

**GULF AND FRASER FISHERMEN'S CREDIT UNION
MINUTES OF THE 78th ANNUAL GENERAL MEETING
TUESDAY, APRIL 9, 2019**

The 78th Annual General Meeting of Gulf and Fraser Fishermen's Credit Union was held at the Anvil Centre, 777 Columbia Street, New Westminster at 7:00 p.m.

1. CALL TO ORDER

The Chairman, Lewis Bubl  welcomed everyone to the 78th Annual General Meeting (AGM) of Gulf and Fraser Fishermen's Credit Union and introduced himself as President and Board Chair.

The Chairman introduced the head table participants: Bill Kiss, Co-Chief Executive Officer, Jeff Shewfelt, Co-Chief Executive Officer, Nik Assanand, Auditor, KPMG Chartered Professional Accountants, Floyd Yamamoto, 1st Vice President, Sonia Virk, 2nd Vice President, Wayne Powell, Parliamentarian, Harrop Phillips Powell & Gray, and Sabina Chand, Recording Secretary.

The Chairman introduced the remaining Board of Directors: Christine Dacre, Ian Daniel, Brian Hamaguchi, Bill Nohr, Howard Normann, Jennifer Phipps and Lee Varseveld.

B. Kiss introduced the Senior Management Team as follows: Michael Atkinson, SVP, Wealth and Advice; Bobby Dhillon, SVP, Marketing and Planning; Chris Goodman, CIO; Ron Lee, CFO; Nelson Sandhu, CXIO; Diane Sullivan, CPCO; Scott Betts, VP, Risk Management, Credit and Compliance; Peter Kobayashi, VP, Member Experience; Peter Unadkat, VP Commercial Credit; Ben Doan, AVP, Credit and Bobby Dhaliwal, Interim AVP, Retail Credit. Absent were: Paul Bhangoo, AVP, Retail Banking; Kelly Campbell, AVP, Retail Banking and Johnny Yeap, AVP Retail Banking.

He also recognized all of the employees of G&F and asked that they stand to be acknowledged and thanked them all.

The Chairman recognized the attendance of some former Directors and special guests. He asked that all former Directors stand to be acknowledged. The Chairman thanked them all for attending the AGM.

2. ASCERTAINMENT OF QUORUM

The Chairman asked for the Roll Call of members. Christine Mok, Registrar, reported that there were 156 members, 0 junior members, 26 guests and in total 182 in attendance. There being a quorum present, the Chairman called the meeting to order at 7:05 pm and welcomed all members, visitors and special guests to the Credit Union's 78th AGM.

3. (A) APPOINTMENT OF RECORDING SECRETARY

The Chairman called for a motion appointing S. Chand as the official Recording Secretary.

IT WAS MOVED AND SECONDED

THAT Ms. Sabina Chand be appointed as the official Recording Secretary for the 78th Annual General Meeting.

CARRIED

3. (B) APPOINTMENT OF PARLIAMENTARIAN

The Chairman called for a motion appointing Mr. Wayne Powell of Harrop, Phillips, Powell and Gray as Parliamentarian to the 78th Annual General Meeting.

IT WAS MOVED AND SECONDED

THAT Mr. Wayne Powell of Harrop, Phillips, Powell and Gray is appointed Parliamentarian to the 78th Annual General Meeting.

CARRIED

4. ADOPTION OF AGENDA AND RULES OF ORDER

The Chairman called for a motion for the adoption of the Agenda and Rules of Order.

IT WAS MOVED AND SECONDED

THAT the Agenda and Rules of Order be adopted.

CARRIED

5. APPROVAL MINUTES OF THE 77th ANNUAL GENERAL MEETING

The Chairman called for a motion from the floor to approve the Minutes of the 77th Annual General Meeting.

IT WAS MOVED AND SECONDED

THAT the Minutes of the 77th Annual General Meeting be adopted, as circulated.

