

2025

ANNUAL REPORT

Governance Report



Governance Report

As a member-owned, democratic cooperative financial institution, First West Credit Union (“First West”) is governed by a Board of Directors (“Board”) elected by the Credit Union’s members.

The Board bears fiduciary responsibility for the credit union, protecting members’ interests and financial assets. It shapes the organization’s strategic direction, establishes the Credit Union’s overall risk appetite, and ensures appropriate processes and controls are in place to identify, manage and monitor applicable risks.

The Board appoints the Chief Executive Officer (“CEO”), establishes the CEO’s accountabilities, and evaluates the CEO’s performance. The Board also communicates with members, clients, and other external audiences by reporting its activities through the annual report, the Annual General Meeting (“AGM”) and other channels, and by being accessible by email and in person at Credit Union or community events.

Significant Activities in 2025

In January 2025, First West implemented updates to its leadership structure. Paul Brodeur, formerly Chief Strategy and Market Growth Officer, was appointed Chief Operating Officer, a new role that brings together our member-facing and related support teams to strengthen integration and elevate the member experience. In addition, Chief Financial Officer Mark Moreland’s mandate was expanded to include Strategy, Marketing, Product and Enterprise Intelligence, resulting in a new title of Chief Financial & Strategy Officer, aligning these functions alongside Finance, Treasury and Facilities & Procurement to enhance coordination and support strategic execution.

First West hosted its 2025 AGM in an online format. Members participated through a virtual meeting platform, and overall member feedback was positive. The terms of four directors expired at the conclusion

of the 2025 AGM. Following the nomination period and the Nominations Task Force’s endorsement meeting, four candidates were endorsed; incumbents Paul Challinor, Meryle Corbett, Waheed Hirji, and new director Renee Merrifield were declared elected by acclamation to serve three-year terms.

After 19 years of dedicated service, director Richard Hill retired from the First West Board, with his tenure ending at the conclusion of the AGM.

In April 2025, members approved a special resolution to amend First West’s federal Bylaws to create a new class of shares – Class D Equity Shares. The Class D Equity Shares are non-voting shares issued without par value and help to provide First West with additional flexibility to create, structure and issue capital instruments as needed.

Originally reported in 2024, and deferred at that time given the economic climate, the Board accepted a 2% increase to director remuneration effective July 1, 2025, based on recommendations from an independent member advisory committee.

In July 2025, First West released its inaugural Impact Report highlighting social outcomes and long-term value beyond financial performance. The Report details progress on our sustainability commitments and shares real world stories, underscoring our commitment to transparency, ethical governance, and responsible banking. For more information on the Impact Report visit firstwestcu.ca/our-impact.

In September 2025, directors and management participated in Closer to the Member Day, spending time in branches to observe member-facing operations and engage directly with both members and employees. The experience strengthened shared understanding of member experiences, service delivery practices, and operational realities across First West.

After 17 years of service, Liz Bailey-Connor, Chief People & Culture Officer, retired effective July 31, 2025. Effective January 1, 2026, Margo Lawrence was promoted to Senior Vice President, People & Culture.

In December 2025, the Board completed its third annual Board diversity survey ("Survey"). The Survey provides the Board and its Governance and Nominations Committee with information needed to report annually on the diversity of the Board and its committees. Survey information is used by the Board to better understand Board dynamics, identify barriers, and develop strategies to enhance Board diversity. Survey information with respect to optimal Board composition is provided in the table below under the Current Composition section.

Board Diversity

The Board is committed to equity, diversity and inclusion as foundational elements of strong, effective governance. The Board believes that inclusive governance supports balanced decision making, enhances oversight, and strengthens the organization's ability to serve members across its diverse communities. Through its policies, governance practices, and director recruitment and renewal processes, the Board seeks to foster an environment in which different perspectives, backgrounds and lived experiences are valued and respected. The Board recognizes that equity, diversity and inclusion are enduring commitments that require continued attention and thoughtful integration into its governance framework, and it remains committed to maintaining a Board culture that supports inclusive, principled and member-focused leadership.

