NEW CHANNELS. NEW CHAPTERS.  
2016 ANNUAL GENERAL MEETING

AGENDA

1. Welcome & Introductions
2. Adoption of Agenda
3. Adoption of the 2015 Minutes
4. Introduction of the Board of Directors & Board Report
5. CEO Report
6. Finance & Audit Committee Report and Risk Oversight Committee Report
7. Auditor’s Report
8. Acknowledge Receipt of the 2015 Financial Statements
9. Appointment of the External Auditor
10. Nominating Committee Report
11. Election Results
12. Questions and Answers
13. Adjournment
14. Door Prize

2016 ALTERNA SAVINGS ANNUAL GENERAL MEETING
Participating in the 2016 Annual General Meeting

Why Participate?
Altera Savings, a credit union, belongs to the members. Democratic control by the members is one key advantage of credit unions. The AGM is an important opportunity to exercise your membership rights and share ideas with other members.

How Do You Participate in Discussion and Question Periods?
During the AGM, your Board and management will make reports. Members have an opportunity to ask questions during the question period.

There are various ways to participate. If you attend the meeting in person, you can use a floor microphone and ask your question, or you can use the question cards that are on your table. If you are joining the meeting via webcast, you can ask a question through the webcasting tool.

What Guidelines Should You Follow?
Annual General Meeting time is limited. Members receive reports and have the opportunity to ask questions and make comments. As a courtesy to fellow members, you should follow a few simple rules:

1. Remember that the AGM is the time to discuss Alterna Savings policies, programs and services. Matters relating to a personal situation should be dealt with at another time.
2. Be brief and clear with your question or comment. Limit your question or comment to one minute.

Each member can ask one question or comment on one item at a time. Once other members have had the opportunity to speak, a member can come back with another comment or question.

How Can a Member Make a Proposal for a Membership Vote?
If a member wishes to raise a significant issue for consideration by members, the issue should first be presented to the Board of Directors several months in advance of the AGM. If the Board agrees, all members are informed of the issue through the Official Notice for the AGM. This allows all interested members to prepare for the upcoming discussion and vote.

Can I Propose Another Candidate for the Board?
You can only recommend a potential candidate (including yourself) for the next year’s AGM.

* This document is a summary of certain provisions of the Alterna Savings By-law and certain rules of order at an annual general meeting. This summary is not intended to be exhaustive or exclusive. The annual general meeting will proceed pursuant to Wainberg’s Rules of Order as applied by the Chair of the meeting.
Draft Minutes of the Annual General Meeting of
Altera Savings and Credit Union Limited
Held at the Shaw Centre, Ottawa
and via live webcast
on Tuesday, April 14th, 2015

1. Welcome and Introduction
The Chair called the meeting to order at 6:03 pm. He welcomed the members of Alterna Savings and guests and noted that the Annual General Meeting was taking place in Ottawa, with simultaneous live webcast.

2. Quorum
The Chair informed the assembly that quorum had been achieved and as such the meeting was duly constituted.

3. Adoption of the Agenda
The Chair called for the adoption of the agenda.
On a motion duly moved, seconded and unanimously carried, it was resolved: “That the agenda be approved.”

4. Adoption of the 2014 Minutes
The Chair presented the minutes of the Alterna Savings Annual Meeting held on June 5, 2014.
On a motion duly moved, seconded and carried, it was resolved: “That the minutes of the Annual Meeting of Alterna Savings held on June 5, 2014 be approved.”

5. Introduction of the Board of Directors and Board Report
The Chair introduced the 2014 Board of Directors and delivered the report of the Board of Directors. He reviewed the various activities undertaken by the Board during the year and commented on Alterna’s growth and strength and reviewed the future requirements to continue to grow and stay competitive.
With the Chair stepping aside as Chair of the Board after this meeting he took time to thank Board members, Alterna staff and management for their dedication.

6. Chief Executive Officer Report
The President and Chief Executive Officer introduced the Executive Leadership Team. He gave a summary of the 2014 year’s highlights which included the many achievements accomplished and the focus on Alterna in the community. Following delivery of the consolidated financial results, he thanked the Alterna staff and Board Directors for their
dedication, and the members for their ongoing support.

