

**MINUTES OF THE 114th ANNUAL GENERAL MEETING
OF THE MEMBERS OF
ALTERNA SAVINGS AND CREDIT UNION LIMITED
HELD ON WEDNESDAY, APRIL 19, 2023
BY WEBCAST**

The Annual General Meeting (“AGM”) of members of Alterna Savings and Credit Union Limited (“Alterna”) was held virtually on Wednesday, April 19, 2023, at 6:00 p.m. (Eastern Time).

1.0 WELCOME AND CALL TO ORDER

Ms. Maria Barrados, Chair of the Board of Directors acted as chair of the meeting and Mr. Duncan de Chastelain, VP, Legal and Corporate Secretary, acted as secretary of the meeting.

She acknowledged members of the Board of Directors: Ms. Bianca Garofalo, Vice-Chair, Mr. Norm Ayoub, Mr. Earl Campbell, Mr. Ken Chan, Ms. Marilyn Conway Jones, Mr. Andy Cragg, Ms. Marianne Johnson, and Mr. Richard Neville.

Ms. Adrienne Finlay, Director, Strategy and Corporate Performance provided a land acknowledgment to begin the meeting. She advised that, as confirmed by Mr. de Chastelain, notice of the AGM was properly given, materials had been made available to members, advance voting on the business matters before the meeting had all been conducted in accordance with Alterna’s By-laws and the *Credit Unions and Caisses Populaires Act, 2020* (the “Act”).

Ms. Finlay further confirmed that, based on the registrations received and those in attendance at the webcast, a quorum was present and therefore declared the meeting to be duly constituted for the transaction of business.

The Chair called the meeting to order and welcomed Alterna members and employees joining via webcast for the 114th AGM.

2.0 REMARKS FROM THE CHAIR

The Chair noted that the Board of Directors were satisfied with the Credit Union’s responsiveness to the unique economic environment with increasing inflation and high interest rates. She commented that Alterna’s employees continue to offer members advice and guidance to ensure that they have the information they need to make important financial decisions and provide peace of mind despite the current and anticipated uncertainty and market volatility.

The Chair announced that the Financial Services Regulatory Authority of Ontario (“FSRA”) selected Alterna to acquire certain assets of PACE Credit Union (“PACE”) and the transaction closed last June. She advised that the integration of PACE onto Alterna’s banking platform would take place later in the year and will allow former PACE members/employees to take advantage of Alterna’s great products and services and to benefit from an even larger branch and ATM network across Ontario.

The Chair outlined the agenda for the meeting and noted that there will be presentations from Mr. Robert Paterson, President and Chief Executive Officer, Mr. Richard Neville, Chair of the Finance and Audit Committee, Mr. Earl Campbell, Chair of the Nominating Committee, as well as several key members of Alterna’s management team.

The Chair expressed appreciation to members for their participation in the credit union and stated that it is their trust and engagement that allow Alterna to grow and deliver many substantial benefits to them and the local communities Alterna serves. She thanked Alterna’s employees who work hard to earn members’ business and their commitment to delivering service excellence. The Chair recognized the President and Chief Executive Officer and the members of the Executive Leadership Team for their dedicated focus on the needs of members, employees, and communities in which Alterna operates. The Chair thanked the Board of Directors for their support and participation and noted that serving on a board is a significant commitment. She expressed gratitude for the diversity of perspectives and depth of expertise that each director brings to the table.

The Chair concluded her remarks by noting that, as directors, they take immense pride and care in the stewardship of the credit union and in serving to protect members’ assets. She introduced the Secretary to report on the business of the meeting.

3.0 BUSINESS OF THE MEETING

The Secretary advised that the annual report provided in advance of the AGM included both the agenda and the Financial Statements. He noted that, as done last year, all voting on the business of the meeting took place online before the AGM, as permitted under Alterna’s By-laws and the Act. Therefore, no motion was tabled to adopt the agenda nor to receive the Financial Statements.

The Secretary stated that members voted on four proposals prior to the AGM, namely:

- Adoption of the 2022 AGM Minutes,
- Appointment of the External Auditor,
- Election of the Board of Directors, and
- Special Resolution to Amend the By-laws.

He confirmed that no comments or questions were received on the proposals.

