Minutes of the 57th (2021) Annual General Meeting of St. Canice's Kilkenny Credit Union Limited held remotely using the ZOOM platform at 7pm on Tuesday 11th January 2022.

John Galvin, Vice Chairperson chaired the meeting and opened it with the Credit Union prayer. He welcomed members who joined virtually using the Zoom Platform and outlined the meeting schedule.

Carmel Butler (CEO) outlined procedures for the meeting.

- Members joining the meeting would be muted to facilitate everyone being able to hear the speakers
- Questions had been submitted prior to the meeting and additional questions would be facilitated during the meeting using the question-and-answer facility.
- Items requiring a proposer and a seconder would be highlighted and members would have an opportunity to respond.
- The meeting will be recorded.
- In the interest of privacy, the names of members who asked questions would be withheld unless specifically asked not to do so.
- Any questions that cannot be answered during the meeting will subsequently be responded to.
- She outlined the process for proposing and seconding reports, motions and the election process.
- The draw for €500 for members who had signed up to receive their AGM notice by email will be held at the end of the meeting.

The Vice Chairman 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 Ann Heffernan, seconded by T.J. Mills and adopted by the meeting.

The Vice Chairperson stated that the minutes of the 57th Annual General Meeting held virtually on 11th January 2022 were made available prior to the meeting and would be taken as read. These were proposed by Richard Dwyer, seconded by Eugene Foley and adopted by the meeting.

He outlined the format for the meeting and order presentations would be made.

CEO'S REPORT

The CEO Carmel Butler thanked members for attending the virtual format for the second year. She stated that she had hoped that the AGM would be held in person but due to the continuing pandemic and member safety being paramount it was necessary to again rely on technology to share the year end results and deliver the 2021 annual report.

She noted that many may have experienced ill health and bereavement because of the pandemic together with mental health issues and stress caused by continued lockdowns and financial burdens. She asked members who are struggling financially to contact the credit union as it is here for members in the community who need assistance.

Key Points from her address included

a. How members now carry out their credit union business. In the last year the number of members using the online banking service and CU App has doubled. This has resulted in reduced footfall into the branches however, she confirmed that St. Canice's CU will always continue to deliver face to face, personal and quality service members have come to expect. The Credit Union will continue to embrace technology and provide more online services for members. An online end to end loan application process was launched in 2022 which means that members can now apply for a loan, get approval and have money lodged to their account without leaving home.
b. She recognised that this is a difficult economic period for many and advised that members are not borrowing as much as they did prior to Covid which is a concern for the Credit Union as its main source of income comes from loan interest.
c. Surplus for the year was €3.5m, an increase of nearly €1m on the previous year. However included in this figure are some one off income sources that will not be repeated in the future.
d. Return on investments is reducing monthly due to current market negative interest rates. She acknowledged the main challenges facing the Credit Union is to generate income and control costs.
e. The Board is not proposing a dividend or loan interest rebate. This year's surplus will be transferred to reserves to protect the Credit Union from possible difficult future years.
f. To ensure continued success the Credit Union needs to significantly grow the loan book and she asked members to consider St. Canice's as their first option when borrowing.
g. She referred to mortgages, the new agri loan product 'Cultivate' and the SBCI business loan scheme all of which were exciting new offerings launched in 2021. Despite these new loan products the Credit Union continues to provide loans for cars, home improvements and holidays etc.
h. She noted the departure of Provident from the market and urged people not to get involved with money lenders but to come into their Credit Union.

i. KBC and Ulster Bank were leaving Ireland, Bank of Ireland have fully withdrawn from 6 locations within our common bond and AIB have gone cashless in some areas. We want our branches to remain in our communities and with your support this will continue.
j. She urged Ulster Bank customers to switch their current account to St. Canice's CU.
k. She stated that though the Credit Union could not pay a dividend or loan interest rebate, the Board wanted to give back to the community and has committed €250k to community projects, she urged community groups to apply for funding for social projects.
l. She referred to the importance of climate change and stated that it a key focus going forward to reduce CO2 emissions.
m. She noted the challenges of Covid and its impact on day-to-day operations and thanked members for their patience and understanding. She thanked staff for their continued good humour, hard work, kindness and respect for members adding that the national award for best customer service 7 years in a row for the credit union movement is well deserved.
n. She acknowledged the hard work, continued dedication and the hours of service the Board and volunteers give to St. Canice's CU and she thanked them for their support and commitment.