CARRIED

6. BUSINESS ARISING

There was no business arising from the Minutes.

7. BOARD OF DIRECTORS' REPORT

The Chairman requested that the 1st Vice Chair, F. Yamamoto, assume the Acting Chair during the reading of the Directors' Report. The Chairman read the Board of Directors' Report, as follows:

2018 was another exceptional year for G&F Financial Group. We far surpassed our goals for loans, deposits and overall assets and we ended the year in a strong position –exceeding \$2 billion in on-balance sheet assets. We are also pleased to announce a substantial return of profits to our members in the form of dividends - Membership Equity Shares at 4.25% and Investment Equity Shares at 5.25%

We opened our 16th branch in Vancouver's West End neighbourhood. The West End Branch follows the boutique style and is thoughtfully designed to include spaces for our members to meet and have conversations about their financial needs and goals with our experts.

Throughout 2018 we worked hard to partner with local non-profit groups that make a positive and lasting impact in our neighbourhoods. Our G&F Financial Group Foundation donated funds to groups across the Lower Mainland and our employees continue to volunteer and make a difference in our communities.

2018 also saw G&F truly living our cooperative values, embarking on some important collaborative ventures with key partners in order to leverage our collective strengths to become leaders and influencers in the financial space, and lay the groundwork for future innovations.

As we look ahead, we know that with success comes the ability to create new and exciting opportunities like the realization of our new head office, The G&F Hub, in Burnaby. This space will include many of our back-office functions, a flagship branch and meeting spaces for partner and community groups. Our new home will truly take us into even brighter futures.

G&F is poised to keep growing, to keep innovating and, above all else, to keep working with our members to help them achieve life beyond banking™.

And finally, I would like to thank all of the G&F Financial Group members for coming out tonight and for your continued trust and support. I would also like to thank my fellow Board of Directors and the G&F employees for their hard work and dedication over the past year.

IT WAS MOVED AND SECONDED

THAT the Directors' Report for 2018 be adopted, as read.

CARRIED

8. CHIEF EXECUTIVE OFFICERS' REPORT AND 2018 FINANCIAL STATEMENTS PRESENTATION

The Chairman called on B. Kiss and J. Shewfelt, Co-CEO's, to present the Chief Executive Officers' Report and R. Lee to present the 2018 Financial Statements for approval by the Membership.

The Co-CEOs' presentation included remarks on the following:

- 2018 Economic Environment
 - ✓ Oil prices and Canadian dollar
 - ✓ Bank of Canada and Prime rate increased
 - ✓ Stock market in 2018 lost consumer confidence
 - ✓ Lower Mainland MLS sales are down 32%
 - ✓ Sales to Active Listings Ratio ended 2018 in a buyers market overall at 10%
 - ✓ Home Price Index for Greater Vancouver fell by 3%

- 2018 Financial Highlights
 - ✓ Asset growth of \$164M or 8.6%
 - ✓ Reached a \$2B milestone on our balance sheet assets
 - ✓ 26th largest credit union in Canada out of approximately 240
 - ✓ 8th in BC out of 41 credit unions
 - ✓ Growth rate 8.6% vs. BC system growth of 4.7%
 - ✓ Loan growth of \$151M or 8.8%
 - ✓ Exceptionally low delinquency at .08% vs. BC system at .48%
 - ✓ Deposit growth of \$145M or 8.3%
 - ✓ Wealth management asset growth of \$1.2M or .6%

- ✓ Assets under administration grew by \$170M or 7.7%
- ✓ G&F membership growth of 1,419 or 4.6% vs. BC system growth of 0.41%
- ✓ Record earnings from operations of \$12.8M
- ✓ Operating efficiency 71.2%, well below the BC system average of 77.6%
- ✓ Strength – capital adequacy at 14.5%, well above the minimum requirement of 8%

The Co-CEOs called upon R. Lee to present the 2018 Summarized consolidated financial statements. After his presentation, R. Lee advised that the full financial statements with notes are also available at gffg.com. R. Lee noted that our Gulf Insurance Financial Statement results are also located on the website.

