Minutes of the 56th (2020) Annual General Meeting of St. Canice's Kilkenny Credit Union Limited held remotely using the ZOOM platform at 7pm on Wednesday 3rd March 2021.

Carmel Butler (CEO) welcomed members who joined virtually using the Zoom platform. She advised that questions had been submitted prior to the meeting and additional questions would be facilitated during the meeting using the question-and-answer facility. She outlined the process for proposing and seconding of reports and motions, also the election process and she advised that the meeting would be recorded and that in the interest of privacy, the names of members who asked questions would be withheld unless specifically asked not to do so.

Vincent Kenrick, Chairman opened the meeting with the Credit Union prayer.

He established acceptance of the authorised representatives of members that are not natural members (none present) and established that a quorum was present online.

Standing Orders for the meeting were proposed by Ian Coulter, seconded by Michelle Harding and adopted by the meeting.

The Chairman noted that the minutes of the 55th Annual General Meeting held on 10th December 2019 in Hotel Kilkenny were distributed prior to the meeting and would be taken as read. These were proposed by Roisin Gilroy, seconded by Eugene Foley and adopted by the meeting.

CEO'S REPORT

CEO Carmel Butler thanked members for attending the new virtual format and she presented her report which included credit union operations and committee reports. She stated that 2020 was an unforgettable year due to COVID-19 and she thanked members, the Board of Directors and staff for the resilient way in which they coped throughout the pandemic. Despite the challenges, St. Canice's Credit Union made a surplus, increased the loan book and introduced new and improved products and processes while continuing to deliver an uninterrupted service to members. Key points in her report included:

- The surplus for the year was just under €2.6m, a reduction of €2m on the previous year. The reduction was mostly due to reduced investment returns and the global economic recession, both of which were outside Credit Union control.
- Investment income reduced by €1.1m for 2020.
- The Credit Union expects to see negative interest charges on cash deposits in the region of €250k in 2021.
- The current Death Benefit Insurance scheme paid by the Credit Union costs in the region of €800k per year. To ensure the financial sustainability of the Credit Union but still maintain this

insurance, Member Pay Death Benefit Insurance is being introduced. It costs €1 per week and provides increased cover from the current €1,950 to €2,500.

- Overall assets grew to €458m partly due to the transfer of assets from Piltown Credit Union. The CEO welcomed members from Piltown and she also thanked the Board of Piltown Credit Union for its co-operation and professionalism during the merger.
- The net loan book increased from €84m to €86.4m. At the start of COVID-19 the Credit Union saw a huge drop in monthly lending which had the potential to impact on the overall loan book. However a decision was made to introduce a 'Kick Start' loan at a reduced rate which resulted in over €20m in loans being issued to members. The Credit Union also provides mortgages and is delighted to have been accepted by the SBCI to provide finance to businesses impacted by COVID-19.
- The CEO noted that the Credit Union faces strong competition from other lenders, but St. Canice's Credit Union offers a straightforward member friendly approach with a personal service where decisions are made locally and she asked members to consider the Credit Union when borrowing in the future.
- Digital services were improved during the year. The online service and mobile app were upgraded, the facility to join online was introduced and a new digital hub was opened in our High Street Kilkenny branch. These together with our Current Account and Debit Card make St. Canice's Credit Union a top financial services provider.
- The CEO encouraged members to reduce waste and sign up to receive AGM notifications by email rather than by post.

In conclusion, the CEO thanked the members for their continued support and her fellow colleagues for their commitment and contribution to the Credit Union and its members.

REPORT OF THE BOARD OF DIRECTORS

The Report of the Board of Directors was presented by Chairman Vincent Kenrick.

He stated that despite imposed restrictions and disruptions the Credit Union had a solid performance and produced positive results. It continued to operate as normal in so far as possible and branches remained opened and committees and the Board of Directors conducted meetings electronically.

The Chair acknowledged Credit Union volunteers who had sadly passed away during 2020 noting that their contribution to their respective Credit Unions and their communities had been immense. These were: John Devine former Chair of Bagenalstown Credit Union, Fr. Grant and Alice Comerford former Directors of Ballyragget Credit Union and Peter Monnolly a founding member of Durrow Credit Union.

