

EQUITY CREDIT UNION INC.

**Minutes of Board of Directors' Meeting No. 949
November 23, 2022**

A meeting of the Board of Directors of Equity Credit Union Inc. was held on Wednesday, November 23, 2022. Compliance with public health Covid-19 regulations having been discontinued, this meeting was held with participants attending in person at the credit union. Directors who were unable to attend in person attended the meeting by way of a Microsoft Teams connection.

Present:

Larry Biancolin	Chair
Bill Downing	Vice-Chair
Art Jessop	Corporate Secretary
Bonnie Downing	Director
John Loreto	Director
Craig Nichols	Director
Vishal Pua	Director
Adil Qureshi	Director
Jeannine Wilson	Director
Tom Dimson	Chief Executive Officer
Louise Robichaud	Finance Manager

and by invitation,

Carol Lewis	Recording Secretary
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1. CALL TO ORDER

The meeting being duly constituted to conduct business, Mr. Biancolin called the meeting to order at 6:16 p.m. Mr. Nichols joined the meeting at 6:20 p.m. He and Ms. Downing attended on Microsoft Teams.

2. ACCEPTANCE OF AGENDA

On a **motion** by Mr. Jessop, **seconded** by Mr. Qureshi, **it was resolved** to adopt the agenda with the power to add. **The motion was carried unanimously.**

No disclosures of conflict of interest were declared by the Board, Chief Executive Officer, Finance Manager or Recording Secretary at this time.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the October 19, 2022 Board meeting were reviewed by the Board and Recording Secretary. On page 2, item 3, the motion was corrected to state that Mr. Jessop and Mr. Qureshi abstained.

The minutes of the strategy meeting on October 29, 2022 were reviewed by the Board.

On a **motion** by Mr. Downing, **seconded** by Mr. Loreto, **it was resolved** that the minutes of the Board of Directors meeting held October 19, 2022 with the correction to the motion, and the minutes of the strategy meeting held October 29, 2022 be adopted as written. **The motion was carried unanimously.**

4. BUSINESS ARISING FROM PREVIOUS MINUTES

Action #1: **Continued** Collate the data from the Director assessment forms. **Continue as Action #1**
Action by: Mr. Nichols. **Due Date:** November 23, 2022

Mr. Jessop stated that he had sent the data to Mr. Nichols to be collated. Mr. Nichols advised that he had not had time to collate the data due to the fact that the reporting form had been changed and will have to be rebuilt. **Due Date:** December 14, 2022

Action #2 : **Continued** Undertake as a committee the review of the current KPIs as to changes required to be presented at the November Board meeting.

Action by: HR Committee **Complete**

5. MONEY LAUNDERING AND PROCEEDS OF CRIME REPORT

The report for October was received for information. Mr. Dimson advised that there was nothing to report. There had been no large cash transactions or international wire transfers and no suspicious or attempted suspicious transactions or politically exposed transactions.

REPORT to FINTRAC	OCTOBER 2022
Large cash transactions (\$10,000 +)	nil
International EFTs (wire transfers)	nil
Suspicious transactions	nil
Suspicious attempted transactions	nil
Terrorist property reports	nil
Politically exposed foreign persons	nil

6. LOAN AND DELINQUENCY REPORT

Loan Report For October 2022

The results for October including the Residential Mortgage Report, Personal Loan and Line of Credit Report, and the Commercial Loan Report had been provided in the meeting package. There had been one personal loan application which was approved. There were no line of credit applications. Residential mortgage applications reviewed were 21 and the number approved 14. Residential Merit Line applications reviewed were 10 and the number approved 4. There had been no new commercial mortgage applications and no commercial merit line applications. There had been a payout of \$262,898 on a commercial mortgage. There had been a net increase of \$6,637,715 in the mortgage portfolio in October.

Unsecured personal loans as a percentage of the personal loan portfolio were lower at \$330,424.33 or 57.53 percent, within the Board policy of 80 percent. Broker deposits in October were \$97,412,249 or 30.6 percent in compliance with the policy limit of 40 percent. Total deposits as at October 31st were \$317,836,485.