The following table outlines the optimal composition of the Board with respect to the diversity dimensions the Board has identified as being material to its success, measurable objectives for achieving the optimal composition, and the Board's composition as of December 31, 2025.

DIMENSION	WHY IT MATTERS	OPTIMAL COMPOSITION	CURRENT COMPOSITION
Representation of Women	Historically, women have been underrepresented on boards. Studies show that boards which are composed of at least one-third women make better decisions, consider issues differently and operate more effectively.	At least 50% female directors.	Currently five of the Board's 12 directors are female. One director preferred not to answer the gender identity question. The representation of women continues to be an important focus in director recruitment.
Equity Deserving & Inequity Experiencing Groups	Historically, equity deserving and inequity experiencing groups have been underrepresented on boards. Studies show that equitable, diverse, and inclusive boards make better decisions, consider issues differently, and operate more effectively. The Board further recognizes that the people who call the Credit Union's communities home come from varied backgrounds and have varied experiences. It is important to ensure that our Board reflects the make-up of the Credit Union's communities.	The ideal composition of the Board is one in which equity deserving groups and inequity experiencing groups are treated equitably in order to ensure inherent diversity, experiential diversity, and diversity of thought. Therefore, the Board is committed to ensuring at least 30% of the Board's composition represents equity deserving and/or inequity experiencing groups.	Currently, three of the Board's 12 directors identify as being from equity deserving and/or inequity experiencing groups, based on self identification. One director preferred not to answer one or more equity related survey questions. The representation of equity deserving and inequity experiencing groups continues to be an important focus in recruitment.
Age	Each generation approaches problems and issues differently; as the credit union serves members in all life stages, it is important to include a balanced mix of ages on the Board.	Ideal composition of no more than one-third of directors in each age bracket: <ul style="list-style-type: none"> • Under 50 • 50 – 60 • 60 and over. 	Currently, six directors are over the age of 60, five directors are between the ages of 50 and 60, and one director is under the age of 50. One director preferred not to answer the age question.
Geography	Local economies, local member needs, local politics, and needs in the Credit Union's services areas differ broadly. These points of view should be represented at the Board table.	Representation from each of the credit union's regions.	Each of the credit union's regions is represented in the composition of the Board.

For information on the Board's Equity, Diversity and Inclusion Policy and the Board's commitment to ensuring equity, diversity and inclusion with respect to its composition, please visit firstwestcu.ca/governance/leading.

Board Structure and Directors

First West's Rules allow for a Board of 12 directors, rising to as many as 15 to accommodate a merger. Directors are normally elected to three-year terms, with four directors' terms ending each year.

Directors are responsible for stewarding the organization in the best interests of the credit union as a whole and for all First West's members, regardless of region. Directors protect and uphold the credit union's values, exercising judgment with honesty and integrity. They offer a broad range of knowledge and depth of experience, as well as an understanding of the principles and values of the credit union and its communities. Additionally, directors demonstrate business, financial and social acumen, and provide diverse views.

Directors must be independent from the credit union and the financial services industry in general and must not have an interest or relationship with First West that could be seen to interfere with their ability to act in the best interest of the credit union and its members. The Board's Audit and Conduct Review Committee reviews compliance with this requirement.

For a listing of each director's Board service history, tenure, roles, education and remuneration, go to Appendix 1. More information about directors, including their background and experience, can be found at firstwestcu.ca/our-leadership/board-of-directors/.

Board Effectiveness and Renewal

To ensure they continue to provide an appropriate level of oversight and stewardship, directors conduct regular Board and peer performance evaluations. These evaluations assess the Board's ability to work as a whole, as well as each director's skills, experience and contributions in a number of key areas, including digital leadership, corporate governance, environmental, social and governance, real estate lending and development, law and more. The evaluations help the Board identify gaps it may address by recruiting new directors or through its ongoing director education program.

