

MINUTES OF THE 79th ANNUAL MEETING

Annual General Meeting of The Police Credit Union held on Monday
April 28, 2025, at 4:00 pm by
Zoom Webcast

CALL TO ORDER

The Chair, Geri James, called the meeting to order at 4:00 p.m. noting that The Police Credit Union's 79th Annual General Meeting is being held online via Zoom Webcast.

QUORUM

In accordance with the Credit Union's By-law 7.11, a quorum was present as determined by the 55 members who have logged into Zoom. There were three (3) guest in attendance.

WELCOME AND MEETING OVERVIEW

Chair James welcomed those attending the 79th Annual General Meeting and paid tribute to the Credit Union members, colleagues and friends who had passed since the previous Annual General Meeting with a moment of silence.

Chair James commented that all attendees would not have video or voice capabilities, and any questions should be directed to the dedicated address agmquestions@tpcu.on.ca. Replies to all questions will be posted on the Credit Union's website. All materials for the meeting were made available for download on Credit Union's website.

Under New Business, we will be asking members to approve the minutes of the 2024 AGM and the appointment of the External Auditor for 2025 by asking you to move and carry motions.

Chair James introduced the panelists, Andy Doak – Chief Executive Officer of The Police Credit Union, Mike Sharp – Chair of the Audit Risk Committee, Greg Kroeplin– from Tinkham LLP (our External Auditors), Amal Fernando – Controller of the Police Credit Union and herself, Geri James – Chair of the Board of Directors

CHAIR'S REMARKS

On behalf of your Board of Directors, we are pleased to report that 2024 was another successful year with your Police Credit Union achieving profit before taxes of \$377,000 and ending the year with assets of \$372 million.

2024 presented some significant challenges, including economic uncertainty, higher mortgage rates for most renewals, strong competition from banks and other financial institutions, increasing regulatory requirements, and the reduction in recruit loan opportunities. However, management and staff overcame these challenges to help members achieve their financial goals by providing excellent service, competitive deposit and loan rates, and customized support and advice. The Board is truly proud of the way our Credit Union understands and provides financial solutions to meet the unique needs of our policing communities.

Chair James indicated that it was an honour to serve our members, Your Board is comprised of seven talented and dedicated directors with a diverse mixture of experience, skills, and backgrounds reflective of the Credit Union's membership and the broader policing community.

Chair James described the responsibilities of the Board, which included providing oversight, supervision and direction to management and for ensuring that our Credit Union operates in a safe and prudent manner and adheres to the standards of sound business and financial practices as required by our regulator. It is also their role to represent the membership, ensuring their needs are always considered

Chair James noted that every member of your Board takes this responsibility seriously and addresses risks

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at every Board meeting. In addition, opportunities are addressed to ensure your needs as a member are also considered.

Chair James concluded her remarks by stating that "with strong management, committed staff, a dedicated board and supportive membership, the future of our Credit Union is strong."

Chair James introduced Andy Doak, Chief Executive Officer, to present his address.

CHIEF EXECUTIVE OFFICER'S ADDRESS

Mr. Doak proceeded to review his presentation outlining the results of 2024 for the membership.

Mr. Doak stated that it was fair to say that the Credit Union was impacted by a challenging economic landscape.

We had the Bank of Canada maintaining its fight against inflation, and by the end of the year, that rate had been reduced by 175 basis points to 3.25%.

The consumer price index declined from 3.4% inflation during 2023

The Credit Union's plans to launch two factor authentication for our forged digital banking platforms has been placed on hold while they are further review of our digital strategy occurs, given the fact that credit will need to move to another new digital vendors platform within the next few years.

Although personal loans and line of credits decreased, mortgage advancements, both in numbers and volumes, were up substantially.

Loans were anticipated to decline this year. With the provincial government now covering tuition for police recruits to attend Ontario Police College

In a challenging economy items like the purchases of new vehicles have been delayed until things improve

Total loans to members were 332.3 million, an increase of 500,000 over the previous year, but loans to members totalled \$331.8 million.

The loan loss allowance at the end of the year was approximately \$135,000, a decrease from ^156,140 in 2023.

Recovery on loans previously written off was just under \$3,000,

Loan write-offs during the year amounted to \$66,527, and nine members filed for consumer proposal or bankruptcy this year.

Membership activity was positive this year. Even with the loss of recruit opportunities, new membership strategies remained favorable, and we welcomed 501 new members to the Credit Union. Membership cleanup of dormant and inactive accounts contributed to increase in the number of closed memberships. Our total active membership base remains strong at 12,213.