7. Auditor’s Report
The Chair referred to the Auditors’ Report which is unqualified and indicated that Jon Dervin, from Ernst and Young LLP, Chartered Accountants, would be available for questions during the upcoming question period.

8. Finance & Audit Committee Report and Risk Oversight Committee Report
The Chair of the Finance & Audit Committee, explained that the Finance & Audit Committee is responsible for the Audit Committee and fulfill certain other governance duties related to finance and risk management. These Committees reviewed the annual budget, financial statements, policies, key investments and transactions, regulatory reports and filings, principal risks, and internal controls and processes as well as compliance duties. The Finance & Audit Committee also held regular meetings with internal and external auditors. He invited members to review the report of the Risk Oversight Committee included in the annual meeting package.

The Chair called for a vote to acknowledge receipt of the 2014 financial statements.
On a motion duly moved, seconded and carried, it was resolved: “That the 2014 audited financial statements be received.”

Appointment of EXTERNAL Auditor
The Chair called on the Chair of the Finance and Audit Committee, to put forth a motion to nominate Ernst & Young LLP as auditors for 2015.
On a motion duly moved, seconded and carried, it was resolved: “That the firm of Ernst & Young LLP, be appointed the Auditor of Alterna Savings for the 2015 fiscal year.”

10. Recognition of Alterna Employees
The Chair put forth a motion to recognize and thank the employees of Alterna for their hard work and dedication this past year.
On a motion duly moved, seconded and unanimously carried, it was resolved: “That the employees of Alterna be recognized and thanked for their hard work and dedication this past year.”

11. Nominating Committee Report
The Chair of the Nominating Committee explained the role of the Nominating Committee, noting that the full report can be found under the 2015 Elections tab in the handout. The Nominating Committee is mandated to recommend eligible members in equal number to the positions to be filled by election at the Annual Meeting through a process that is fair, open and transparent. This year, due to the reduced number of directors from 12 to 10,
there were 2 vacancies to be filled for a three year term. Given there are two qualified candidates to fill two vacancies, there was no election and the candidates were acclaimed. The Chair thanked the Chair of the Nominating Committee for his report and bid farewell to two incumbent directors, thanking them for their dedicated service over the years.

12. Questions and Answers
The Chair invited comments and questions from the members. Comments and questions were voiced by members and explanations were received from Directors and Management.

13. Adjournment
The Chair adjourned the meeting.

There being no other business, the meeting ended at 7:12 pm.

Chair

Corporate Secretary

Recording Secretary
Report from the Chair of the Nominating Committee

Members will be voting to fill five positions on the Alterna Savings Board of Directors in 2016. The candidates with the four highest votes will each serve a three-year term while the candidate with the fifth highest votes will serve a partial term until the date of the 2017 Annual General Meeting.

The Nominating Committee, composed of Norm Ayoub, Earl Campbell, Ian Bennett and myself, is charged with ensuring that the selection and nomination process meets the governance level required by Alterna’s legislative and regulatory environment and that is necessary to achieve Alterna’s mandate. In addition to the qualifications for Directors set out in the Credit Unions and Caisses Populaires Act and Regulations, and in the Alterna Savings By-Law, the Nominating Committee is also tasked with recommending candidates who possess the Deposit Insurance Corporation of Ontario (DICO) core competencies. Based on the current board skills matrix, the Nominating Committee was also asked to recommend candidates who have expertise in law, finance and audit, and mergers and acquisitions.

We want to improve gender diversity in Alterna’s boardroom. In addition to better reflecting Alterna’s membership, studies by the Institute of Corporate Directors, McKinsey and Company, and Catalyst Canada have found that improved corporate performance can be linked to gender diversity in the boardroom. The Nominating Committee recommends that members consider our goal of increasing the number of women on Alterna’s Board of Directors when voting.

The Nominating Committee assessed a total of twelve candidates. In addition to interviews, the Nominating Committee reviewed each candidate’s resume, contribution statement, biography, self-assessment form and reference checks reports from Boyden Canada.

Nine candidates are being recommended for election; two candidates who were not recommended have chosen to stand for election. All eleven candidates are listed in alphabetical order by last name.

