



A Member's Guide

to the proposed merger of
Columbia Valley Credit Union and
Kootenay Savings Credit Union





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To the members of Columbia Valley Credit Union:

You have the opportunity to vote on the proposed merger between Columbia Valley Credit Union and Kootenay Savings Credit Union.

This is your guide to help you understand the proposed merger. You can also learn more and get the details on our open houses, Special General Meeting, and the upcoming vote at www.bridgingopportunity.com.

Thank you for taking the time to cast your vote to create a stronger credit union for us all.



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Table of Contents



Letter to the Members from the CVCU Board Chair and CEO..... 4

How to provide your feedback 5

Notice of Special Resolution 6

Why merge?..... 7

Benefits of the proposed merger..... 8

Structure of the proposed merger: Asset Transfer 9

Potential risks of the proposed merger 13

History and background of merger discussions 15

How the Merged Credit Union will operate..... 17

Membership vote information and voting outcomes..... 19

Merger and integration costs of the proposed merger 21

Financial summary..... 22

Cautionary note regarding forward-looking statements..... 23

Questions and additional information 24

Letter to the Members from the CVCU Board Chair and CEO

Dear Members of Columbia Valley Credit Union,

For 70 years, you have given us your trust and your business which has created the successful credit union we are today. To our members and employees, we thank you for your commitment to banking locally in Golden and the Columbia Valley.

We are at a point in time where there is the potential to build a stronger, more competitive, and more sustainable financial cooperative and credit union.

Columbia Valley Credit Union ("CVCU") and Kootenay Savings Credit Union ("KSCU") have much in common. We share the same values, the same commitment to service,

and the same vision for the future.

Together, we see a future where our members access the financial products, services, and technology they

need to realize their goals and dreams, a future where our employees seize new opportunities and can be their best, and a future where communities across the Kootenays continue to flourish and thrive.

The financial services industry in Canada and around the world is evolving. There is more competition. Technology is rapidly changing. The economy continues to be challenging, and regulation continues to increase. Our members want and expect more from their financial services providers, and our employees want and expect more from their employer and for their careers. These forces come together to create an environment for Canadian credit unions that demands a response, that demands change.

The members of Columbia Valley Credit Union are being asked to vote to approve a merger with Kootenay Savings Credit Union.

Our credit unions are taking our shared understanding of our present challenges and our shared vision for the future and use it to progress and grow. The Board of CVCU is recommending a merger between our two credit unions to become one under the KSCU banner.

In the face of change, challenge and opportunity, collaboration is our response. By leveraging our strengths and our values, and by working together, we believe we can create something great for the Kootenays. United, we will be an organization with a steadfast commitment to our members, employees, and community.

The CVCU leadership team and your Board of Directors have done our due diligence to ensure all of the alternatives were evaluated, and that the expected benefits of the proposed merger far outweigh the risks. This guide includes details on the expected impacts, benefits, and risks associated with the proposed merger.

We invite you to read through this guide, attend our open houses and Special General Meeting, and talk with us to learn more. We invite your feedback and questions through the various communication channels listed on the next page and at the end of this guide. We look forward to talking with you.

Most importantly, **we encourage you to vote**. The final decision to combine our organization with KSCU rests with the members of CVCU, through a member vote. Each eligible member of CVCU will have one vote. As a member and an owner of CVCU, your voice and your vote matter. Together, we can bridge opportunity to create a stronger credit union that continues to be invested in the communities served by CVCU.



Glen Ewan, Board Chair



Rob Parker, CEO

The members of Columbia Valley Credit Union are being asked to vote to approve a proposed merger with Kootenay Savings Credit Union.



How to provide your feedback

As a member and owner, your input and feedback matter. If you have questions, comments, or ideas about the proposed merger, you can reach us and share your thoughts in many ways.

Send us your questions and comments online at www.bridgingopportunity.com.

Email us: CVCU: bridging.opportunity@cvcu.bc.ca
KSCU: bridging.opportunity@kscu.ca

Call us: CVCU: **250-344-2282; 1-888-298-1777**
KSCU: **1-250-432-4211**

Talk with us in person:

CVCU branch: 511 Main Street, Golden
Monday to Friday: 9:30am to 4:00pm

This guide has been written in a reader-friendly style so it is easy to understand. However, there are some sections that have legal and accounting terms that we are required to include for accuracy and regulatory reasons.

Here are some references to help you understand parts of this guide:

- Columbia Valley Credit Union may also be referred to as "**CVCU**".
- Kootenay Savings Credit Union may also be referred to as "**KSCU**".
- The proposed merger will be structured as an asset transfer pursuant to an Asset Transfer Agreement ("**Asset Transfer Agreement**") under section 16 of the *Credit Union Incorporation Act* (BC), whereby KSCU will acquire all the assets and assume all the liabilities of CVCU (the "**proposed merger**").
- Upon completion of the proposed merger, CVCU members will become members of KSCU. Throughout this guide, the term "**Merged Credit Union**" refers to KSCU after the effective date of the proposed merger, when it will be carrying on the business of both CVCU and KSCU.

Notice of Special Resolution

Notice of Special Resolution

In accordance with section 16 of the *Credit Union Incorporation Act* (BC) and the voting processes set out in CVCU's Rules, members of CVCU are being asked to approve a special resolution approving the Asset Transfer Agreement, which outlines the terms and conditions of the proposed merger.

This guide provides the key information you need to make an informed decision about the proposed merger. It also includes details about how and when to vote. Please refer to pages 19-20 for full information on voting eligibility, the voting process and key voting dates. A summary of the key provisions of the Asset Transfer Agreement can be found in this guide on pages 9-12.

