

*Member Guide*

# Building a Future Forward, Together



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## SAVE THE DATE

**Members will vote on the resolution for the Proposed Amalgamation at a Special General Meeting of your credit union.**

The Northern Credit Union and Copperfin Credit Union **Special General Meeting will take place on Friday, June 21, 2024.**

12:00 pm ET - Copperfin Shareholder/Class A Meeting

12:30 pm ET - Copperfin Membership Meeting

3:00 pm ET - Northern Membership Meeting

3:00 pm ET - Northern Class A and B Special Share Meeting

(Immediately following the meeting of members)

**Voting will take place from Monday, June 3, 2024 at 12:00 am ET – Sunday, June 16, 2024 at 11:59 pm ET.**

Everything you need to know about these meetings on page 25 of this Guide. Please take a minute now to add this date to your calendar.

# Letter to Members

The landscape of banking and finance is rapidly evolving, driven by technological advancements, changing consumer preferences, and shifting regulatory requirements. In this dynamic environment, it has become increasingly vital for financial institutions to adapt and innovate to meet the evolving needs of their members.

Both Northern Credit Union and Copperfin Credit Union have long been dedicated to serving the unique needs of Northern communities. Our commitment to providing personalized banking services and unwavering support to our members has been a cornerstone of our operations for decades.

However, as the demands of our members continue to grow and the financial industry becomes more complex, we recognize the importance of gaining scale to ensure that we can continue to meet these demands effectively. By joining forces through this amalgamation, we will be able to leverage our combined resources, expertise, and infrastructure to better serve our members and enhance their banking experience.

Furthermore, our partnership is not only about financial strength, but also about our shared commitment to being impact partners in shaping strong Northern communities. Together, we can deepen our commitment to the North and amplify the positive impact we can have on the communities we serve.

We firmly believe that our members are at the heart of everything we do. Your voice and input are invaluable in shaping the future of our credit union and ensuring that we remain true to our roots and values. We encourage all our members to vote "Yes" in support of the amalgamation, so that together, we can continue our long history of serving Northern communities and building a brighter future for generations to come.

Thank you for your continued trust and support.



**Dennis Alvestad**

Chief Executive Officer  
Copperfin Credit Union



**Robert Jankovic**

Board Chair  
Copperfin Credit Union



**Richard Adam**

Chief Executive Officer  
Northern Credit Union



**Suzanne Klatt**

Board Chair  
Northern Credit Union

# Building a Future Forward, Together

In October 2023, the boards of directors of Northern Credit Union and Copperfin Credit Union through the Joint Partnership Committee of the Boards of Directors, made a commitment to explore a partnership, driven by a shared vision to enhance member value and support the growth of both organizations. The amalgamation aims to bring together the strengths of both entities to create a larger, more diverse institution known as Northern Credit Union (Amalgamated CU). This new entity will leverage its increased scale to offer a broader range of products and services, including advisory services and technology-supported banking options such as mobile and self-serve banking.

One of the primary motivations behind the amalgamation is to enhance member value. By pooling resources and capital, Northern Credit Union and Copperfin Credit Union believe we can better invest in initiatives that align with our respective values and visions. The commitment to local decision-making remains intact, ensuring that decisions are aligned with the unique needs of each community served.

Both credit unions share similar values and commitment to serving Northern Ontario. This coupled with more than 100 years of experience, positions the combined organization to provide an improved banking experience for all members. Additionally, the amalgamation enables the new credit union to enhance its support for risk management and administrative functions, further safeguarding the assets of our members.

Overall, the amalgamation represents a strategic move to strengthen the credit unions' position in the market, enhance member services, and better serve the communities we operate in. With a focus on member value and shared values, the "NEW" Northern Credit Union is poised to become a leading financial institution, offering tailored solutions and superior member experiences.



# How to Use this Member Guide

As a member, you have a say in how we operate, including helping to decide whether Northern Credit Union and Copperfin Credit Union should join together to become a new amalgamated Credit Union. After reading this guide, you will:

- Learn more about the challenges and opportunities that led our Boards of Directors and management teams to explore and ultimately unanimously recommend the amalgamation.
- Discover the many ways this amalgamation will be great for members, employees, communities, and the credit union system.
- Find out how you can be part of this historic moment in your credit union's history.
- Feel confident in voting YES to our Proposed Amalgamation.

Before you dive in, here are some key terms and concepts that will help you navigate this Member's Guide:

- The term "Proposed Amalgamation" is used to refer to the transaction by which we're proposing to amalgamate Northern Credit Union and Copperfin Credit Union.
- The credit union that would result from this Proposed Amalgamation may also be referred to as the "Amalgamated Credit Union."
- Northern Credit Union may also be referred to as "Northern".
- Copperfin Credit Union may also be referred to as "Copperfin"
- Northern and Copperfin together may also be referred to as the "Credit Unions."
- The newly amalgamated credit union may also be referred to as "New" Northern Credit Union.

## LEARN MORE AT CUFUTUREFORWARD.CA

**CUFutureForward.ca** is a website dedicated to providing information for members about the Proposed Amalgamation. Here you'll find everything you need to know about Northern and Copperfin's Proposed Amalgamation, the member vote and much more. You'll also find the link to register for our Special General Meeting of members and shareholders which will be held virtually as well as information on how to vote on the virtual voting site where you can vote YES to the amalgamation.