The Secretary also confirmed that all proposals passed, and that the results will be published on Alterna's website following the conclusion of the meeting. A copy of which is appended to and forms part of these minutes as Appendix A.

4.0 CHIEF EXECUTIVE OFFICER'S ADDRESS

Mr. Paterson commenced his address by highlighting Alterna's response to the inflationary economic environment and its commitment to providing unique solutions and tailored advice and assistance to members. He stated that, thanks to the support of members, the dedication and collaboration of employees, the connection to the local communities and leadership within the credit union system, Alterna continues to grow and succeed.

Mr. Paterson echoed the Chair's remark that the past year was replete with challenges as factors like rising interest rates and inflation created new hurdles for management to overcome. However, there were opportunities throughout the year as employees worked hard to navigate the rapidly changing economic environment to make sure that Alterna continues to provide the services and advice members need during all stages of their financial journey.

Mr. Paterson reported that branch employees were back in the community hosting and participating in events and have delivered several purposeful and meaningful community events. He commented that the ability to interact directly in the towns and cities where members live and work energizes team members.

Mr. Paterson stated that throughout 2022, Alterna remained focused on its commitment to grow and deliver an enhanced digital banking experience to all members. The successful launch of the new digital channels last summer was the culmination of multiple years of effort from Alterna's cross-functional teams and enabled all members to gain access to new digital channels. Members were part of the journey as they helped to architect and design an optimal member experience. He expressed thanks to members and the teams that made it possible.

The President and Chief Executive Officer conveyed that 2022 saw the start of the process to fully integrate the former Quinte First, Member Savings and PACE credit unions into the Alterna family so that all members could access all branch locations and functionalities. They introduced new features such as registered products online, industry-leading security technologies, transactional and security alerts, smartwatch applications, and authenticated secured chat with both online banking and the mobile applications.

Mr. Paterson introduced Mms. Marie-Pier Vezina King, Senior Project Manager, Tara Sevigny, Manager, Contact Centre, Leo Caruso, Manager, Business Analysts and Allie Bourbonniere, Project Manager, key leaders on the digital channel transformation project and conversion project, who highlighted some significant digital enhancements that were delivered during the year and efforts to integrate acquired credit unions onto Alterna's banking system.

Ms. Susan Henry, Director, Community Impact & Financial Inclusion also provided an update on the tremendous work being done by the community impact team.

Mr. Paterson thanked them for the job that their respective teams have done to improve the remote communication options for members and to provide broader access to members in the cities and towns within which Alterna operates.

The President and Chief Executive Officer went on to say that together with the acquisition of Quinte First and Member Savings credit unions, they will provide a much-improved network of branches in Toronto, and in the nearby Quinte region.

Mr. Shawn Khimji, Vice-President, Wealth Management commented on the challenges for investors as inflation and rising interest rates weighed on member sentiment and behaviour. He stated that the team worked diligently with members to review and update their financial plans and assets, as well as provided timely information on the economic climate and estate strategies. Based on member feedback, the Wealth Webinar series positively impacted their financial literacy and retirement planning needs.

Mr. Khimji concluded his comments by advising that 2023 may present economic headwinds but Alterna will continue to support its members with timely updates, informative webinars, and responsible mandates to ensure alignment with risk objectives and tolerances.

Mr. Paterson thanked Mr. Khimji and concluded by recognizing the Board of Directors for their guidance throughout the past year.

5.0 2022 ANNUAL FINANCIAL STATEMENTS AND AUDITORS' REPORT

Mr. Bill Boni, Senior Vice President and Chief Financial Officer referenced the Annual Report on the financial results for the year ended December 31, 2022, which was provided in advance of the meeting and commented on Alterna's financial performance including highlights for the period. He stated that the auditors, PricewaterhouseCoopers LLP, have included their independent opinion on the accompanying Consolidated Financial Statements, showing that the financial position of Alterna Savings and its subsidiaries were presented fairly, in all material respects.

Mr. Boni stated that given the shifts in interest rates, there were several questions about Alterna's deposit rates. However, despite the uncommon economic landscape, Alterna was aggressive in pricing its term deposits across the 1 to 5 year options to ensure members could take advantage of the rise in interest rates and lock in their deposits. Mr. Boni conveyed that while Alterna's interest rates are subject to market movements beyond its control, they continue to make every effort to offer the best possible rates.