Vincent Kenrick welcomed Carmel Butler the new CEO of St. Canice's Credit Union. He stated that in June 2020, Claire Lawton the CEO for 22 years retired. As a strategist Claire had been responsible

for the progress and growth of St. Canice's Credit Union, growing from a staff of 19 and assets of €40m to its current size with a staff of almost 100 and assets of €458m. The Board, executive management and staff extend their best wishes to her in her retirement.

Carmel Butler came to St. Canice's as operations manager bringing a wealth of banking and financial experience. In 2018 the Board appointed her Deputy CEO with a view to a seamless transition to CEO on Claire's retirement. On behalf of the Board and members, Vincent Kenrick welcomed Carmel to the post of CEO and stated that he looked forward to the continued development of St. Canice's Credit Union under her leadership.

Strategy: He advised that the Board of Directors is responsible for the strategy, direction and policies of the Credit Union and this is contained in the Strategic Plan. While we began this year with an ambitious but achievable Strategic Plan and projections, COVID-19 resulted in the need to continually revisit performance indicators. He noted that digital services were upgraded during the year making the Credit Union more relevant to younger members. However, the main concern for the Board and the Executive was the continued provision of services while protecting the health of members and staff.

Finance: The Chair stated that that the surplus of €2.58m was significantly less than the previous year, however given the operating circumstances, it constituted a positive result. Similarly, the increase in the loan book of approx. 3% was a solid performance. Other key points included:

- Total assets at €457.8m represents a 6% increase including the merged Balance Sheet of Piltown Credit Union. These would have increased by more but for the introduction of a reduced share cap of €50k.
- Reserves at 15% of assets reflect a healthy position. However the net loan book at under 20% of assets will set the agenda for 2021.
- As a result of a collaboration with Metacu, €5.5m of the SBCI Guaranteed Loan Scheme will be available to St. Canice's Credit Union to lend in 2021.
- In considering a dividend, the Board took into consideration the current uncertain economic climate and on the advice of the Central Bank the Board decided that the Credit Union would not make any dividend payment or loan interest rebate for 2020.

Nomination Committee: The Nomination Committee has responsibility for the identification and introduction of volunteers and is charged with ensuring that succession plans are in place for the Board and the Executive. During 2020 Stephen Kelly stepped down from the Board and Jim Dermody was co-opted as his replacement. The Chairman recorded his gratitude to members of the Committee for their diligence and dedication.

Audit Committee: The Audit Committee is charged with overseeing the Internal Audit function in the Credit Union and while the Committee has responsibility for overseeing that objective, the function has been outsourced to a competent service provider. The service provider works directly

with the Audit Committee and agree areas to be audited and reported to the Board on a quarterly basis. An ongoing monitoring process is in place to ensure that issues identified are allocated to an individual to address within a specified timeframe. This provides assurance in relation to internal procedures and controls and provides significant strength and assurance relating to the governance structure and processes. The Chair expressed his gratitude to the members of the Audit Committee for their continued commitment.

Risk & Compliance Committee: Vincent Kenrick noted that a good governance structure relies on the early identification and mitigation of risks and on the assurance of being fully compliant with legislation and regulation. Compliance concerns every function in the Credit Union and acts to diffuse the possibility of significant adverse publicity, reputational damage and regulatory sanction in the event that all regulatory requirements have not been fully met. The Risk Management process identifies the likelihood and possible impact of risks in all business transactions and the Risk Register was significantly enhanced in 2020 allowing for the incorporation of more IT risk controls.

The area of Risk & Compliance is quite technical and is competently managed by the Deputy CEO Marie Minogue, Head of Risk & Compliance. She is assisted by the Committee and the Chairman recorded his appreciation to Marie Minogue and her Committee for their unceasing commitment to their work.

In conclusion, the Chairman asked that any members interested in becoming a volunteer should contact the Nomination Committee. He spoke of the work carried out by the volunteers who sit on committees and how they give their valuable time freely without remuneration. He thanked his fellow volunteers, Directors and Board Oversight Committee for their diligent work on the many committees during the year.

Referring to the non payment of a dividend or interest rebate, the Chair explained the Board had made that decision based Central Bank guidance, growth in member shares not matched by loan book growth, an increased asset base and percentage reserves required.