In conclusion, the CEO thanked the members for their continued support and wished them the best for 2022.

REPORT OF THE BOARD OF DIRECTORS

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

He expressed deep and heartfelt sympathy to the family of Margo Moran who was a colleague and former Board member of St. Canice's Credit Union. He also acknowledged other Credit Union Board members who had sadly passed away during 2021 noting that their contribution to their respective credit unions and their communities had been immense. These were; Andrew Kane former Director of Bagenalstown Credit Union and George Burke a former Director of Callan Credit Union.

He stated that despite starting out as a year of promise with the distribution of Covid vaccines, 2021 brought continuous restrictions in the observation of social distancing and safety measures. The Credit Union remained open for business throughout the year and he paid tribute to the management and staff for their professionalism in that challenging environment. He also stated that Board and committee meetings were conducted electronically throughout the year and while not ideal it had proven to be a safe and efficient method of conducting the business of the Credit Union.

Despite restrictions the Credit Union had a solid performance in 2021, however he stated that the financial concerns remain similar to last year; the need to control the growth of assets and to increase the loan book.

Strategy

He advised that the Board approved an ambitious 5 year Strategic Plan and has worked with management to establish the policies and processes required to implement this plan. He stated that the Covid pandemic continues to cause significant disruption and hardship in almost every aspect of our lives, the local economy and it also impacts significantly on institutions such as St. Canice's CU. The main thrust of the Strategic Plan is to counteract these difficulties through a reduced share cap and new loan products. He noted that the Credit Union will work to achieve the challenging targets and objectives set by the Strategic Plan as ultimately its success will reside with members using the credit union for loans and services. He also referred to enhanced technology and online loan applications.

Finance

a. The Chair stated that that the end of year surplus of €3.5m reflected a solid performance, however the financial concerns for the years 2021 to 2025 remain in place.
b. Management of expenses, reduced levies and movement on bad debt provisions are the main reasons for the increased surplus and while the share cap resulted in an €8m reduction in shares, the overall decrease in assets was just €3m.
c. Total loans as a % of assets remains low at 20.4% and an increase in this remains a central deliverable of the Strategic Plan.
d. He stated the importance of controlling asset growth and explained the requirement to hold 10% of assets in reserves.
e. For the reasons already mentioned together with negative interest rates now the norm, he stated that the Board will not be proposing a dividend payment or loan interest rebate for 2021. In addition the Central Bank policy on credit unions recommends that all the surplus achieved be added to reserves. To counteract this decision the Board has approved €250k in Community Connect funding which assists with various projects being undertaken by community minded volunteers across the common bond.

Nomination Committee

He summarised the role of the Nomination Committee explaining that it 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. In addition, it is responsible for ensuring that required training is completed. In 2021 the Committee welcomed 5 new volunteer workers who have recently taken up positions on various committees. He recorded his gratitude to the members of the Committee for their diligence and dedication.

Audit, Risk & Compliance Committee (ARC)

The ARC Committee is concerned with the pillars of corporate governance such as Internal Audit, risk management and legislative and regulative compliance. The Internal Audit function is outsourced and the service provider works directly with the Committee and agrees areas to be audited and reported to the Board on a quarterly basis.

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 Unon and requires that all Credit Union operations are fully compliant with the policies adopted by the Board and the processes put in place by management. On an annual basis, the Board is required to sign off on an annual compliance statement for the Central Bank and he stated that this had been done.

He expressed his gratitude to Marie Minogue and members of the ARC Committee for their continued commitment to ensuring a strong governance structure. Their work is complex and demanding and their unceasing commitment to this work throughout the year has been pivotal to the success of St. Canice's CU in 2021.

In conclusion, on behalf of the Board and members, the Chairman thanked the staff and management who kept the Credit Union open through the most difficult working conditions. He thanked his fellow volunteers, Directors and Board Oversight Committee for their diligent work on the many committees and finally, he thanked the members and owners of St. Canice's Credit Union for their loyalty and support and he extended his best wishes for 2022.

FINANCIAL REPORT FOR THE YEAR ENDED 30th SEPTEMBER 2021

The Financial Report was presented by Siobhan Collier of PriceWaterhouseCoopers.

