

Minutes of the Annual General Meeting (AGM)

Wednesday, 30 October 2020 at 6.00pm

Millennium Hotel Rotorua, 1270 Hinemaru Street Rotorua and via Zoom

1 **OPENING**

A karakia was performed and the International Credit Union Prayer was read.

2 **WELCOME TO MEMBERS AND GUESTS**

The AGM was declared open and a warm welcome extended to members and visitors. The attendance of Shahazad Contractor, Karan Ahuja and Susan Bingham (Trustees Executors), Claire Matthews (past Director), Rob Harris and Geoff Powley (PricewaterhouseCoopers) were acknowledged.

2.1 **Ascertain Quorum**

It was ascertained that a quorum was present (minimum 15 members).

3 **APOLOGIES**

Apologies were received from Jennifer Trittschuh (Fisher and Paykel Credit Union), Jonathan Lee (Co-op Money NZ), Claire Evans (Lane Neave), Peter McKnight (former Director), Bruce Ross (NZCU Steelsands) and Rotorua Mayor Chadwick.

3.1 **Deceased Members**

The passing of Roy Gardiner was acknowledged (Patron and previous Director). A minute's silence was held as a mark of respect to members who had passed away over the past 12 months.

4 **CONFIRMATION OF MINUTES**

4.1 **2019 Annual General Meeting (AGM)**

Resolution

Minutes of the AGM held 30 October 2019 were tabled and accepted as a true and accurate record.

4.2 **Matters Arising from the Minutes**

Richard Parker queried the inclusion of pie charts in the Annual Report as suggested at last year's meeting. It was noted the Annual Report has been reformatted for ease of understanding and further enhancements are planned.

5 **REPORTS:**

5.1 **Report from the Board**

Iain Taylor presented the Directors' Review as printed in the 2020 Annual Report.

Further detail on the development of an Iwi partnership was requested. Gavin Earle advised this was a new initiative working with Te Arawa Federation of Maori Authorities (TeFoma). The concept involves TeFoma investing in the credit union and the credit union in turn lending to Te Arawa people to help them into a home for example. There is also a financial literacy component to the programme. This initiative is still in the development stage, looking to launch a pilot in the New Year.

Resolution

The Directors' Review as printed in the 2020 Annual Report was taken as received.

5.2 **Chief Executive's Review**

Gavin Earle presented his report as printed in the 2020 Annual Report.

Gavin acknowledged Iain Taylor for all his work and commitment during his time on the Board and as Chair.

The success of the mobile app was queried. Gavin noted the new app had additional functionality and will be regularly upgraded and further enhanced going forward.

Resolution

The Chief Executive's Review as printed in the 2020 Annual Report was accepted.

5.3 **Financial Statements**

Chris Fenwick presented the Financial Statements for the period to 30 June 2020 and gave a summary of the highlights of the full audited accounts as included in the 2020 Annual Report.

Perry Spiller queried the net figure of negative \$97k for CMNZ. Chris Fenwick advised it was the impact of two components impacting CUB being a portion of the CMNZ financial result and the uplift in opening investment balance resulting from the acquisition adjustments.

Perry Spiller queried bad debts versus impaired costs and asked if these can be defined. Chris Fenwick advised bad debt costs are where a decision to write-off the debt has been made (ie. Not expected to be recovered). Impairment Costs are where there is a sign of trouble and a provision is raised against this risk.

Richard Parker queried liquidity of 18.7% and 10% and asked if the credit union was having difficulty lending. Chris Fenwick advised if the credit union lends more, the capital ratio comes down and these two key ratios need to be considered in tandem.

Chris Fenwick replied to a query regarding personal lending noting that, in line with strategy, it has been a success for the year which doesn't show in the year end results due to the impacts of COVID-19.

Don Deer conveyed his thanks to the credit union for doing a great job.

Motion

The Financial Statements for the year ended 30 June 2020 and the Auditor's Report as printed in the 2020 Annual Report were taken as received.

