

**2007 Board of Directors Election
Ordinary & Special Resolutions Notice**

Vote from March 20 to April 11.



2007 Annual General Meeting

Wednesday, April 25 at 5pm. See page 25 for details.

You could win one of three \$1,000 term deposits!

Learn how on page one.

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You could win \$1,000!

To thank our members for taking the time and effort to vote, we're giving away three \$1,000 one-year non-redeemable term deposits at Coast Capital Savings to three lucky winners. Winners will be drawn randomly from all eligible entrants. You will automatically be entered in the contest by returning the enclosed ballot. The draw will be completed after the membership information portion of the election ballot is detached from the section containing the actual votes to ensure voter confidentiality.

A complete set of contest rules can be found at www.coastcapitalsavings.com or at any of our branches for the duration of the contest. If your name is drawn, you will be notified following the Annual General Meeting. In order to be declared a winner of a prize, the potential winner must first correctly answer, unaided, a time-limited mathematical skill testing question. The chance of winning one of the prizes depends upon the total number of eligible members who enter. By entering this contest the entrants and participants automatically agree to accept and abide by the contest rules. If you do not wish to enter please clearly indicate so on the membership information portion of your ballot by writing "exclude from contest" beside your signature. To enter the contest without voting, members may obtain entry forms on Coast Capital Savings' website or at a branch.

Wondering what do to with this massive document? You're not alone. Here are some handling instructions to help you get through it.

Take action and vote – get results by voting for a strong Board

A director's job is to work with the Board to determine the credit union's direction, set policies, approve plans, and oversee management operations. It's a serious responsibility. Directors represent the interests of every one of our 360,000 members, and their decisions have a profound influence on the way Coast Capital Savings will serve your needs in the coming years.

As a member of Coast Capital Savings, you're entitled to vote for the Board of Directors, and ordinary and special resolutions. Voting is your opportunity to help shape Coast Capital Savings' future success. That's why it's so important to vote for candidates whose skills and qualifications meet the current needs of the credit union. This will ensure you continue to see positive results, including better financial products, faster service, and a larger commitment to helping our local communities.

How to get involved

This year, there are four vacancies up for election on the Board, one ordinary and special resolution on director remuneration, and one special resolution to change the credit union Rules. Members are asked to review the

important information in this booklet and then cast their ballot before the deadline.

This booklet includes extensive information about the Directors Election, ordinary, and special resolutions and we encourage you to review each section in detail. In short, your Board of Directors is asking you to:

- Support the work completed by the Nominations and Election Committee.
- Vote for four candidates to fill the current Board vacancies. **You must vote for exactly four candidates or your ballot will be void.**
- Review and approve the ordinary resolution on the Board of Directors remuneration philosophy.
- Review and approve the special resolution on director remuneration.
- Review and approve the special resolution to change the credit union Rules.
- Cast your vote by the Wednesday, April 11, 2007 deadline.
- Attend the Annual General Meeting on Wednesday, April 25 in person or by webcast.

Nominations and Election Committee's Role

Every year, the Board of Directors appoints a Nominations and Election Committee to undertake, on your behalf, the in-depth process of evaluating the current Board's strengths and qualifications, identifying skill gaps, and recruiting and recommending candidates to run in the election.

This year, the process was completed with an independent governance consultant to ensure a fair, strong process. Together, they actively recruited the most qualified candidates to meet these skill gaps, reviewed all of the nominations received in detail, and recommended individuals who will add significant expertise to Coast Capital Savings' Board.

The Nominations and Election Committee reports directly to you and provides everything you need to know about the 2007 Election in this booklet, including statements provided by candidates.

Recommended Candidates

In today's complex business world, electing a Board of Directors to oversee the business and affairs of an \$8.9 billion financial institution is comparable to hiring a member of the senior executive team, such as the chief executive officer or chief financial officer. The role of a director is a serious responsibility, as each decision has a profound influence on Coast Capital Savings, including our products and services, as well as our ability to provide helpful, fast, and efficient service.

It's crucial to ensure directors have the skills and qualifications needed to help Coast Capital Savings reach its goals. The committee assesses all of the information provided by each candidate. Candidates are only recommended after an extensive process, involving interviews with qualified candidates, analysis of past work experience and community contributions, and detailed reference checks.

The Nominations and Election Committee's work is meant to assist you by recommending a short-list of individuals who the committee believes will add the most significant strength to your Board and represent the interest of our members.

Of course, how you vote is up to you. All of this information is meant to help you in your decision.

2007 Board Candidates

For the 2007 Board of Directors Election, there are four recommended and three other candidates running for four available positions. In the following pages, you'll find a profile that includes each candidate's own statement discussing how they would add strength to Coast Capital Savings' Board. Statements also include key information about education, work, board and financial experience, and community involvement.

We encourage you to consider the work completed by the Nominations and Election Committee, and use the information provided by each candidate to help you cast your ballot.

Recommended Candidates pp. 4 – 8

Other Candidates pp. 9 – 12

Recommended Candidates

The Nominations and Election Committee has recommended four candidates based on a rigorous evaluation against the business experience required to fill the board requirements. The four recommended candidates bring the skills identified as gaps during the evaluation process, including investment services, marketing and branding, financial, and Board experience.

Under each of the recommended candidate's names is a listing of attributes and specialized skills each has to offer. In the opinion of the committee and the governance consultant, their qualifications complete the current skill gaps and would add significant strength to the Board.

Bill Cooke Page 5

Mr. Cooke recently retired as CEO of a highly successful, national, member-based, investment and wealth management firm. During his tenure he grew the assets under management from \$135 million to \$3 billion and maintained high customer and employee satisfaction. His business acumen, together with his record of community service and extensive Board experience, make him well qualified to serve members as a Coast Capital Board member.

Frank Harper Page 6

Mr. Harper is a designated CA with 30 years of experience in the financial industry. His career experience includes senior executive positions with First City Financial Corporation and director of merchant banking and vice president of finance for BC Trade Development Corporation. Mr. Harper has significant Board experience at a number of financial institutions.

Bill Wellburn Page 7

Mr. Wellburn has more than 20 years of governance and Board experience. He has served as Board Chair for Coast Capital Savings, the Provincial Capital Commission, and Stabilization Central Credit Union. He recently received a fellowship from the Institute of Chartered Accountants of BC for his community contributions and service to the profession. Mr. Wellburn offers sophisticated financial expertise as a designated CA, strong leadership, team building and communication skills.

Glenn Wong Page 8

Mr. Wong is a nationally recognized leader in marketing and branding. A two-time winner of the American Marketing Association "Marketer of the Year" award (BC), his previous roles include CEO of Electronic Arts Canada, CEO of Rogers Cable and CEO of BC Hot House. Through his consulting company, Catalyst Solutions Ltd., he continues to work with local and international companies. His leadership experience and commitment to customer service will benefit Coast Capital and its members.