**This site is your go-to for staying informed and engaged in this exciting milestone in our Credit Unions' history. Bookmark it and visit often!**

# Vision for the Future

## Quality Advice. Empowering Employees. Fostering Community Prosperity. Financial Strength.

Our combined vision for the future is to create a stronger, more resilient financial institution that is deeply committed to serving our members and the communities in which we operate. We envision the Amalgamated Credit Union as a trusted partner that empowers individuals and businesses to achieve their financial goals, while also contributing to their overall prosperity and well-being.

We are dedicated to putting our members first in everything we do. Our goal is to provide personalized, innovative financial solutions that meet the unique needs of each member, helping them to thrive financially.

We recognize the rapidly evolving nature of the financial services industry and are committed to staying at the forefront of innovation. By leveraging technology and embracing digital solutions, we will enhance the convenience, accessibility, and efficiency of our services, ensuring that our members have access to leading banking solutions, driving sustainable growth through innovative solutions and unwavering commitment to excellence.

We believe in the importance of giving back to the communities we serve. Through philanthropic initiatives, volunteerism, and community partnerships, we aim to make a positive impact and help build stronger, more resilient communities.

Together, we will build a brighter future for our members, our communities, and our organization.

### BUSINESS GOALS



#### MEMBERS

New Northern will have strong and lasting relationships with its members based on the range of services, quality of service and advice, and commitment to community.



#### EMPLOYEES

New Northern will attract and retain talented employees who are committed to the successful achievement of corporate goals and objectives.



#### COMMUNITIES

New Northern will continue to be engaged with local leaders as they endeavour to build sustainable communities.



#### FINANCIAL STABILITY

Within three years of the amalgamation New Northern will have realized its short-term financial goals and be actively reinvesting back into business, driving greater value for members across each of its communities.



OUR CREDIT UNION’S AT A GLANCE\*

	NORTHERN CREDIT UNION	COPPERFIN CREDIT UNION
Founded In	1957	1954
Headquartered	Sault Ste. Marie	Kenora
Number of Members	70,373	18,000
Number of Employees	205	83
Number of Branches	25	4
Assets Under Management	\$1,800,000,000	\$585,000,000
Lines of Business	Personal, Business Wealth, Agriculture	Personal, Business, Wealth



*\*As of December 31, 2023. Both Credit Unions are a result of several amalgamations over their history.*

# Why Partner

Copperfin Credit Union and Northern Credit Union have independently assessed their futures as small to mid-sized credit unions and recognized the imperative to achieve elevated levels of profitable growth. This growth is essential to fund the investments that both current and future generations of members will demand, ensuring their credit unions' continued relevance and sustainability.

## **The challenges that the two credit unions are currently facing include:**

- Attracting new members and retaining existing members.
- Addressing issues of aging member demographics and low/no growth membership.
- Providing a differentiated product/service offering in a commoditized marketplace.
- Preparing for open banking and other technological innovations.
- Building the capacity to invest in technology prior to generating a return on those investments.
- Developing, attracting, and retaining the human capital to drive new strategic imperatives.

## **The values that the two credit unions share include:**

- Commitment to community, driven by local knowledge and engagement.
- Commitment to the North and supporting the diversity of its economy.
- Commitment to a relationship management strategy where value is provided through a combination of talented employees and convenient solutions.

## **Combined, the two credit unions are able to:**

- Create differentiated value offers for members.
- Reduce duplication and increase capacity to afford the accelerating costs of digitization, including digital banking, payments modernization and open banking.
- Leverage strategic partnerships to enable strategic priorities.
- Build risk management capabilities to appropriately match the combined credit union's size, scope and complexity.
- Strengthen leadership skills and competencies to achieve strategic goals and meet regulatory requirements.



## BETTER FOR OUR MEMBERS

By combining forces, we can offer a broader range of products and services, including innovative technology solutions and advisory services, tailored to meet the diverse needs of our membership. Additionally, the increased scale of the proposed merged entity allows for greater investment in member-centric initiatives, such as improved member service, expanded branch networks, and enhanced digital banking platforms, ensuring greater convenience and accessibility for all members.

### What Members are Asking for:

#### ***Continually enhance product offerings and quality of service.***

Both credit unions offer a set of complementary financial solutions that can be extended to the collective benefit of members of New Northern. The following specific examples are provided as an illustrative snapshot:



New Northern expects to adopt and integrate better digital solutions to its members (including small and medium sized entities (SMEs)) with enhanced channel and service offerings, such as online application platform for new business accounts and lines of credit, integrated invoicing, payroll for business and commercial deposit capture.



Greater wealth management options.



Copperfin business members will see increases in single member lending limits that will allow New Northern to better support them as their business lending requirements evolve.



A stronger employee value proposition will allow New Northern to invest in enhanced training and retain top quality financial services employees, through additional career and development opportunities.

Upon amalgamation, New Northern will increase the branch networks of each credit union and have a broad network extending from the Manitoba border to the Quebec border across Northern Ontario. Branches are, and continue to remain, a key member imperative and this coverage will greatly benefit all members. Beyond branches, the amalgamation will help to extend the rollout of better online and mobile channel capabilities such as online chat and mobile mortgage specialists.

