

Smiths Falls Community Credit Union Limited



December 18, 2024

Information update about Smiths Falls Community Credit Union joining Kawartha Credit Union – Letter from Jim Allen, CEO of Smiths Falls

The Smiths Falls Community Credit Union's Board of Directors and I have been working on a strategy to support our members' longer-term needs, while continuing to support our purpose of "Providing Individual Financial Solutions" to our members. Over the past year, we have been looking for a credit union with similar values to merge with to ensure our members receive the products, services, and advice they need today and in the future. We are pleased to let you know that we have found a credit union that aligns well with our strategy, our purpose, and values – Kawartha Credit Union.

We have been engaged in discussions with Kawartha Credit Union, a highly respected credit union in Ontario, with the intention of joining Kawartha Credit Union to enhance the products and services we provide to you. This merger would be established through an asset sale to Kawartha Credit Union. Smiths Falls Community Credit Union and Kawartha Credit Union both have long histories, are known for their unwavering commitment to serving their members, and for supporting our communities where you live and work.

About Kawartha Credit Union

Kawartha Credit Union has been serving communities with dedication and expertise for over 70 years. In 1952, Kawartha Credit Union began as a single branch in Peterborough, Ontario. Kawartha Credit Union now operates 22 full-service branches, reaching from Cornwall through Kingston, Quinte, Northumberland, Peterborough, Kawartha Lakes, and into the Muskokas. Kawartha's purpose is *to support the financial success and well-being of members and the communities they serve*, which nicely aligns to our Smiths Falls' purpose. Our alignment to a similar purpose, and Kawartha's geographical footprint in central and eastern Ontario, are just a few reasons why this change is a great fit for our members and the Smiths Falls community.

By joining together with Kawartha Credit Union, our members' products, services, and overall experience will be enhanced in many ways that are simply not possible for us to deliver on our own. You will have access to an expanded suite of banking services, including online and mobile banking, competitive rates, business banking, wealth management services, and dedicated support from the Kawartha Credit Union Contact Centre. We are confident that by bringing our credit unions together, we will create a stronger sustainable future and opportunities for our members and communities.

In order to make this happen, we need our membership to approve the asset purchase agreement with Kawartha Credit Union. We need you to vote "YES" in favour of the asset purchase agreement in accordance with the instructions provided in the attached documents.

Information for Members

In this package, you will find the following:

- Letter from Jim Allen (this document), CEO of Smiths Falls Community Credit Union
- Voting Form
- Proxy Form
- Member Meeting Registration Form
- Frequently Asked Questions (FAQ)
- Kawartha Credit Union Fact Sheet
- Important legal documents including:
 - Notice of Special General Meeting dated December 30th, 2024 of Smiths Falls Community Credit Union Limited
 - Members' Special Resolutions to be voted on/passed
 - Summary of the Asset Purchase Agreement

The above materials, along with a full copy of the Asset Purchase Agreement, can be found at the following website: [www.kawarthacu.com/smiths-falls-member-meeting-materials].

Smiths Falls Community Credit Union's Board of Directors recommends approval of the resolutions by members of the credit union. We encourage members to review these materials and vote to support Smiths Falls Community Credit Union merging with Kawartha Credit Union through an asset purchase agreement.

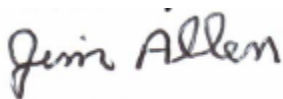
If approved, you will continue to receive the personalized service you know and trust, from the great staff at our location at 1 Beckwith St N, Smiths Falls.

Timeline

If the members approve the merger by voting in favour of the asset purchase by Kawartha Credit Union, we expect to close on the transaction by December 31, 2024 and Smiths Falls will be dissolved as an entity after completion of the sale. In 2025, Smiths Falls branch will move under the Kawartha Credit Union brand. We are committed to ensuring a smooth process, transitioning you to Kawartha products with similar (or better) features to your current accounts and services with Smiths Falls. The Kawartha team will work together to provide you with full support throughout this transition.

We are confident that these changes will enhance your experience and further the legacy Smiths Falls Community Credit Union mission of providing individual financial solutions to our members. Thank you for your continued trust in us, and if you have any questions, please visit feel free to contact me directly at sfccu@bellnet.ca or speak to one of our employees at the Smiths Falls branch.

Sincerely,



Jim Allen
CEO, Smiths Falls Community Credit Union
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