Education

- MBA, U. of Saskatchewan
- Bachelors, Social Work, U. of Regina
- BA, Economics & Political Science, U. of Saskatchewan

Work Experience

2000 - 2006	President and CEO, MD Private Trust Company
1999 - 2000	Consulting and Teaching, Private Practice
1994 - 1999	Vice President, Wealth Management, Royal Bank Financial Group
1985 - 1994	Vice President, Trust and Investment Management, Royal Trust
1972 - 1985	Senior Management, Government of Saskatchewan

Board Experience

2000 - 2006	Galleon Energy Inc.
2000 - 2006	MD Management
2000 - 2006	MD Private Trust Company
2000 - 2006	MD Private Investment Management
2002 - 2006	Canadian Medical Foundation
2001 - 2004	Lancet Asset Management
1995 - 2001	Magin Energy Inc.

Financial Literacy

- Sophisticated

Community Involvement/Other Interests

- Canadian Medical Foundation
- Chor Leoni Men’s Choir
- Vancouver College
- Church
- United Way

Statement of Vision and Interest

That Coast Capital Savings continue to provide excellent service and innovative financial products, maintain a strong connection with and commitment to the communities within which it operates, maintain a sound financial condition, continue incorporating the principles of corporate social responsibility and good corporate governance, and continue to grow and expand the availability of its products, services and community involvement to as many Canadians as possible. My interest in serving as a director lies in the positive contribution I believe I could make by bringing my experience, skills, and education to this board.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

Leadership, teamwork and communication have been a daily requirement of my executive and director roles:

- MD Management – growth of the discretionary investment management and trust operations in Canada in terms of size, client satisfaction, employee satisfaction, and performance
- Canadian Medical Foundation – re-launch of the foundation under a more tightly focused mandate
- Galleon Energy – successful Canadian junior oil and gas growth company
- Royal Bank/Royal Trust – integration of Royal Trust services and employees into Royal Bank Financial Group and good levels of client retention
- Vancouver College – strong involvement of parents in school activities

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career.

I have been continuously and extensively involved in all of these areas as part of my responsibilities as a senior executive at MD Management, Royal Bank Financial Group, and Royal Trust.

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

Senior management roles in MD Management, Royal Bank Financial Group, Royal Trust and Saskatchewan Government Insurance.

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

Experience in these areas through my broad work history.

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

My career has been characterized by a strong ethical approach to business, which involves adherence to laws and rules and to the spirit of what was intended. I have exercised leadership in the areas of transparency and accountability, maintaining a sound financial condition, ethical business practices, employee development, and good corporate governance.

Education

- BComm, (Deans Honour Roll) Finance, UBC
- CA, Deloitte & Touche

Work Experience

- 2001 - Present President/Director,
& 1992 - 1994 Sphere Financial Ltd.
- 1998 - 2001 CEO, Thrill Time Entertainment
[Manufacturing]
- 1995 - 1997 Director, Merchant Banking,
Vice President Finance and
Administration, BC Trade
Development Corp.
- 1974 - 1991 Various Senior Executive positions,
First City Financial Corp. Ltd. [Financial
Services, Real Estate, Merchant
Banking & Portfolio Investments]

Board Experience

- 1995 - Present Coast Capital Savings
- 1992 - Present Sphere Financial Ltd.
- 1995 - 1997 Northstar Trade Finance (Affiliate of
Bank of Montreal)
- 1987 - 1991 Hornby Trading Inc.⁽¹⁾
- 1983 - 1987 First City Mortgage Company ⁽¹⁾

Financial Literacy

- Expert

Community Involvement/Other Interests

- Junior Achievement
- Part of team that approves Coast Capital Savings' corporate social responsibility and charitable giving programs
- Member of executive who approved planned/charitable programs, First City Financial Corp. Ltd.

Statement of Vision and Interest

I see Coast Capital Savings building on its solid foundation by growing its membership in existing and new communities to create an even financially stronger credit union. More can then be given back to members through highly competitive rates and innovative products and services. We can increase our support for community programs. Growth can be accomplished without compromising our friendly, approachable and community spirit. My extensive senior executive business experience in financial services, including twelve years on Coast Capital's board, will allow me to continue to make significant contributions to Coast Capital's strategic plans. I would sincerely appreciate your vote.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

- President of four subsidiaries of a major public financial institution
- CEO and Senior Vice President, public and private companies primarily in financial services, real estate and manufacturing
- Chaired board committees
- Managed divisions with up to 100 staff
- Trained and managed personnel for an international investment group
- Developed finance, risk management and product development departments
- Presentations to investor groups, boards and senior executives
- Produced corporate annual reports, marketing materials and prospectuses

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career:

- Part of team strategizing expansion of a trust company across Canada
- Assimilated an acquired trust company into the parent company's brand
- Managed department responsible for developing new products/services for a major trust company

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

- For a national financial institution, developed annual and five year operating plans. Responsible for strategic planning, risk management and corporate acquisitions
- Branch development for a Canadian bank

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

- Credit committee member for a merchant bank, trust company and a national bank
- Negotiated financings for real estate developments in North America
- Worked extensively with US/Canadian lawyers on originating and negotiating mergers/acquisitions, joint ventures/partnerships, securities filings and financing documents

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

Over 35 years experience managing sound corporate governance practices, through executive and board positions.

1. Subsidiaries of First City Financial Corp Ltd., now part of TD Securities

Education

- BA, English and Sociology, UVic
- FCA, BC Institute of Chartered Accountants

Work Experience

1987 - 2005 Principal, William G. Wellburn, Chartered Accountant

Board Experience

2006 - Present Greater Victoria Harbour Authority
 2002 - Present Provincial Capital Commission
 2000 - Present Coast Capital Savings
 1995 - 2001 Stabilization Central Credit Union
 1992 - 2000 Pacific Coast Savings
 1989 - 2003 Queen Alexandra Foundation for Children
 1988 - 1990 Credit Union Deposit Insurance Corporation

Financial Literacy

- Expert

Community Involvement/Other Interests

- Many community organizations

Statement of Vision and Interest

My vision for Coast Capital Savings is an innovative, member-controlled financial institution that provides outstanding financial products and service to customers throughout BC and eventually across Canada. I see an organization that puts its members at the centre of everything it does, an organization that regards each employee as its most important asset, and one that is meaningfully engaged in the communities where its members and employees work and live. My interest is in providing leadership as a director of a strong financial co-operative that is committed to addressing the changing needs of its stakeholders and their communities.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

I have served on and chaired many corporate, volunteer and community boards. I have learned how to listen, understand and appreciate different views. I know the importance of clear communication and trust in building effective and enduring relationships.

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career.

As a practising Chartered Accountant, I facilitated and assisted many of my clients in developing short-term and long-term strategies required to meet their business and financial goals.

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

I served as a director and chair of Stabilization Central Credit Union and observed the fierce competition between financial sector service providers. I learned that an organization's long-term success is determined through careful and thoughtful long-term planning and by maintaining an excellent reputation in the marketplace.

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

I understand the operation and cycles of the real estate market. In my capacity of chair of various boards and committees, I have successfully mediated competing interests by finding common ground based on the organization's stated mandate and values.

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

My experience around corporate social responsibility policies has been in policy development, promotion and monitoring. I believe it is the role of the board to define and approve policy and the role of management to implement.