Delinquency Report For October 2022

The Delinquency Report and Loan Activity Report for the month of October were reviewed. There were no new accounts on the allowance. Actual delinquency on October 31st was \$2,196.43 on a loan and mortgage portfolio of \$305,336,086.59. On October 31st the specific allowance was \$2,196.43. The general loan provision remained at \$480,011.90 and the total allowance was \$482,208.33. There were three loans on the 30-89 day report all for 30-59 days. Personal loans exceeding 40 percent TDRS were higher at \$32,428.24 or 5.68 percent which was within the policy limit of 25 percent. There were six accounts on the Loan/LOC/Mortgage Exception Report for October, accounts 160498.52 and 0.61, 211143.63, 211150.61, 211762.61, 211937.61, 211804.65. Mr. Dimson advised with regard to residential mortgage account 194661.61 that the property had been sold, closing on November 15th. Account 160498.52 and 0.61 was a bridge loan in October which was paid off within the month.

DELINQUENCY, OCTOBER 2022	
Previous Month Allowance	\$ 2,196.43
New Accounts in Dollars	0.00
Net +/- payments / interest for the month	0.00
Write-offs	0.00
Current Actual Allowance (GL 220)	2,196.43
% personal loan gross	0.384%
% personal loan net of general provision	0.384%
% mortgage loan	0.000%
% commercial mortgage	0.000%
% actual delinquency	0.001%
General Reserve (GL 222)	\$ 480,011.90
Total Allowance, October 31, 2022	\$ 482,208.43

The chart of mortgages will be updated next in January 2023 for the fourth quarter of 2022.

On a **motion** by Mr. Loreto, **seconded** by Mr. Qureshi, **it was resolved** to adopt the Loan and Delinquency Report for October 2022. **The motion was carried unanimously.**

7. GENERAL COMMENTS AND DISCUSSION ON THE ECONOMIC OUTLOOK

Mr. Dimson commented on current economic issues including the Bank of Canada's most recent increase in the overnight lending rate on October 26th of 50 basis points raised it to 3.75 percent. This was the sixth increase since February when the rate was increased from 0.25 percent to 0.50 percent on March 2nd. Rising interest rates were resulting in declines in housing values and sales and in spending generally. The growth rate was expected to decline. At the Bank's next meeting on December 7th a further increase of 25 to 50 basis points was expected, the intention being to slow the economy down. It was noted however that the unemployment rate remained low.

In discussion, Mr. Pua commented that spending generally continued to be significant. It was also noted that immigration remained high as planned by the government but it appeared that the Government was "cherry-picking" to fill particular job categories. In November 104,000 jobs had been filled; unemployment currently stood at 5.4 percent.

In the U.S., the Federal Reserve had increased its overnight lending rate by 75 basis points. When economic changes had taken hold in the spring the Bank of Canada had increased its overnight lending rate ahead of the U.S. doing so. With respect to rising costs, the price of fuel was decreasing somewhat although the cost of diesel fuel had increased significantly to approximately \$3.00 per litre affecting many industries. It was questioned whether increasing prices would affect spending at Christmas. Mr. Dimson noted that during the more than two-year shutdown due to Covid-19, people saved money and may now spend or perhaps put it toward a mortgage.

In discussion regarding spending, increasing interest rates and unsecured credit, Mr. Dimson stated that the stress of rising rates may result in consumer proposals or bankruptcies. Mr. Loreto commented on a particular situation noting that the new generation has had no experience with interest rates over four percent. Mr. Nichols asked whether the credit union has had any triggering in variable rate mortgages such that the payment no longer covers the interest. Mr. Dimson stated that there has been none to date and stated that the credit union would work with members to cover a shortfall adding that this type of situation may be similar to the mortgage payment deferral program the credit union put in place for members affected by the Covid-19 pandemic shutdowns.

Neither the Board nor CEO were aware of any other circumstances in the market place at this time that could be detrimental to the credit union.

8. OFFICER AND STAFF LOANS

There had been no Officer or Staff loans to report in October 2022.