Mr. Doak continued with his presentation mentioning the impact of the Ontario government decision to fund the cost of tuition for recruits. Nonetheless, the Credit Union welcomed 68 new recruits who joined the Police Credit Union. Through the history of the program, over 6,560 recruits have been provided financial assistance in becoming a police officer.

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Andy Doak provided comments on key deliverables that we are working on for 2025. Noting that the Credit Union continues to confirm the commitment to new police recruits finding alternative ways to support them as they enter their new career in policing.

We continue to have a dedicated financial services officer on site at OPC and plans are underway to install a new ATM machine and positioning it closer a new office currently under construction, further enhancing the visibility of the Police Credit Union and our services.

The Credit Union continues to make further enhancements to the recruit program by introducing a new Recruited Advantage offer, which provides additional benefits encouraging those recruits without borrowing needs to become members of the Police Credit Union.

Mr. Doak stated that the Credit Union continues to support it's valued members, by continuing to provide best pricing on our loans and deposit products and ensure members experience convenient expert financial advice while navigating their life journeys.

In closing, Mr. Doak thanked the Board of Directors for their continued support and the faith they have placed in him to lead The Police Credit Union.

Andy thanked his Senior Management team, for their leadership, dedication, and the support they have provided and to the staff of the Credit Union in the accomplishment of the Credit Union goals. And to the membership, for putting their faith in The Police Credit Union.

Andy Doak added his heartfelt appreciation for all the staff. Commenting "You all are amazing people and it's very noticeable how much you care about our members and the wellbeing of our Credit Union."

Chair James thanked Andy Doak for his report and introduced the Chair of the Audit Risk Committee, Mr. Mike Sharp.

REPORT OF THE AUDIT COMMITTEE

Mike Sharp provided an overview of the committee's key responsibilities and activities, noting that in April 2024, the Board of Directors merged the functions of the Audit Committee and the Enterprise Risk Management Committee with the new Audit Risk Committee being responsible for both areas.

The Audit Risk Committee is an integral part of the overall framework of corporate governance at the Police Credit Union. While management led by our CEO, Andy Doak, is responsible for day-to-day operations, the function of the Audit Risk Committee is to assist the Board of Directors to fulfill its oversight responsibilities.

These include financial information reporting, operational processes and policies, and audit and compliance activities, including the risks and controls related to these processes, as well as overall organizational risk management.

The committee met six times in 2024 to fulfill its responsibilities, with some of those meetings including in camera portions with our audit partners, in the absence of management to ensure full and frank discussion of any issues which may have emerged,

In fulfilling its role, the committee focused on several critical oversight responsibilities. Examples include financial reporting, such as reviewing and recommending the approval of the 2024 financial statements, management controls and risk oversight such as reviewing and approving policies, and management's recommendations for interest rate limits and compliance with laws and regulations, such as reviewing reporting related to the Proceeds of Crime Act, the Terrorist Financing Act and the Privacy Act.

The Committee had the full cooperation and support from management at all times. Significant

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recommendations which arose have been or are in the process of being implemented. The Audit Risk Committee believes there are no matters other than those contained in the financial statements that should be reported to members, or which are required to be disclosed.

I would like to thank my fellow Audit Committee Audit Risk Committee members for their dedication, commitment, and attention to detail and fulfilling their committee duties. I would also like to thank management and staff for their continuing efforts resulting in positive results.

Geri James thanked Mr. Sharp for his report and introduced Greg Kroeplin, Tinkham LLP to present the Independent Auditors Report

INDEPENDENT AUDITOR'S REPORT

Greg Kroeplin, Tinkham LLP, advised the membership that a copy of the summary financial statements is included in your agenda book and the full set of the audited financial statements can be obtained from the Credit Union upon request.

Mr. Kroeplin stated that it is the responsibility of auditors to express an opinion on the Credit Union's financial statements. The audit was conducted in accordance with generally accepted auditing standards and has issued an opinion that states in part that the financial statements are presented fairly in all material respects in accordance with IFRS, also known as a clean audit opinion.

Mr. Kroeplin endorsed the Audit Risk Committee's recommendation to approve the Credit Union's audited financial statements and thanked both the management and the Board of the Credit Union for their continued support throughout the audit process.

Chair James thanked Mr. Kroeplin for his report and introduced the Controller, Mr. Amal Fernando.