Education

- BComm, UBC

Work Experience

- 2004 - Present Founder, Catalyst Solutions Ltd. & 2001 - 2002
- 2002 - 2004 President and CEO, Apparent Networks Inc.
- 1998 - 2001 President and GM, Electronic Arts Canada
- 1996 - 1998 President, Rogers Cable B.C.
- 1993 - 1996 President and CEO, BC Hot House
- 1984 - 1993 Vice President, Marketing, Nabob Foods Canada Inc.

Board Experience

- 2006 - Present Vancouver Police Board
- 2002 - Present BC Cancer Foundation
- 2001 - 2003 S.U.C.C.E.S.S.
- 1997 - 1998 Mohawk Oil Ltd.
- 1992 - 1996 Insurance Corporation of BC
- 1979 - 1980 UBC

Financial Literacy

- Average

Community Involvement/Other Interests

- Young Presidents Organization
- Virtus Inc.
- Sauder School of Business
- Forum for Women Entrepreneurs BC

Statement of Vision and Interest

I have been a member of Coast Capital Savings for the last seven years and believe that it has remained member-focused and successfully delivered the "service" part of financial services. I choose Coast Capital Savings because of friendly staff and the benefits to our communities. My interest in serving is to ensure future growth is coupled with a member-friendly focus and a positive impact on our communities. My experience includes the boards at BC Cancer Foundation, ICBC, Vancouver Police Board and S.U.C.C.E.S.S. along with senior positions in a variety of industries and businesses.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

- President, Rogers Cablesystems: led 900 employees to refocus on customer service through extensive internal stakeholder communication and media interviews
- President, Electronic Arts, Canada: built world's largest videogame studio from 225 to 750 employees

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career.

- Two-time winner of American Marketing Association, BC Chapter, Marketer of the Year
- Won New York American Marketing Association, Gold Effie Award for Advertising
- Re-branded three companies with new corporate identities and names

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

- Board of Director, Mohawk Oil retail gas service stations across Western Canada

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

As President/CEO of four companies and in my consulting business, legal issues are a regular part of operating in Canada, the US and overseas markets.

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

My non-profit Board of Director experience for the BC Cancer Foundation, S.U.C.C.E.S.S. (immigrant social services) and the Vancouver Police Board all involved direct tangible benefits to our communities.

Education

- BA, UVic
- CGA, CGA Association of BC

Work Experience

1998 - Present	Financial Consultant, Munn & Co
1994 - 1998	Controller, Point Hope Shipyard
1988 - 1994	Controller, various retail, multi-branch and construction
1982 - 1988	Founding Chief Accountant, Canadian Western Bank

Board Experience

2002 - Present	Laren Society
2003 - 2007	Coast Capital Savings Foundation
1990 - 2007	Coast Capital Savings
1994 - 2002	Credit Union Central of BC
1997 - 2001	Credit Union Central of Canada
1997 - 2000	Stabilization Credit Union of Canada
1998 - 1999	Canadian Cooperatives Association

Financial Literacy

- Expert

Community Involvement/Other Interests

- None

Statement of Vision and Interest

My vision for Coast Capital Savings is that it will strive to be the first choice for the members and the community it serves as their choice of financial expertise and financial services. Coast Capital Savings is a true alternative to the big banks, and expansion of its service area beyond the borders of BC to the rest of Canada would underscore this.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

I have worked as a manager of departments, or groups of departments in the fields of financial and administrative with responsibilities, for groups of departments up to 70 persons.

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career.

I had some direct involvement in strategies around building a new Chartered Bank, based in Vancouver. I have advised clients with respect to the management of investments, and the use of investment services.

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

I was the Assistant Controller of a multi (400) branch financial services company, with operations in all Canadian provinces, as well as selected areas overseas. I served with an organization having 29 branches on Vancouver Island. At the Chartered Bank, we started with a head office and grew to four branches in BC in four years. My role has always been at the head office financial controls and administration part of the business.

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

Limited direct experience. Mostly I have been support staff for others more directly involved.

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

Connection to the community is very important to me. I have been involved since the early 1990s with the credit union system in pursuing socially responsible practices and reporting, especially as it relates to giving back to the communities that we serve.

Education

- BA, UBC
- Basic Teaching Certificate, Elementary Education, UBC

Work Experience

- 2003 - Present Managing Partner, Creative Training Solutions
- 1998 - 2003 Principal and Owner, Vista Financial Consultants
- 1997 - 1998 Vice President – Private Client Investments, Monrusco Associates
- 1993 - 1997 Senior Vice President, Managed Funds, Vice President, Private Client Group, Beutel Goodman & Company Ltd.
- 1967 - 1993 Regional Manager, Pacific Region Pension Division, Confederation Life Insurance Company

Board Experience

- 1987 - 1989 Confederation Trust Company

Financial Literacy

- Sophisticated

Community Involvement/Other Interests

- Richmond Chamber of Commerce
- Vancouver Board of Trade
- BC Human Resources Management Association
- Estate Planning Council of Vancouver
- Canadian Pension and Benefits Institute – Pacific Region
- International Foundation of Employee Benefit Plans

Statement of Vision and Interest

I believe strongly in a community based credit union that puts the interests of its members first by delivering top value with a broad range of financial services. I would like to see Coast Capital Savings continue being a good corporate citizen by being socially responsible while growing our business in a financially viable manner. I am excited about Coast Capital Savings’ plans to expand our operations nationally so that we can truly be a “Coast to Coast” financial organization. I firmly believe that once we are able to operate from BC to Ontario, our growth opportunities will increase tenfold.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

At Confederation Life, I built a team of highly effective and successful individuals that developed a book of business in excess of \$1 billion. Servicing our larger clients involved regular meetings with pension committees and boards of trustees to review a broad range of current issues, investment performance, economic and financial markets outlook, investment strategy and reviewing financial reports. I built strong relationships with clients, consulting actuaries, accountants, lawyers and financial planners throughout Western Canada. I was on the executive of the Pacific Regional Council of the Canadian Pension and Benefits Institute.

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career.

I developed a strategic marketing plan and re-branded Creative Training Solutions shortly after joining the consulting practice. This was followed by an effective and successful marketing campaign. I opened a western regional office for Beutel Goodman & Company which involved marketing a family of mutual funds to brokers and financial planners throughout the region. Given the fierce competition from much larger organizations, I was able to package Beutel Goodman’s family of funds as a niche player.

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

No.

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

As Managing Partner of CTS, I am responsible for all legal matters.

I was responsible for office leases and client contracts at Confederation Life and Beutel Goodman.

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

I don’t have any.