#### ***Make banking convenient and faster.***

With a commitment to a digital first model, New Northern will be able to transform and streamline the member experience. For small and medium enterprise members, their current experience will be substantially improved with innovative solutions, personal relationships, an expanded branch network, mobile relationship management, improved products and services, streamlined lending and onboarding processes and larger lending limits.

#### ***Make banking more affordable.***

With increased scale, New Northern will be able to offer members more competitive pricing alternatives than are currently available. With greater buying power, New Northern expects to take these savings and return them to members through more competitive account and service fee pricing. In addition, with larger lending limits, New Northern will be able to effectively price and serve a broader selection of business owners and small and medium enterprises.

## BETTER FOR OUR EMPLOYEES

The proposed amalgamation promises significant advantages for employees across both organizations, fostering a dynamic and enriching work environment. By pooling resources and expertise, we can offer enhanced professional development opportunities, including training programs and career advancement pathways, empowering employees to expand their skills and grow within the organization.

Additionally, the increased scale of the proposed amalgamated entity provides greater stability and job security, along with the potential for broader career prospects and increased opportunities for collaboration and teamwork.

Furthermore, the combined organization is better equipped to attract and retain top talent, offering competitive compensation packages and a supportive workplace culture that values diversity, inclusion, and employee well-being. Overall, the amalgamation presents an exciting opportunity for employees to thrive professionally and contribute to the continued success and growth of the organization.

- Opportunities for career progression made possible by a larger organization.
- Access to more learning and development opportunities.
- A culture that builds on the strengths of each individual organization to empower our people and propel our organization to new heights.
- New opportunities to foster teamwork and collaboration.
- Opportunities through collaboration and by sharing new perspectives on common challenges.
- Opportunities to achieve great things with more like-minded professionals who share a similar passion for credit unions, cooperative banking, and exceptional member service.



## BETTER FOR OUR COMMUNITIES

The proposed amalgamation holds immense promise for the communities we serve, leading in a new era of strengthened support and investment. With a larger, more robust financial institution, community members can expect expanded access to essential banking services, including affordable loans, savings products, and financial literacy programs tailored to meet their unique needs. Moreover, the combined resources of the merged entity enable us to deepen our commitment to community development initiatives, such as charitable partnerships aimed at addressing local challenges and fostering economic growth.

Additionally, the amalgamation facilitates increased volunteerism and community engagement opportunities for employees, further strengthening our ties with local organizations and residents. By harnessing the collective power and expertise of both organizations, we can make a lasting, positive impact on the communities we call home, driving progress and prosperity for generations to come.

- Larger investment in community driven initiatives that help to build financially strong communities where people want to live work and stay.
- Additional volunteer resources to support program and initiatives that are important to our communities.
- More resources mean a greater capacity to foster meaningful connections and a sense of belonging within the communities we serve.



## BETTER FOR THE CREDIT UNION SYSTEM

The proposed amalgamation brings significant benefits to the credit union system by fostering collaboration and promoting the core principles of cooperative banking. By combining resources, expertise, and scale, the merged entity demonstrates the strength and viability of credit unions in a competitive financial landscape.

The proposed amalgamation represents a significant opportunity for us to amplify our voice and influence at the system level, advocating for the advancement of the credit union movement. By joining forces, we substantially increase our size and scale, which in turn enhances our collective ability to effect change and drive progress within the industry. With a larger membership base and expanded resources, we can advocate more effectively for policies and initiatives that benefit all credit unions, such as regulatory changes, legislative advocacy, and promoting financial inclusion. Additionally, the amalgamation strengthens our position in industry associations and alliances, enabling us to play a more active role in shaping the future direction of the credit union system. By leveraging our increased influence, we can champion initiatives that promote the values of cooperation, community involvement, and member-centric service, ultimately advancing the collective interests of credit unions and their members.

## BENEFITS SUMMARY

The proposed amalgamation provides numerous opportunities for New Northern to function in ways that neither credit union could ultimately achieve on its own and will lead to a new and scalable business model. For example, New Northern expects to employ a 'digital first' strategy which will effectively transform and streamline how the credit union considers its processes, tools and capabilities, products and services, data analytics, and its capacity to innovate. Members will see the benefits of this strategy in the form of convenient solutions, practical help, and advice throughout their banking life cycle and through an effortless experience – easy, convenient, and user-friendly, delivered to members the way they want to be served.

The amalgamation will result in a credit union that will have the resources to better serve its members and communities, the scale to effectively compete within an increasingly competitive landscape, provide broader employment opportunities for our employees, create an enhanced presence in our local communities, and produce a stronger balance sheet and profitability – which means increased stability and resilience for New Northern.

## IMPROVED RISK PROFILE

Beyond the noted benefits, New Northern will achieve an improved risk profile, including:



**Stronger ability to respond** to changing economic, regulatory, and competitive pressures.



**Greater financial capacity** to withstand major events.



**Increased diversification.**



**Greater levels** of employee specialization and oversight.



**Increased ability to invest** in future growth.



**Increased director skills and competencies** achieved through the inaugural Board selection process and the future focused experience, skill and competency framework established for New Northern.



# Member Impact

The merging of our organizations represents an exciting opportunity for growth, innovation, and collective impact. However, we recognize that this transition may bring about some disruptions to our members as we align our operations and resources.