9. RESTRICTED AND CONNECTED PARTY LOANS

There had been no restricted or connected party loans to report in October 2022.

10. MARKET CODE OF CONDUCT

The CUCPA requires credit unions to report to the Board of Directors annually regarding complaints received and how they were resolved. The report to the Board on November 23rd indicated that no complaints had been received.

11. REPORT OF THE CEO

11.1 **Membership Report for October 2022:** Mr. Dimson had provided the Monthly Membership Review Report in the meeting package. There were 3,663 total members on December 31, 2021 and 4,264 on October 31, 2022 (total new first-time members to October 31st = 601).

Opened and Closed Accounts: The report for October indicated 66 new share accounts: Ajax 7, Pickering 7, Whitby/Ashburn 7, Courtice 0, Oshawa/Bowmanville 6, Toronto core 12, GTA & Other 14 and deposit broker 13. There were no new small business accounts.

In October, 33 share accounts had been closed, 0 due to inactivity, 0 accounts that were dormant, 0 due to unacceptable use of the account, 0 due to mortgage/loan payout, 0 due to small business account closing, 1 due to estate settlement, 1 due to inconvenience, 0 due to year-end write-off, 1 due to not being needed, 30 closed from Monarch Wealth (deposit broker).

NEW ACCOUNTS REPORT 2022 - FIRST TIME MEMBERS (Gross) Based on Open/Closed Account Report												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
21	17	69	54	99	76	49	71	79	66			601

11.2 Financial Report for October 2022

The financial report for the period ending October 31, 2022 had been included in the meeting package for the Directors' review in advance of the meeting. Net results year-to-date were lower than expected; the balance sheet had grown from the previous month. The following were the highlights:

- Net income for the month was \$213,940 down by \$108,000 or 33 percent from budget for the month of October.
- Net income year-to-date was \$2,673,981 down by \$163,000 or 6 percent from budget.
- Net interest and non-interest income was lower by \$120,000 or 22 percent from budget for October. The decrease was due to higher interest expense on deposits than anticipated for the month.
- Net interest and non-interest income year-to-date was lower by \$280,000 or 5 percent from the budget. Deposit interest expense was higher than anticipated both from higher balances and higher rates.
- Non-interest expenses were \$11,000 or 7 percent higher than budget for the month.
- Non-interest expenses year-to-date were \$31,000 or 2 percent lower than budget.
- Total assets increased by 1 percent for the month now up to \$340 million with a \$2.5 million increase in the month.
- Year-to-date total assets increased by \$59 million or 21 percent.
- Total assets increased on a year-over-year basis by \$71 million or 26 percent meaning October year-to-date 2021 to October year-to-date 2022.
- Total loans grew by \$6.8 million or 2 percent for the month and \$67 million or 28 percent year-to-date.
- Deposits increased by \$2 million for the month or 1 percent and \$55 million year-to-date or 21 percent. The lower growth was tied to the tightening of pricing on deposits to curb growth.
- The spread had remained flat at 1.42 percent compared to the prior month but lower than last year reflecting the higher cost of deposits as interest rates offered were at the highest seen in a decade.
- Broker deposits decreased by \$0.5 million and organic deposits grew by \$2.6 million for the month.
- The provision for credit losses as a percentage of loans was 0.16 percent for the month, 0.03 percent less than budget expectations.
- The volume of delinquencies was quite low and continued to be monitored as fears of a potential recession in Canada as now seen in the U.S. looms.
- The net interest rate yield year-to-date was 2 percent and the return on assets was 1 percent for the month annualized versus a budgeted amount for the month of 2 percent and 1 percent.
- Regulatory capital as a percentage of risk-weighted assets was 19.44 percent for the month.
- Leverage regulatory capital as a percentage of total assets was 5.29 percent for the month with an increase of 3 basis points in October.
- Minimum liquidity was 6.20 percent and total liquidity was 10.25 percent.
- Nothing had been added to HQLA investments with RBC-DS in October.

Go Forward Action: Manage balance sheet growth.