Education

- Professional Manager, UBC
- Certified Industrial Manager, UBC
- CGA, UBC
- Canadian Securities Course, UBC

Work Experience

- 1994 - Present Owner, Phillips Accounting and Management Consulting
- 1991 - 1994 Realtor and Trainer, NRS Block Brothers/HomeLife Realty

Board Experience

- 2000 - Present Tsawwassen Business Association
- 1996 - 2002 Boys and Girls Club of Delta
- 1997 - 2000 Royal Aloha Vacation Club
- 1993 - 1995 South Fraser Valley Regional Health Board
- 1980 - 1983 Credit Union Central of BC
- 1978 - 1981 Richmond Savings
- 1974 - 1981 Canadian Institute of Management
- 1971 - 1975 Interlake Development Corporation

Financial Literacy

- Sophisticated

Community Involvement/Other Interests

- Teen Advocating Growth
- Delta Municipality
- South Delta Healthy Communities
- Chamber

Statement of Vision and Interest

My vision for Coast Capital Savings is a credit union able to interact with its members from Coast to Coast using simple financial transactions. It would be meeting the unique needs from children to seniors including all members. We have come a long way but still have some serious hurdles to overcome. To accomplish this we will need to grow, innovate, and change some political will. I sincerely believe I can aid in this endeavour through my knowledge, experience, enthusiasm and devotion to the cause. That is why I am interested in being a director and ask for your support.

Provide examples that demonstrate leadership, team building and communication skills related to your employment or community experience.

President, Vice President and Chair all required these skills to keep the group focused on the desired results.

Provide examples of where you have been responsible for developing strategies around corporate branding, product development and/or investment services in your professional career.

Examples of developing strategies around corporate branding and product development can be found in Royal Aloha's change to make the supplies provided in each Resort similar so our 8500 members plus over 2000 exchange guests would know what to expect at any of our Resorts even if they had not been there before. Tsawwassen Business Association used it and communication to correct confusion between the Business Improvement Association and itself.

Have you had experience with highly competitive, multi-location retail business environments on a provincial or national level? If so, describe your role.

My provincial telephone company experience to determine why the customer orders were not done as requested. What changes needed to be made to correct the problem from happening again, and were these changes reasonable to accomplish. 7-Eleven the challenge was to increase sales, profitability, and customer service without a negative effect within the region. McLaren Electric the issue was growth provincially without negative profitability or major policy changes since that could affect branding.

Provide examples of your experience, if any, with respect to real estate, legal or mediation matters.

Real Estate: residential sales and training new realtors. Youth drop-in involved conflicts and mediation.

Provide examples of your experience relating to the implementation of corporate social responsibility policies.

The Tsawwassen Business Association is dealing with social responsibility policies with small success. Many of our members have added social responsibility to their business agenda.

Ordinary and Special Resolutions

As a member of Coast Capital Savings, you have a direct say in how your credit union is run through director elections and special and ordinary resolutions. You can forward your requests and suggestions to the Board of Directors for consideration at any time. If you would like to present a special or ordinary resolution to the Board of Directors and the membership, please follow the submission details below.

Special Resolutions

A special resolution is a significant action or change to the credit union Rules that must be approved by the Board of Directors and then voted on and passed by Coast Capital Savings' members. In order for a special resolution to be adopted, it must gain two-thirds approval of the voting members.

For a special resolution(s) to be considered for presentation during the 2007 Directors Election, it must have been received in writing by Wednesday, January 17, 2007 (communicated in the fall 2006 member newsletter and on Coast Capital Savings' website).

Ordinary Resolutions

An ordinary resolution does not require a credit union Rule change in order to be implemented. Ordinary resolutions can be voted on by ballot, or presented at the Annual General Meeting. Ordinary resolutions can be proposed from the floor during the AGM, if the resolution is within the scope of the meeting's purpose as announced in the election notice. Any resolution outside of this scope will be called out of order.

Resolution(s) should be addressed to the Board of Directors, care of the Secretary to the Board, and sent to Coast Capital Savings, 4th Floor, 15117 101 Avenue, Surrey, BC, V3R 8P7. If you want to submit a resolution(s) and require additional information, contact the Secretary to the Board at 604.517.7400 (Greater Vancouver), 250.483.7000 (Greater Victoria), or 1.888.517.7000 (Toll-free).

Ordinary and Special Resolutions on the Board of Directors Remuneration Philosophy

Coast Capital Savings operates in a highly competitive and rapidly changing business environment. Along with these changes, and for all the right reasons, the regulatory responsibilities and stakeholder accountabilities for directors continue to grow. Today's Board members must have increased business skills and qualifications to assist the organization in addressing opportunities, risks and challenges.

The Board of Directors determined a review of current director remuneration was needed in order for Coast Capital to be competitive in the market for qualified directors.

The last review of director remuneration was conducted in 2001 at a Special General Meeting. It was resolved that director remuneration would be adjusted each year in keeping with the British Columbia Cost of Living Index. 2001 fees were set at \$15,000 per year for a director and \$18,000 per year for the Board Chair. At the 2005 Annual General Meeting, an ordinary resolution was passed that increased the annual remuneration paid to the Board Chair to double that of ordinary directors. The current amounts being paid to directors from April 2006 to April 2007 are \$16,268 per year for a director and \$32,536 per year for the Board Chair.

The Board's Governance and Member Relations Committee engaged Western Compensation and Benefits Consultants for assistance and advice. The consultant's recommendation is that a fair and enduring compensation/remuneration philosophy for directors be established and implemented in order to attract and retain directors who will add strength to the Board.

The Board seeks approval from members to:

- establish a remuneration philosophy for directors

- authorize the Board to set future director remuneration that is
 - consistent with a member-approved remuneration philosophy
 - based on an independent compensation consultant's review of what's being paid to directors of comparable organizations
 - reviewed every three years
- report to members annually the total amount of remuneration paid to each director

The full text of the ordinary and special resolutions regarding director remuneration is set out on page 15. To help put these resolutions in the context of good corporate governance practices, we provide the following background information on director remuneration trends in Canada from Coast Capital Savings' external governance consultant, Elizabeth Watson, LLB.

Director Compensation Trends in Canada

Over the past five years, we have seen a significant change in the way Boards are expected to perform in Canada. Next to this change in expectation is a shift in how directors are recruited and what is expected of them. The most successful organizations recruit highly skilled directors who have specialized expertise relevant to the strategic initiatives of the organization. Directors spend a considerable amount of time and effort to carry out their duties, resulting in an increased workload and exposure to financial, reputation and personal risk.

In order to attract and retain qualified directors, companies in Canada have significantly reformed their approach to director compensation (remuneration). While remuneration is not the primary motivating factor for directors to join an organization, appropriate remuneration

serves to underscore the importance and professional nature of Board work and attract and retain qualified individuals. Today, appropriate director remuneration is seen as a key component of a good governance structure of any company.

The level of remuneration paid to directors in Canada has increased significantly over the last five years. With publicly traded companies, a Board of Directors will set the level of its own remuneration in accordance with a remuneration philosophy that the Board has developed and approved.

Those organizations following best practice, disclose to shareholders the actual amount of remuneration paid to directors in the preceding fiscal year.

In setting a remuneration philosophy, a Board must take into account various factors, including:

- the size and complexity of the organization;*
- the degree of responsibility and accountability assigned to the Board;*
- the degree of knowledge and specialized skills required of Board members;*
- time spent by directors; and*
- market competitive pay.*

A reality in today's environment is there is competition for skilled directors.

For companies to remain competitive, they must adopt a director remuneration philosophy that supports the attraction and retention of highly skilled individuals.

Due to the changing nature of the director remuneration environment, most Boards are required to review their director remuneration scheme annually to ensure they remain competitive in the context of the market reality.

Elizabeth Watson, LLB

Watson Governance Advisory Services Inc.