One area where you may experience changes is in the harmonization of products and services. As we integrate our organizations, there may be adjustments to the products and services we offer. These changes could range from enhancements to existing offerings, to streamlining or modifying certain services. Rest assured, our goal is to ensure that these adjustments are made with careful consideration for your needs and preferences, ultimately enhancing the value we provide to you, our valued members.

As we redefine our combined organization, you may notice changes in how we present ourselves to the world. This transformation might be evident in shifts in our advertising strategies, updates to our websites, and revisions to our communication materials. While these alterations may initially feel unfamiliar, they signify our commitment to crafting a cohesive and forward-thinking identity. This new identity will encapsulate the strengths and values of both entities merging together, reflecting our shared vision for the future.

## OUR COMMITMENT

During this period of transition, we want to reaffirm our unwavering commitment to you, our valued members. Your satisfaction, well-being, and success remain our top priorities as we navigate the complexities of our amalgamation. To ensure that you continue to receive the support and resources you deserve, we are committed to:

**Constant and Ongoing Communication:** We understand the importance of clear and transparent communication. That's why we are committed to keeping you informed every step of the way. Whether it's through email updates, newsletters, website updates, you can expect regular communication from us regarding the progress of our amalgamation and any changes that may affect you.

**Integration Committee Oversight:** Our Board of Directors has established an Integration Committee to oversee the amalgamation process and ensure that the interests of all stakeholders, including you, are carefully considered in every decision we make. This committee will provide guidance and direction at the highest level, helping to shape the future direction of our combined organization in a way that serves your best interests.

**Accessible Support from Our Employees:** Our dedicated team is here to assist you with any questions or concerns you may have. Whether you prefer to reach out via phone, email, or in person, our knowledgeable employees are ready to provide you with the support you need. Your satisfaction is our priority, and we will do everything in our power to address your needs promptly and effectively.

**Access to the Support Hub:** We understand that your needs may arise outside of traditional branch hours. That's why we are pleased to introduce the True North Hub, your go-to resource for assistance beyond regular operating hours. Whether you need help with account inquiries, technical support, or general assistance, our True North Hub is here to provide you with the support you need, when you need it.

# How We Got Here





# How the Proposed Amalgamated Organization will Operate

## START DATE AND REGISTERED OFFICE

The Amalgamated Credit Union is expected to commence operations on January 1, 2025. It will have a registered office at 280 McNabb Street, Sault Ste. Marie, ON P6B 1Y6. Although the registered office for Copperfin Credit Union will change, this affects legal service only and will not affect the locations where Copperfin employees currently work.

## NAME

The legal name of the Amalgamated Credit Union will be “Northern Credit Union Limited.” However, both Credit Unions may continue to operate under their current name for a period of time, while the organization transitions. Following completion of the Proposed Amalgamation, we will explore branding that recognizes the distinctness of both Credit Unions to create a joint brand.

## MEMBERSHIP SHARES

To be a member of a credit union, you must hold at least one Member Share. As a Member of Northern or Copperfin, you will have one (1) \$5.00 share in the Amalgamated Credit Union and your shares will, following the Proposed Amalgamation, be shares issued by the Amalgamated Credit Union.

One issued and outstanding membership share in the capital of either Credit Union outstanding, in the name of each member, shall, as of the Effective Date shall be converted into one (1) membership share of Amalgamated CU until one (1) such membership share has been converted for each member. Thereafter each excess issued and outstanding membership share in the capital of Northern and Copperfin Credit Union held by each member shall be converted into a deposit in the amount of \$5.00 standing to the credit of the relevant member.

Both Credit Union’s intend that this process shall be completed by crediting each such member’s account with the proceeds of the converted excess membership shares as soon as possible after the Effective Date and in any event within thirty (30) days following the Effective Date.



## CLASS A SHARES

Some members also hold Class A Shares in their credit union. Class A Shares in either Credit Union will be converted into an equal number Class A Shares of the Merged Credit Union with the same rights and restrictions as are in place today on the Class A Investment Shares you currently hold. Your shareholdings in the Amalgamated Credit Union will be the same as your current shareholding in either Credit Union, except that they will, following the Proposed Amalgamation, be Class A Shares of the Amalgamated Credit Union.

## CLASS B INVESTMENT SHARES

Some members also hold Investment Shares in Northern Credit Union. Investment Shares of any Series will be converted into an equal number of Series 1 Investment Shares of the Merged Credit Union with the same rights and restrictions as are in place today on the Series of Investment Shares you currently hold. Your shareholdings in the Amalgamated Credit Union will be the same as your current shareholding in Northern Credit Union, except that they will, following the Proposed Amalgamation, be Investment Shares of the Amalgamated Credit Union.

## PRODUCTS AND SERVICES

The Merged Credit Union will continue to offer a full suite of deposit, loan, and wealth management products and services for retail and commercial members. Over time, the Merged Credit Union will have the opportunity to offer more to members with enhanced products and services.

