment of Recording Secretary and Parliamentarian
- Adoption of Rules of Order
- Approval of Agenda
- Approval of the Minutes of the 2022 Annual General Meeting
- Report of the Board of Directors
(Results of the Special Resolution)
- Report of the Governance and Nominations Committee
(Results of the 2023 Directors Election)
- Report of the President and CEO
- Review of the 2022 Financial Performance
- Receive the Independent Auditors' Report
- Appointment of the Auditors
- Prospera Foundation Report
- Prize Announcements
- Question Period
- Adjournment



Rules of Order

1. The annual general meeting will be run in accordance with the provisions of the Credit Union Incorporation Act (CUIA), Business Corporation Act (BCA), Rules of the credit union, the current edition of Robert's Rules of Order Newly Revised.
2. As the virtual meeting format does not allow for live discussion with participants, members who wish to ask questions can do so by clicking "Ask a Question" at the top of the screen, providing their name and branch, and sending through their questions.
3. Questions will be addressed in the order that they are received during the question-and-answer period that will be held at the conclusion of the presentations.
4. Should the panelists receive more than two questions from the same member, the panelists will address questions from other members before proceeding to answer those additional questions.
5. Each member who has been a member in good standing¹ since the voting record date as determined by the Board of Directors² is entitled to one (1) vote (a junior member³ is not entitled to vote), to be cast by:
 - a) in the case of an individual, by the member; or
 - b) in the case of a society, corporation, partnership or any other legal entity, by its representative duly appointed in writing as provided in the CUIA.
6. No member shall cast more than one vote on a resolution, except in the case of an equality of votes, whether by show of hands, poll or ballot, the chair of the meeting shall have a second or deciding vote.
7. No member may vote by proxy.

¹A member in good standing is a member, including a Junior Member who, as at the voting record date has purchased, paid for and holds the number of Class A Membership Equity Shares required by these rules.

²Pursuant to section 2.2 of the credit union rules, the Board of Directors has determined the voting record date as March 3, 2023.

³A junior member means a member who is less than nineteen (19) years of age.



Approval of the minutes of the 2022 Annual General Meeting

Date: Tuesday, April 26, 2022

Time: 6 pm

Location: Virtual Meeting

Chair's Welcome

The Chair, Art Van Pelt, welcomed the members and guests to the 2nd Annual General Meeting (AGM) of Prospera Credit Union (Prospera), acknowledging the lands of the Musqueam, Squamish, and Tsleil-Waututh Nations. As the meeting was being presented virtually and participants were joining from many different locations across British Columbia, the chair encouraged everyone to reflect on the lands on which they live, work and play. The chair proceeded to review the AGM materials provided for the meeting, including the AGM booklet, Annual Report, Management Discussion and Analysis and the Independent Auditor's Report, advising that these reports were also available for download from Prospera's website. The chair also reviewed the voting procedures for eligible voting members.

The chair introduced the external auditors from KPMG LLP in attendance, advising that they are available to answer questions during the meeting:

- Duane Tup Chong, Partner
- Ivan Wong, Manager

Keynote Speaker

The chair introduced keynote speaker, Lesley-Anne Scorgie, an author, speaker, personal finance consultant, and the founder of MeVest.

Keynote Speaker Presentation and Q&A

Call to Order

Chair, Van Pelt, called the meeting to order at 6:52 p.m. The chair introduced the presenters for the meeting:

- President and Chief Executive Officer (CEO) Gavin Toy, who will review highlights over the past year and provide an overview of the organization's financial position for the fiscal year ended December 31, 2021;
- Nominations Committee Chair Rod Thomson, who will provide a report on the outcome of the directors nomination process;
- Audit Committee Chair Rita Virk, who will ask the members to vote on two ordinary resolutions, the Independent Auditors' Report and the Appointment of the Auditor; and
- Foundation board chair, Rod Thomson, who will provide a year-end review of the work of the Foundation.

The chair advised that a question period will be held at the end of the meeting to be facilitated by Elise Steeves, Director of Communications.

Report of the Scrutineer

Bukkie Adewuyi, Director, Internal Audit, reported the attendance of 204 members and 57 guests.

Ascertainment of Quorum

The chair declared that in accordance with Prospera's Rules, a quorum was present, and the meeting was duly constituted for the conduct of business.

The chair announced a \$5 donation for each attendee to support the Ukraine humanitarian crisis. In addition, the chair was proud to announce that the total amount would be rounded up to \$5,000, which will be donated to the Canada Ukraine Foundation. This donation is in addition to the \$10,000 already contributed by Prospera.

Appointment of Recording Secretary and Parliamentarian

The chair appointed Sonia Mior, Director, Governance and Corporate Secretary of Prospera, as recording secretary and Barbara White, Director, Legal Affairs of Prospera, as Parliamentarian.