Elizabeth Watson is a specialist in corporate governance, director recruitment and Board effectiveness. She provides board governance and director recruitment services to private and public entities and advice to the national and international corporate governance community.

The Board of Directors is recommending members approve the following resolutions:

ORDINARY RESOLUTION on the Board of Directors remuneration philosophy:

BE IT RESOLVED AS AN ORDINARY RESOLUTION that the philosophy for the remuneration of the directors of Coast Capital Savings be as follows:

Coast Capital Savings is a cooperative financial institution with national aspirations. We believe that better Boards produce better results and that better Boards are made up of dedicated and highly competent directors. To attract and retain directors with the business experience and skills required to achieve Coast Capital's strategic plan, we must offer a level of remuneration that both reflects our cooperative heritage and satisfies the market reality.

Consequently, director remuneration at Coast Capital should be lower than that of public companies of similar size and/or complexity, yet higher than that traditionally paid to cooperatives: the highest quartile for cooperatives but no higher than the lowest quartile for comparable public companies.

At three year intervals the Governance and Member Relations Committee shall retain an independent remuneration consultant for the purpose of providing a recommendation to the committee on director remuneration. The consultant's recommendation shall be based on a Canada-wide market survey in accordance with the Board remuneration philosophy.

SPECIAL RESOLUTION on director remuneration:

BE IT RESOLVED AS A SPECIAL RESOLUTION that the remuneration of the directors of Coast Capital Savings Credit Union be established by the directors from time to time in accordance with the philosophy for directors' remuneration approved by the members by ordinary resolution from time to time, and at least once a year, the Board of directors shall report to the members the total remuneration paid to each director for the previous financial year.

Special Resolution on Credit Union Rule Changes

The Board of Directors is recommending members approve a special resolution to amend the Rules of Coast Capital Savings ("**Proposed Amendments**"). The Proposed Amendments are designed to update Coast Capital Savings' Rules to reflect changing corporate governance practices, in particular to ensure that the Board of Directors has sufficient financial literacy skills amongst its members. The full text of the special resolution amending the Rules is set out in the following pages, and members are urged to review the entire special resolution. Below is a summary of the Proposed Amendments outlined in the special resolution:

- **Requirement that one-third of the Board be financially literate:** To ensure there are enough directors with the knowledge and experience to review and interpret Coast Capital Savings' complex financial statements, the Proposed Amendments state that at least one-third of the directors must be financially literate. If at any time at least one-third of the directors are not financially literate, then the Board must appoint additional directors who are financially literate.
- **Audit committee:** Further to the requirement above, the Proposed Amendments contain a requirement that all of the members of the Audit Committee be financially literate or willing to become financially literate within a reasonable period of time of being appointed to the Audit Committee.
- **Director removal process:** Although the Rules currently provide that any director may be removed as a director upon a resolution passed by two-thirds of the remaining directors, the Proposed Amendments clarify and enhance this procedure. A director removed from the Board under the Proposed Amendments would not be eligible for re-election to the Board. If it is determined that a director violated the Campaign Regulations, the director may be removed as a director.
- **Independent directors:** The provisions relating to "insider" directors have been replaced with a provision allowing the Board to restrict the number of directors who are not "independent". A definition of "independent" has been provided in the Proposed Amendments.
- **Directors meetings:** The Proposed Amendments clarify the provisions relating to the call and notice periods for meetings of the directors.
- **Nominations and Election Committee:** A number of the Proposed Amendments address the powers and responsibilities of the Nominations Committee. As a result of member feedback, the term "endorse" has been replaced with "recommend", and the "recommendation" process has been clarified and enhanced. The Proposed Amendments provide that the Nominations Committee may invite candidates to stand for election, and include minimum requirements for a candidate to be recommended by the Nominations Committee.
- **Appointment of additional directors upon an acquisition:** Minor amendments are proposed to Section 13.5 in order to clarify and enhance the Board's ability to appoint additional directors upon a transaction involving another credit union.

SPECIAL RESOLUTION on credit union rule changes:
“Proposed Amendments”

BE IT RESOLVED AS A SPECIAL RESOLUTION that the Rules of Coast Capital Savings Credit Union (the “Rules”) be altered as follows:

- (a) by inserting definitions (b), (c), (e), (f), (i) and (p) set out in double underline on Schedule A following hereto into the Definitions section of the Rules, and renumbering the existing paragraphs (b), (c) and (d) as paragraphs (d), (g) and (h) respectively; renumbering the existing paragraphs (e) through (j) as paragraphs (j) through (o) respectively; and renumbering the existing paragraphs (k) and (l) as paragraphs (q) and (r) respectively;
- (b) by inserting the new Rules shown in double underline set out as Rules 13.6, 14.16, 16.9, 16.11 and 16.12 on Schedule A hereto, and renumbering existing Rules 13.6, 13.7, 16.9, 16.10 through 16.27 as Rules 13.7, 13.8, 16.10, 16.13 through 16.30, respectively, and making all consequential Rule number replacements throughout the Rules;
- (c) by amending Rules 13.1, 13.5, 14.2, 14.3, 16.6, 16.8, 18.4, 18.13, the introductory paragraph of Rule 18.10 and newly renumbered Rules 13.7, 13.8, 16.10, 16.25, 16.28 and 16.30 by deleting the words and characters shown in ~~strikeout~~ and by adding the words and characters shown in double underline as set out in Rules 13.1, 13.5, 13.7, 13.8, 14.2, 14.3, 16.6, 16.8, 16.10, 16.25, 16.28, 16.30, 18.4, 18.13 and the introductory paragraph of Rule 18.10 as set out on Schedule A hereto;
- (d) in Rule 15.3, by providing that if a director is removed from office as contemplated in Rule 13.7, that director is not permitted to run again, by deleting the word “or” in paragraph (m), and in paragraph (n) deleting the punctuation “.” and replacing it with “; or” and inserting a new paragraph (o) as follows:

“(o) was removed from the position of Director by the Board of Directors in accordance with Rule 13.7.”; and
- (e) in the newly numbered Rule 16.15, clarifying the material that the Nominations Committee is to forward to all members of the Credit Union in an election of directors:
 - (i) by deleting the existing subparagraph (a)(i) in its entirety and replacing it with the following:

“(a)(i) such information regarding the candidates for election prescribed by the Nominations Committee in its sole discretion, and for greater certainty, the Nominations

Committee may include more information about recommended candidates;”; and

- (ii) in subparagraph (b)(ii), by deleting the word “alphabetically”, and after the phrase “the names of all candidates” inserting the phrase “in the manner as determined by the Nominations Committee from time to time”.