## SAVE THE DATE

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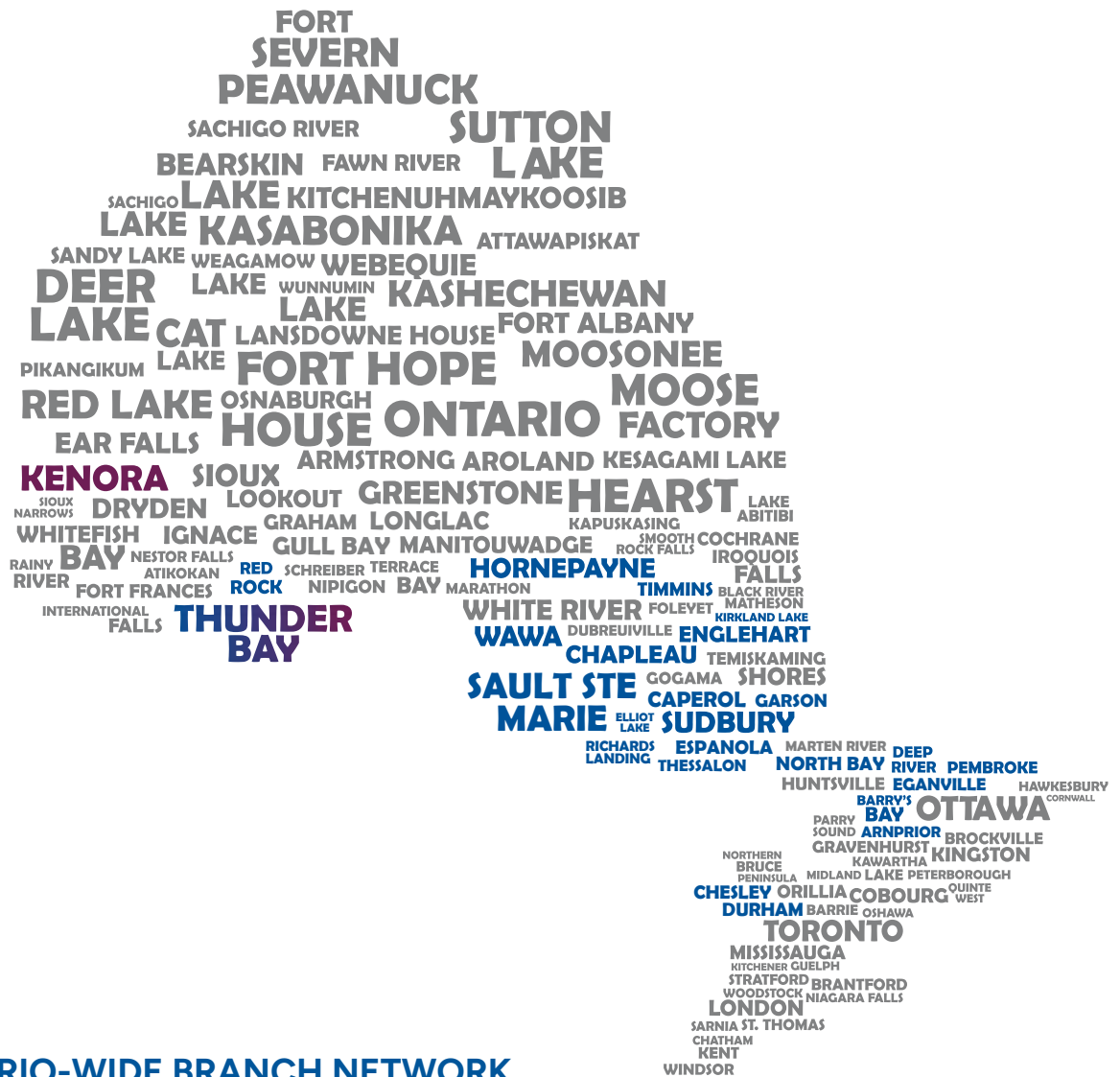
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(Immediately following the meeting of members)

**Voting will take place from Monday, June 3, 2024 at 12:00 am ET – Sunday, June 16, 2024 at 11:59 pm ET.**

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# Branch Locations



## A NEW ONTARIO-WIDE BRANCH NETWORK

Arnprior	Englehard	Richards Landing
Barry's Bay	Espanola	Sault Ste. Marie
Capreol	Garson	Sudbury
Chapleau	Hornepayne	Thessalon
Chelsey	Kenora	Thunder Bay
Deep River	Kirkland Lake	Timmins
Durham	North Bay	Wawa
Eganville	Pembroke	
Elliot Lake	Red Rock	

# Governance Structure

Governance serves as the cornerstone of every credit union, embodying the essence of its strategic operations and direction. At the core of governance are the Boards of Directors, comprising leaders elected by the membership, who collectively shape the vision, articulate value propositions, and ensure members' voices resonate throughout the organization's activities.

The Joint Partnership Committee (JPC), with support from internal management resources and its Facilitator, an independent third party, designed a proposed Board model, recommended a matrix of experience, skills, and competencies for the Directors of New Northern and facilitated a nomination and selection process. The JPC concluded that the New Northern Board should consist of twelve (12) individuals and considered the Financial Services Regulatory Authorities (FSRA's) published governance guidance in drafting New Northern's Rules and Governance Policy and, by extension, the key skills and attributes required for members of New Northern's Board.

The New Northern Board consisting of twelve (12) individuals including, seven (7) individuals from Northern Credit Union and five (5) individuals from Copperfin Credit Union.