Special Resolution of Members of Columbia Valley Credit Union

"BE IT RESOLVED, as a special resolution, that the Asset Transfer Agreement between Columbia Valley Credit Union, as the transferring credit union, and Kootenay Savings Credit Union, as the acquiring credit union, under section 16 of the *Credit Union Incorporation Act* (BC) be and is hereby approved, and accordingly:

- (a) Columbia Valley Credit Union is hereby authorized and directed to execute the Asset Transfer Agreement; and

- (b) the directors of Columbia Valley Credit Union are hereby authorized and directed to take the steps necessary to complete the transfer of all the rights, property and assets of Columbia Valley Credit Union to Kootenay Savings Credit Union in accordance with the terms and subject to the conditions contained in the Asset Transfer Agreement."

Notice of Special General Meeting

Columbia Valley Credit Union members are invited to attend the Special General Meeting of Columbia Valley Credit Union starting at **6:30pm MST on Thursday, November 20, 2025** at the Golden Seniors Centre, located at 1401 9th Street South in Golden, BC. At the Special General Meeting, the Columbia Valley Credit Union Board and management team will answer questions and provide more information about the proposed merger. Eligible members will also be invited to vote on the special resolution at the Special General Meeting.

Please visit www.bridgingopportunity.com for more information about attending and voting at the Special General Meeting.



Why merge?

Banking as we have always known it is changing. The environment for Canadian financial institutions is influenced by multiple factors, including:

- increased competition from small financial services start-ups to large multi-national companies;
- the evolving needs and expectations of our members;
- advances in technology;
- economic challenges; and
- government regulation and oversight.

These forces converge to create a landscape for Canadian credit unions that requires a response and demands change.

The proposed merger of CVCU and KSCU is driven by the need to tackle these challenges and enhance what we offer employees, members, and our communities. We believe we can achieve more together than we can individually.

Our credit unions have collaborated for many years, including working together on various important projects and initiatives, but the scope and scale of these efforts had limits. We believe there could be additional opportunities if our operations and resources are aligned.

The Boards of CVCU and KSCU have determined that the proposed merger represents a timely and practical response to evolving market conditions. Uniting the two organizations will provide greater scale and shared resources. It will support ongoing investment in

technology, enhanced service delivery, and strengthening the long-term value for members, employees, and the communities we serve.

We want to maintain what we have always been known for – highly personalized, high-touch service. By merging and reducing duplication, we can focus our financial and human resources and remain true to who we are - credit unions that deliver responsive, high-quality financial solutions that evolve with our members' needs and strengthen our communities.

We want to remain true to who we are — credit unions that deliver responsive, high-quality financial solutions that evolve with our members' needs and strengthen our communities.

The proposed merger between CVCU and KSCU presents a transformative opportunity to create a robust and resilient credit union deeply rooted in community. Together, we would serve close to 40,000 members and manage approximately \$2 billion in assets. But at the heart of this transaction is a shared commitment to continuing to serve our members and communities with care, integrity, and purpose.

Benefits of the proposed merger

The proposed merger presents a meaningful opportunity to build a stronger, more sustainable, and more resilient credit union that delivers greater benefits for members, employees, and the communities served by CVCU.

BY THE NUMBERS: CVCU AND KSCU

2024	Columbia Valley Credit Union	Kootenay Savings Credit Union
Years in Operation	70	56
Total Assets	\$ 222MM	\$ 1.7B
Total Members	4,750	35,000
Branches	1	11
Total Employees	21	226
Community investment	\$ 68,252	\$ 222,679

Members

CVCU members will benefit from a wider range of products and services, with more convenient access through an expanded network of branches, enhanced digital services, and a member service centre.

With increased capacity and resources, the Merged Credit Union will be equipped to deliver a personalized and responsive member experience.

Key member benefits:

- A more diverse range of products and services, including wealth management and insurance services
- Personalized service across a wider network of branches, ATMs, and a member service centre
- Increased lending limits to support members’ personal and commercial financial growth and needs
- Personalized financial advice from a wide range of financial professionals
- Continued local decision-making, due to the continued operations of the CVCU branch and the appointment of former CVCU directors to the Board of the Merged Credit Union

Employees

CVCU employees will have access to a broader range of opportunities and resources for personal and professional growth. The Merged Credit Union will be a platform for long-term, purpose-driven careers.

Key employee benefits:

- Career growth and advancement opportunities across a larger organization
- Flexibility in work arrangements, including geographic mobility and remote work options
- Enhanced digital tools and systems to support employee effectiveness
- Enhanced training, learning, and leadership development programs
- A values-driven culture that continues to focus on collaboration, innovation, and employee well-being

Community

CVCU has a longstanding commitment to our community by delivering a positive social impact. The Merged Credit Union will continue this legacy by supporting local initiatives through a range of programs focused on meaningful community engagement.

Key community benefits include:

- Continued financial investment and impact in the community through donations, grants, sponsorships, bursaries, and partnerships
- Ongoing support for initiatives that encourage financial health and wellness
- Continued support for employees volunteering their time and expertise in the community
- A credit union that continues to be locally owned and operated in the Kootenays

Structure of the proposed merger: Asset Transfer



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The Boards of Directors for CVCU and KSCU jointly agreed that an asset transfer was the most practical and efficient way to merge the two credit unions.

An asset transfer means that KSCU will acquire all of the assets of CVCU and will assume all of the liabilities of CVCU. Upon completion of the proposed merger, CVCU will be dissolved as a legal entity and its members will continue to be served by KSCU, through the current branch in Golden, plus KSCU's eleven other branches, member service centre, and subsidiaries.

CVCU members will become members of KSCU. The legal name of the Merged Credit Union will be Kootenay Savings Credit Union.

Summary of Key Provisions of the Asset Transfer Agreement

Following is a summary of the key provisions of the Asset Transfer Agreement, which represent highlights of the full Agreement. A full copy of the Asset Transfer Agreement can be found at www.bridgingopportunity.com or at the CVCU branch in Golden.