SCHEDULE A

DEFINITIONS

- (b) “Campaign Regulations” means the regulations pertaining to candidates for election as a Director as adopted by the Board from time to time;
- (c) “Candidate Recommendation Policy” means the candidate recommendation policy as adopted by the Board and the Nominations Committee from time to time;
- (e) “Code of Conduct and Ethics for Directors” means the code of conduct and ethics as adopted by the Board from time to time;
- (f) “Code of Performance Standards for Directors” means the code of performance standards for Directors as adopted by the Board from time to time;
- (i) “Conflict of Interest Policy” means the conflict of interest policy as adopted by the Board from time to time;
- (p) “Financially Literate” means to have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised in the Credit Union’s financial statements;

13.1 Unless changed by a resolution of the members and subject to a resolution of the Board of Directors pursuant to Rule 13.5, the number of Directors of the Credit Union shall be not less than nine and shall be set, from time to time, by the Board of Directors, and at least one third of the Directors on the Board must be Financially Literate. If at any time at least one third of the Directors are not Financially Literate, the number of Directors on the Board shall be increased, and the Board must appoint such number of individuals to the Board that are Financially Literate to ensure that at least one third of the Directors on the Board are Financially Literate. The term of a Director appointed pursuant to this Section 13.1 shall be until the close of the next Annual General Meeting.

13.5 Notwithstanding anything else contained in ~~this Rule 13~~, these Rules, if the Credit Union enters into an agreement for an amalgamation or arrangement with, or for the purpose of purchasing all or substantially all of the assets or all of the shares of another credit union, the Board of Directors may by resolution appoint such additional Directors, who are eligible to serve as Directors under Rule 15.2, as the Board of Directors shall determine at their sole discretion and may designate the length of their terms of office, but the total number of Directors following such appointment shall not in any event exceed 20, and the term of office of any such additional Director shall not continue beyond the close of the third Annual General Meeting following such appointment. ~~Where the term of a Director appointed pursuant to this Rule 13.5 has expired or where such position becomes vacant prior to the termination of the term, no vacancy shall be deemed to exist and, for greater certainty, no person shall be appointed or elected pursuant to Rule 13.4 to fill any unexpired portion of the term of a Director appointed pursuant to this Rule 13.5, and Rule 15.1 shall not apply to any person appointed pursuant to this Rule 13.5 but a person so appointed whose term has expired shall be eligible for election for any other vacancy for which an election is to be held.~~

13.6 Where the term of a Director appointed pursuant to Rule 13.5 has expired or where such position becomes vacant prior to the termination of the appointed Director's term, no vacancy shall be deemed to thereafter exist and, for greater certainty, no person shall be appointed or elected pursuant to Rule 13.4 to fill any unexpired portion of the term of a Director appointed pursuant to Rule 13.5, and Rule 15.1 shall not apply to any person appointed pursuant to Rule 13.5; however, a person appointed as a Director pursuant to Rule 13.5 whose term has expired shall be eligible for election for any other vacancy for which an election is to be held pursuant to these Rules.

13.7 At any time the Conduct Review Committee may review any Director's actions in order to make a determination (a "Determination") that the Director:

(a) breached or violated these Rules, the Conflict of Interest Policy, the Code of Conduct and Ethics for Directors, or any such other codes and policies as that Director may become subject to as a Director of the Credit Union from time to time;

(b) 13.6 A person may be removed as a Director by resolution passed by a majority of not less than 2/3 of the remaining Directors if that Director has breached the conflict of interest policy or the code of conduct and ethics for Directors or breached the confidentiality of any proceedings, deliberations, or information of the Board of Directors, as determined by the remaining Directors in accordance with the policies and procedures relating to director review established by the Conduct Review Committee;

(c) failed to meet the standards for Directors set out in the Performance Standards Policy for Directors; or

(d) when a candidate for election as a Director, the Director violated the Campaign Regulations or these Rules.

The Director will be provided the opportunity to address the Conduct Review Committee prior to a Determination under this Rule 13.7. In the event that the Conduct Review Committee has made a Determination regarding a particular Director, that Director may be removed as a Director by a resolution passed by not less than 2/3 of the remaining Directors. The Director will be provided the opportunity to address the Board of Directors prior to a vote under this Rule 13.7.

13.8 The Board of Directors may, but shall not be obligated to, restrict the number of Directors that may be "insider" Directors are not "Independent" at any given time and for these purposes may, in their discretion, adopt policies and procedures in relation to the definition and determination of all matters related thereto. A Director is Independent if a reasonable person with knowledge of all the relevant circumstances would conclude that the Director is independent of management of the Credit Union and has no direct or indirect material relationship with the Credit Union. The Board of Directors may also supplement the definition of Independent in the Conflict of Interest Policy.

14.2 Upon notice pursuant to the provisions of Rule 14.3, the Chair:

(a) at any time may call a meeting of the Board of Directors; and

(b) within ~~14~~ two business days of receipt of a request in writing to call a meeting signed by three Directors, shall call a meeting of the Board of Directors.

If the Chair is unable to or does not call the meeting requested pursuant to Section 14.2(b) above, the three Directors shall be permitted to call the meeting pursuant to Section 14.3 below.

- 14.3 Notice of the time and place of a meeting of the Board of Directors shall be given to each Director at the last address left by the Director for that purpose by personal delivery, mail or electronic means, not less than 24 hours before the meeting, provided that the required 24 hour notice to a Director period may be waived by that Director. Attendance at a meeting shall be deemed to be a waiver of such notice.

Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Director shall not invalidate the proceedings at that meeting.

- 14.16 The Board must appoint an Audit Committee of not less than three persons who must at all times during the currency of the work of the Audit Committee be and continue to be Directors of the Credit Union. In addition, all of the members of the Audit Committee must be Independent and Financially Literate.

- 16.6 Before the name of a member is placed in nomination as a candidate for election as a Director, that member shall deliver to the Nominations Committee a declaration, in writing, stating that the member is willing:

- (a) to stand for election, and if elected or appointed, to serve as a Director;
- (b) to observe the provisions of the *Company Act*, the *Credit Union Incorporation Act*, the *Financial Institutions Act*, and the *Securities Act* of British Columbia, as applicable;
- (c) to comply with the ~~conflict of interest policy and the code of conduct and ethics~~ Conflict of Interest Policy, the Code of Conduct and Ethics for Directors and the Code of Performance Standards for Directors, each as adopted by the Board of Directors from time to time; and
- (d) to observe the Rules of the Credit Union and the procedures relating to the election and conduct of Directors contained therein.

- 16.8 Each nomination of a member as a candidate for election as a Director must be made in writing by at least three members of the Credit Union who are ~~in good standing and~~ of the age of majority. Each nomination of a member as a candidate for election as a Director must be in the form and accompanied by such information

as is prescribed by the Nominations Committee from time to time.

- 16.9 The Nominations Committee may invite candidates to stand for election, having regard to the Candidate Recommendation Policy, if a candidate is eligible and qualified to be a director under the *Credit Union Incorporation Act*, the *Financial Institutions Act* and these Rules. Any candidate that is invited to stand for election as a Director pursuant to this Section 16.9 shall not be required to comply with Section 16.8 above.