Adoption of the Rules of Order

It being MOVED and SECONDED, that the Rules of Order for the 2022 Annual General Meeting of Prospera Credit Union be adopted.

CARRIED

Approval of the Agenda

It being MOVED and SECONDED, that the Agenda for the 2022 Annual General Meeting of Prospera Credit Union be approved.

CARRIED

Approval of the Minutes of the 2021 Annual General Meeting

It being MOVED and SECONDED, that the Agenda for the 2022 Annual General Meeting of Prospera Credit Union be approved.

CARRIED

Introduction of the Board Of Directors

The chair introduced the current members of the board, noting that each member was attending virtually.

Report of the Board of Directors

The chair delivered a comprehensive report on behalf of the Board of Directors. The report highlighted the continuing financial impact of the pandemic and climate-related events while stressing the quick response and options available to support members through these challenges. The chair also highlighted the charitable Prospera Foundation, which has invested \$1 million in support of community organizations across the Lower Mainland and the Interior.

The chair highlighted that the board's focus since January 2020 has been on maximizing the benefits of the merger for members. These benefits include providing access to branches located throughout the Lower Mainland to the Okanagan, enhancing digital banking capabilities to ensure seamless member interactions across all channels, expanding capacity to assist more members in achieving their financial goals, strengthening the overall member experience, and building greater organizational resilience to serve members and local communities.

The chair acknowledged that there is still a significant amount of work ahead but recognized the progress achieved over the past two years. Furthermore, the chair reiterated the board's unwavering dedication to increasing its members' benefits.

The chair concluded the report by thanking the membership for its support and invited the Nominations Committee Chair, Rod Thomson, to provide the Nominations Committee report.

Report of the Nominations Committee

The chair of the Nominations Committee, Rod Thomson, presented the committee's report which included the committee's purpose and responsibilities and a summary of the nomination process for the three available director positions.

The committee chair advised that the committee made the formal call for nominations in October 2021. The call advised members of the nominations period, the three director positions available in 2022, and the ideal candidate criteria. The committee chair provided an overview of the process undertaken by the committee to determine the ideal candidate criteria. At the close of the nominations period, five members had submitted complete nomination packages, including the three incumbent directors. The committee reviewed all nomination submissions for eligibility and to identify those who best fit the ideal candidate criteria with respect to the skills and experience outlined in the call. The Committee determined that one of the submissions was incomplete and, therefore, ineligible. The committee carefully reviewed and evaluated the remaining application against the ideal candidate criteria with respect to the skills and experience outlined in the call and subsequently interviewed the nominee. Once the nominee learned that the three incumbents would be seeking re-election, the nominee withdrew their nomination. As there were three eligible candidates for three director positions, Catherine Roome, Art Van Pelt, and Rita Virk were declared elected by acclamation.

Report of the President and Chief Executive Officer

President and Chief Executive Officer (CEO) Gavin Toy welcomed all attendees, congratulated the newly elected directors, and acknowledged the tireless efforts of the volunteers and coordinators responsible for organizing the AGM.

The CEO reviewed the key priorities for 2021, noting that COVID-19 continued to have a significant impact. Prospera also saw the direct impact of climate change with several extreme weather events across the province. Despite these challenges, Prospera prioritized providing support to members, offering payment deferrals, refinancing, and tailored financial solutions. Prospera facilitated the Canada Emergency Business Account loans program and played a vital role in providing funding assistance totaling over \$63 million. Prospera remains resolute in its commitment to supporting its members in the face of ongoing challenges.

The CEO provided an update on the progress made in building a stronger credit union to better serve members. Prospera launched a new corporate strategy focused on delivering on the needs of its membership and communities. In March, Prospera unveiled its new look and brand promise; local banking means more, reinforcing its commitment to making a meaningful difference in the communities where Prospera operates. The CEO highlighted the opening of the new White Rock branch, the first newly branded, full-service location. As of the end of 2021, Prospera served just over 117,000 members, welcomed more than 5,300 new members, and completed over one million transactions on behalf of personal banking members. Prospera also serves over 4,000 leasing customers and more than 16,000 wealth planning clients.

The CEO discussed the progress made in unlocking the benefits of the 2020 merger, despite the challenges posed by the pandemic. The CEO reported an expanded branch network, providing greater mortgage solutions, loan support for business members, streamlined lending and credit processes, and expanded wealth planning solutions. Prospera also harmonized products and services, enhanced its digital-first tools, strengthened its cybersecurity capabilities, and implemented a new Recovery Team to ensure it can pivot quickly to support members through any crisis. The increased scale has also provided employees more dynamic and fulfilling career opportunities.

The CEO acknowledged the challenges faced by employees in the past year and expressed pride in their commitment to serving members' needs. As a result, Prospera proudly developed and launched its new organizational values, resulting from a thorough employee-led engagement process. These values will serve as a guide for Prospera's culture and behaviour moving forward.