Director Education

Directors are encouraged to pursue educational opportunities and professional development to improve their contributions to governing the credit union. New directors are required to complete Level A of the Credit Union Director Achievement program within 12 months of their appointment and all directors are required to apply for and complete their ICD.D or C.Dir designation. Per the Board's Director Orientation, Education and Development Policy, 50% of the cost of the ICD.D program is borne by each director, respectively.

Recognizing that director education is directly linked to improvements in governance and oversight, the credit union provides each director with an education allowance that can be used towards paying for registration, travel and accommodation related to courses and/or educational conferences. The education allowance totals \$15,000 for a director's first three-year term and \$12,000 for each subsequent three-year term.

A listing of the educational opportunities pursued by each director in 2025 is included in Appendix 1.

Governance Standards

First West's governance practices guide how the Board functions, makes decisions and holds itself accountable. The Board is guided, in part, by the BCFSA Governance Guideline for B.C. Credit Unions¹, which specifies standards related to:

- Risk governance, including the implementation of a risk governance framework
- Board competence with respect to strategy and oversight of operations
- An expectation that boards will be proactive in identifying best practices related to corporate governance and in adopting evolving best practices as they apply to their institutions
- Greater accountability and transparency, including detailing CEO and individual director pay in the credit union's annual report

As part of the federal continuance process and the submission to BCFSA of its application to continue as a federal credit union, First West has also evaluated its governance practices against the OSFI Corporate Governance Guideline.² First West will continue to enhance its governance practices as a provincial credit union and as it works to become federally regulated.

Member Involvement

By participating in the democratic process, members shape and direct First West's future. The Board encourages members to attend First West's AGM and vote in director elections and on special resolutions. Unless they are First West employees, family of First West employees, employees of other financial institutions, or disqualified under First West's Rules, First West members in good standing may also stand for election to the First West Board.

Board Compensation

First West's directors are expected to devote considerable time and energy to fulfilling their obligation to oversee the credit union on behalf of members. Each year, directors attend approximately 15 days of meetings, including quarterly Board meetings, a budget meeting, a planning session and a number of other planned and unplanned special meetings; participation is mandatory for the AGM and annual planning session. In addition, each director is required to travel as necessary to and from meetings, and to prepare fully for Board and committee meetings. Thorough preparation and regular attendance at Board and committee meetings is required for acceptable director performance, and directors have shared that they spend approximately three hours of preparation time for every one hour of meeting time.

To attract and retain the best directors possible and pay them at a level that reflects the level of risk they accept, the professional expertise they offer, and the level of contribution expected of them, compensation is set at a rate comparable with other large credit unions, regional financial institutions and publicly traded companies of similar size.

First West's policies require the Board to regularly seek the input and advice of an independent panel of members to determine its compensation. Recommendations were made by an independent panel in early 2024. The Board considered the recommendations, and the current economic environment and unanimously agreed not to accept the recommended 2% increase in compensation in 2024, with plans to revisit the panel's recommendations in 2025. An independent panel of members will again be put together in 2027 to provide input and advice on the Board's compensation.

¹ <https://www.bcfesa.ca/media/91/download>

² <https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/corporate-governance-guideline-2018>

In 2025 director compensation included annual retainers of \$42,994 for directors and \$88,517 for the Board Chair; the Chairs of the Audit and Conduct Review Committee and the Risk, Investment and Loan Committee receive an additional retainer of \$11,695, the Board Vice Chair receives an additional retainer of \$5,849, and the Chairs of other committees receive additional retainers of \$5,849.

Total Board compensation for 2025 was \$640,299.81, which includes \$32,300 for travel fees and \$144,247.51 for expenses. The amounts paid to each individual director are included with each director profile in Appendix 1.

Director Expenses

Beyond the honoraria and travel fees they receive, directors are reimbursed at the same level as the Credit Union's Management for reasonable expenses incurred in connection with authorized work performed on behalf of the credit union. Like Management, directors are required to supply receipts for all expenses they incur which are reviewed for accuracy and approved by the Corporate Secretary.

Expenses directors may be reimbursed for include mileage, flights, accommodations and meals.