Finally, he thanked the CEO and her management team and staff for their dedicated service. Every step was taken to protect their health and the health of members. Staff continued to provide Credit Union services to members in often very stressful circumstances and on behalf of the Board and the members he applauded the staff for their outstanding efforts during 2020. Finally, he thanked the members and owners of St. Canice's Credit Union for their loyalty and support and extended his best wishes for 2021.

FINANCIAL REPORTS

The Financial Reports were presented by Siobhan Collier of PriceWaterhouseCoopers. She noted that while the timing of the AGM was somewhat delayed, their audit work was completed in the

usual timeframe. She also advised that although there was a remote aspect to the audit, she was happy to report that it did not impact on the effectiveness of their work.

- Siobhan Collier outlined the Audit Opinion and advised that PwC gave a clean and unqualified Audit Opinion on the state of the Credit Union's affairs with no issues arising.
- The Income & Expenditure Account showed a surplus of €2.58m, a decline on the prior year mostly due to reduced investment income.
- Loan interest income of €7m showed an improvement of approximately €300k.
- On the expenditure side, net recoveries on loans to members dropped from almost €1.2m in 2019 to €265k in 2020.
- Referring to the Balance Sheet, she noted that total liabilities of members' shares and deposits totalled almost €386m a growth of approximately €21m in the year.
- She advised the membership that the regulatory reserve of the Credit Union as a % of total assets as at 30th September 2020 was 10.5%.
- The Cash Flow Statement shows that loans repaid were just €3m below loans granted to members.
- Siobhan Collier discussed the profile of the loan book at 30th September 2020. She noted that just over €75m of the loan book is performing and although €20m is in arrears by at least one week, loans are prudently stated and there is a healthy level of provisioning.

REPORT OF BOARD OVERSIGHT COMMITTEE

The Board Oversight Committee Report was presented by Trevor Darlington. He explained that under legislation, the Board Oversight Committee (BOC) is required to determine that the Board of Directors is operating in accordance with legislation.

During the year he advised that the Committee closely monitored the performance of the Board paying particular attention to ensure that:

- The Strategic plan continued to be implemented.
- All committees reported to the Board as required either monthly or quarterly.
- Policies were reviewed and Terms of Reference for Committees were drawn up.
- The minutes of all meetings were recorded and retained.
- In relation to training, as part of the Continuous Professional Development (CPD) programme, all Directors and BOC members completed training in Ethics, AML and GDPR and other training programmes as required.
- The Compliance Officer, Risk Management Officer, MLRO and DPO and the Internal Auditors reported regularly and any issues were dealt with appropriately by the Board.

The BOC reported to the Board four times during the year as required and it appreciates the time and consideration given by the Board and action taken on issues discussed. It also held monthly meetings and at least one member of the BOC attended every Board meeting. It acknowledged the very detailed reports submitted by Management to the Board and acknowledged the wonderful

contribution made to the Credit Union by Claire Lawton (former CEO) and wished her successor Carmel Butler every success in the future.

Trevor Darlington stated that the BOC is elected by the members and owners of the credit union to safeguard their interest. It takes its role very seriously and is confident to report that in its opinion St. Canice's Credit Union is extremely well run with a very active and professional Board of Directors who have performed their duties to the best of their ability and in line with their legal obligations.

In conclusion the BOC acknowledged the work of the management and staff in keeping all the branches open and providing a top-class service to all members during the pandemic and lockdowns.

The CEO's Overview of Operational Matters was proposed by TJ Mills, seconded by Padraic Treacy and adopted by the meeting.

The Report of the Board of Directors was proposed by Ian Coulter, seconded by Ann Heffernan and adopted by the meeting.

The Financial Reports were proposed by Niall O'Gorman, seconded by Paul Nolan and adopted by the meeting.

The Board Oversight Committee Report was proposed by Tracy O'Neill, seconded by Geraldine Gannon and adopted by the meeting.

MOTIONS

The Chairman explained that the first three motions were included with the Notice of AGM sent to members, however the latter four motions were recently added for consideration and approval at the meeting. The latter motions relate to credit unions holding virtual AGM's. He also explained the voting process and advised that members in attendance would be asked to cast their vote after each motion has been read aloud. Alan Kelly from Fastlane, the media company hosting the AGM on the Zoom platform agreed to act as an independent arbitrator and count the votes.

Ciaran Byrne read the following motions to the meeting on behalf of the Board.