FINANCIAL REPORT - OCTOBER 2022			
	2022 October 31	2022 Year-to-Date	2021
Profit/Loss	213,940.00	2,673,981.00	2,520,708.00 (ytd)
Asset Increase (Decrease)	2,463,522.00	58,909,723.00	59,568,429.00 (ytd)
Total Assets, net of corporate cheques	339,600,787.00	n/a	268,579,048.00 (10/2021)
Liquidity	10.25%	n/a	6.09 (10/2021)
Interest Rate Spread	1.42%	n/a	1.79 (10/2021)

11.3 **Interest Rate Risk (IRR) Exposure Matrix (GAP Reports):** The report for the period ending October 31, 2022, was received for information. The credit union was in compliance as of that date for the economic value of equity.

.1 Economic value of equity (shock of +100 bps):

Current month: - 1,144,000
Previous month: - 1,275,000

The long-term duration of capital was 6.37 years for the month of October and 7.18 years for the previous month of September. The Board approved policy is 12 percent of capital for a negative change in economic value for a 1 percent shock upward and 5 percent for a negative change in economic value for a 1 percent shock downward. The Board approved upper limit is 12 years and the lower limit is negative 5 years.

.2

IRR EXPOSURE MATRIX - EARNINGS AT RISK			
October 2022		September 2022	
- 0.50	- \$ 35,000	- 0.50	- \$ 52,000
+ 0.50	+ \$ 40,000	+ 0.50	+ \$ 59,000

11.4 **Key Ratios:** The Capital to Total Asset Test, Risk Rated Capital Requirement Test and Total Liquidity calculations were received for information.

Test	Month of October 2022	Last Month
Leverage Test (Capital to Asset)	Required Minimum legal 4.0% policy 5.25% Budget - year-to-date target 5.61% Credit Union Actual 5.29%	5.26%
Risk-weighted Capital (BIS Test)	Required Minimum legal 10.5% policy 16.0% Budget - month 21.40% Credit Union Actual: 19.40%	19.30%
Adequate Liquidity Calculation	Required Minimum = 1% Deposits and Borrowings in liquid form: Credit Union requirement met.	Requirement met.

Monthly Operating Liquidity Portfolio: The report indicated that the credit union had met the adequate liquidity requirement in October 2022 and was in compliance.

- 11.5 **General Ledger Review:** The General Ledger accounts for the period ending October 31, 2022 were received for information and reviewed.

Reconciliation Statement: Ms. Robichaud had provided the Mesatek CCR Balancing Report as at October 31, 2022 which indicated a zero balance.

MORTGAGES / LOANS / DEPOSITS			
Month of October 2022		Year-to-Date	
Mortgages	\$ + 7,047,437		\$ + 67,755,960
Loans	- 15,930		+ 3,931
Commercial	<u>- 262,952</u>		<u>- 380,233</u>
Net	+ 6,768,555		+ 67,379,658
Deposits	\$ + 2,125,978	Deposits	\$ + 55,119,842

- 11.6 **Balance Sheet for October 2022:** The Balance Sheet as at October 31st and the accompanying reports (1) Equity Credit Union's holdings at RBC-DS and (2) the credit union's monthly operating liquidity portfolio, were received for information.

There had been no change in liquidity reserve deposits from September 2022 to October 2022.

The cash balance of investments at RBC-DS on October 31st was \$17,448.36. The total value of assets was \$19,858,712.63. Investments with RBC-DS had not been increased in October. The year-to-date total doubtful loan balance was \$482,208.33.

11.7 **Income Statement, October 2022:** The credit union had met all policy requirements in October. The results had tracked well with net income of \$213,940. The provision for credit losses was 0.16 percent.

.1 **Income:** Personal Loan Interest: YTD positive \$20,895 or 78.70% due to higher balances than anticipated.

Mortgage Interest: YTD positive \$437,061 or 4.76%; higher balances had increased income offset by the impact of lower rates than anticipated.

Investment Income: YTD positive \$184,965 or 338.72% due to higher income earned on liquidity investments than anticipated with maturities reinvested at higher rates and higher income earned on cash in the Central 1 current account as interest rates had risen.

Miscellaneous Income: YTD positive \$2,196 or 6.27%, dormant account fees and other charges due to timing.