KEY PROVISION	SECTION	SUMMARY
Parties	N/A	Kootenay Savings Credit Union ("KSCU") and Columbia Valley Credit Union ("CVCU").
Effective Date of Merger	1.1(n)	January 1, 2026 (or another date as may be specified by the Superintendent of Financial Institutions).
Asset Transfer	2.1	All rights, property and assets of CVCU will be transferred to KSCU.
Liabilities	2.2	All obligations and liabilities of CVCU will be assumed by KSCU.
Your Deposits	2.3	KSCU will assume all deposit obligations of CVCU on a dollar-for-dollar basis as such deposits exist between each depositor and CVCU when the merger takes effect.
Share Exchange	3.1	Shares of CVCU will be exchanged for shares of KSCU as set out in Schedule "B", as discussed further below.
Representations and Warranties	4.1 and 6.1	Each of CVCU and KSCU will make a number of representations and warranties to the other party as are customary in a transaction of this type.
Common Bond	7.16	The common bond of membership of the Merged Credit Union will be the common bond of membership of KSCU, which is the Province of British Columbia.
Covenants/Agreements	7.1 - 7.18	KSCU will make a number of promises in the Asset Transfer Agreement about how it will honour the terms and conditions of the merger that have been agreed upon with CVCU.
Employees	5.8 and 7.4	Employment matters will be dealt with as set out in Schedule "C", as discussed further below.
Services	7.5 and Schedule "D"	The Merged Credit Union will offer a full range of banking services for individuals, businesses and not-for-profit organizations, as more particularly described in Schedule "D".
Vendor's Branch	7.6	Subject to factors outside of KSCU's control, KSCU intends to continue the existing branch of CVCU. It is not presently intended that there will be any reduction of hours or change of physical location for the existing branch.
Head Office	7.7	The head office of the Merged Credit Union will be located at the current head office of KSCU in Trail, BC.
Directors	7.10	KSCU will appoint three nominees of CVCU, who are directors of CVCU immediately prior to the Effective Date, to the board of directors of KSCU (the "CVCU Nominees"). One of the CVCU Nominees will be appointed to a term ending at the 2027 AGM of the Merged Credit Union, one will be appointed to a term ending at the 2028 AGM, and one will be appointed to a term ending at the 2029 AGM. Including the CVCU Nominees, the number of directors of the Merged Credit Union as of the Effective Date will be 13. Upon the expiration or earlier termination of the term of the CVCU Nominees for any reason, no person will be elected or appointed to fill the vacancy and the number of directors of the Merged Credit Union will be reduced accordingly.
Kootenay Savings Community Foundation	7.11	The directors of KSCU will appoint at least one of the CVCU Nominees to the board of directors of Kootenay Savings Community Foundation.
President and Chief Executive Officer	7.12	The current President and Chief Executive Officer of KSCU will continue as the President and Chief Executive Officer of the Merged Credit Union.
Chief Executive Officer of CVCU	7.13	KSCU will offer the Chief Executive Officer of CVCU a position with the Merged Credit Union on such terms and conditions as may be mutually agreed by KSCU and the Chief Executive Officer of CVCU.

KEY PROVISION	SECTION	SUMMARY
Corporate Name	7.15	The corporate name of the Merged Credit Union will be Kootenay Savings Credit Union.
Community Investment	7.17	It is intended that the Merged Credit Union will continue to make community contributions in the form of patronage refunds, dividends, donations, sponsorships, bursaries and other community investments to the local community served by CVCU after the Effective Date. These community contributions will be reflected in a number of ways, such as the following: • using local vendors and suppliers in Golden and the surrounding area, where feasible; • providing youth member account privileges, subject to certain conditions; • giving an interest rebate to former members of CVCU for the remainder of the terms of their outstanding loans existing as of the day before the Effective Date or, alternatively, providing a reduced rate of interest to such members which will provide an equivalent discount or benefit to the members; and • giving an interest rebate to former members of CVCU for the remainder of the terms of their outstanding loans existing as of the day before the Effective Date or, alternatively, providing a reduced rate of interest to such members which will provide an equivalent discount or benefit to the members; and • continuing the tradition of CVCU by providing funding for large community-oriented capital projects subject to the overall strategic approach of Kootenay Savings Community Foundation on a KSCU enterprise-wide basis.
Subject Conditions	8.1 and 8.4	A number of conditions must be met prior to the completion of the merger. These include, among others, the filing of the Asset Transfer Agreement with the Superintendent.
Dissolution	8.7(c)	After completion of the merger, CVCU will be dissolved and all operations of CVCU will be continued by the Merged Credit Union.
Membership	8.7(c)(iv)	Each member of CVCU will become a member of the Merged Credit Union.
Membership Shares	Schedule "B", paragraph 1	Each Class "A" Membership Equity Share of CVCU (i.e., membership shares) will be exchanged for one Class "A" Share of the Merged Credit Union, up to a maximum of 1,000 shares.
Excess Membership Shares	Schedule "B" paragraph 2	If a member of CVCU holds more than 1,000 membership shares of CVCU or a member of CVCU who is also a member of KSCU will hold more than 1,000 membership shares of the Merged Credit Union upon the merger occurring, the excess shares will not be exchanged, but the member will receive \$1.00 for each share over 1,000.
Jointly Held Equity Shares	Schedule "B" paragraph 3	For any membership shares of CVCU that are jointly held by two or more shareholders, the shares will be exchanged for an equivalent number of Class "A" Shares of the Merged Credit Union that are jointly held, up to the maximum 1,000 membership shares.
Non-Equity Shares	Schedule "B" paragraph 4	Class "D" Non-Equity Shares of CVCU will not be exchanged for shares of the Merged Credit Union. Instead, an amount of \$1.00 will be made available for each of the Class "D" Non-Equity Shares by depositing such amount in a Summit Savings high interest savings account opened with the Merged Credit Union in the name of the Shareholder of the Class "D" Non-Equity Shares.
Fractional Shares	Schedule "B" paragraph 5	Where the exchange of any shares of CVCU would result in the issuance of fractional shares of the Merged Credit Union, the Merged Credit Union will round down the shares exchanged in a manner that results in an exchange of non-fractional (i.e., whole) shares. The amount of the fractional shares that cannot be exchanged (the "Excess Fractional Amount") will be deposited in the shareholder's demand deposit account with the Merged Credit Union.