Based on their technical experience, skills, and competencies, character traits and behavioural attribute, the following individuals have been appointed to serve as the New Northern inaugural Directors:



## **AMBER AIRD-WILLIAMS**

### **Northern Credit Union**

Amber Aird-Williams was first elected as a Northern Director in 2022 and served as Interim Audit Committee Chair during 2023. She is currently serving as the Chair of Northern's Human Resources Committee and represents Northern on the JPC. Ms. Aird-Williams is a designated accountant (CPA) and is the CFO for a manufacturing company in Cambridge. She has her ACCUD designation from Dalhousie University. She has an MBA with a focus on Strategy from Wilfrid Laurier University and a Bachelor of Mathematics, Information Systems Management from the University of Waterloo.



## **CAMERON ROSS**

### **Northern Credit Union**

Cameron Ross was first elected as a Northern Director in 2021. He is currently serving as the Chair of Northern's Finance & Risk Committee. Previously, Mr. Ross has served as a member of both the Finance & Risk Committee and Audit Committee. Since 1999 Mr. Ross has been the President and CEO of the Algoma Mutual Insurance Company operating out of Thessalon, serving north central Ontario. He holds the ICD.D, CRM, and is a Certified Canadian Credit Union Director (ACCUD). He is active in his community serving as a Municipal Councillor, on the 49th Field Regiment Senate, and as a member of the Soo Pipe Band.



## **CHRIS THORNE**

### **Copperfin Credit Union**

Chris Thorne was elected to the Board in 2022 and is a member of the Audit Committee. Chris is presently a Partner and Vice President of Titan Partners Ltd. (Kenora) and Vice President, Corporate Development at Titan Contractors (Kenora) Ltd. Chris has registered for the ICD-Rotman DEP Program and has completed the CUDA program. Chris is very involved with the community and serves on the Kenora Community Foundation's Finance Committee. Chris received his Bachelor of Commerce, Honours Degree as an accounting major at the University of Manitoba, Asper School of Business, and his CPA designation from CPA Western School of Business.

*Note: Chris is a Manitoba resident qualifying for the New Northern Board through the bylaws that allow up to 25% of Directors to be from outside of Ontario.*



## **COLT GERMAN**

### **Copperfin Credit Union**

Colt was initially elected in 2021 and has served on and chaired the Audit Committee. Colt represents Copperfin as a member of the JPC. Colt is presently the Accountant at K-Sports Marine Inc., and effective March 2024, Colt is the Director of Finance at the Kenora Chiefs Advisory. Colt is a CPA and has completed the CUDA program.



## **DANIEL MCCOY**

### **Northern Credit Union**

Daniel McCoy was first elected as a Northern Director in 2020. He is currently a member of Northern's Governance and HR Committees and represents Northern on the Joint Partnership Committee. Previously, Mr. McCoy served as Chair of Northern's Nominating Committee and as a member of Northern's HR Committee, Governance Committee and Audit Committee. Daniel is a lawyer licensed to practice law in Ontario. Daniel was called to the Ontario Bar in 2019. Since 2020 Daniel has been an associate lawyer at Nahwegahbow, Corbiere Genoodmagejig Barristers & Solicitors, based on Rama First Nation. Daniel's law practice exclusively represents First Nations' governments, businesses, and individuals. Daniel received his ACCUD designation from CCUA and Dalhousie University in December 2022.



## **JANET MCCUTCHON**

### **Copperfin Credit Union**

Janet has served on the Superior and Copperfin Board's for over 20 years, presently serving as Nominating Committee/Member & Community Relations Chair and has ample experience as Chair of Audit. Janet has been a pharmacist in Thunder Bay for over 40 years. Janet has completed the CUDA program and participated in the Audit Committee Effectiveness and the Art and Science of Chairing training programs offered by the Institute of Corporate Directors. Janet obtained a Bachelor of Science in Pharmacy from the University of Manitoba.





## **KEVIN SQUISSATO**

### **Copperfin Credit Union**

Kevin Squissato currently serves as Vice Chair of the Board, Chair of the Governance Committee and has previously served as a member and chair of Audit. He was initially elected to the Board in 2020 and re-elected in 2023. Kevin represents Copperfin as a member of the JPC. Kevin served 22 years in the Canadian Armed Forces, operationally deployed throughout the Middle East and Canadian Arctic. He is presently the Director of Finance/Accounting at Manroc Developments. Kevin is an Accredited Canadian Credit Union Director (ACCUD) and is enrolled in the Director Education Program with the Rotman School of Business, working toward an ICD.D designation. Kevin is a Certified Public Accountant (CPA).



## **MAX LIEDKE**

### **Northern Credit Union**

Max Liedke was first elected as a Northern Director in 2019. He is currently serving as the Chair of Northern's Audit Committee and represents Northern on the JPC. Previously, Mr. Liedke served as Chair of Northern's Audit Committee (2020-2024) and as a member of Northern's Governance Committee, Finance & Risk Committee, and HR Committee. Since 2018, Mr. Liedke, as a CPA, has been a Senior Vice President at Health Sciences North, the regional hospital for Northeastern Ontario. He is an Accredited Canadian Credit Union Director through Dalhousie University. He is active in his community and has served on several other Boards.