Mortgage / Loan Fees: YTD positive \$36,131 or 2.54% due to earning a bit more on early repayment penalties than anticipated.

Mortgage Commission Expenses: YTD negative \$141,613 or -30.00% more than anticipated due to higher new loan activity.

.2 **Financial Costs:** RRSP Deposit Interest Expense: YTD negative \$106,211 or -21.18% due to the higher cost of funds on higher balances than anticipated.

RRIF Deposit Interest Expense: YTD negative \$81,431 or -25.56% due to the higher cost of funds on higher balances than anticipated.

TFSA Deposit Interest Expense: YTD negative \$102,779 or -32.70% due to the higher cost of funds than anticipated.

Term Deposit Interest Expense: YTD negative \$488,764 or -13.74% due to the higher cost of funds and higher balances than anticipated.

Savings Account Interest Expense: YTD negative \$55,771 or -168.89% due to the higher cost of funds than anticipated and the impact of HISA higher rates and higher balances.

Deposit Commissions: YTD negative \$29,290 or -22.59% higher than anticipated as increased to 25 bps paid with higher new business than anticipated.

Bad Debt Provision: YTD positive \$48,009 or 96.02%; provided for less than budget with support of the IFRS9 model.

3. **Administration Expenses:** Salaries and Benefits, YTD negative \$2,493 or -0.38%; higher than budget; additional costs incurred to cover a short-term LOA.

Administration: YTD positive \$37,619 or 4.57% lower than budget; at this point expected to be timing.

Occupancy: YTD positive \$285 or 0.46%; variance not material.

Depreciation: YTD negative \$4,909 or -3.76%; additional depreciation from additions for costs incurred on launch of remote deposit capture and e-mail money transfer upgrades.

Income Tax: YTD positive \$85,759 or 13.77%; income tax lower.

In closing the financial report Mr. Dimson commented that the October results were good and invited questions. Mr. Loreto stated that it was a great report. Mr. Dimson pointed out the 1 percent increase in the balance sheet being \$2 million and the capital-to-asset ratio trending upward and he commended the work of the whole team. Mr. Loreto pointed out the positive numbers and the control of the balance sheet. Looking ahead to the year end, Mr. Dimson estimated the balance sheet to be approximately \$345,000,000. He added that the capital-to-asset ratio will continually be monitored in 2023.

- 11.8 **Statement of Compliance, October 2022:** The compliance report for October 31, 2022 had been included in the meeting package.

Whereas the Board of Directors of Equity Credit Union Inc. had reviewed the compliance reports, it was resolved to approve the report for October 2022 by the Board of Directors. As of October 30, 2022 the credit union was in compliance with all of the following management policies, procedures and regulatory requirements.

STATEMENT OF COMPLIANCE - OCTOBER 2022	
Capital Management	Policy #7
Liquidity Risk Management	Policy #8
Market Risk Management	Policy #9
Operational Risk	Policy #11
Structural Risk	Policy #1
Credit Risk Management	Credit Policy
I.T. Risk Management	DRT Policy
Enterprise Risk Management	Policy #16

On a **motion** by Mr. Qureshi, **seconded** by Mr. Jessop, **it was resolved** that the financial report including the Statement of Compliance for October 2022 be adopted. **The motion was carried unanimously.**

13. CEO'S UPDATE

For Approval / Discussion / Information

- 13.1 **Proposed 2023 Meeting Dates:** received for information.
- 13.2 **Meeting With FSRA to Review Market Code of Conduct:** Mr. Dimson advised that he and Ms. Robichaud, as well as Ms. Smith and Ms. Goncalves met with FSRA via Zoom in a very positive two-hour meeting. Ms. Robichaud stated that they had been well prepared for the meeting and FSRA was provided with an outline of the credit union's accomplishments. Mr. Dimson stated that Ms. Robichaud's report was very good and well appreciated with respect to efficiency and organization.
- 13.3 **Christmas Staff Appreciation Gift:** Mr. Dimson recommended a stipend of \$200 to each staff member in appreciation of their efforts.
- On a **motion** by Mr. Loreto, **seconded** by Mr. Qureshi, **it was resolved** that a stipend of \$200 be given to each staff member as a Christmas appreciation gift.
- The motion was carried unanimously.**
- 13.4 **FSRA 2021-2022 Annual Report:** received for information.
- 13.5 **Article, Canadians are growing unsatisfied with banks, October 21, 2022:** received for information.