Mr. Boni concluded his remarks by noting that while 2022 was an extraordinarily complex financial year, it was also a strong year for Alterna financially, and they are able to manage

the headwinds and turn them into tailwinds while setting up a strong foundation for 2023 to face any continued market volatility.

6.0 FINANCE AND AUDIT COMMITTEE REPORT

Mr. Richard Neville, the Finance & Audit Committee Chair, presented the Finance & Audit Committee's report to the membership, noting that the Committee had fulfilled its responsibilities under the Act and regulations, and conducted its affairs in accordance with the FSRA Sound Business and Financial Practices Rule and Alterna's By-Laws and board policies. He noted that the Committee met four times during the year to deliberate on mandated items. The Committee also met regularly *in camera* with the Internal Auditors and External Auditors.

Pursuant to a resolution of the members at the annual meeting held on April 27, 2022, PricewaterhouseCoopers LLP, Chartered Professional Accountants, were engaged to audit the consolidated Financial Statements of Alterna Savings for the fiscal year ended December 31, 2022. During the year, the Committee reviewed and discussed the audit scope and plan with PricewaterhouseCoopers LLP and received reports and explanations regarding matters arising from their work and regarding items in the consolidated Financial Statements for the fiscal year. The Committee also evaluated PricewaterhouseCoopers LLP in September 2022 and found their performance to be satisfactory. PricewaterhouseCoopers LLP's formal report accompanies the English version of the 2022 consolidated Financial Statements.

During 2022, as part of its oversight function, the Committee reviewed the Internal Audit Plan and assessed the Internal Auditors' degree of independence; reviewed the Risk Management Framework and monitored the related risk assessments and reports. The Committee also reviewed the Risk Appetite Framework as well as policies governing risk and assessed the appropriateness of risk limits. All were found to be performing satisfactorily.

The Committee also followed up with management on actions taken in response to audit findings and recommendations and received satisfactory explanations from management on the reports and observations of the Internal and External Auditors. Recommendations from the Internal and External Auditors are being, in the opinion of the Committee, satisfactorily addressed and/or implemented, as applicable, by management.

Mr. Neville concluded his report by noting that there were no matters that the Finance & Audit Committee believed should be reported to the membership, nor were there any further matters that were required to be disclosed pursuant to the Act and regulations thereto. He thanked Management, staff, and fellow Committee members for their contribution.

Mr. Paterson thanked Mr. Neville and members of the Finance and Audit Committee and introduced Ms. José Gallant, Senior Vice President and Chief Administrative Officer to provide an update on risk, compliance, people and culture.

Ms. Gallant reiterated the importance of risk management and compliance at Alterna and noted how these elements are embedded within the work done across the entire organization to ensure the ongoing management of risks as well as compliance with all laws, regulations and regulatory guidance. Alterna works hard to nurture a strong risk management and compliance culture to ensure its members have peace of mind that their credit union is safe and sound and always working in members' interests.

Ms. Gallant spoke about Alterna's Risk Appetite Framework and the Three Lines of Defence noting the key roles played by the First Line (individual Business Units) as well as the Second Line (the Risk Management and Compliance departments) and the Third Line (Internal Audit). She went on to discuss FRSA's new regulatory guidance on Capital Liquidity and Sound Business Financial Practices and how, because of its risk and compliance culture, Alterna was well prepared for these changes.

In addition to its proactive regulatory approach, Ms. Gallant discussed how a top priority at Alterna was the growth and development on its people. She indicated that this was a key focus when Alterna onboarded 150 new PACE employees and when Alterna recognized and celebrated 25 employees who marked career milestones in service to the membership, paid tribute to three colleagues who retired in 2022 with over 20 years of service and supported the growth of 90 employees with well-deserved promotions. Ms. Gallant mentioned that Alterna values its employees and makes investing in them a priority. This was corroborated by Alterna being recognized as a top employer in the National Capital Region for a 7th consecutive year.

Mr. Paterson thanked Ms. Gallant for the update on the employee milestones and achievements and commented that it was good to hear about the continued investment in employees as Alterna evolve and innovate.