KEY PROVISION	SECTION	SUMMARY
Fractional Shares, cont'd	Schedule "B" paragraph 5	If the shareholder does not have a demand deposit account with the Merged Credit Union, the Excess Fractional Amount will be donated to a registered charity selected by the Merged Credit Union, unless the shareholder has contacted the Merged Credit Union by phone at 1-800-665-5728 or online at https://www.kscu.com/about-us/contact-us within 30 days of the Effective Date to request that the Merged Credit Union pay the Excess Fractional Amount to the shareholder. If the shareholder makes such a request, the shareholder will be able to pick up the Excess Fractional Amount from any branch of the Merged Credit Union (including the former branch of CVCU) for a period of 90 days after the Effective Date. If the Excess Fractional Amount is not picked up by the shareholder within the 90-day period, the Excess Fractional Amount will be donated to a registered charity selected by the Merged Credit Union.
Employment Matters	Schedule "C"	It is intended that all management and non-management employees of CVCU will get a job with the Merged Credit Union. The Merged Credit Union will make reasonable efforts to ensure that there is minimal loss of employment as a direct result of the merger. Length of service entitlements of employees of CVCU will be recognized by the Merged Credit Union. Further, no employees of CVCU will be required to relocate or be disadvantaged as a result of the merger. It is intended that all employees of CVCU who continue employment with the Merged Credit Union will have opportunities for promotion, training, personal development equivalent to those offered to other employees of the Merged Credit Union. The Merged Credit Union will offer unionized employees of CVCU the salary, vacation, retirement programs, benefits and job grades as prescribed under the Collective Agreement or its successor, renewal or replacement agreement. The Merged Credit Union will provide non-unionized employees of CVCU the salary, vacation, retirement and benefit programs normally available to the Merged Credit Union's employees in similar positions. If a non-unionized employee has a higher level of entitlement to vacation, retirement or benefit programs, the Merged Credit Union will continue to recognize the higher level of entitlement to the extent contractually permitted by third party insurers or program providers. If a non-unionized employee of CVCU is earning less than a comparable KSCU position at a similar skill level, expertise, qualifications and performance standard, the employee's salary or hourly wage will be harmonized with the KSCU rate and the employee's salary or wage will be increased to align with the KSCU rate. If a non-unionized employee of CVCU is earning more than a comparable KSCU position at a similar skill level, expertise, qualifications and performance standard, the employee's salary or wage will be maintained at the CVCU rate until such time as the salary or wage paid by the Merged Credit Union for that position exceeds the CVCU rate.

Potential risks of the proposed merger



The Boards of Directors for CVCU and KSCU have identified what we believe are the major potential risks with the proposed merger.

While there is always risk associated with any merger transaction, the Boards of Directors agree that the

potential benefits of the proposed merger substantially outweigh the potential risks.

The following table highlights the key areas of risk and how we will mitigate these risks if CVCU members approve the proposed merger.

POTENTIAL RISK	DESCRIPTION OF RISK	OUR PLANS TO MITIGATE AND MANAGE THIS RISK
Execution Risk: The Proposed Merger Process and Business Continuity	The proposed merger represents a significant transformation requiring careful coordination across two credit unions. Many critical items must be addressed to ensure seamless integration.	The credit unions have a comprehensive implementation plan and a dedicated senior leadership team to oversee the integration process. The credit unions are also supported by professional, external consulting resources which will be used as needed and as appropriate.
Unexpected Costs of Integration	Some of the major costs of the proposed merger include systems integration, harmonization of human resources, and others. There is some degree of uncertainty in estimating these costs due to unforeseen factors.	Integration costs and returns have been estimated using a conservative approach. The credit unions will closely monitor these variables throughout the integration process.

POTENTIAL RISK	DESCRIPTION OF RISK	OUR PLANS TO MITIGATE AND MANAGE THIS RISK
Integration of Cultures and Change Management	Diverging cultures could impact post-merger cohesion and alignment. Failing to prioritize change management at the employee, management, and board levels could lead to employee disengagement, member attrition, or unmet integration objectives.	A dedicated team will be responsible for guiding the change process, with a focus on responsive and proactive communication, training, and employee empowerment. Cultural alignment will be actively monitored. Comprehensive support will be provided to employees to maintain service levels and morale, and there will be frequent and planned employee communications.
Financial Risk	Projections in the financial model for the proposed merger may not materialize.	Financial assumptions are evidence-based and have been jointly developed using conservative models. We will regularly test and review performance to allow for timely corrections to maintain stability.
Due Diligence Risk	Issues or liabilities may not have been identified or disclosed.	With the support of external professionals, both CVCU and KSCU have conducted a comprehensive examination and evaluation of the other credit union's operations and liabilities.
Reputational Risk	Member dissatisfaction or attrition due to the uncertainty about becoming a part of KSCU, financial performance, or integration outcomes.	Transparent, member-centric communication will be prioritized, focusing on the areas members care about most: accessibility, financial strength, and community impact.
Member Satisfaction	Risk of member concerns or dissatisfaction not being addressed adequately during the integration process.	Member feedback will be sought through various channels and opportunities, including a Special General Meeting, open houses, a merger website, and more. Feedback will be addressed promptly and consistently, and messaging will be adjusted as needed.
Uncertainty about Timelines	If the merger process takes longer than expected, or is considered by some to be too rushed, it could lead to dissatisfaction among employees, members, and the community.	Clear and consistent communications will be maintained throughout the merger process. Engagement activities will reinforce trust and ensure employees and members feel informed and supported. A timeline for the merger process will be available on the website and in member communications and will be updated as needed.
Employee Retention	Risk of losing key employees due to uncertainty or dissatisfaction during the merger and integration process.	Key contributors will be identified early, with targeted strategies to encourage retention. Transparent communication around future roles, culture, and career opportunities will help build confidence and reduce this risk.
Technology and IT Integration Risk	Challenges related to integrating and operating multiple systems during the merger process.	A technology integration plan will be implemented, prioritizing the alignment of key systems, data governance, and resource coordination. The first 12 months post-merger will focus on consolidating core platforms, with KSCU's infrastructure serving as the foundation.
Member Approval	Risk of failing to secure CVCU member approval for the proposed merger, which could impact the credibility of both CVCU and KSCU.	A detailed and targeted communication plan will be implemented to inform and educate CVCU members. Tactics will include a Special General Meeting, open houses, personalized outreach, and clear messaging to build understanding and secure broad-based support.