The report also highlighted Prospera's commitment to community investment, noting that Prospera's Foundation, at \$10 million in assets, is one of Canada's largest credit union endowment funds, ensuring that Prospera can continue making meaningful contributions to its local communities.

The CEO concluded the report by thanking the Board for their support over the past year and the executive leadership team for their dedication and efforts. The CEO thanked and acknowledged all the dedicated employees at Prospera and the members for their continued loyalty and support.

2021 Financial Performance

The CEO provided a high-level overview of Prospera's 2021 financial performance, referencing the summarized consolidated financial statements and the comprehensive Management Discussion and Analysis that accompanied the full, consolidated financials and related note disclosure. The CEO noted that despite a very challenging operating environment, Prospera's financial results for the year were quite strong.

The CEO reported that strong business banking and wealth portfolio growth, coupled with minimal credit losses and a reversal of credit provisions, drove these results. The real estate market's active refinancing activity and historically low interest rates also contributed. Despite significant investments in integration activities, branch network expansion, IT infrastructure, cyber security, and brand rollout, costs remained well managed throughout the year.

The CEO provided an overview of assets under administration, total assets, total assets by line of business, net interest income, operating and net income, capital and the importance of capital, and capital ratio. The report focused on providing sound banking solutions for members and making it easier and more convenient to conduct business by creating new products and member support with government loan programs. The report reviewed the four diverse lines of business and further analysis of the assets under administration by division, noting that this diversification across different lines of business not only helps meet the diverse needs of our members but also allows Prospera to weather different operating conditions by spreading the business across different sectors and in the case of leasing, different geographic regions.

The CEO concluded the report by advising that Prospera remains well capitalized and well positioned to meet future demands.

Approval of the Independent Auditors' Report

The Audit Committee chair, Rita Virk, advised that the Independent Auditors' Report provided an unqualified audit opinion on the summarized consolidated financial statements for the year ended December 31, 2021, and advised that these statements, as well as the full audited consolidated financial statements, which include full note disclosure, are available online.

The committee chair then invited questions from the members regarding the Independent Auditors' Report and advised that the auditors were available to address questions.

There were no questions from the membership.

It being MOVED and SECONDED, that the following resolution be approved:

WHEREAS it is the practice of Prospera Credit Union to annually approve the Independent Auditor's Report at the Annual General Meeting;

RESOLVED THAT the Independent Auditors' Report for Prospera Credit Union for the year ended December 31, 2021, be approved.

CARRIED

Appointment of the Independent Auditors

The audit committee chair reported that total fees to the external auditor for 2021 were \$898,341. This total includes the fees in preparation for the audit of the 2021 financial statements of \$756,020 and tax and engagements related to our securitization conduits of \$142,321.

As the membership is required to appoint the external auditor each year at the AGM and authorize the directors to fix the auditors remuneration, the committee chair put forward a motion to appoint KPMG LLP as the independent auditors for the year end December 31, 2022, and that the directors be authorized to fix the auditors remuneration.

The committee chair invited questions from the members regarding the appointment of KPMG LLP.

There were no questions from the membership.

It being MOVED and SECONDED, that the following resolution be approved:

WHEREAS pursuant to the Rules of Prospera Credit Union (PCU) an auditor must be appointed at each Annual General Meeting (AGM) to hold office until the close of the next AGM and, if at that meeting a new appointment is not made, the auditor in office shall continue as auditor until a successor is appointed, and

WHEREAS pursuant to the Credit Union Incorporation Act, the members of PCU must appoint an auditor each year at the AGM and authorize the directors to fix their remuneration.

RESOLVED THAT KPMG LLP be appointed as the auditor of Prospera Credit Union for the fiscal year 2022, and that the Board of Directors be authorized to set the remuneration of the auditor.

CARRIED

Foundation Report

The chair of the Prospera Foundation (Foundation), Rod Thomson, presented the Community Investment Report on behalf of the Foundation, which outlined the many ways the Foundation helped to support its local communities over the past year through its community investment program. The chair advised that in 2021, the Westminster Savings Foundation was renamed the Prospera Foundation.

In 2021, the Foundation extended its funding to support businesses, families and youth in need across Metro Vancouver, the Fraser Valley and into the Okanagan. In 2021, Prospera launched a new community investment strategy, which identified three new giving areas: local business, preventive health and education. Some of the non-profits the Foundation supported included Mission Hospice Society, South Vancouver Family Place and Special Olympics BC.

The Foundation board chair provided a brief overview of its legal and governance structure and advised that since its incorporation in 1992, the Foundation has contributed more than \$5.2 million in financial support to local organizations and has \$10.7 million in assets as at December 31, 2021.