7.0 NOMINATING COMMITTEE REPORT

Mr. Earl Campbell, Chair of the Nominating Committee reported that there were four vacant positions on the Board and a call for nominations and an online information session were held. Seven nominations were received, three of whom were standing for re-election. No further nominations were received. The Committee did not recommend two of the nominees for election and they declined to stand for election.

The following five nominees were recommended to stand for election:

- Faren Bogach
- Andy Cragg
- Bianca Garofalo
- Richard Neville
- Judith Skinner

The outcome was as follows:

- Faren Bogach
- Andy Cragg
- Bianca Garofalo
- Richard Neville

Mr. Campbell congratulated each of Faren Bogach, Andy Cragg, Bianca Garofalo and Richard Neville on their election to the Board.

Mr. Campbell thanked members for their participation in Alterna's democratic process and for their interest in serving the members of Alterna Savings.

8.0 QUESTIONS AND ANSWERS

The Chair declared the meeting open for member questions and Ms. Finlay read questions and comments received in advance and during the meeting. The Chair, the President and Chief Executive Officer, the SVP and Chief Financial Officer, the SVP and Chief Administrative Officer and other members of the Executive Leadership Team responded to questions relating to interest rate volatility, director tenure, ESG, service fees, conversion, and the digital channels transformation.

In conclusion, the President and Chief Executive Officer said that overall, members have expressed their thanks and appreciation to staff through social media, e-mail, and the AGM inbox. He encouraged members to continue to help Alterna grow its member community by referring their family, friends, and neighbours to join Alterna as their endorsement will introduce a new generation to the credit union – one that puts the *good in banking*TM.

9.0 CLOSING REMARKS

In closing, the Chair reminded members that Alterna have been here for them for the past 114 years and continues to stand with them during this challenging economic environment. Alterna is sound, well secured and members' hard-earned assets remain safe with Alterna.

There being no other business to come before the meeting, the same was adjourned at 7:00 p.m.

Maria Barrados
Chair

Duncan de Chastelain
Corporate Secretary

APPENDIX A – VOTING RESULTS

**RESOLUTIONS OF THE 114th ANNUAL GENERAL MEETING
OF THE MEMBERS OF
ALTERNA SAVINGS AND CREDIT UNION LIMITED
ADOPTED: APRIL 19, 2023**

The Chair confirmed that: the minutes of the last annual general meeting was approved; the firm of PricewaterhouseCoopers was appointed as the auditors of Alterna Savings for the ensuing year; four (4) nominees of the five (5) proposed for election as Director of Alterna Savings were elected; and the special resolution to amend the Alterna Savings By-laws was approved.

Adoption of the 2022 AGM Minutes

BE IT RESOLVED THAT the Minutes of the Annual General Meeting of Alterna Savings and Credit Union Limited held on April 27, 2022, and included in the meeting materials be approved.

Appointment of External Auditor

BE IT RESOLVED THAT the firm of PricewaterhouseCoopers LLP be appointed as auditors of Alterna Savings and Credit Union Limited for the ensuing year.

Election of Directors

A ballot was conducted to vote on each resolution to appoint four (4) of the five (5) nominees as a Director of Alterna Savings and Credit Union Limited to serve for a three-year term or until their resignation or their successor is elected or appointment. The following nominees were elected by the membership to serve as Director:

- Faren Bogach
- Andy Cragg
- Bianca Garofalo
- Richard Neville

Special Resolution to Amend the By-laws

WHEREAS the Board wishes to update the definitions section and correct section references pursuant to changes made to the new *Credit Unions and Caisses Populaires Act, 2020* (the “Act”) and to include reference to the gender diversity report, which is a new requirement under the Act, including how it shall be made available to the public.

NOW THEREFORE BE IT ENACTED and it is so enacted as a by-law of Alterna Savings as follows:

1. Section 1.01 of Alterna Savings’ general by-law to now include the following new definitions:

“(i) “*FSRA Rules*” means the rules published by the Financial Services Regulatory Authority of Ontario, pursuant to the Act;

2. Section 1.03 of Alterna Savings’ general by-law, which currently reads:

“1.03 Act Governs

This By-law is in all respects subordinate to the Act and shall not be interpreted as permitting any action that is prohibited by the Act. Whenever this By-law is more restrictive than the requirements of the Act, the restrictions of this By-law shall bind Alterna Savings.”

be and the same is hereby amended by deleting Section 1.03 in its entirety and replacing it with the following:

“1.03 Act Governs

This By-law is in all respects subordinate to the Act, and the FSRA Rules, and shall not be interpreted as permitting any action that is prohibited by the Act and the FSRA Rules. Whenever this By-law is more restrictive than the requirements of the Act or the FSRA Rules, the restrictions of this By-law shall bind Alterna Savings.”