- 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 €3.5m, an increase of almost €1m on the prior year.
- Income was down €1m on 2020 figures at €10.9m and she stated the reduction was spread evenly across loan interest income €564k and deposit interest and investment income €554k. This drop in income was more than off set by reductions on the cost side of more than €2m.
- On the expenditure side, employment costs, other expenses, share and loan insurance and death benefit insurance showed a reduction in costs and net recoveries on loans to members increased to €607k bringing total expenditure to €7.3m a reduction of €2m on the prior year.
- Referring to the Balance Sheet, she noted that total liabilities of €381,858,169 represented an increase of €6.5m which indicated that there wasn't an influx of funds into the credit union during the year mainly due to the share cap.
- There was no significant movement in the level of assets - €454,816,174. She stated that the level of assets does show a strong balance sheet and members could be confident that assets held in the Credit Union are safe and secure.
- The regulatory reserve of the Credit Union as a % of total assets at 30th September 2021 was 10.6% - €48.1m - marginally in excess of the Central Bank requirement.

- The Cash Flow Statement showed that loans repaid by members exceeded loans granted to members. This resulted in the slight drop in the loan book.
- She stated that shares and deposits withdrawn exceeded shares and deposits received.

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 and is required to report to members at every AGM.

The first requirement of the BOC following the virtual 2021 AGM was to meet with the new Board for a short organisational meeting during which the Board Chairperson, Vice Chairperson and Secretary for 2022 were elected by secret ballot. The members of the Nomination Committee and Senior Board Committee were also elected by secret ballot at that meeting.

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

- The Board met monthly with a detailed timed agenda and sufficient time was given for each item with open and frank discussion and then decisions taken and actions agreed.
- 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.
- All investments and financial dealings are in accordance with best practice and the Board, management and investment advisers work closely together and within the criteria set down by Central Bank guidelines.
- 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. Members of the Committee also attended various other committee meetings and it acknowledges the very comprehensive reports submitted by management to these meetings for discussion prior to them being discussed at Board level. Also, the BOC held monthly meetings and at least one member of the BOC attended every Board meeting.

Trevor Darlington acknowledged the wonderful work of the management and staff in keeping all branches open and maintaining a very high standard of service during the very difficult pandemic

restrictions. He referred to other financial institutions closing offices, restricting face to face access or exiting the Irish market noting that it is reassuring that St. Canice's CU is well paced to meet the financial expectations of new and existing members.

In conclusion, 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.

John Galvin, Vice Chairman asked for a proposer and a seconder for the reports.

The CEO's Overview of Operational Matters was proposed by Veronica Swan and seconded by Kalyan Ram Kusuma and adopted by the meeting.

The Report of the Board of Directors was proposed by Padraic Treacy and seconded by Eamonn McArdle and adopted by the meeting.

The Financial Reports were proposed by Sean Butler and seconded by Claire Lawton and adopted by the meeting.

The Board Oversight Committee Report was proposed by Ann Heffernan, seconded by Matt Feighery and adopted by the meeting.

MOTIONS

The Vice Chairman advised that Ciaran Byrne, Head of IT would read the motions and explain the voting process.

He read the following motions to the meeting on behalf of the Board. He also explained the voting process and advised that members in attendance would be asked to cast their vote after each motion had been read aloud.

Motion 1: That the affiliation fee to the Irish League of Credit Unions for the year 2022 be paid by deduction of €0.70 from the shares of each member.
Motion 1 was passed by the meeting.

Motion 2: That the Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) (2019) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.
Motion 2 was passed by the meeting.

Motion 3: Rule 98(2)(d): That this Annual General Meeting amends Rule 98(2)(d) by the deletion of 'and' in line 4 so as to read as follows: (d) shall, within the relevant period, be delivered

personally or by post to the Bank to the auditor, to the Irish League of Credit Unions and to each member of the credit union and, if delivered by post to any members, shall be so delivered to the address of that members as recorded in the books of the credit union;
Motion 3 was passed by the meeting.

Motion 4: That this Annual General Meeting amends Rule 99(3)(a) of the Standard Rules for Credit Unions (Republic of Ireland) to provide for the notice requirements for an adjourned meeting (to include information with respect to an electronic meeting) so as to read as follows:
(3) Subject to paragraph (3) in rule 98: (a) Paragraph (2)(a), (b), (d), (e), (f) of Rule 98 shall apply to a notice under paragraph (2)(b) of this rule as they apply to a notice under paragraph (1) of that rule; and
Motion 4 was passed by the meeting.