## **PIYUSH SHUKLA**

### **Northern Credit Union**

Piyush Shukla is a newly elected Northern Director in 2024. He holds a Bachelor of Science degree in engineering from Queen's University. Mr. Shukla is currently employed at Algoma Steel Inc. as Enterprise Risk Manager responsible for developing and architecting an enterprise risk management program that encompasses areas of strategy, market, trade, human resources, procurement, safety, asset reliability, operations, and legal compliance risks. He is active in his community serving in a volunteer capacity for the food drive campaign and supporting newcomers to the community.



## **REJEAN ST-AMOUR**

### **Northern Credit Union**

Reg St-Amour was first elected as a Northern Director in 2022 and serves as a member of the Finance & Risk Committee and Human Resources Committee. Reg served on the Sault Area Hospital Board filling several progressive roles including Board Chair. Mr. St-Amour works as a consultant providing organizations with strategic executive leadership services related to business transformation and information technology. Prior to establishing St-Amour Consulting, Reg spent 21 years as a leader in the private and public sectors, including senior positions at Proximi-T, the Ontario Lottery Corporation, Digital Equipment Ltd and Laurentian University. Reg is scheduled to write the Accredited Canadian Credit Union Designation exam in June 2024.





## **ROBERT JANKOVIC**

### **Copperfin Credit Union**

Robert is in his eighth non-consecutive year of service on the Copperfin Board and is currently the Chair of the Board. He has previous experience as Chair of the Governance and Nominating Committees and as a member of the Audit Committee. Robert represents Copperfin as a member of the JPC. He is presently a Health Care Administrator for the Canadian Armed Forces. Robert has completed the Audit Committee Effectiveness, and HR & Compensation Committee Effectiveness courses through the Institute of Corporate Directors. He is a certified Corporate Director (ICD.D) and has earned his CUDA designation. Robert is a Certified Human Resources Leader and Professional, achieved through the Human Resources Professional Association of Ontario.



## **SUZANNE KLATT**

### **Northern Credit Union**

Sue Klatt was first elected as a Northern Director in 2014 and served as Vice Chair from 2022-2024. She is currently serving as the Chair of Northern's Governance Committee. She acquired her Director accreditation in the first term of joining the Board. Previously, Ms. Klatt served as Chair of Northern's Finance & Risk Committee and the Human Resources Committee. Ms. Klatt has worked in municipal government since 2002 and has worked for two lower tier and one single tier municipality over the term of her career. During her tenure she acquired her CMO (Certified Municipal Officer) Dipl.M.A. (Diploma in Municipal Administration and AOMC accreditation (Accredited Ontario Municipal Clerk). She has fulfilled many roles working towards her accreditation to becoming a Chief Administration Officer (CAO)/Clerk. She has been in a management role for over 15 years having been a Deputy Clerk/Treasurer and having the position of CAO/Clerk since 2014. Ms. Klatt is an active member of the AMCTO (Association of Managers, Clerks, Treasurers of Ontario) and has been a mentor for CMO applicants since 2019, MFIPPA Advisory Group 2021-2023, and is active in her community as a volunteer on several other committees and groups.

# Executive Leadership

The Boards of Directors of both Credit Unions have recommended that both Copperfin and Northern CEO's; Mr. Dennis Alvestad and Mr. Richard Adam assume the shared leadership role of post-amalgamation as President & CEO. The adoption of a co-CEO model represents a strategic decision aimed at facilitating a smooth transition while upholding the distinct values and cultures of both credit unions. By appointing leaders from each organization to jointly helm the proposed Amalgamated Credit Union, we ensure that the expertise, insights, and organizational culture of both entities are preserved and integrated into the new structure. This collaborative leadership approach not only fosters continuity but also enables the leveraging of complementary strengths and perspectives, thereby enhancing decision-making and driving innovation.



## DENNIS ALVESTAD

Dennis has held the CEO position at Copperfin for the past 15 years and has served in a senior leadership capacity since 1994. During this time Dennis has tirelessly worked towards strengthening the credit union presence in Northwestern Ontario. With increased stakeholder value as a key driver, the members, employees, and communities that Copperfin serves are better off.

Dennis has been actively involved in various working groups within the Credit Union system including through Central 1, DICO and FSRA and is a current member of the CUES Canada Council. Dennis has a Bachelor of Arts from the University of Manitoba, Business Administration Diploma from Red River College, and is an Associate of the Credit Union Institute of Canada through Dalhousie University.



## RICHARD ADAM

Richard Adam has been employed by Northern since 1996 and was appointed to the role of President & CEO in 2019. Prior to that Richard served in many capacities including Chief Internal Auditor and Senior Vice President Finance and Administration. He holds an Honours Bachelor of Commerce (Accounting) from the University of Windsor, is a Certified Public Accountant (Chartered Accountant), and holds a Certified Chief Executive designation.

During his tenure at Northern, he developed Northern's internal audit and risk departments and frameworks, led numerous amalgamations aiding in the growth of Northern and since he became CEO, significantly improved the culture and employee engagement and Northern's profitability. Richard has also served on several system committees including Chairing the Enterprise Risk Management Committee of the Regulator and sitting on the Act Review Committee and both the Stakeholder Advisory Committee and Technical Advisory Committee of the Regulator.