Motion 1: That the affiliation fee to the Irish League of Credit Unions for the year 2021 be paid by deduction of €0.70 from the shares of each member.
Motion 1 was passed by the meeting.

Motion 2: That the members of St. Canice's Kilkenny Credit Union Limited hereby resolve that all Transfers of Engagements into St. Canice's Kilkenny Credit Union Limited during the calendar year 2021 may be effected by way of Board Resolution, subject to the approval of the Registry of Credit Unions, in accordance with the relevant provisions of the Credit t Union Act 1997 (as amended).
Motion 2 was passed by the meeting.

Motion 3: That this Annual General Meeting amends Rule 40 (2) to read as follows: At the time of the adoption of these rules, the Board of Directors of St. Canice's Kilkenny Credit Union Limited shall consist of 9 members, all of whom shall be members of the credit union.
Motion 3 was passed by the meeting.

Motion 4: That this Annual General Meeting amends the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of a new Rule 1A as follows: Any reference in these rules to a member present and voting at a general meeting shall be construed as including a reference to a member in attendance and voting at a general meeting conducted wholly or partly by the use of electronic communications technology.
Motion 4 was passed by the meeting.

Motion 5: That this Annual General Meeting amends Rule 96 of the Standard Rules for Credit Unions (Republic of Ireland) in paragraph (1), by the substitution of "at a time, at a place in the State (where applicable) and in the manner (where applicable)" for "in the State at such date, time and place",

and by the insertion of a new 96A as follows:

96A (1) The credit union need not hold a general meeting at a physical venue but may conduct the meeting wholly or partly by the use of electronic communications technology as long as all attendees have a reasonable opportunity to participate in the meeting in accordance with this Rule.

(2) (a) The credit union may provide for participation in a general meeting by providing or facilitating, for that purpose, the use of electronic communications technology, including a mechanism for casting votes by a member, whether before or during the meeting.

(b) The mechanism referred to in paragraph (a) shall not require the member to be physically present at the general meeting.

(3) The use of electronic communications technology pursuant to paragraph (2) may be made subject only to such requirements or restrictions put in place by the credit union as are necessary to ensure the identification of attendees and the security of the electronic communications technology, to the extent that such requirements or restrictions are proportionate to the achievement of those objectives.

(4) The credit union shall inform attendees, before the general meeting concerned, of any requirements or restrictions which it has put in place pursuant to paragraph (3).

(5) The credit union that provides for the use of electronic communications technology for participation in a general meeting by an attendee shall endeavour to ensure, as far as practicable, that -

(a) such technology:

(i) provides for the security of any electronic communications by the attendee,
(ii) minimises the risk of data corruption and unauthorised access, and

(iii) provides certainty as to the source of the electronic communications.

(b) in the case of any failure or disruption of such technology, that failure or disruption is remedied as soon as practicable, and

(c) such technology enables the attendee to:

(i) hear what is said by the chair of the meeting and any person introduced by the chair, and
(ii) speak and submit questions and comments during the meeting to the chair to the extent that the attendee is entitled to do so under the rules of the credit union.

(6) Any temporary failure or disruption of electronic communications technology shall not invalidate the general meeting or any proceedings relating to the meeting.

(7) Unless such failure or disruption is attributable to any wilful act of the credit union, the credit union shall not be liable in respect of any failure or disruption relating to the equipment used by an attendee to access a general meeting by electronic communications technology that occurs and which failure or disruption prevents or interferes with the attendee's participation, by the use of such technology, in the meeting.

(8) Where, in the opinion of the board of directors, it is deemed necessary, due to exceptional and unexpected circumstances, the Board of Directors may, by resolution, cancel a general meeting at any time prior to the holding of the meeting.
Motion 5 was passed by the meeting.

Motion 6: That this Annual General Meeting amends Rule 98 of the Standard Rules for Credit Unions (Republic of Ireland)

(a) In paragraph (2):

(i) by the substitution of the following paragraph for paragraph (a): "(a) shall state the date, time, place (where applicable) and manner of holding (where applicable) of the general meeting;",
(ii) in paragraph (c), by the substitution of ";" for "; and",
(iii) in paragraph (e), by the insertion of "and",
(iv) by the insertion of the following paragraph after paragraph (e):

"(f) shall, in the case of a general meeting proposed to be held wholly or partly by the use of electronic communications technology, state

(i) the electronic platform to be used for the meeting,
(ii) details for access to the electronic platform,
(iii) where required by a credit union, the time and manner by which an attendee must confirm his or her intention to attend the meeting,
(iv) any requirements or restrictions which the credit union has put in place in order to identify attendees who intend to attend the meeting,
(v) the procedure for attendees to communicate questions and comments during the meeting, and
(vi) the procedure to be adopted for voting on resolutions proposed to be passed at the meeting."