REPORT ON THE FINANCIAL STATEMENTS

Amal Fernando presented key aspects of the Balance Sheet and Income Statement, noting that fully audited financial statements were made available on the Credit Union's website prior to the AGM for the membership to review and download.

Mr. Fernando noted that loans to members finished at \$332.4 million, up marginally by \$400,000 or 0.14%, an increase over 2023 levels which were \$332 million.

Moving on to member deposits, the Credit Union had a decrease in member deposits with much of the decline coming from members demand accounts whereas registered product balances saw an increase.

This year we saw an increase of our Operating Revenues (Operating revenues are interest earned on loans to members and interest from Credit Union investments) coming in at \$14.84 million, which is an increase of \$1.14 million over last year's results, representing an increase of 8.32% over previous year.

Interest expense continued to trend upward, rising from \$6.79 million to \$8.31 million, an increase of 22.39% from 2023. The sustained increase reflects continued pressure from the higher interest rates on member deposits.

The operating margin for the Credit Union was \$7.85 million and declined by \$280,000 or 3.43% from 2023 levels.

The Credit Union has met the capital requirements of the Capital Rule Regulation and the Act of 2024.

Geri James thanked Amal Fernando for his report and continued onto New Business.

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NEW BUSINESS

Geri James explained the process for this portion of the AGM to those in attendance.

Both the minutes of the previous AGM held in April 2024 and the appointment of the External Auditor for 2025 will need to be voted on at today's meeting.

The meeting continued with the approval of the AGM Minutes dated April 22, 2024. These minutes were available for review and download from Credit Union's website.

Geri James asked for a motion from the floor to adopt the minutes of the 2024 AGM.

Moved by Jacqueline McCulloch, seconded by Carol Knoll.

Next, the appointment of the External Auditor for 2025. The Audit Risk Committee has recommended to the Board of Directors the appointment of Tinkham LLP as the Credit Union's External Auditor for 2025.

Geri James asked for a motion from the floor to accept the appointment of Tinkham LLP as our External Auditor

Motion moved by Karen Zwarych, seconded by William Rich.

The membership has approved the appointment of Tinkham LLP as the External Auditor for 2025.

The meeting continued and moved to the acclamation of Directors. Geri James called on Greg Kroepin, Tinkham LLP, to explain the acclamation of directors to the membership.

Mr. Kroepin stated that in the matter of the acclamation of directors, there were two vacancies to be filled, and each for a three-year term. The Nominating Committee received 2 applications 90 days prior to the AGM in accordance with the Act and the Credit Union's bylaws.

The individuals who submitted applications were Geri James, incumbent, Rod Fraser, incumbent. The applications were reviewed by the nominating committee, found to be in good order, and were recommended to the Board.

Mr. Kroepin asked that the Corporate Secretary cast a ballot for each of the candidates and declared Geri James and Rod Fraser as directors for the three-year terms.

The acclamation of the Board of Directors is concluded.

CLOSING REMARKS

Geri James stated that both her and Rod Fraser were honored to continue to represent our Credit Union for another three-year term and thanked the membership for their support.

Ms. James, continued to state that she would like to thank her fellow Board members for their support and their unrelenting focus on ensuring proper governance remains our priority while serving our members.

She expressed thanks to our CEO, Senior Management team and all the Credit Union staff for their hard work and dedication in support of our membership and the contributions made every day to ensure the success of our Credit Union.

Lastly, but most importantly, Ms. James thanked the membership for their continued support, loyalty, and trust in our Credit Union. Stating that our Credit Union could not have achieved its success without them, and hope that our collective efforts show them that we truly "take care of our own."

Chair Geri James announced those attending the AGM are eligible for a draw for one of three \$50 Amazon gift cards. Winners will be announced on our website tomorrow and contacted directly by email to arrange

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delivery of your prize.

Chair Geri James thanked everyone for making time to attend this year's AGM and wished all a good evening on behalf of the Board of Directors.

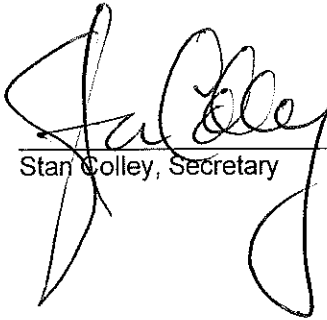
ADJOURNMENT

There being no further business, the Chair adjourned the meeting at 4:32 pm

MINUTES APPROVED this _____.



Geri James, Chair



Stan Colley, Secretary