



Shared Vision, Stronger Future.

The Boards of Directors of Access Credit Union and Carpathia Credit Union are pleased to share that its respective leaders initiated discussions in January 2022 regarding a potential merger between the two organizations.

The two credit unions have worked together to complete initial reviews that clearly indicate such a partnership would provide great value for Carpathia members, employees, and communities. Carpathia recognizes that to maintain value, achieve greater efficiencies, enhance product and service offering, and continue to grow in an increasingly competitive environment, it must adapt and change. Access today has sought unique solutions to address the emerging challenges that were influencing the future path forward. These challenges include growing expenses, new technologies, enhanced competitive environment, and a global change in banking behaviors.

Over the next couple of months, a collaborative merger Business Case will be developed. The Boards will each review this document and decide whether to proceed with the opportunity. If the Business Case is approved by both Boards, an Amalgamation Agreement will be provided to Carpathia's membership for approval.

As part of our continued due diligence, Carpathia Credit Union will encourage broad participation by engaging employees and members prior to making any formal decision. We will be conducting surveys and town hall meetings, with many opportunities for questions and shared input.

WHY? HOW WILL THIS BENEFIT US?

The Boards have three primary audiences in mind when evaluating the benefits associated with this opportunity: our members, our staff, and our communities.

OUR MEMBERS:

An even stronger credit union will achieve greater efficiencies and long-term financial resilience by eliminating duplicated costs and taking advantage of more economies of scale. This will allow for continued investments in technology and enhanced service experiences, competitive rates, and the potential for a strong patronage program for our members.

Without the risk of losing valued relationships with existing staff, members would enjoy the added convenience of a larger branch network, access to the expertise and knowledge of our combined workforce, along with enhanced products, services, and technological solutions.

OUR COMMUNITIES:

The new organization would be financially stronger, and would have the ability to support our communities with new services and resources, such as enhanced online and mobile services, and the resources and capacity to serve larger businesses than is possible today. This would allow our members (and all of our potential members!) to have more of their financial services needs met by their local credit union, with added convenience and accessibility.

As two individual credit unions, we all know our purpose goes beyond just making a profit; we are about people and we are about relationships. We always have been and know we always will be, as that commitment would remain a priority for the new organization. With our member's best interests at heart, we would continue to use our knowledge and commitment to community to provide valued solutions to our members each and every day.

And, maybe most importantly, our combined credit union would not only continue the community involvement and support each organization is known for, but, as a result of this merger, we would have a tremendous opportunity to broaden our impact and do (even more) good together.

OUR EMPLOYEES:

By joining Access, the credit union would allow Carpathia staff to develop their careers across a broader network, offering an added variety of positions and more specialized roles. As a larger and stronger credit union, employees will have greater opportunities for personal advancement without the need to relocate. Staff will have access to additional team members trained for back-up support and coverage during vacations or in an emergency. As well, the combined credit union will have increased capacity for ongoing learning and development and can further invest in training, tools, and resources for all employees to be successful in their roles and careers.



ORGANIZATION SUMMARY

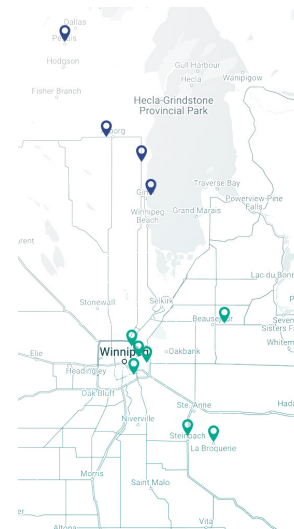
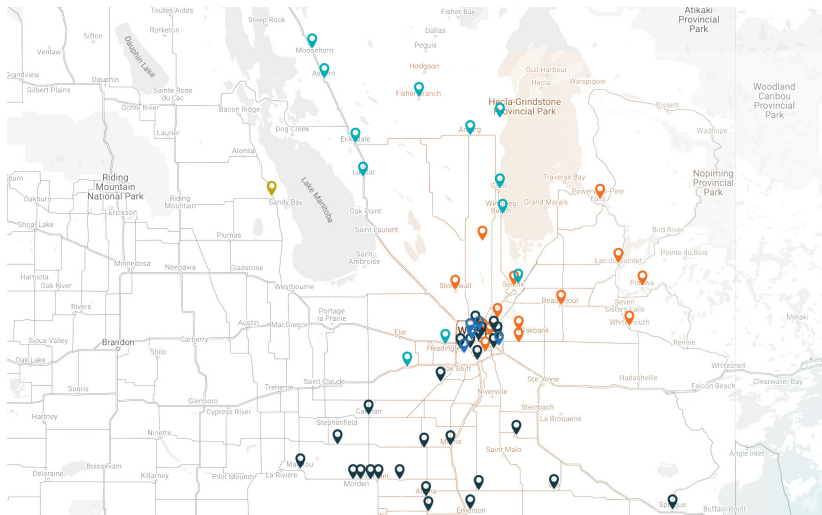
| | COMBINED | ACCESS | CARPATHIA |
|-----------------------|---|--|--|
| Balance sheet assets | \$11.0B | \$10.4B | \$596M |
| Canadian CU ranking | 6 | 6 | 68 |
| MB CU system ranking | 1 | 1 | 14 |
| Members | 172,000 | 161,000 | 11,000 |
| Employees | 810 FTE | 750 FTE | 60 FTE |
| Branches | 57 | 52 | 5 |
| Efficiency | 74.14% | 74.23% | 72.36% |
| Equity | 6.27% | 6.30% | 5.53% |
| Loan portfolio | \$9.622B | \$9.159B | \$463M |
| Risk Weighted Capital | 12.15% | 12.08% | 13.62% |
| Subsidiaries | Insurance, Real Estate, and Virtual Banking Divisions | Interlake Agencies Ltd. (Real Estate and Insurance) Brio Insurance AcceleRate Financial & Hubert Financial - Virtual Banking Divisions | Ideal Savings - Virtual Banking Division |