(b) In paragraph (4), by the insertion of “and containing such information” after “in such form”.

and by the insertion of a new Rule 98A as follows:

98 A (1) Notwithstanding Rule 98 but subject to paragraph (2), notice for the purposes of Rule 96A(8) shall be given in the same manner as the notice for the general meeting referred to in Rule 98 but where, in the opinion of the board of directors, giving such notice in that manner is not reasonably practicable, notice shall be given

(a) where the credit union has a website, on that website,

(b) by email to every member for whom the credit union has an email address, and

(c) in at least one national newspaper published in the State and circulating in the area in which the registered office of the credit union is situated, in a local paper and on local radio.

(2) Paragraph (1) shall not apply where all members agree in writing to the cancellation, change of venue or change of means of holding the general meeting concerned, or to dispensing with notice for the general meeting.”.
Motion 6 was passed by the meeting.

Motion 7: That this Annual General Meeting amends Rule 99(3)(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the substitution of “paragraphs (a), (b), (d) (e) of paragraph (2)” for “paragraphs (a), (b), (d), (e), (f) of paragraph (2)”.
Motion 7 was passed by the meeting.

NOTICE OF ELECTIONS

The Chairman advised that elections would take place in the following order.

1. Election of external Auditor for 2021
2. Election to the Board Oversight Committee - 3 vacancies.
3. Election to the Board of Directors - 3 vacancies

ELECTION OF AUDITOR

The Chairman asked the members present to vote for the re-election of PwC Ireland as external auditors for St. Canice’s Kilkenny Credit Union for 2021.

ELECTION OF BOARD OVERSIGHT COMMITTEE

The nominations for the Board Oversight Committee were Trevor Darlington, Sean Breathnach and Paul Hetherington. Members were asked to cast their vote.

ELECTION TO THE BOARD OF DIRECTORS

The nominations for the Board of Directors were Ian Coulter, Jim Dermody and Vincent Kenrick. Members were asked to cast their vote.

QUESTIONS & ANSWERS

The Chairman advised that members were asked to submit questions in advance of the meeting. These included questions on:

New Member Pay Death Benefit Insurance Scheme: The CEO advised that several questions on the scheme relating to the annual cost, how to sign up, how and when the fee would be deducted, age restrictions, waiting periods, pre-existing conditions and joint accounts were received and she addressed each question clearly and concisely.

High Street Loans Area: An observation was made about the lack of privacy in the loans area and the member asked if there were any plans to address this issue. In response the CEO advised that the Credit Union worked closely with architects and others in the design of the area and materials chosen were specifically chosen for their sound proofing properties. She also advised that there were no immediate plans to renovate the area.

Other questions related to switching an account from the bank to the credit union, loan protection and life savings insurance and the branches where the Credit Union is paying rent. Considering the imminent bank branch closures, the Secretary took questions relating to the branch network and advised there were no plans to close any of the branches. A question was also raised in relation to the buildings in Dunnamaggin and Ballingarry and whether they would be returned to their local communities. The Secretary stated that no decision had been made relating to their future.

Referring to a comment where the Credit Union was compared to a bank, the Chairman explained the ethos of credit unions, democratic control, not for profit and surpluses are returned to members as opposed to investors and the fact the Credit Unions are run by volunteers who do not get paid.

ELECTION RESULTS

The CEO announced the results of the three elections.

- PwC were elected as External Auditors for 2021.
- All three Board Oversight Committee members were re-elected namely, Trevor Darlington, Sean Breathnach and Paul Hetherington.
- All Board candidates were elected: Ian Coulter, Jim Dermody and Vincent Kenrick.

There being no other business the Chairman thanked members for joining virtually, he thanked Fastlane media company for hosting the meeting and for their assistance.

He extended his best wishes for 2021 and hoped everyone would stay safe and well.

Michael O'Reilly
Secretary
6th November 2021