# Financial Summary

A key component of the benefit analysis for the amalgamation includes the development of a robust financial model and projections of the operations of New Northern over a four-year period. It should be noted that in order to gain comfort in a more conservative model projection, revenue and growth synergies created by further expansion and simulated growth (and/or resulting from strategy implementation) have not been included in the financial model.

The following table shows the financial summary of New Northern over the four-year model period, with an assumed commencement date of January 1, 2025, and clearly demonstrates the growth in the key financial metrics as a result of the amalgamation.

## FINANCIAL SUMMARY

	OPENING	YEAR 1	YEAR 2	YEAR 3	YEAR 4	4 YR. CAGR
<b>Balance Sheet (\$000,000)</b>						
Cash	86	96	101	87	80	-1.79%
Total Assets	2,469	2,608	2,757	2,931	3,136	6.16%
Total Deposits	2,111	2,223	2,343	2,485	2,653	5.88%
Total Loans	2,209	2,321	2,479	2,665	2,869	6.75%
Total Equity	128	138	155	174	196	11.24%
<b>Income Statement (\$000)</b>						
Total Revenue	67,790	76,666	86,518	91,365	97,327	9.46%
Total Expense	59,338	63,268	63,544	65,439	68,118	3.51%
Ner Income (B4 Taxes)	8,452	13,398	22,974	25,925	29,210	36.35%

*Note: Projections may differ materially from actual results.*

The opening balance sheet is expected to be \$2.469 billion with the expectation of it growing to \$3.136 billion by the end of year four. Annual net income (before taxes) is projected to increase from \$8.452 million to \$29.210 million by year four. Additionally, key financial metrics all show improvement through year four, demonstrating that returns, earnings, and operating efficiency will improve. Robust earnings strengthen an already solid starting capital position.

CAPITAL LEVELS	OPENING	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Leveraged	8.12%	8.18%	8.42%	8.54%	8.65%
Risk Weighted	16.44%	16.73%	17.02%	17.27%	17.49%

*Note: Projections may differ materially from actual results.*

The success of the amalgamation will be highly dependent on the ability of New Northern to deliver, over time, the operating efficiencies and economies of scale described in the financial model. Six key streams were identified for assessment of incremental costs and synergies which included the following:

- Human resources expenses
- Occupancy and equipment expenses
- Data processing and electronic banking expenses
- Marketing and community involvement expenses
- Administrative and other operations expenses
- Amalgamation and integration expenses

The management of the credit unions realize that careful planning, timely integration of people, processes and technology are fundamental to a successful integration process. There will also be emphasis on ensuring critical ‘day one’ capabilities are ready on time, to minimize any disruption for our members. The one-time costs disclosed above capture these essential requirements and are projected to pay themselves back through synergetic financial opportunities created post-amalgamation.

# What's Next

## MEMBER INFORMATION SESSIONS

In May we will be hosting two virtual Town Hall sessions hosted jointly by our CEOs Richard Adam and Dennis Alvestad. Members are invited to join a virtual information session with the leaders shaping our future! They'll have the exclusive chance to engage directly with the CEOs from both organizations. We believe that your active participation is crucial in shaping the direction of our organization. These engagement opportunities are designed to foster transparency, collaboration, and understanding across all levels. If you aren't able to attend don't worry, you can find a recording of the session at [cufutureforward.ca](https://cufutureforward.ca).

To find out more about the Member Information Session and register online today at **[CUFutureForward.ca](https://CUFutureForward.ca)**

## VOTING

**Ready to make your voice heard? You can vote if:**

- You are 18 years of age or older; and
- You hold membership shares of Northern Credit Union or Copperfin Credit Union share as of or before May 2, 2024; and
- Hold Class A Patronage Shares of Northern Credit Union or Copperfin Credit Union; and
- Hold Class B Investment Shares, Series 98, Series 2014 or Series 2015 of Northern Credit Union

**Voting for the amalgamation will be conducted virtually over a two-week period starting June 3, 2024 – June 16, 2024.** Members who hold membership shares will be entitled to one vote each. Additionally, those who hold Class A Patronage Shares of either credit union or Class B Investment Shares of Northern Credit Union will receive additional votes based on their shareholdings. For detailed information on how to vote and your eligibility, please visit **[CUFutureForward.ca](https://CUFutureForward.ca)**.

## SPECIAL GENERAL MEETINGS

All members have an equal say in how their credit union operates and can vote on important changes. This member vote is no different. Each Credit Union will host a Special General Meeting for members. During the special meeting of the members and shareholders, attendees will be informed about the outcome of the merger vote. Members and Shareholders can register to participate in the Special General Meeting by visiting **[CUFutureForward.ca](https://CUFutureForward.ca)** or registering at the time of voting completion.

The Northern Credit Union and Copperfin Credit Union **Special General Meeting will take place on Friday, June 21, 2024.**

- 12:00 pm ET - Copperfin Shareholder/Class A Meeting
- 12:30 pm ET - Copperfin Membership Meeting
- 3:00 pm ET - Northern Membership Meeting
- 3:00 pm ET - Northern Class A and B Special Share Meeting\*

*\*Meeting to start immediately following the meeting of members.*

# Have Questions?

If you have any questions or need more information about the Proposed Amalgamation, please contact us. We're committed to ensuring you have everything you need to cast an informed vote.



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