History and background of merger discussions



CVCU has explored other potential merger opportunities in the past, most of which remained at the preliminary discussion stage.

Our past experiences reinforce the importance of a deliberate and well-structured merger evaluation process that prioritizes member interests, strategic fit, and financial soundness before proceeding.

On May 28, 2025, CVCU and KSCU took a significant step by signing a Memorandum of Understanding (MOU) to formally explore a potential merger. This agreement launched a thorough, strategic review that assessed the long-term benefits of combining operations, strengthening our respective capabilities, and encouraging continued success in a rapidly changing financial services landscape.

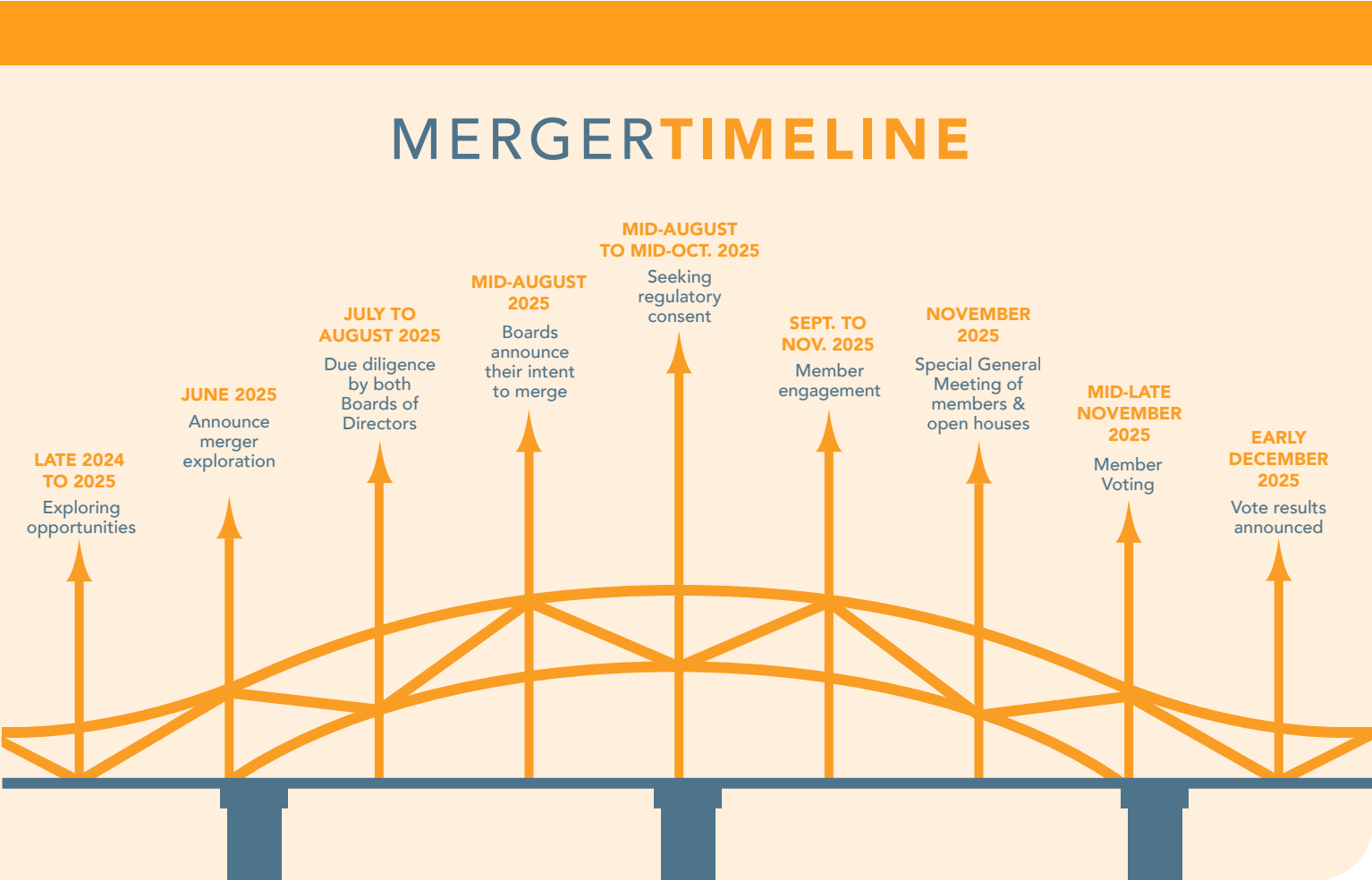
Formal merger discussions began immediately following the signing of the MOU, led by the Chief Executive Officers and Boards of CVCU and KSCU. To guide these discussions, a Joint Merger Committee (JMC) was established which provided governance and guidance to the proposed merger process. The JMC consists of three directors and the CEO from each credit union.

CVCU and KSCU also enlisted professional advisors to ensure an informed merger process:

- Edwards, Kenny & Bray LLP (EKB) provided legal due diligence and merger-related legal advice.
- MNP LLP acted as the Joint Merger Advisor, assisted in the development of the business case

- and conducted tax, financial, and operational due diligence.
- Treasury & Balance Sheet Management Inc. supported development of the financial model for the Merged Credit Union.
 - McMillan LLP facilitated the Competition Bureau application process.