The total expenses paid to each director in 2025 is included with each director profile in Appendix 1.

Committees of the Board as of December 31, 2025

Audit and Conduct Review

The Audit and Conduct Review Committee is responsible for fulfilling the Credit Union's statutory duty to maintain an audit committee and conduct review committee as per Section 39.56 of the *Credit Union Incorporation Act* and Section 112 of the *Financial Institutions Act* respectively. The committee assists the Board in fulfilling its obligations and oversight

responsibilities related to the audit process and financial reporting, ensures the requirements for dealing with related-party transactions set out in the *Financial Institutions Act* are met and appropriate procedures are in place, and oversees the process for reviewing directors' conduct and procedures for resolving conflicts of interest, restricting the use of confidential information and handling member complaints. The committee consists of a minimum of three members elected by the Board on the recommendation of the Board Chair.

Risk, Investment and Loan

The Risk, Investment and Loan Committee is responsible for fulfilling the statutory duties related to investments and lending of financial institutions detailed in Section 135 of the *Financial Institutions Act*. The committee recommends Board approval of and oversees the credit union's risk appetite and enterprise risk management framework. It reviews and recommends to the Board for approval, and filing with BCFSA, written investment and loan policies for the credit union and its subsidiaries. In making its recommendations, the Committee considers whether the policies are consistent with the prudent standards set out in the *Financial Institutions Act* and with the credit union's investment and loan strategy. The committee consists of a minimum of three members elected by the Board on the recommendation of the Board Chair. At least one member of the committee shall be an officer of the credit union.

Governance and Nominations

The Governance and Nominations Committee oversees key elements of the First West Board of Directors' operations, including corporate governance principles, practices and oversight, Board assessment, evaluation and renewal, director recruitment, nominations and elections and director orientation, and education and development. The committee consists of a minimum of five members elected by the Board on the recommendation of the Board Chair. Ideally each committee member will also be a member of at least one other committee to ensure informed governance discussions.

The Nominations Task Force (“Task Force”), a sub-committee of the Governance and Nominations Committee, is constituted annually following the Board reorganization meeting and consists of not less than three members of the credit union who may but need not be directors. No director whose term of office is expiring at the AGM following the appointment of the “Task Force” may serve as a member of the Task Force, except where that director is not seeking re-election. The “Task Force”’s main responsibilities include leading a search for eligible director candidates, reviewing the Call for Nominations package, participating in director candidate interviews and endorsing candidates who would bring the most overall value to the Board if elected.

Government Relations and Partnership

The Government Relations and Partnership Committee guides management in advancing First West’s multi-brand operating model. The committee reviews and counsels management on First West’s successful business model, monitors government relations activities and advocates for favourable legislative and regulatory environments that will allow First West to achieve its strategic goals. The committee also represents the Board in discussions with credit unions interested in First West’s model. The committee consists of the Board Chair, Board Vice-Chair and two other directors appointed annually on the recommendation of the Board Chair.

Human Resources

The Human Resources Committee is responsible for assisting the Board with respect to all matters relating to human resources, ensuring sound human resources policies and practices are in place and are consistent with First West’s values, vision, risk appetite and strategic plan. The committee consists of not less than three and not more than five members. Committee members and the committee chair are appointed by the Board on the recommendation of the Board Chair.

Board and Committee Attendance

Reporting attendance is widely defined as a governance best practice and required by the BCFSAs Governance Guideline for B.C. Credit Unions. Meeting attendance and profiles for each First West director is listed in Appendix 1.

In addition to director attendance, First West believes effective directorship should be measured by directors being thoroughly prepared to be engaged in meetings and to make sustained, positive contributions to the credit union’s success.

