

MINUTES

OF THE 80th ANNUAL MEETING OF CARPATHIA CREDIT UNION LIMITED HELD ON WEDNESDAY, JANUARY 23, 2019 AT HOLY EUCHARIST PARISH CENTRE, 460 MONROE AVENUE, WINNIPEG, MANITOBA

1. Call to Order

Mr. Roman Zubach, Chair of the Board of Directors, welcomed the members to the 80th Annual General Meeting and called the meeting to order at 7:02pm.

A moment of silence was observed in memory of those members who passed away this past year.

2. Opening Prayer

- a) Mr. Roman Zubach introduced the special guests in attendance: Mr. Tim Cook from BDO Canada LLP; Mr. Wilson Griffiths from Credit Union Central of Manitoba; as well as Mr. Paul Prenovault and Mr. Ray Braun from Deposit Guarantee Corporation of Manitoba.
- b) Fr. Gene Maximiuk from the Ukrainian Orthodox Church of Canada offered the opening prayer.
- c) Mr. Roman Zubach introduced Dr. Taras Babick, Director, to assume the chairmanship of the meeting. The Chair welcomed all those in attendance to the 80th Annual General Meeting of Carpathia Credit Union.
- d) The Chair announced the appointments of Ms. Iryna Gumenyuk (Ukrainian) and Ms. Elizabeth Erickson (English) as Recording Secretaries of the meeting.

If voting is required, the ballots will be counted in the presence of the representative from BDO Canada, LLP. The following Individuals have been appointed as scrutineers: Ms. Janet Hnytka, Mr. Brian Petrynko, Ms. Lesia Gojan Klein, Ms. Shelly Maslechko, Ms. Ginette Henry, and Mr. Gary Peric.

- e) The Chair asked Mr. Brian Petrynko to announce the total number of members in attendance. According to the By-Laws, 50 members are required to be present to constitute a quorum, and upon ascertaining that there were 102 members present, the Chair declared the meeting duly constituted.

The Chair reminded Members that registration will close at 7:30pm.

- f) Before proceeding with the meeting, the Chair reminded the Membership that the Rules and Regulations governing the Annual General Meeting are included in their package and extra copies are available at the registration tables.
- g) The Chair introduced the current members of the Board: Mr. Roman Zubach, Chair; Mr. Peter Washchyshyn, Vice Chair; Ms. Noella Pylypowich, Secretary; Mr. Ivan Baniias, Mr. Demyan Hyworon, Ms. Irka Semaniuk, Ms. Susan Zuk, and Mr. Don Cilinsky.

3. Approval of the Agenda

The Chair indicated that an agenda was distributed to all those who registered and requested approval of the agenda.

MOTION by Mr. Roman Korbutiak **SECONDED** by Mr. Kevin Malenki that the agenda be accepted as circulated.

CARRIED

4. Approval of Minutes of the Last Annual General Meeting

- a) One amendment required to the minutes of the last Annual General Meeting. In Section 7 – *Discussion of Reports* – Mr. Yakimoski’s first name should be Blair.

The Chair requested a motion that the minutes of the January 21, 2018 Annual General Meeting be accepted with correction to Mr. Yakimoski’s first name.

MOTION by Mr. Peter Manastyrsky **SECONDED** by Mr. Richard Stephanac that the minutes of the Annual General Meeting held on January 21, 2018 be accepted with correction to Mr. Yakimoski’s first name.

CARRIED

The full minutes of the last Annual General Meeting are available at Carpathia Credit Union’s Corporate Office upon request or may be reviewed on-line at Carpathia Credit Union’s web site.

- b) Business Arising from the 2018 Annual General Meeting Minutes

There was no business arising from the 2018 Annual General Meeting.

5. Request for New Business Items

The Chair asked members three times if there were any items to add to new business. This item will be discussed during Item #11. No new items were added to the agenda.

No new items to be accepted later.

6. Reports

6.1 Board of Directors – Roman Zubach, Chair

Mr. Roman Zubach said that in the past fiscal year the Credit Union transitioned to new leadership that presented an opportunity to review operational matters. This revaluation concluded that the Credit Union experienced financial challenges with the unfortunate result in posting a financial loss. This necessitated new strategic direction and focus on additional process, more controls, and new infrastructure. He stated that the ability weather this setback and show strength in the market is due to the dedicated efforts of management and staff flexibility that allows for shifts in priorities as opportunities arise.

He proceeded to thank the membership for their support and the Board of Directors for their guidance. He also thanked Mr. Peter Washchyshyn whose retirement from the Board of Directors after serving the Credit Union and its members for the past nine years will be missed. The staff were thanked for their commitment to serving the members throughout the year.