After completing their review and holding independent deliberations, the Boards of CVCU and KSCU each met on August 15, 2025, and unanimously approved the decision to proceed with the proposed merger. This marked a significant milestone in the process, demonstrating a shared commitment to the long-term benefits of the proposed merger.



How the Merged Credit Union will operate

The proposed merger is structured as an asset transfer under Section 16 of the *Credit Union Incorporation Act*. This means that Kootenay Savings Credit Union will acquire all assets and assume all liabilities of Columbia Valley Credit Union.

After legal close of the proposed merger on January 1, 2026, CVCU's services, member interactions, and communications will transition to the Kootenay Savings Credit Union name, reflecting a unified identity across the Merged Credit Union. The head office of the Merged Credit Union will be the current head office of KSCU located in Trail, British Columbia.

The current members of CVCU will become members of the Merged Credit Union, known as Kootenay Savings Credit Union. CVCU members will benefit from access to a larger, more sophisticated operating platform, while KSCU members will benefit from the Merged Credit Union by extending its footprint into new communities and broadening the membership it serves.

All eligible deposits will continue to be guaranteed by the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC).

The Merged Credit Union will operate with greater scale, capacity, and resilience anchored in cooperative values and committed to delivering meaningful community impact.

Products and services

CVCU and KSCU currently offer a similar suite of products and services. Most members will see minimal change in the short term. As merger integration progresses, opportunities to strengthen member service through contact centre support, improved administrative processes, and specialized offerings will emerge.

Following the proposed merger, the CVCU branch will become Kootenay Savings Credit Union's 12th location, further strengthening KSCU's regional footprint across the East and West Kootenays. This expansion will enhance

access and convenience for both KSCU and CVCU members, offering a broader network of services.

With greater financial resources, the Merged Credit Union will be able to invest in more personalized online tools and platforms, and expand its support for entrepreneurs and increase lending to local industries, sectors, and businesses in Golden and the Columbia Valley.

Through KSCU's wholly owned subsidiaries, over time CVCU members will have access to a greater suite of products and services. Kootenay Savings MoneyWorks Ltd. will offer CVCU members expanded services and wealth management support. Kootenay Insurance Services Ltd. will provide CVCU members with a comprehensive range of personal and commercial insurance products, including auto, home, renters, and commercial insurance.

NEW OPPORTUNITIES AVAILABLE TO CVCU MEMBERS OVER TIME IF THE PROPOSED MERGER IS APPROVED BY MEMBERS

- expanded wealth management, investment, and insurance options
- higher lending limits
- specialized financial advice
- a larger network of branches and ATMs
- longer service hours through KSCU's member service centre, including 24/7 interactive voice recognition

Merged Credit Union leadership and governance structure

KSCU's existing governance practices, processes, and policies will guide the Merged Credit Union. As part of the integration process, governance practices from CVCU will be reviewed to identify opportunities that could be incorporated into the KSCU framework to further strengthen the governance of the Merged Credit Union.

Board of Directors

The Board of Directors of the Merged Credit Union will initially be composed of 13 Directors, including the 10 current Directors of KSCU and three Directors who were Directors of CVCU immediately prior to the proposed merger. To support a smooth transition and align with long-term governance planning, the Merged Credit Union intends to naturally reduce the Board size to 10 Directors by the close of the 2029 Annual General Meeting.

The individuals comprising the Board of Directors of the Merged Credit Union as of January 1, 2026 will be as follows:

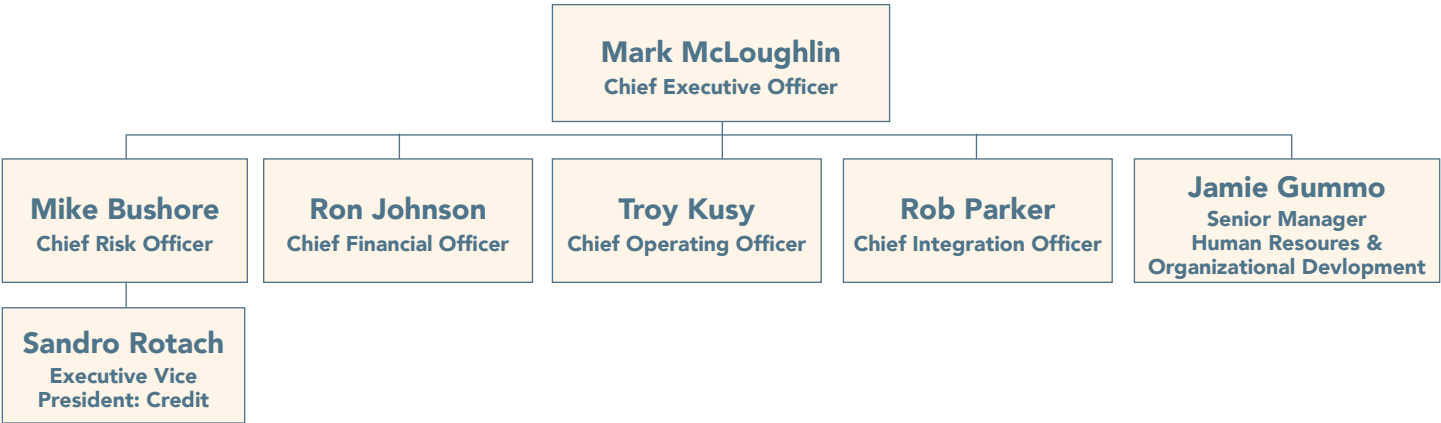
LEGACY COLUMBIA VALLEY CREDIT UNION		LEGACY KOOTENAY SAVINGS CREDIT UNION	
Director Name	Term Expiry*	Director Name	Term Expiry*
Nola Milum	2027	Forrest Drinnan	2026
Scott Weir	2028	Jake Swanson	2026
Lyle Johnson	2029	John Stephens	2026
		Am Naqvi	2027
		Clara Reinhardt	2027
		Keith Smyth	2027
		Fiona Nay	2028
		Wendy Booth (Vice Chair)	2028
		Elizabeth Farthing	2028
		Mike Konkin (Chair)	2028

*The applicable term will expire at the close of the Merged Credit Union's annual general meeting held in the year listed.