The Co-CEOs concluded the report with the following:

- Community Investment
 - ✓ In total, G&F donated \$532K to local causes and campaigns across the Lower Mainland
 - ✓ Internal fundraising for three charities: BC Children’s Hospital \$20K, United Way Campaign \$51k and Richmond Hospital Foundation \$100k collected through G&F’s Golf Tournament and Juliana Yung, Executive Vice President’s retirement event.
 - ✓ Free financial literacy: 1600 Smart Money Session attendees, 3,000 podcast listens, 1,500 members using Smart Money Calculators
 - ✓ Received Climate Smart seal for emission reduction for the 7th year
- Innovation and Member Experience
 - ✓ Opened our 16th branch in the West End of downtown Vancouver
 - ✓ Introduced Aviso VirtualWealth, a convenient online investing service
 - ✓ Free E-transfers for all personal accounts
 - ✓ Members on-the-go – 800 off-site meetings with members
 - ✓ Online security is a high priority and G&F continues to maintain a secure and monitored environment
 - ✓ Focused on collaboration with other credit unions and maintained a leadership role within collaborative groups such as the Back Office Collaborative and the Risk Management Alliance
 - ✓ Employee leadership & growth – 86% employee satisfaction rate which is well above the industry benchmark of 70%
- Looking forward into 2019
 - ✓ Enhance our online banking offering by moving into a digital platform
 - ✓ New corporate headquarters “The G&F Hub”

In conclusion Co-CEOs B. Kiss and J. Shewfelt thanked the Board of Directors for their dedication and support, and to all of our management and staff for their daily commitment to improving the financial lives of our members. They also thanked the Membership for their support and continued patronage of G&F Financial Group and extended their appreciation to former employees, Juliana Yung and Angela Chu for their 35+ years of service.

J. Shewfelt and B. Kiss then called for questions from the floor. The following questions were raised:

Member A. Hussain had a number of questions/comments as follows:

1. Does G&F own the existing corporate office property?
2. Does G&F own the new corporate office building?
3. What is the land value of the current corporate office?
4. He expressed his concerns if potential recession and asked if that will affect the land value of the current corporate office.

J. Shewfelt, B. Kiss and R. Lee responded to the questions/comments:

G&F owns the existing corporate office on Kingsway and the two adjacent rental houses. We have secured four floors at the new Kings Crossing building that is situated directly across the street from the current Office. These properties have increased significantly in value but there is uncertainty in the current market. There has been a slowdown in real estate and we will take these factors into account in making a determination to sell these properties. There have been recent articles on a pending recession but that is not clearly evident at this time. G&F assesses risk at all times and manages capital in accordance with business needs and operational efficiency. G&F currently has \$130M in interest rate swaps to mitigate earnings at risk.

Member J. Howell commented on the Vancity Credit Union online banking outage and asked if G&F learned any lessons from this incident. B. Kiss responded, yes we did take away key lessons from the outage and actively monitor our banking system to ensure we have appropriate plans and security measures in place.

A member inquired regarding G&F's Investment Equity Shares that had a dividend return of 5.25% for 2018 and the investment limits. R. Lee responded that investments in the Investment Equity Shares can be made up to \$5,000 per member and the dividend is based on the financial results of the credit union and approved by our board on an annual basis. By investing in the credit union, members have an opportunity to share in G&F's financial success while raising capital for the credit union to support ongoing investment and growth.

Member D. Liang asked if G&F attended the Institute of Corporate Directors (ICD) Cyber Security Seminar. B. Kiss responded, yes we attend a series of seminars throughout the year and advised he serves on Central 1 Credit Union's Board. Director Varseveld raised his hand and advised he attended.

Member P. Urban expressed his dissatisfaction with how G&F offers better rates to new members and suggested that G&F should offer better rates to existing members. B. Kiss thanked Mr. Urban for his comments and acknowledged his concerns from a member's perspective.