The Foundation board chair highlighted that, despite COVID-19 restrictions limiting in-person fundraising events, Prospera was able to organize a handful of successful events, including the Ocean Wise Shoreline Cleanup. All events were conducted with strict adherence to health and safety protocols. The Foundation chair then introduced a video presentation of senior leaders participating in the cleanup event on White Rock Beach last October; the event was aimed at removing debris from the beach.

Video presentation

Other Business

The chair called to the floor for questions or comments from the members reminding attendees of the Rules of Order.

Based on questions from the membership, the board and management provided the following information:

- The CEO spoke about the re-branding of branches with the new Prospera logo and colors, explaining that some branches are still pending re-branding due to municipal approvals, but members can conduct transactions at any branch. The completion of re-branding former Westminster Savings Credit Union branches is a top priority, with all branches to be re-branded by the end of 2022. The CEO emphasized the importance of the new brand, Local Banking Means More built

on four pillars, and that all employees are responsible for embodying these pillars to provide the best possible service and support to members and communities.

- The chair reported that an external consultant reviewed Prospera's board compensation in 2021, and it was found to be at the 50th percentile, making it an average payer compared to other Canadian urban credit unions. The chair also mentioned that a director's election did not take place this year, as all three incumbents came forward for the available positions, and the only eligible applicant withdrew their application.
- The CEO acknowledged an inquiry about opening new branches, stating that the current focus is on harmonizing banking services across existing branches while considering any market gaps. Regarding expanding operating hours, the CEO mentioned that hours are regularly reviewed and based on demand to ensure responsiveness to member needs.
- The chair emphasized that Prospera places a significant priority on Diversity, Equity, and Inclusion (DEI), which applies to both the board and executive team. The Chair highlighted DEI's role in the nomination process for the 2022 director's election and reiterated that it would continue to be a key focus moving forward.
- The CEO updated members on the integration of Prospera's website and mobile app, stating that a new mobile app was recently released with plans for further iterations. A new website, with enhanced functionality and capabilities, will be launched in a few weeks, reflecting the company's commitment to invest in digital capabilities. While the discontinuation of telephone banking was acknowledged as a difficult decision, the CEO emphasized the need to keep services current and proactive, and employees have been actively reaching out to members to find alternate services. Prospera remains committed to providing the best possible service and finding innovative solutions to meet members' needs.
- The CEO emphasized the importance of recognizing the diverse membership base and their unique needs, including those of seniors. Prospera highly values all members, and the organization is committed to ensuring that everyone's needs are met. As part of the merger, Prospera pledged to become more digital-oriented and invest in these channels. However, this is not at the expense of personalized services. Prospera will continue to have branches and in-person services to ensure members can always access the support they need. For those who may be less comfortable with digital channels, the organization is committed to finding ways to meet the diverse needs of all members.
- The CEO emphasized that Credit union members differ from bank shareholders, as credit unions are fully owned and governed by their members. At all times, the organization's focus is always centred on its members, and all actions aim to support and fulfill their needs. The chair highlighted that the organization continually views its business through the lens of its members.
- The CEO outlined the various proactive communication channels used to engage with members, including focus groups, member forums, and emails, with member consent. Additionally, the CEO encouraged members to connect with Prospera through their preferred banking method, whether remotely or in person at a branch. The CEO stressed our continuous efforts to improve communication strategies and ensure members are informed and engaged.

At the AGM's conclusion, the CEO and Chair provided closing remarks, expressing gratitude to the members for their unwavering support, especially during the pandemic and integration.

Adjournment

There being no further business, the meeting adjourned at 7:49 p.m.

Art Van Pelt
Chair, Board of Directors

Gavin Toy
President and CEO



Ordinary Resolutions

The following ordinary resolutions will be voted on at the meeting. The virtual meeting format will allow for online voting by all eligible voting members.

2023-01

WHEREAS it is the practice of Prospera Credit Union to annually receive the Independent Auditors' Report at the Annual General Meeting;

RESOLVED THAT the Independent Auditors' Report for the year ended December 31, 2022, be received.

Submitted by the Board of Directors, April 27, 2023

2023-02

WHEREAS pursuant to the Rules of Prospera Credit Union an auditor must be appointed at each Annual General Meeting (AGM) to hold office until the close of the next AGM and, if at that meeting a new appointment is not made, the auditor in office shall continue as auditor until a successor is appointed; and

WHEREAS pursuant to the Credit Union Incorporation Act, the members of Prospera Credit Union must appoint an auditor each year at the AGM and authorize the directors to fix their remuneration;

RESOLVED THAT KPMG LLP be appointed as the auditor of Prospera Credit Union for the fiscal year 2023, and that the Board of Directors be authorized to set the remuneration of the auditor.

Submitted by the Board of Directors, April 27, 2023