3. Section 2.07 of Alterna Savings’ general by-law, which currently reads:

“Where a member wishes to withdraw from Alterna Savings, such member shall give notice in writing of such member’s intention to withdraw to the Board. Subject to section 63(3) of the Act, and to the Articles, in respect of membership shares only, Alterna Savings shall, after deduction of all amounts due from the member to Alterna Savings, remit the balance of the said member’s membership shares and deposits to such member within ninety days of such member giving notice of such member’s intention to withdraw.”

be and the same is hereby amended by deleting Section 2.07 in its entirety and replacing it with the following:

“Where a member wishes to withdraw from Alterna Savings, such member shall give notice in writing of such member’s intention to withdraw to the Board. Subject to the Act, and to the Articles, in respect of membership shares only, Alterna Savings shall, after deduction of all amounts due from the member to Alterna Savings, remit the balance of the said member’s membership shares and deposits to such member within ninety days of such member giving notice of such member’s intention to withdraw.”

4. A new Section 13.04 of Alterna Savings’ general by-law be added as follows:

“13.04 Gender Diversity Report

Subject to the requirements of the Act, Alterna shall make available a gender diversity report in electronic format, upon request.”

Number of Directors

WHEREAS the Board wishes to allow for the flexibility of increasing the number of directors to eleven (11) until the next annual general meeting.

NOW THEREFORE BE IT ENACTED and it is so enacted as a by-law of Alterna Savings as follows:

5. Section 4.01(a) of Alterna Savings’ general by-law, which currently reads:

“*Number* – The Board shall consist of nine (9) directors, provided that the Board may from time to time by way of a Board Special Resolution increase the number of directors to ten (10) until the next annual general meeting, at which time the number of directors shall again be nine (9).

be and the same is hereby amended by deleting Section 4.02(a)(v) in its entirety and replacing it with the following:

“*Number* – The Board shall consist of nine (9) directors, provided that the Board may from time to time by way of a Board Special Resolution increase the number of directors to eleven (11) until the next annual general meeting, at which time the number of directors shall again be nine (9).”

Term Limits

WHEREAS the Board, in the interest of good governance and to ensure continuity while leveraging the current directors’ experience and expertise, wishes to amend the term limit applicable to directors.

NOW THEREFORE BE IT ENACTED and it is so enacted as a by-law of Alterna Savings as follows:

6. Section 4.02(b) of Alterna Savings' general by-law, which currently reads:

“Term Limit: To encourage Board renewal, no person shall be qualified for election as a director if such person has, at the date of his or her election as director, served as a director of Alterna Savings for an aggregate of twelve (12) years or more. For greater clarity, in determining the number of years a person has served as a director of Alterna Savings: (a) any time served as a director of a predecessor credit union shall not be counted; and (b) for sitting directors immediately prior to the 2019 Annual General Meeting, the 12 year limit will be calculated by adding: (i) the consecutive time served by such director immediately prior to the 2019 Annual General Meeting; and (ii) any time served thereafter.”

be and the same is hereby amended by deleting Section 4.02(b) in its entirety and replacing it with the following:

“Term Limit: To encourage Board renewal, no person shall be qualified for election as a director if such person has, at the date of his or her election as director, served as a director of Alterna Savings for an aggregate of fifteen (15) years or more. For greater clarity, in determining the number of years a person has served as a director of Alterna Savings: (a) any time served as a director of a predecessor credit union shall not be counted; and (b) for sitting directors immediately prior to the 2019 Annual General Meeting, the 15 year limit will be calculated by adding: (i) the consecutive time served by such director immediately prior to the 2019 Annual General Meeting; and (ii) any time served thereafter.”

Duncan de Chastelain
Corporate Secretary