2025 DIRECTORS

Shawn Neumann (Chair)	Deborah Buszard	Paul Challinor	Meryle Corbett	Jeff Dyck	Richard Hill	Waheed Hirji	Darryl Kropp	David Letkemann (Vice-Chair)	Balraj Mann	Cathy McIntyre	Renee Merrifield	Karley Scott
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SERVING AS A DIRECTOR SINCE	1998	2021	2019	2019	2017	2006	2022	2018	2006	2021	2017	2025	2024
TERM EXPIRES	2026	2027	2028	2028	2026	2025	2028	2026	2027	2027	2026	2028	2027
TOTAL NUMBER OF YEARS SERVED (AS OF DEC. 31, 2025)	28	5	7	7	7	19	4	8	20	5	7	1	1

MEETING ATTENDANCE

Board (6)	6	6	6	5	6	2	6	6	6	5	6	3	6
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COMMITTEES JAN. 1 – MAY 6, 2025 (UP TO AGM)

Audit and Conduct Review (2)	-	2	2	2	2	2	2	-	-	-	-	-	2
Governance and Nominations (1)	-	-	1	-	1	1	-	1	1	-	1	-	-
Government Relations and Partnership (1)	1	1	-	1	-	-	-	-	-	-	-	-	-
Human Resources (2)	2	2	-	-	-	-	-	-	-	1	1	-	2
Nominations Task Force (3)	-	-	-	-	3	-	-	3	-	-	3	-	-
Risk, Investment and Loan (1)	-	-	1	1	-	-	1	1	1	-	1	-	-

COMMITTEES MAY 6 (POST AGM) – DEC 31, 2025

Audit and Conduct Review (3)	-	-	3	3	-	-	3	-	-	-	-	-	3
Governance and Nominations (3)	-	3	-	-	3	-	-	3	2	-	3	-	-
Government Relations and Partnership (3)	3	-	-	3	-	-	-	-	3	-	-	2	-
Human Resources (3)	3	3	-	-	-	-	3	-	-	-	3	2	-
Nominations Task Force (2)	-	2	-	-	-	-	2	-	-	-	-	2	-
Risk, Investment and Loan (3)	-	-	3	3	-	-	3	3	-	1	-	-	3

REMUNERATION AND EXPENSES

Total Honoraria	86,761	42,643	54,242	54,242	42,643	14,050	42,643	52,744	54,245	42,643	48,444	30,057	42,643
Total Travel fees	3,000	5,000	1,000	4,500	1,000	2,000	-	1,000	-	-	3,500	2,500	4,000
Total Expenses	35,460	13,098	1,760	29,499	5,981	2,428	-	3,367	860	-	26,834	5,134	19,824

2025 Remuneration and expenses paid to Nominations Task Force members at-large:
Meeting + travel fees: \$4,800 | Expenses: \$0

EDUCATION

SHAWN NEUMANN

CCUA National Conference for Credit Unions

Completed my Advanced Team Coach Certification through Coachworks Academy

FWCU: Anti-Money Laundering Training in person

ICD: Board Chairs Connect

ICD: Chairing the Board in a Changing World

ICD: Effective Board Oversight of AI

ICD: Mediation Skills for Board Chairs

ICD: Securing Strong Board Leadership

ICD: Trends & Key Issues in Governance

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

DEBORAH BUSZARD

Addressing Canada's Economic Sovereignty Crisis, Leadership Roundtable, Caldwell Partners International

CCUA Governance, Cyber risk and Compliance for Credit Union and CCUA Governing Operational Risk (Level CE)

French Language – Continuing Study

FWCU: Anti-Money Laundering Training in person

ICD National Director Conference

ICD workshops: The Evolving Role of Board Chairs and Trends & Key Topics in Governance

International workshop on the North American continental agri-food business system: Stress testing the North American Food System, Guelph, Ontario

PAUL CHALLINOR

FWCU: Anti-Money Laundering Training in person

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

Veripark - The Future of Digital Banking

NEI Investments - Economic Impact of Tariffs

McGlashan Consulting - Models of Governance

ADP - Powering Productivity for Success

KPMG - Artificial Intelligence - Board Considerations

BCFSA - The Future of the Credit Union System

PwC - Director Connect - Sustainability

PwC - Financial Reporting Update

Global Risk Institute - Crisis Management

Central 1 - Momentum Conference

CPABC - Leadership Update

MERYLE CORBETT

FWCU: Anti-Money Laundering Training in person

CPA: Canadian Business Ethics

CCUA National Conference for Credit Unions

CPA: ABCs of Microsoft Power Platform

CPA: IA Intelligence

CPA: Info Technology Insights. pkg 1, Technology Update

CPA: Microsoft Power Query and BI

CPA: Everything you need to know about Government, Bank and Personal Debt

CPA: Governance: from Founder to CEO (Rick Hansen Foundation)