Executive Management of the Merged Credit Union

The Chief Executive Officer of the Merged Credit Union will be Mark McLoughlin, the current CEO of KSCU. The executive management structure of KSCU will continue as it exists today, with the Chief Executive Officer of CVCU joining the executive team of the Merged Credit Union in the role of Chief Integration Officer.

The initial Executive Structure of the Merged Credit Union will be:



Membership vote information and voting outcomes



When to Vote

Voting is open from Friday, November 14, 2025 through to Friday, November 28, 2025.

General Voting Rules

- Electronic ballots may be cast starting on Friday, November 14, 2025. All electronic ballots must be received by 11:59 PM MST on Friday, November 28, 2025.
- All ballots to be cast at the branch must be received during regular branch hours prior to 4:00 PM MST on Friday, November 28, 2025. Ballots received after such time will be deemed invalid.
- Failure to complete the ballot pursuant to the voting instructions may render your ballot invalid.
- Only one vote per member will be counted. If a member casts more than one ballot, all ballots cast by that member will be deemed invalid. However, if one of the ballots is an electronic ballot and the other

is a non-electronic ballot, the electronic ballot will be counted and the non-electronic ballot will be deemed invalid.

- Ballots from eligible members of CVCU received prior to the opening of voting will be deemed to have been cast on the first day that voting is open.

Who Can Vote

Personal (Individual) Members

Each individual who meets each of the following requirements is entitled to one vote:

- The individual is a member in good standing in accordance with the Rules of CVCU as of October 31, 2025.
- The individual is 19 years of age or older.
- The individual owns at least 25 Class "A" Membership Equity Shares.

Business Members

Business members include organizations, partnerships, incorporated companies, incorporated associations, societies and unincorporated associations. Each business member who meets each of the following requirements is entitled to one vote:

- The business member is a member in good standing in accordance with the Rules of CVCU as of October 31, 2025.
- The business member owns at least 25 Class “A” Membership Equity Shares.
- The business member’s vote is cast by an authorized representative who may be a member or non-member of CVCU and who is 19 years of age or older.

Voter Confidentiality

Voter information collected during the proposed merger voting process will be used exclusively by CVCU, CUES and Bruce McKenzie of Ewan & McKenzie Law Office (“Ewan & McKenzie”), the returning officer appointed

by CVCU to administer the vote. Voter information will not be used for any other purpose or distributed to any other parties. CVCU, CUES and Ewan & McKenzie will not disclose any personal information about any voter without the voter’s prior consent, unless CVCU, CUES or Ewan & McKenzie, as applicable, has a good faith belief that such disclosure is necessary to comply with legal process or other legal requirements of any court, governmental authority or agency, or to protect and defend rights, interests or property of such party.

Vote Results

Results of the vote will be shared on CVCU’s website, KSCU’s website, and on www.bridgingopportunity.com/vote following the tabulation of results.

Questions

If you have any questions about the voting process or the proposed merger generally, please visit www.bridgingopportunity.com/vote.

How to Vote

Members may vote using one of the following methods:

METHOD	DETAILS	VOTING DEADLINE
In-Person at the Special General Meeting	Cast your vote in-person at the Open House and Special General Meeting, which will take place at 6:30 PM MST on November 20, 2025, at the Golden Seniors Centre. Please refer to the Notice of Special General Meeting on page 6 for more information on the Special General Meeting.	Votes must be cast during the allotted timeframe of the Special General Meeting on November 20, 2025.
Online	Through a secure website hosted by the Credit Union Executives Society (“CUES”). During the voting period described above, eligible members will find the link to submit their vote at www.cvcu.bc.ca and www.bridgingopportunity.com/vote .	Electronic ballots must be received by 11:59 PM MST on Friday, November 28, 2025.
In Branch	Request a ballot at the CVCU branch by visiting the branch and either cast a paper ballot or, with the assistance of CVCU staff, cast a ballot electronically at an online banking kiosk during regular branch hours within the voting period.	Branch ballots must be cast during regular branch hours prior to 4:00 PM MST on Friday, November 28, 2025.

For detailed instructions on how to vote and other frequently asked questions, visit the merger website at www.bridgingopportunity.com.

Merger & integration costs for the proposed merger



Mergers and integrations naturally come with costs, and both CVCU and KSCU have carefully analyzed these impacts through detailed financial forecasts, integration planning, and risk assessments. Although short-term investments will be required, the Boards of both organizations are confident that the long-term value created by combining operations will far exceed the initial outlay. Efficiencies, revenue opportunities, and broader operational benefits are expected to strengthen the overall position of the credit unions.

To ensure these costs are managed responsibly, a temporary Integration Committee will be established at the board level. This committee will oversee all integration-related expenditures, supported by structured checkpoints and monthly reporting, and will work closely with management to maintain budget discipline throughout the process.

The primary categories of integration cost include the following:

- **Pre-Merger Professional Services:** One-time legal, financial, and advisory expenses tied to due diligence, regulatory approvals, communications, and integration planning are projected at roughly \$500,000 in 2025.
- **Technology Integration:** Moving to a unified core banking platform and harmonizing IT systems is expected to require capital investments of \$1.3 Million to \$2.1 Million over four years, with long-term savings anticipated through reduced licensing and streamlined infrastructure.
- **Compensation and Benefits:** Aligning pay and benefits across the two organizations is expected to result in a first-year cost increase of approximately \$232,000. This adjustment reflects the move to Kootenay Saving's higher compensation framework and more comprehensive benefits, representing an investment in people that will support retention, talent attraction, and consistency across the Merged Credit Union. Importantly, no job losses are expected as a result of the proposed merger.
- **Facilities and Operations:** With the existing Columbia Valley Credit Union branch remaining in its current location, facilities-related costs will be limited to signage and branding updates at an estimated cost of \$93,600.
- **Merger-related Contingency:** As part of the business case development, both credit unions modeled a range of macroeconomic scenarios, including conservative assumptions. In each case, the analysis demonstrated that the Merged Credit Union would be more resilient and financially sustainable than either credit union operating independently.