- Maria Barrados - recommended
- Rocky Bhatia - recommended
- Bill Burleigh - recommended
- Joanne Charbonneau - recommended
- Marilyn Conway Jones - recommended
- Marianne Johnson - recommended
- Denis Laframboise - recommended
- Donald LeBlanc
- Brian McIntomny - recommended
- Richard Neville - recommended
- Parbattie Ramsarran

As a co-operative, credit unions are democratically controlled organizations where their members elect the Boards of Directors. On behalf of Alterna, I would like to thank you for your participation in the governance of our credit union. I encourage you to read the
biography and contribution statement, and watch the video message for all eleven candidates.

Sincerely yours,

Ken Chan MBA, DIFA, ICD.D
Chair of the Nominating Committee
Alterna Savings
Report of the Finance & Audit Committee

The Finance & Audit and the Risk Oversight Committees of the Board fulfill the responsibilities of the Audit Committee as set out in the Credit Unions and Caisses Populaires Act (Ontario) (the “Act”) and conduct their affairs in accordance with the Act and accompanying regulations. These Committees also fulfill certain other governance duties related to finance and risk management as prescribed by Board policy.

Finance & Audit Committee Report

The Finance & Audit Committee met for four scheduled meetings during the 2015 fiscal year to deliberate on mandated items. The Committee met regularly in camera with the internal auditors and with the external auditors.

Pursuant to a resolution of the members at the Annual Meeting held on April 14, 2015, the firm of Ernst & Young LLP, Chartered Accountants, was engaged to examine the accounts of Alterna Savings for the year ended December 31, 2015. During the year, the Finance & Audit Committee discussed with Ernst & Young LLP the scope of their examination and received reports and explanations regarding matters arising from their work, and regarding items in the consolidated financial statements for the year. Their formal report accompanies the English version of the 2015 Alterna Savings consolidated financial statements.

During 2015, the Finance & Audit Committee reviewed the Internal Audit Plan and discussed with management the scope of internal audit work and findings, including the audit of a number of departments and processes.

The Finance & Audit Committee received satisfactory explanations from management on the reports and observations of the internal and external auditors. Recommendations from the internal and external auditors have been, in the opinion of the Committee, satisfactorily addressed and/or implemented, as applicable, by management.

Other significant activities undertaken by the Finance & Audit Committee during the year are summarized as follows:
1. Considered the annual proposed budget and recommended its approval to the Board of Directors;
2. Reviewed actual financial reports and monitored results against plan on a regular basis;
3. Monitored the financial aspects of significant corporate projects and initiatives.

The outcome of these activities and actions taken by Management were to the Finance & Audit Committee’s satisfaction and did not significantly vary from expected results. In addition, there are no matters that the Finance & Audit Committee believes should be reported to the members, nor are there any further matters that are required to be disclosed pursuant to the Act and regulations thereto.

Richard J. Neville, FCPA, FCA
Chair of the Finance and Audit Committee
Risk Oversight Committee Report

The Risk Oversight Committee of the Board fulfills the responsibilities for oversight of risk management and compliance as set out in the Credit Unions and Caisses Populaires Act (Ontario), accompanying regulations and DICO By-law #5.

The Risk Oversight Committee met for five scheduled meetings during the 2015 fiscal year to deliberate on mandated items. At each of its meetings, the Risk Oversight Committee held an in-camera session.
In its role of oversight of risk management, the Risk Oversight Committee ensures that management has in place policies, processes and procedures designed to identify and effectively manage the significant risks to which Alterna Savings is exposed, while respecting the organization’s requirement to appropriately balance rewards and risks to be successful.

During the year, the Risk Oversight Committee:

1. Reviewed the enterprise risk framework and monitored the related risk assessments and reports;
2. Reviewed policies governing risk and assessed the appropriateness of risk tolerance levels;
3. Monitored compliance with the Act and other applicable legislation; and
4. Monitored the risks related to significant corporate projects and initiatives.

The outcome of these activities and actions taken by Management were to the Risk Oversight Committee’s satisfaction. In addition, there are no matters that the Risk Oversight Committee believes should be reported to the members, nor are there any further matters that are required to be disclosed pursuant to the Act and regulations thereto.

Ken Chan MBA, DIFA, ICD.D
Chair of the Risk Oversight Committee