- 16.10 ~~16.9~~ The Nominations Committee shall examine each nomination received and determine whether the nomination complies with the *Credit Union Incorporation Act*, the *Financial Institutions Act* and these Rules, and shall accept each nomination of a member qualified to be a candidate whose nomination complies with the ~~*Financial Institutions Act* and these Rules foregoing~~ and is otherwise in order and in the form and with the information prescribed by the Nominations Committee and shall reject each nomination of a member who is not qualified to be a candidate or whose nomination does not comply with the *Credit Union Incorporation Act*, *Financial Institutions Act* or these Rules or is otherwise not in order or not in the form and with the information prescribed by the Nominations Committee and shall notify each nominee accordingly and shall, forthwith after the date on which nominations close:

- (a) inform each member whose nomination has been accepted of the provisions of these Rules with respect to the conduct of the election and provide to each member whose nomination has been accepted a copy of the Rules of the Credit Union and any determinations of the Board relating to elections and the conduct thereof;
- (b) inform each member whose nomination has been accepted of the time and place at which he is required to meet with the Nominations Committee for the interview required by Rule 16.7;
- (c) request that each member whose nomination has been accepted complete and deliver to the Credit Union the personal information return required to be submitted to the Superintendent pursuant to the *Financial Institutions Act* in the event such member becomes a Director of the Credit Union;

- (d) place in nomination the names of those members whose nominations have been accepted; and
- (e) place in nomination the names of other qualified members, so that the total number of members whose names have been placed in nomination as candidates for election as Director is at least equal to the number of vacancies to be filled in the election, having regard to any residency requirements established pursuant to Rule 13.3;

~~and may endorse any number of candidates and may communicate its recommendation to the members in such manner as it thinks fit.~~

16.11 Taking in to account the number of returning Directors that are Financially Literate, the Nominations Committee may recommend any number of candidates and may communicate its recommendations and the reasons for its recommendations to the members in any manner as it thinks fit.

16.12 In order to be recommended by the Nominations Committee, a nominee for election or appointment as a director must have any of the following qualifications:

- (a) experience as a Board member or senior executive or management with:
 - (i) a business in the financial services or real estate sector, including a financial institution;
 - (ii) a significant not-for profit organization having province or nation-wide operations;
 - (iii) a business of such complexity that would allow the director to have a good understanding of the business of the Credit Union;
 - (iv) a crown corporation;
 - (v) a public corporation; or
- (b) any experience which in the sole discretion of the Nominations Committee is equivalent to the experience listed in Rule 16.12(a)(i) through (v) above.

The Nominations Committee shall have the sole discretion to determine whether or not a candidate's experience fits within this Rule 16.12.

16.25 ~~16.22~~ Subject to applicable laws, the Board of Directors shall from time to time determine the method and manner in which candidates shall be permitted to campaign for election in the Campaign Regulations and candidates shall may only campaign in accordance with the permitted method and manner as determined by the Board of Directors and must not campaign in the method and manner prohibited by the Board of Directors in the Campaign Regulations.

16.28 ~~16.25~~ Subject to applicable laws, a candidate who campaigns or permits any person to campaign on his or her behalf in any method or manner which in the opinion of two thirds of the Board of Directors is other than as determined by the Board of Directors shall be disqualified as a candidate and no vote cast in favour of that candidate shall be counted in the tally of ballots, but the ballots shall not otherwise be deemed to be void. The candidate will be given the opportunity to address the Board of Directors before such a vote is taken. Within 24 hours of the disqualification of a candidate by the Board of Directors, the Board of Directors shall give written notice of such disqualification to the candidate and the notice shall specify the reason or reasons for the disqualification.

16.30 ~~16.27~~ In accordance with the policies and procedures established by the Nominations Committee If any candidate violates any of these Rules or the Campaign Regulations, the Board of Directors shall determine if a candidate shall be disqualified pursuant to these Rules may disqualify the candidate and the determination of the Board of Directors shall be final and binding, non-appealable and binding. In the event of a violation of these Rules or the Campaign Regulation, the Board of Directors may also remove a candidate as Director pursuant to Rule 13.7.

18.4 ~~18.4~~ Unless the resolution is submitted by the Board of Directors, in order for an ordinary or special resolution to be eligible for consideration by members at an Annual General Meeting it must be submitted to the Board of Directors for review and consideration at least 90 days prior to the Annual General Meeting and the Board of Directors, at its discretion, shall determine whether the ordinary resolution shall be submitted to the members for consideration at the Annual General Meeting.

- 18.10 Subject to the *Credit Union Incorporation Act*, at least 90 days prior to any general meeting of members, the Board of Directors shall determine the method by which voting on special resolutions, other resolutions and in an election of Directors ~~at that general meeting~~ shall take place.
- 18.13 The following business at a general meeting shall be deemed to be special business:
- (f) all business at a special general meeting; and
 - (g) all business that is transacted at an Annual General Meeting other than the business referred to in Rule ~~18.3~~: 18.3 (a) through (m), (o) and (p).

To request a black-line copy of the credit union's current Rules with proposed changes noted, please call 604.517.7000 (Greater Vancouver), 250.483.7000 (Greater Victoria), or 1.888.517.7000 (Toll-free) to have a copy mailed to you. You can also download an electronic copy from our website, www.coastcapitalsavings.com.

Voter Information

Voter eligibility

You are eligible to vote if on December 31, 2006 you met the following three criteria:

- You were a member in good standing (not delinquent in any obligations to Coast Capital Savings)
- You were 19 years or older, and
- You held a minimum of five membership shares

Voting packages containing the AGM, directors election and resolutions notice, and ballots have been mailed to all Coast Capital Savings members eligible to vote. As an eligible member, you may cast only one ballot, regardless of the number of memberships you hold at Coast Capital Savings. If there are multiple members on an account, each member must meet the minimum share requirement to be eligible.

If you have three or more individuals on a membership, or if your ballot has been lost or destroyed, call 604.517.7000 (Greater Vancouver), 250.483.7000 (Greater Victoria), or 1.888.517.7000 (Toll-free) to have a ballot mailed to you. You must request an extra ballot before Friday, March 30, 2007.

Corporations and partnerships may vote in elections. Any person authorized by the corporation or partnership may complete the ballot.

Voting deadline

Your ballot must be returned by mail or deposited at any Coast Capital Savings branch or administration office by close of business on Wednesday, April 11, 2007.

Election results

The results of the election will be announced at the 2007 Annual General Meeting on Wednesday, April 25. Results will be posted on our website and displayed in branches following the meeting.

Voter confidentiality

The ballot is a self-mailer designed to ensure the secrecy of your vote. All ballots are received by the Returning Officer, and then authenticated by a scrutineer who initially opens the membership information section to verify your eligibility to vote. Once your eligibility is verified, the membership information portion is detached from the ballot and stored separately. The section containing your actual vote remains sealed for tabulation at a later time. This separation process ensures your eligibility to vote while maintaining your privacy.

An individual independent of the credit union has been appointed to serve as Returning Officer and will oversee the ballot process and tabulation of votes for the election.

Duplicate mailings

Coast Capital Savings is required by law to provide notice of an Annual General Meeting, directors election, and resolutions to each member of the credit union who is eligible to vote. We do our best to consolidate our mailing lists to eliminate duplicate mailings, to save the environment and to reduce our printing and postage costs. However, if a member holds more than one

membership, or if several members share an address, they may receive more than one copy of this booklet and ballot. We would be happy to help you consolidate your information for your benefit. Please contact us if you wish to do so.