While integration requires disciplined execution, the Boards are confident that these costs are both reasonable and necessary to unlock the strategic and operational advantages of the proposed merger. Ongoing transparency, strong governance, and financial prudence will guide the process to ensure the Merged Credit Union is positioned for long-term success.

Financial summary

The following chart is a three-year, summarized financial projection for the Merged Credit Union post-merger.

STATEMENT OF FINANCIAL POSITION (000's)	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)
Total Cash and Investments	274,912	298,498	324,872
Residential & Personal	1,383,426	1,437,872	1,494,820
Commercial	383,513	396,685	410,533
Allowance for Credit Losses	-1,688	-1,708	-1,728
Other	55,822	59,426	63,474
Total Assets	2,095,985	2,190,772	2,291,970
Demand Deposits	1,000,562	1,032,859	1,066,050
Term Deposits	870,382	918,070	968,495
Other	109,725	116,202	123,827
Total Liabilities	1,980,669	2,067,131	2,158,371
Member Equity	115,316	123,641	2,291,970
Total Liabilities & Equity	2,095,985	2,190,772	2,291,970
STATEMENT OF INCOME			
Financial Margin	43,076	44,744	47,684
Non-Interest Income	7,853	7,968	8,169
Merger Integration & (Synergies)	1,750	370	-399
Total Non-Interest Expenses	41,067	40,724	40,961
Net Operating Income (Loss)	9,242	11,043	13,847
Provision for Loan Impairment	19,167	19,167	19,167
Net Operating Income (Loss)	7,941	9,660	12,395
KEY RATIOS (%)			
Return on Average Assets	0.32	0.37	0.46
Operating Expense Ratio	81.19	77.74	73.77
Capital Adequacy Ratio	16.78	17.1	17.57
Total Liquidity Ratio	14.48	15.1	15.78

Cautionary note regarding forward-looking statements

This guide for Columbia Valley Credit Union members contains forward-looking statements and information. Words such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “may”, “will”, “should”, “potential”, “pro forma” and similar expressions are intended to signal forward-looking statements or information.

Forward-looking information included in these statements may refer to:

1. the expected advantages of the proposed merger,
2. the projected timeline for completing and implementing the proposed merger,
3. specific operational and financial details,
4. the structure and nature of the Merged Credit Union’s operations post-merger,
5. revenue sources,
6. projected capital expenditures, including general and administrative costs,
7. expected tax liabilities,
8. business outlook following the proposed merger,
9. management’s plans and objectives for future operations,
10. forecasted cost efficiencies, and
11. expected operational and financial outcomes.

Various assumptions and factors are generally considered in forming conclusions or making forecasts in relation to forward-looking information. These assumptions and factors are based on data currently available to Columbia Valley Credit Union and Kootenay Savings Credit Union, including industry insights from third-party analysts and other external sources.

Key assumptions and factors include, but are not limited to:

- approval of the proposed merger by members of Columbia Valley Credit Union,
- fulfilment of other conditions required to finalize the proposed merger, such as obtaining all necessary regulatory and third-party approvals,
- completion of the proposed merger process,
- no significant changes in the legislative or operational landscape for Columbia Valley Credit Union or Kootenay Savings Credit Union,

- no major negative impacts on the business of Columbia Valley Credit Union or Kootenay Savings Credit Union, and
- no extraordinary events, such as natural disasters or significant disruptions outside the normal course of business, for Columbia Valley Credit Union or Kootenay Savings Credit Union.

The forward-looking information contained in the statements or disclosures in this guide is based, in whole or in part, on factors that could lead actual results, performance, or achievements of Columbia Valley Credit Union or Kootenay Savings Credit Union, as applicable, to differ materially from those anticipated, whether expressly or by implication, in the forward-looking information.

Actual results or outcomes may vary significantly from what is predicted in such statements or disclosures. While Columbia Valley Credit Union and Kootenay Savings Credit Union cannot foresee the precise impact of those differences, it is possible that their businesses, operations, or financial conditions could be adversely affected.

Additionally, please be aware that the preparation of financial statements in accordance with International Financial Reporting Standards requires management to make certain judgments and estimates that impact the reported amounts of assets, liabilities, revenues, and expenses. These estimates are subject to change and may have either a negative or positive effect on net earnings as more information becomes available or as economic conditions evolve.

It is important to note that this list is not exhaustive. Members are encouraged to carefully review and consider the risk factors described under the “Risks of the Proposed Merger” section and other potential risks mentioned throughout this guide.

The forward-looking statements and information provided in this guide are as of the date hereof. Columbia Valley Credit Union and Kootenay Savings Credit Union undertake no obligation to publicly update or revise any forward-looking statements or information, whether due to new information, future events, or otherwise, except as required by applicable laws. Due to the risks, uncertainties, and assumptions included in this guide, members of Columbia Valley Credit Union should not place undue reliance on forward-looking statements or disclosures.



Questions and additional information

Thank you for taking the time to read through this member guide to help you make an informed decision with your vote. Please join us at the Special General Meeting, an open house, and most importantly, please vote.

If you have questions about the proposed merger or the voting process, or if you need additional information, there are many ways to connect with us:

Visit www.bridgingopportunity.com to learn more and find out the details of the Special General Meeting, the open houses and how to vote.

Call CVCU directly at **250-344-2282** or **1-800-298-1777**.

Email your questions or thoughts to bridging.opportunity@cvcu.bc.ca

Stop into the CVCU branch at **511 Main Street** to talk with us.

We are open Monday to Friday from 9:30am to 4:00pm.

