



The Joint Partnership Committee (JPC) steering our merger discussions met for the second time on February 16, 2024. The JPC is a committee of three Board members and the CEOs of the three credit unions, as follows:

Cypress	Diamond North	Prairie Centre
Kelly Bakanec, Chair	Greg Pagan, Chair	Greg Hannay, Chair
Kevin Angerman, Director	Kent Nickel, Director	Norm McIntyre, Director
Barry Elderkin, Director	Leslee Serack, Director	Karen Sinclair, Director
Glen Goddard, CEO	Colleen Harmatiuk, CEO	Blair Wingert, CEO

Our commitment to you is to share regular updates about the progress of our partnership discussions.

Four major conclusions were reached during the meeting, which the three Boards of Directors have since endorsed.

1. Principles of Partnership
2. General Approach to the Merger
3. Shared Goals and Vision
4. Governance Model

Each is described for you below. As this is our first formal update, please let us know if you find this information helpful. Your time is important; we want to ensure we share useful information. This information is intended for internal purposes and is being shared with the staff of all three credit unions. We have a separate stream of work to share information with our members.

Principles of Partnership

Our merger discussions differ from past mergers wherein there was an element of negotiation. Our merger is being built upon principles of partnership, as follows:

1. A partnership between our three credit unions must create tangible value and benefits for the members and rural communities of each credit union. *This will be the ultimate test.*
2. We share an enduring commitment to the Seven International Principles of Cooperation and will bring them alive in our business model. *This is a sustainable model for driving member engagement.*
3. Each of the partner credit unions contributes uniquely and it is the collective breadth and depth of those contributions that makes us stronger together. *We can use collective contributions to build new value for our members and our rural communities.*

4. Any collaboration must leverage the talent we have in our existing credit unions and any changes in roles or responsibilities will be managed fairly and transparently. *This is the right thing to do.*
5. Where possible, our collaboration will take a long-term view in the best interests of our members, our staff, and our credit unions. *This is our future focus.*
6. Together, we will design a future where we are focused on the mutual gains that we can generate. *Our collaboration is a creation, not a negotiation.*
7. Our goals and objectives, issues, and concerns will be openly and transparently discussed. *Together we are stronger.*
8. As partners, we recognize other credit unions may wish to join later and therefore we are planning a credit union that will be scalable to accommodate future partners. *This is what collaboration looks like.*
9. As partners, we recognize that our actions can impact our partners, and we will engage in these discussions with the understanding that we owe each partner our support. We commit to a practice of “no harm”. *This is what respect looks like.*

General Approach to the Partnership

Our merger will evolve through several phases as follows:

1. Exploration
2. Recommendation
3. Preparation
4. Integration

We are now in the exploration phase, discussing what the potential post-merger credit union could look like. That work will be captured in a Concept Paper that will be presented to the JPC for consideration in March 2024. If accepted by the JPC, it will be referred to the three Boards for their approval. We will launch a due diligence process if the Boards approve the Concept Paper. Our current plans are to outsource the due diligence process to a qualified agency. Due diligence includes reviewing each other’s operations to ensure complete disclosure of risks and opportunities. Staff may be asked for their support in providing information to the agency during this process.

The insights from the due diligence process will help us understand the integration work required to bring the three credit unions together operationally. Completion of due diligence also allows the creation of a Business Case. Once the Business Case has been approved, we will move from the exploration of a merger to the recommendation phase. During that phase, we will be encouraging membership support for the merger. We are currently targeting member votes in early September 2024.

Following membership approval we will begin preparing for integration with the final phase being the integration itself.

We will share more information about our timelines as our talks continue.

Shared Goals and Vision

The three credit unions aim to continue access to high-quality financial services in rural Saskatchewan. They aspire to give members more access, progressive technology, digital solutions, competitive prices, and expert advice. They want to enhance the credit union's collective ability to address increasing regulation and manage the risks that are part of the current and emerging financial services marketplace. In summary, the three credit unions aspire to continuously add value for members, employees, and communities.

Governance Model

Representing the true nature of this partnership, if approved, the inaugural Board will be created with four Directors from each of Cypress, Diamond North, and Prairie Centre. Post-merger elections are expected to include a model for at-large and district elections. More details will be discussed at the next JPC meeting.

Closing Comments

We trust that you find this update helpful. If you have any questions, please get in touch with any of us directly.

Yours cooperatively,

Glen Goddard
Cypress

Colleen Harmatiuk
Diamond North

Blair Wingert
Prairie Centre