

NOTICE OF SPECIAL GENERAL MEETING OF MEMBERS
SMITHS FALLS COMMUNITY CREDIT UNION LIMITED
DECEMBER 30, 2024

NOTICE IS HEREBY GIVEN that a Special General Meeting of the members of Smiths Falls Community Credit Union Limited (the “**Credit Union**”) will be held in-person at the Smiths Falls branch (located at 1 Beckwith St N, Smiths Falls, ON) at 4:00 p.m. ET on December 30, 2024. The meeting will also be accessible online by electronic means as a remote meeting at 4:00 p.m. ET.

The purpose of this meeting is:

1. To adopt a by-law to amend the by-laws of the Credit Union, which will allow for the redemption of membership shares by the Credit Union in the context of a sale of all the assets of the Credit Union to another credit union in exchange for membership shares of that other credit union (see summary of the by-law amendment below);
2. To consider and, if thought advisable, to pass, pursuant to section 174 of the *Credit Unions and Caisses Populaires Act, 2020*, a special resolution of the members of the Credit Union to approve an asset purchase agreement under which the Credit Union will sell all of its assets to Kawartha Credit Union Limited (“**Kawartha**”); and
3. To authorize the Credit Union to apply to the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario for an order dissolving the Credit Union after completion of the sale, on the grounds that it will have neither assets nor liabilities after the sale.

Voting will occur as outlined below:

- In-branch voting will be conducted using a paper ballot at the Smiths Falls branch during regular business hours from December 19 to December 30, 2024 and ending at the close of the Special General Meeting on December 30, 2024. Votes cast on this basis shall be deemed to have been cast at the Special General Meeting on December 30, 2024, regardless of the date the vote was deposited at the branch.
- Electronic voting will be also conducted during the Special General Meeting on December 30, 2024.
- Votes will be tabulated and results will be posted in the branch on December 31, 2024.

Materials for the Special General Meeting will be available in-branch or through the following link <http://www.kawarthacu.com/smiths-falls-member-meeting-materials>.

Registration to Attend the Meeting

Members can register to attend the meeting at the branch or by completing the Special General Meeting registration available through the following link <http://www.kawarthacu.com/smiths-falls-member-meeting-materials>. Members will be required to provide their name, email address and account number to register for the meeting.

Members are encouraged to attend the Special General Meeting at the Smiths Falls branch, or join the remote meeting online, on December 30, 2024 to cast their votes. Instructions for attending the remote meeting will be made available to members who register for the meeting and indicate that they wish to attend online.

A member of the Credit Union who is not an individual, such as a corporation, a partnership or an unincorporated association, may only cast its vote as a member through a written proxy, which is signed by the president or other head officer or by the vice-president or secretary or treasurer of such entity. A proxy form is available in-branch or online at the following link: <http://www.kawarthacu.com/smiths-falls-member-meeting-materials>.

For more information, please visit the Smiths Falls branch or reach out directly to the CEO, Jim Allen at sfccu@bellnet.ca. or by phone at 1-613-283-3835.

DATED the 18th day of December 2024.

BY ORDER OF THE BOARD



Debbie Gorman
Corporate Secretary

SUMMARY OF BY-LAW TO AMEND THE BY-LAWS OF SMITHS FALLS COMMUNITY CREDIT UNION LIMITED

One of the proposed special resolutions is to adopt a by-law to amend the by-laws of the Credit Union. The proposed by-law amendment has been adopted by the Board of Directors of the Credit Union, and now the Board of Directors is asking the members of the Credit Union to adopt and approve the amendment.

The by-law amendment will allow for the membership shares in the Credit Union to be exchanged for membership shares in Kawartha. More specifically, the by-law amendment will allow for the following to occur:

1. The Credit Union will be permitted, on direction from the Board of Directors of the Credit Union, to redeem the membership shares of members of the Credit Union;
2. The redemption price for such redemption may be satisfied by the issue of membership shares in a credit union that purchases all of the assets of Smiths Falls (i.e., Kawartha) by the issue of membership shares in that other credit union or by a combination of the issue of membership shares in that credit union and cash; and
3. The CEO of the other credit union will be authorized to sign all documents and forms necessary to attend to the redemption and issue of membership shares.

Members of the Credit Union hold seven \$10 membership shares today for a total membership share value of \$70. Kawartha's membership shares are five \$5 shares for a total membership share of \$25. As part of the transition, Smiths Falls membership shares will be redeemed and members will receive \$25 in Kawartha membership shares and the difference in value of \$45 will be deposited into their bank account. The proposed by-law amendments will allow for this share exchange to occur.

If the members approve the asset sale, the redemption of Smith Falls membership shares, the issue of Kawartha membership shares, and deposit of the \$45 excess amount will occur on December 31, 2024.