6.2 Chief Executive Officer – Nicholas Rawluk

Mr. Nicholas Rawluk provided a report on the previous year and how it was a year of change. He reported that the Credit Union's assets and loans increased while equity decreased. He explained that required capital is what is required from a regulatory perspective and that unless the Credit Union is profitable and continues to move forward it is harder to grow. Credit unions are unlike banks because they do not issue shares to support growth and that growth must be done purposefully. Management took action to stay competitive for members and because the prior year's financials were restated, action was taken to get back on track. This was helped by decreasing operating expenses through conscious efforts by management and a lot of hard work by staff.

He noted that the mission statement – *to achieve excellence in providing financial services that are beneficial to our members and community* – and the vision statement – *the financial institution of choice for Manitoba's Ukrainian community* – shaped how decisions were made. Projects such as "Deposit Anywhere" is a way to give back to members through ease of use and the new suite of credit cards creates income which helps to lower service charges. Competitive services such as "Me-to-Me" and "Square" help to generate income which can then be used to support the community.

Mr. Nicholas Rawluk provided an overview on a large project planned for 2019. The Credit Union will go through a major core system conversion to a new system that will be modern and much more flexible and allow for products such as Apple Pay and other competitive offerings. He credits staff for making projects like this possible and for their dedication to getting them done. He thanked the Board for their engagement over the

year and the staff for their dedication and support. He also thanked the membership and noted it is because of them that we have purpose.

6.3 Auditors

The Chair introduced Mr. Tim Cook, Director, of BDO Canada LLP who provided an overview of the financial statements.

Mr. Tim Cook reported that the financial statements of Carpathia Credit Union Limited present fairly, in all material respects, the financial position of the Credit Union as at September 30, 2018. He brought attention to “Note 3” which speaks on the restatement of the prior years’ financial statements. Mr. Tim Cook was available to answer any questions regarding the 2018 results.

7. Discussion of Reports

The Chair invited questions from members regarding the reports.

Mr. Blair Yakimoski inquired about what precipitated the write-down. Mr. Nicholas Rawluk responded with an explanation on how provisions for impaired loans are determined and the rationale behind the restatement of the prior year financial statements.

MOTION by Mr. Kevin Malenki **SECONDED** by Mr. Brian Huzel the reports be accepted as presented.

CARRIED

8. Appointment of External Auditors

MOTION by Mr. Peter Washchyshyn, on behalf of the Audit & Risk Committee, to reappoint the firm of BDO Canada LLP as external auditors for the year ending September 30, 2019.

SECONDED by Mr. Richard Stefanec.

CARRIED

9. Board of Directors Election Results

Ms. Irka Semaniuk, Chair of the Nominating committee explained that the Committee reports to the Board of Directors and is responsible for the recruitment of prospective candidates to the Board. There were four candidates for consideration to fill three vacancies.

The individuals were:

- Mr. Ivan Banias
- Mr. Mike Mager
- Ms. Donna Korban

- Ms. Noella Pylypowich

The results of the election were as follows:

- Donna Korban
- Mike Mager
- Noella Pylypowich

MOTION by Kevin Malenki to destroy all ballots after the voting results are tabulated and announced. **SECONDED** by Volodymyr Hyworon.

CARRIED

10. New Business

There were no items of new business

11. Greetings from Special Guests

The Chair called upon Wilson Griffiths, Senior Vice President, Member Solutions from Credit Union Central of Manitoba to say a few words.

Mr. Wilson Griffiths brought greetings on behalf of Credit Union Central of Manitoba and expressed his pleasure at being able to attend the Annual General Meeting. He thanked the Board and the Chief Executive Officer for the invitation. He explained that Credit Union Central of Manitoba's role in the industry is not a head office but as a trade association for the 26 credit unions in the province. Their purpose is to help the institutions succeed while meeting the needs of the members. They collaborate both provincially and nationally to share resources and advocate on topics of interest to ensure that credit unions continue to operate on a level playing field with charter banks.

Mr. Wilson Griffiths noted that with a strong focus on efficiency, service, and the peace of mind provided by the 100% deposit guarantee, Carpathia is well positioned to serve member now and into the future. The Credit Union has strong leadership with the Board and with the new Chief Executive Officer. He congratulated Carpathia on reaching 80 years and \$500 million and wished the Credit Union continued success for the upcoming year.

12. Adjournment

The Chair thanked everyone for attending and called the meeting to adjournment.

The meeting adjourned at 7:59pm and was followed by a reception.

MOTION by Mr. Eugene Waskiw and **SECONDED** by Mr. John Zacharuk to adjourn the 80th Annual General Meeting.

CARRIED

Dr. Taras Babick
Chair

Elizabeth Erickson
English Secretary

Results of the Door Prize Draws

The results of the draw for the five \$50 prizes are as follows:

Judy Woloshyn
Darlene Michalishyn
Richard Mikolayenko
Kevin Malenki
Victor Payjack

Grand Prize – Robert Moroz