14. REPORTS OF OTHER COMMITTEES

Executive Committee (Larry Biancolin, Chair, Bill Downing, Vice-Chair, Art Jessop, Corporate Secretary). Mr. Biancolin stated that there was no report.

Finance Committee (John Loreto, Chair, Bonnie Downing, Vishal Pua, Adil Qureshi)

Mr. Loreto advised that the subject of securitization of loans which had been presented to the Board in a seminar given by Central 1 had not been included in the credit union's 2023 business plan. He advised further that the credit union had received a new draft deposit insurance calculation method from FSRA which the Finance Committee will review and provide comments back to FSRA as requested by January 23, 2023.

2023 Annual Business Plan

Mr. Loreto commended Ms. Robichaud on her excellent production of the credit union's business plan for 2023. Stating that the business plan gets better every year he stated that it was thorough and well written.

On a **motion** by Mr. Loreto, **seconded** by Mr. Qureshi, **it was resolved** to approve and adopt the Equity Credit Union Inc. business plan for 2023 as presented, subject to adjustments in year-end figures.

The motion was carried unanimously.

Marketing Committee (Vishal Pua, Chair; Craig Nichols, Adil Qureshi)

Mr. Pua advised that there still had been no response from the Durham North House Charity. Ms. Robichaud pointed out that the charity should be contacting the credit union especially since the credit union wants to assist the charity and provide a financial donation. It was decided to defer any activity until the charity contacts the credit union. Mr. Pua spoke of forming a focus group and was authorized to proceed.

Policy Committee (Craig Nichols, Chair; Bonnie Downing Art Jessop)

Mr. Nichols presented the following updated policies:

- Recovery Plan,
- Tendering for External and Internal Auditors,
- Signing Authorities.

Ms. Robichaud's name had been added to the signing authority policy on primary and corporate cheques. Mr. Loreto stated his concern that two staff members below the Management level of CEO and Finance Manager were able to sign cheques and stated that signing authorities must be one of either the CEO and Finance Manager, and one other authorized Signing Officer on primary cheques.

On a **motion** by Mr. Loreto, **seconded** by Mr. Jessop, **it was resolved** to amend the signing authorities policy to require that one of either the CEO and Finance Manager and one other Signing Officer be authorized to sign primary cheques. **The motion was carried unanimously.**

On a **motion** by Mr. Nichols, **seconded** by Mr. Jessop, **it was resolved** that the Board of Directors accept the following updated policies:

- Recovery Plan,
- Tendering for External and Internal Auditors,
- Signing Authorities as amended.

The motion was carried unanimously.

HR Committee (Art Jessop, Chair; Larry Biancolin, John Loreto, Vishal Pua)

Mr. Jessop presented the updated Key Performance Indicators (KPIs) document which was also displayed on the monitor. He pointed out that the number of indicators had been reduced from 11 to 8 to remove similar items. It was agreed by all Directors to accept the new form. A discussion followed with regard to 'yes' and 'no' answers in which Mr. Nichols questioned whether a scale should be used instead. It was pointed out that the KPIs are reviewed by the Board as a group and should there be a negative response the comment section could be used.

The Board discussed Director training and qualification. Mr. Biancolin referred to the CUDA chart, Governance Training for Canadian Credit Union Board Directors, noting that FSRA had pointed out a shortcoming in the previous examination stating that the Board had not adequately addressed training. FSRA had used the term "competencies" to evaluate a Director's knowledge which individual Board members would rate by self-assessment.