5.4 **Appointment of Auditors**

Members were advised that the Board has approved the re-appointment of PricewaterhouseCoopers as external auditors for the year ending 30 June 2021.

5.5 **Co-op Money NZ (CMNZ) Update**

Alan Connolly, CMNZ Chair, gave an update on the services offered by CMNZ noting it provides critical services for the credit union and members. He also gave an update on the financial performance of CMNZ, noting that the projected EBITDA for the year to June 2021 is positive.

6 **GENERAL BUSINESS**

Iain Taylor announced the results of the electronic member voting as follows:

6.1 **Rules Amendment – Board Appointed Directors**

Resolution

To approve a new Rule to allow the Board to appoint one Director without the requirement for that person to be elected by members (Board Appointed Director).

72% in favour, 28% against

6.2 **Rules Amendment - Number of Elected Directors**

Resolution

Reduce the number of member-elected Directors from seven to six, meaning that the Board would be composed of six elected Directors and, if appointed, one Board appointed Director.

81% in favour, 19% against

6.3 **Rules Amendment – Maximum Director Term**

To approve a new Rule to limit the number of years a Director can serve on the Board to a maximum of 12 years.

83% in favour, 17% against

6.4 **Other Rule Amendments**

Resolution

Approve all other changes to the Rules as shown in the amended Rules and outlined in the supplementary information section of the Notice to Members.

80% in favour, 20% against

6.5 **Director Remuneration**

Resolution

To reduce the total pool of Director remuneration to a maximum of \$330,000.

89% in favour, 11% against.

7 **GENERAL BUSINESS**

Perry Spiller queried the 95% analysis of members who have returned to making regular scheduled payments under the COVID-19 support. Chris Fenwick commented it referred to members returning to normal repayments following temporary deferred loan payment arrangements.

Perry Spiller asked if the credit union received any government support for staff subsidies. Chris Fenwick replied it didn't as it was a revenue based threshold to qualify for the wage support and the credit union revenue did not decrease by the 30% threshold.

Perry Spiller queried the predicted negative OCR and the likely impact on the credit union. Chris Fenwick advised there has been engagement with the Reserve Bank, in particular ensuring entities are ready and prepared for a negative OCR if necessary. This will place further downwards pressure on interest rates paid on member deposits.

Claire Matthews queried if the Board intended to appoint a further director under the revised Rules? Iain Taylor advised there are no plans to do so currently.

The meeting attendance was noted as being disappointing. Noted that excluding staff and directors there were seven members in attendance (in person and on line) and that approximately 900 voted electronically.

Priscilla Taiapo queried if there will be any more branch closures and noted a number of people were disheartened by the closures and had moved their banking elsewhere. Gavin Earle commented that further branch closures might be possible, depending on their continued viability as more members chose to interact remotely.

Priscilla Taiapo further queried if members will be informed if branches are to close as she felt this hadn't been done previously. Gavin Earle advised that every effort was made to communicate to

members regarding the closures through different media channels including in-branch and letters being sent to individual members impacted.

Richard Parker queried if management has a five year budget. Gavin Earle advised the budget projects out two years and is reliant on a number of assumptions in a rapidly-changing environment.

8 **ELECTION OF OFFICERS**

8.1 **Appointment of Directors**

Iain Taylor announced that Alan Connolly and Graham Clouston were elected by members as Directors for a further three year term.

9 **RECOGNITIONS**

After 28 years on the CUB Board, Iain Taylor decided not to seek re-election. He was recognised for his outstanding commitment and contribution by fellow Director, Janice Frederic. Richard Parker spoke and thanked Iain for all his work on behalf of the membership.

Janice Frederic also acknowledged and thanked staff and management for their hard work and support.

10 **CLOSING**

There being no further business, the meeting closed 7.35pm.

Signed: _____ Dated: _____

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Credit Union Baywide members only