CPA: IFRS - Essentials

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

US Tariffs: Navigating complexities of coming US tariffs

WOCCU Conference

JEFF DYCK

FWCU: Anti-Money Laundering Training in person

ICD National Director Conference

CanITCon - premier technology conference designed specifically for Managed Service Providers (MSPs) in Canada

WAHEED HIRJI

CCUA: Understanding the Impact of U.S. Tariffs on Credit Unions & the Canadian Economy

CPA: Canada's Economic Outlook, chief economist, David-Alexandre Brassard

FEI Canada: Tariff Turbulence: Financial Impact and Mitigation Strategies

FEI: The New World Disorder' presented by Corpay

FWCU: Anti-Money Laundering Training in person

KPMG AI Agents in Action - practical insights to enhance work performance

KPMG: Federal Budget

KPMG: The tariff impact: Navigating trade disruption as a Canadian business with Bill Morneau

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

McCarthy Tetrault: Tariffs, Trade Wars and Friendly Fire - Implications for Businesses of the Increase Use of Economic Weapons - Ethical and Legal Issues

Roper Greyell LLP: The Latest and Greatest: Key recent decisions and must-know in employment labour and workplace human rights law

DARRYL KROPP

Directors Education Program (DEP) Governance Refresher

Directors' Forum Conference

FWCU: Anti-Money Laundering Training in person

Influence: Leveraging the 6 Principles of Persuasion

Leadership Development training session - Resolving Conflict

Oxford Scenarios Programme (Said Business School, Oxford)

Project Management PMP Preparation Course

RedMane Wellness - Stress Proofing Your Brain

DAVID LETKEMANN

FWCU: Anti-Money Laundering Training in person

GPC Co-op and Credit Union Governance Summit

ICD Effective Board Oversight of AI: Perspectives from Directors, CIO, and Founder of AI Solution Builder

ICD Enterprise Risk Oversight for Directors

ICD Trends & Key Topics in Governance: A Keynote Conversation with Dr. Richard Leblanc

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

BALRAJ MANN

CCUA Flag the money CCUA

CCUA Foundations of Governance in Theory and Action

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

CATHY MCINTYRE

Chartered Professionals in Human Resources – Future-Ready HR

FWCU: Anti-Money Laundering Training in person

Governance Professionals of Canada – Annual Conference

Governance Professionals of Canada Co-op and Credit Union Governance Summit

Greater Vancouver Board of Trade – Domestic Trade and Interprovincial Expansion

Harvard Business School – Leadership Summit

ICD – Board Oversight of AI

ICD – Executive Compensation: Insights and Best Practices

ICD – Insights for Canadian Boards and Leaders

ICD – Navigating US Policy Shifts: Implications for Canadian Boards

ICD – Strategies for Effective Stakeholder Engagement on Climate

ICD – The Savvy Nonprofit Board

Korn Ferry – Workforce 2025

Macro-Economic Presentation/Q&A with Royce Mendes (Desjardins Head of Macro Strategy)

NASDAQ – Integrity, Business and the Economy Going Forward

Simon Fraser University – Employee and Labour Relations in Canada

University of Cambridge - ESG Leadership program

University of Victoria – Using AI for your Life and Work

RENEE MERRIFIELD

BCFSA Conference

Central 1 Momentum Conference

FWCU: Anti-Money Laundering Training in person

ICD Chairing Boards

ICD Course: Trends & Key Issues in Governance: A Conversation with Dr. Richard Leblanc

KARLEY SCOTT

FWCU: Anti-Money Laundering Training in person