Governance Training for Canadian Credit Union Board Directors			
Level A Foundations of Governance	Level B Governance in Action	Level C Governance Application	Graduation Program Completion
The Six Online Modules	Risk Oversight	the Role of the Audit Committee	Directors who complete the entire CUDA Program (all of courses in Levels A B and C) receive a certificate marking their achievement.
Foundations of Governance in Theory and Action.	Strategy: Planning and Oversight.	Governing Credit Risk	
	Board Performance, Development and Evaluation.	Two Elective Courses (Choose from the continuing education section of the Cusource Educator's Director course catalogue.)	
	HR Governance		

(The reference to “term” means a Director’s three-year term on the Board.) The Directors discussed levels A, B and C to be completed and the timing in which to complete them. Initially, it was suggested that level A be completed in the first term, level B be in the second term and level C in the third term. However, this was deemed too long; Mr. Loreto stated that it would indicate that Directors were not taking their competencies seriously. It was then suggested that levels A and B be completed in the first term and level C in the second.

Mr. Dimson stated that in FSRA’s previous examination in 2019, FSRA indicated that the guidance note requires that a new Director who is not Chair of the Board or on the Audit Committee reach a strong level of competency in all of the required nine competencies by the end of the second year. It was suggested in discussion that education alone would not necessarily achieve competency and that natural literacy in any particular competency, as well as a Director’s tenure and activity on the Board would also be factors. Further, that not every Director needed to have strong competency in, for example, finance. Mr. Nichols pointed out, however, that the guidance note states that all Directors need to be strong in all nine competencies by the end of their second year. With regard to Director’s self-assessment it was suggested that each Director complete his/her own assessment and have it reviewed by other Directors as to fairness.

It was agreed that the Board needed to review the guidance note in detail. Mr. Biancolin asked that FSRA’s guidance note on Director training and qualification be sent to him and he would forward it to the rest of the committee. He asked the HR Committee to review it thoroughly and then decide what to do going forward.

Action #2: Review the FSRA guidance note.
Action by: HR Committee. **Due Date:** December 14, 2022

Action #3: Send the FSRA guidance note to Mr. Biancolin.
Action by: Ms. Robichaud. **Due Date:** December 14, 2022

Audit Committee (Jeannine Wilson, Chair; Bill Downing, John Loreto, Art Jessop)

Ms. Wilson advised that the committee had met on October 18th. The minutes had been included in the meeting package and posted on the Board website.

Nominating Committee (Bill Downing, Chair; Craig Nichols)

Mr. Downing advised that there will be nothing to report until January/February when the letter goes out and people start putting their names forward. With regard to elections at the annual meeting, Mr. Downing stated that he would not be standing for re-election. Ms. Downing and Mr. Qureshi will stand for re-election.

Annual General Meeting Committee (Adil Qureshi, Chair; Art Jessop, Jeannine Wilson)

Mr. Qureshi advised that the committee will meet after this Board meeting.

Long Term Planning Committee (Bonnie Downing, Chair; John Loreto, Jeannine Wilson)

Ms. Downing advised that there was no report but stated that she is looking forward to the new year and the work coming from feedback from the new focus group.

Enterprise Risk Management Committee (Larry Biancolin, Chair, John Loreto, Jeannine Wilson)

Mr. Biancolin stated that the minutes of the committee's meeting on October 18th had been included in the meeting package. He advised that the committee is addressing the issue of Director training and qualifications and the shortcoming that FSRA had pointed out.

IT Security Update: The monthly reports had been received from Horn IT for October 2022.

15. OTHER BUSINESS

15.1 **Previous Business Carried Forward:** There were no items of business carried forward.

15.2 **New Business:**

- .1 Docu-Sign: Mr. Dimson confirmed that a docu-sign facility is available and that the credit union is using it where appropriate. Ms. Robichaud also advised that she is developing a system to share documents between members.
- .2 Christmas Dinner: Mr. Dimson referred to the Board's tradition of Christmas dinner and advised that he had booked a dinner at Amici Ristorante in Pickering for Monday, December 12th at 7:00 p.m. and invited all to attend.
- .2 Expenses: The following expenses were submitted at this time:

Larry Biancolin	76.88
Bonnie Downing	53.80
Art Jessop	91.50
Vishal Pua	163.68
Adil Qureshi	168.90

16. DATE OF NEXT MEETING

The ERM Committee will meet on Thursday, December 8th at 5:00 p.m. by MicroSoft Teams.