There being no further questions, the Chairman called for a motion to accept the CEOs' Report.

IT WAS MOVED AND SECONDED

THAT the Consolidated Financial Statements for Gulf and Fraser Fishermen's Credit Union for the year ended December 31, 2018, and the Chief Executive Officers' Report, be adopted, as presented.

CARRIED

9. AUDITORS' REPORT OF THE FINANCIAL STATEMENTS

The Chairman advised we have our external auditor, N. Assanand of KPMG Chartered Professional Accountants, present to answer any questions on the Auditor's Report.

The Chairman called for questions and there being none called for the following motion:

IT WAS MOVED AND SECONDED

THAT the Auditors' Report on the Financial Statements of Gulf and Fraser Fishermen's Credit Union for the year ended December 31, 2018 be accepted as presented.

CARRIED

10. ANNOUNCEMENT OF BOARD OF DIRECTOR ELECTION RESULTS AND SPECIAL RESOLUTION RESULTS

The Chairman called on Director Normann, Chair of the Election Committee, to provide a report on the results of the Board of Directors' Election:

Director Normann outlined the required process beginning with a request for nominations which was circulated to all members by way of the In Branch Communication, on our website, in online banking and through our member statements. All candidates interested in running for election to the Board of Directors were asked to complete a Nominations Kit and return it to G&F's Head Office by 4:30 p.m. on Monday, February 4, 2019.

Four nomination kits were received for the three available seats, each for three-year term. The following three incumbents were running for election: Christine Dacre, Ian Daniel and Floyd Yamamoto. We also received a nomination package from Linda Archer. Brian Hamaguchi did not stand for election.

Director Normann noted that an independent 3rd party, Panalytics Research Group, was engaged to oversee the ballot count for the Board of Directors positions with the firm of KPMG Chartered Accountants acting as the scrutineer.

Director Normann announced that Linda Archer, Christine Dacre and Floyd Yamamoto have been duly elected as Directors of the Credit Union for a three-year term each.

At this time, the Chairman thanked Director Normann and the Election Committee. He also congratulated the successful candidates and welcomed Linda Archer to the Board of Directors. The Chairman then thanked Ian Daniel for his service to G&F as a Director these past three years.

The Chairman continued and recognized Director Hamaguchi for his 36 years of service to G&F and congratulated him on his retirement.

11. APPOINTMENT OF AUDITORS FOR 2019

The Chairman reported that the Audit Committee reviewed the audit requirements for the coming year and recommended the appointment of KPMG Chartered Professional Accountants as Auditors for 2019. He then called for a motion from the floor to appoint the auditors.

IT WAS MOVED AND SECONDED

THAT KPMG Chartered Professional Accountants be appointed as Auditors for Gulf and Fraser Fishermen's Credit Union for 2019 and that the Board of Directors is authorized to set remuneration.

CARRIED

12. UNFINISHED BUSINESS

Our records indicated that there was no unfinished business to report.

13. NEW BUSINESS

Chairman Bubl  stated that the floor was open for any new business. There was no new business.

14. GOOD AND WELFARE

The Chairman asked if there was any good and welfare before he commented on the evening.

There being none, the Chairman announced the two member prize winners for the evening.

In wrapping up the evening Chairman Bubl  commented that, on behalf of the G&F Financial Group Board of Directors, he would like to thank all the members for attending the AGM and for their continued support. He also thanked his fellow Directors, G&F Financial Group employees for their hard work and dedication and a special thanks to the team that helped organize tonight’s event.

15. ADJOURNMENT

The Chairman thanked all attendees for participating in the Annual General Meeting.

IT WAS MOVED AND SECONDED

THAT the 78th Annual General Meeting be adjourned at 8:18 p.m.

CARRIED

Lewis Bubl , President and Chairman

Sabina Chand, Recording Secretary