2006 – 2007 Board of Directors

Directors	Director Since	Term Expiry
Bill Wellburn, Chair	1992	2007
Bob Garnett, 1st Vice Chair	1985	2009
Karen Kesteloo, 2nd Vice Chair	1984	2009
Christine Brodie	1993	2008
Daniel Burns	1994	2009
Frank Harper	1995	2007
Ken Martin	2004	2007
Gordon Munn	1990	2007
Mary Jane Stenberg	2005	2008
Doug Stone	1994	2008
Elizabeth Woods	2005	2008

Retiring Director

Ken Martin is retiring from Coast Capital Savings' Board of Directors at this year's AGM. Mr. Martin served on the board in 2002/03, and then since 2004. On behalf of everyone at the

credit union, we sincerely thank Mr. Martin for his dedication and commitment to Coast Capital Savings. We wish him all the best in the future.

2006 Financial Highlights

Consolidated Balance Sheets AS AT DECEMBER 31

All figures tabulated in thousands of dollars.

	2006	2005
Assets:		
Cash resources	686,997	856,886
Investments	442,896	466,582
Loans	7,658,271	6,788,866
Premises and equipment	41,124	44,027
Other	53,534	44,184
	8,882,822	8,200,545
Liabilities:		
Deposits	8,360,121	7,736,197
Other	86,781	70,558
	8,446,902	7,806,755
Subordinated notes	25,000	33,500
Class C shares	39,133	39,159
Members' equity:		
Class B shares	44,954	45,840
Retained earnings	326,833	275,291
	371,787	321,131
	8,882,822	8,200,545

Condensed Consolidated Statements of Income YEAR ENDED DECEMBER 31

	2006	2005
Interest income	447,644	357,329
Interest expense	250,446	175,406
Net interest income	197,198	181,923
Provision for credit losses	6,966	6,532
	190,232	175,391
Other income	70,366	66,349
	260,598	241,740
Non-interest expenses:		
Salaries and employee benefits	108,841	104,088
Administration	41,438	37,837
Technology	18,617	18,334
Occupancy	23,292	20,670
Community contributions	4,454	3,815
	196,642	184,744
Income before the following:	63,956	56,996
Stabilization Central Credit Union dividend	–	18,533
Deposit insurance assessment	–	(19,516)
	63,956	56,013
Income before provision for income taxes	63,956	56,013
Provision for income taxes	10,872	8,877
Net income	53,084	47,136

DIRECTOR



DIRECTOR



These financial statements are condensed. A complete set of Coast Capital Savings' Consolidated Financial Statements with accompanying notes will be available after April 13, 2007 at any Coast Capital Savings branch; by calling our Contact Centre at 604.517.7000 (Greater Vancouver), 250.483.7000 (Greater Victoria), or 1.888.517.7000 (Toll-free); or by visiting our website at www.coastcapitalsavings.com.

2007 Annual General Meeting



Coast Capital Savings cordially invites you to attend its 7th Annual General Meeting on Wednesday, April 25, 2007 at the River Rock Casino Resort in Richmond, located at 8811 River Road.

Live Webcast

Coast Capital Savings is pleased to offer members unable to attend the AGM in person the option of participating via a live webcast, which delivers live sound and video broadcast using the web. If you don't want to miss the important information discussed at the meeting, you can watch the AGM remotely from your home, a community library or local internet café. Simply log on to www.coastcapitalsavings.com and click on the AGM information on the home page.

You can email us your questions and receive a response during the members' open forum by using the online form. Questions will be answered in rotation. A question will be taken from the floor at the AGM, and then from the webcast. Any questions received via the webcast that are not answered during the meeting will be answered by email within approximately 10 business days.

Voting at the AGM

Members who attend the AGM in person at the River Rock Casino Resort in Richmond will be formally registered for the event and are able to vote on matters before the meeting. Members who join us via webcast are unable to be formally registered for the event and will not be able to vote on matters brought forward during the meeting. Webcast participants may ask questions during the members' open forum via email by clicking the "ask a question" link located on the webcast screen.

To better meet the needs of our growing membership, the 2007 AGM will be broadcast from a single venue via a live webcast. This will allow members in every community to participate in the meeting as the internet is widely accessible to members.

The meeting will commence at 5pm, and registration begins at 4:30pm. Light refreshments will be provided. Free parking is available at the River Rock Casino Resort.

The AGM agenda includes reports from the Board Chair, the chief executive officer, and the auditor; an announcement of the Board of Directors Election, ordinary and special resolutions results and other business.

If you have any additional questions please give us a call.

Questions about the AGM

Why isn't Coast Capital Savings hosting the AGM by video conference as in recent years?

Coast Capital Savings has 360,000 members spread across British Columbia. To accommodate the needs of our growing membership, we have experimented with various AGM start times, multiple venue locations, and offered complimentary transportation to encourage greater attendance at the meeting. Despite our efforts, we continue to experience a decline in member attendance at the AGM.

We want to make participation easier for our members. As a result, we have decided to broadcast the AGM from a single venue via a live webcast. This will allow members in any community to participate in the meeting as the internet is widely accessible to members.

In addition, Coast Capital Savings is pleased to introduce a new forum for members to speak directly with Board members at town hall meetings which will be held in various communities. See below for more details.

The Board of Directors will determine the city in which the AGM will be held annually and will communicate the location to members via the AGM and Directors Election notice mailed each spring.

Why isn't Coast Capital Savings offering complimentary transportation?

We have offered complimentary transportation to members and yet, still noticed a significant decline in the number of members using this service. With the introduction of webcasting, members are able to participate in the AGM at home, their local library or internet café. As a result, complimentary transportation will not be offered this year.

Connect with Us

Coast Capital Savings is pleased to introduce a new forum for members to connect directly with Board members and senior management of the credit union. Beginning in April, we will host two small meetings, one in Victoria and one in Clearbrook. You will have the opportunity to speak one-on-one with members of the Board and executive team.

'Connect with Us' meetings will be held in April at the following locations:

Tuesday, April 17, 2007

4:00-6:00pm

Coast Capital Savings
Tyee Administration Office
645 Tyee Road, Victoria

(continued on back page)

Connect with Us (continued)

Thursday, April 19, 2007

3:00-5:00pm

Coast Capital Savings

Clearbrook Branch

2611 Clearbrook Road, Abbotsford

We hope you'll join us at these local events to share comments, feedback, and questions with directors and senior executive.

Attend the 2007 Annual General Meeting

Join us at the 7th Annual General Meeting of Coast Capital Savings at the River Rock Casino Resort in Richmond and by webcast on Wednesday, April 25. Hear our 2006 highlights and participate in the members' open forum. You can find more information on page 25.

PRINTED ON RECYCLED PAPER CONTAINING 10% POST-CONSUMER WASTE
WHICH SAVED THE FOLLOWING:

Trees	Pounds of solid waste	Gallons of water	Kilowatt hours of electricity	Pounds of greenhouse gases	Pounds of HAPs, VOCs, and AOX combined	Cubic yards of landfill space
2	202	222	290	398	2	1



How can we help you?

Greater Vancouver: 604.517.7000
Greater Victoria: 250.483.7000
Toll-free: 1.888.517.7000
www.coastcapitalsavings.com