NOTICE OF ELECTIONS

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

1. Election of external Auditor for 2022
2. Election to the Board Oversight Committee - 3 vacancies.
3. Election to the Board of Directors - 6 vacancies

ELECTION OF AUDITOR
The Vice Chairman asked the members present to vote for the election of Grant Thornton as external auditors for St. Canice's Kilkenny Credit Union Limited for 2022.

ELECTION OF BOARD OVERSIGHT COMMITTEE
The nominations for the Board Oversight Committee were Trevor Darlington, Sean Breathnach and Paul Hetherington. The Vice Chairman asked members to cast their vote.

ELECTION TO THE BOARD OF DIRECTORS
The nominations for the Board of Directors were: Geraldine Gannon, John Galvin, Kalyan Ram Kusuma, Michael O'Reilly, Ronan Morrissey and Veronica Swan. The Vice Chairman asked members to cast their vote.

MOTIONS & ELECTION RESULTS
The CEO confirmed that Motions 1, 2, 3 and 4 were adopted by the meeting.

The CEO announced the results of the three elections:

- Grant Thornton were elected as External Auditors for 2022.
- All three Board Oversight Committee members were re-elected namely, Trevor Darlington, Sean Breathnach and Paul Hetherington.
- All Board candidates were elected: Geraldine Gannon, John Galvin, Kalyan Ram Kusuma, Michael O'Reilly, Ronan Morrissey and Veronnica Swan were elected.

QUESTIONS & ANSWERS

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

Account Dockets & Account Statement: In response, the CEO advised that GDPR required that account balances be removed from dockets, however statements and balance dockets are available at the counter, members just need to ask any member of staff. She also confirmed that under legislation, statements are sent to members annually and statements are sent quarterly to current account holders. She added that members who have registered for online banking have access to their statement at any time and will not receive a statement in the post.

Discontinuation of Budget Accounts: The CEO stated that rather than discontinue the budget account, the Credit Union was required to make changes to comply with the Consumer Credit Act where all overdrawn balances must have a signed legal credit agreement. The overdrawn balances on budget accounts fell between two posts as they were neither an overdraft or a loan account. For members not familiar with budget accounts, the CEO summarised how they operated and how at some time during the year a member's budget account balance may be overdrawn due to timing issues. She advised that these overdrawn balances needed a formal facility put in place. An overdraft is now available together with direct debits and members can still complete the budget planner form and staff will be available to assist with this should they need help.

Loan Rates: In response to a question about more competitive rates from An Post and another credit union, the CEO confirmed that these loans were limited time offerings and at the moment St. Canice's has no plans to introduce a special offer similar to these. She did state that the current suite of loan products are very competitive and loan rates for specific loan types had reduced in recent years. She referred in particular to the Great Rate Loan currently available and the special offer Kick Start Loan that was available in 2020.

Michael O'Reilly, Secretary of the Board took the following question.

Banks leaving the Irish market or closing their branches: In response to a question about the ability of St. Canice's CU to fill the void where banks have either closed their offices or left the Irish market, the Secretary confirmed that we are well placed to meet the financial expectations of both new and existing members as each of the 9 St. Canice's Credit Union branches offer a full range of financial services. Competitive loan rates, mortgages, online banking, direct debits, current accounts and debit cards are available. In addition, St. Canice's CU has branches in 6 communities where banks have closed their offices.

EFT's: In response to a question regarding the timing of EFT's the CEO stated that the Credit Union operates within the SEPA arrangements and confirmed that transfers made before 11am are guaranteed same day transfer payment, the same as all financial institutions. However, she asked the member to contact the Credit Union should they need further clarification.

ANY OTHER BUSINESS

E-AGM Sign Up Draw

The Vice Chairman stated that a draw to pick a winner from those members who opted to receive their AGM Notification by email rather than by post would take place live. The prize for the lucky winner is a €500 cash prize. Ciaran Byrne, Head of IT called out the rules of the draw and advised that there were 10,509 entrants in with a chance of winning. The numbers were drawn from the drum by the Vice Chairman and the winning number was 1147 - Kristina Belejova from Kilkenny.

The Vice Chairman thanked the CEO, management, staff and fellow Board members and volunteers for their hard work and dedication throughout the year especially in the most challenging of times. He also thanked Fastlane media company for hosting the meeting and for their assistance and professionalism. Finally, he thanked the members who joined virtually and extended his best wishes for 2022.

Michael O'Reilly
Secretary
8th January 2023