The Audit Committee will meet on Thursday, December 8th at 6:00 p.m. by MicroSoft Teams.

The next meeting of the Board of Directors will be held in person at the credit union on:

Wednesday, December 14, 2022 at 6:15 p.m.

17. ADJOURNMENT

The business of the meeting having been completed, the Chair requested a motion to adjourn the meeting.

On a **motion** by Mr. Loreto, **it was resolved** at 7:35 p.m. to adjourn the 949th meeting of the Board of Directors of Equity Credit Union Inc. **The motion was carried unanimously.**

18. IN CAMERA MEETING

The *in camera* meeting was called to order at 7:45 p.m.

The *in camera* meeting and the Board meeting were terminated at 8:05 p.m.

Larry Biancolin
CL/cl

Art Jessop, Corporate Secretary

Date: _____

Date: _____

EQUITY CREDIT UNION INC.

**LIST OF MOTIONS
Board of Directors' Meeting, November 23, 2022**

1. **Acceptance of Agenda**
On a **motion** by Mr. Jessop, **seconded** by Mr. Qureshi, **it was resolved** to adopt the agenda with the power to add. **The motion was carried unanimously.**

2. **Adoption of Meeting Minutes**
On a **motion** by Mr. Downing, **seconded** by Mr. Loreto, **it was resolved** that the minutes of the Board of Directors meeting held October 19, 2022 with the correction in the motion, and the minutes of the strategy meeting held October 29, 2022 be adopted as written. **The motion was carried unanimously.**

3. **Adoption of the Loan and Delinquency Reports**
On a **motion** by Mr. Loreto, **seconded** by Mr. Qureshi, **it was resolved** to adopt the Loan and Delinquency Report for October 2022. **The motion was carried unanimously.**

4. **Adoption of the Financial Report**
On a **motion** by Mr. Qureshi, **seconded** by Mr. Jessop, **it was resolved** that the Financial Report including the Statement of Compliance for October 2022 be adopted. **The motion was carried unanimously.**

5. **Approval of Staff Christmas Appreciation Gift**
On a **motion** by Mr. Loreto, **seconded** by Mr. Qureshi, **it was resolved** that a stipend of \$200 be given to each staff member as a Christmas appreciation gift. **The motion was carried unanimously.**

6. **Approval of 2023 Annual Business Plan**
On a **motion** by Mr. Loreto, **seconded** by Mr. Qureshi, **it was resolved** to approve and adopt the Equity Credit Union Inc. business plan for 2023 as presented, subject to adjustments in year-end figures. **The motion was carried unanimously.**

7. **Amendment / Adoption of Signing Authorities**

On a **motion** by Mr. Loreto, **seconded** by Mr. Jessop, **it was resolved** to amend the signing authorities policy to require that one of either the CEO and Finance Manager and one other Signing Officer be authorized to sign primary cheques. **The motion was carried unanimously.**

8. **Adoption of Three Policies**

On a **motion** by Mr. Nichols, **seconded** by Mr. Jessop, **it was resolved** that the Board of Directors accept the following updated policies:

- Recovery Plan,
- Tendering for External and Internal Auditors,
- Signing Authorities as amended.

The motion was carried unanimously.

9. **Adjournment**

On a **motion** by Mr. Loreto, **it was resolved** at 7:35 p.m. to adjourn the 949th meeting of the Board of Directors of Equity Credit Union Inc. **The motion was carried unanimously.**

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EQUITY CREDIT UNION INC.

LIST OF ACTION ITEMS
Board of Directors' Meeting, November 23, 2022

- Action #1:** **Continued** Collate the data from the Director assessment forms.
Action by: Mr. Nichols. **Due Date:** December 14, 2022
- Action #2:** Review the FSRA guidance note.
Action by: HR Committee. **Due Date:** December 14, 2022
- Action #3:** Send the FSRA guidance note to Mr. Biancolin.
Action by: Ms. Robichaud. **Due Date:** December 14, 2022

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