Note: Data in table as of July 1, 2022

BRANCH NETWORK

The new credit union created by Access and Carpathia would have branches across Manitoba.

The new credit union also operates insurance offices throughout Winnipeg, southern Manitoba, and the Interlake.



General Questions

MEMBER FAQ

Why is Carpathia exploring the possibility of merging?

The competitive landscape in the Canadian financial services sector remains highly volatile, with expanding and tightening regulations, increasing member preferences, and growing competition. The Board of Directors recognized that change was necessary to continue to grow and maintain value for members in the increasingly competitive and regulated environment. Both credit unions have identified mergers as a key strategic objective for long-term success and sustainability. Furthermore, the organizations share similar values when it comes to people and communities. The proposed merger offers the collective membership greater access to new technologies, enhanced products and services, continued and expanded support for communities, and opportunities for employee development and growth.

When did the two credit unions begin discussions?

Preliminary discussions began in January 2022 as a simple invitation to explore whether there would be interest in merging. Once both Boards determined there was interest and initial discussions provided a collaborative and positive business overview, we made this information public.

What are the timelines?

Over the next couple of months, the Boards and management will be working on a business case with a goal to have it completed by late October 2022. If the two Boards of Directors approve the business case, they would recommend the proposed merger to the membership and seek membership approval in December 2022. There will be many opportunities for staff and member engagement throughout the process. Please watch for more information on timelines as we work through the process and refine further details.

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| January 2022 | The Boards of Directors of Access and Carpathia credit unions began discussions and conducted initial reviews for a potential merger between our organizations. |
| September 8, 2022 | Public announcement that the two credit unions are in merger discussions. |
| September 2022 to November 2022 | Communications framework will provide regular information, progress updates, and continuous Q & A opportunities. We will prioritize two-way dialogue throughout this initiative with both our members and employees. |
| October 18, 2022 | Finalize merger discussions and present business case to each credit union Board for decision. |
| October 29 to December 6, 2022 | If the business case is approved by each credit union Board, each Board will sign an amalgamation agreement and recommend the proposed merger to Carpathia Credit Union members. Members will be notified that a vote will occur. |
| December 7, 2022 | Carpathia members vote on the proposed merger as outlined in the amalgamation agreement. |
| Prior to July 1, 2023 | Approval from regulators and Competition Bureau. |
| July 1, 2023 | Legal Merge date. |

Have you decided on what the name of the new credit union would be?

Carpathia Credit Union would adopt the strength of the Access name and the applicability and relevance of their brand when reflecting on the mission, purpose, and shared values for both organizations. Each partner believes in providing opportunities for all members to achieve their financial goals and delivering accessible services that best meet those needs.

Would the new credit union pay patronage to the members?

Profit sharing is a vital part of cooperative values. While numerous details are still in discussion, the Boards of both organizations agreed the new credit union would focus on maximizing the ability to pay patronage to members. Although not guaranteed, the financial strength of the merged credit union would provide opportunity to reward member loyalty.

How would the new board be determined?

Access' current Board of Directors would remain as is. Access' Board would appoint one Director from Carpathia's existing Board, for a term of July 1, 2023, to the Annual General Meeting in 2026. Carpathia's existing Board would decide which representative is appointed.

Who would lead the new organization?

As is the case in mergers, the senior-level structure forms part of the overall discussions and plans. Larry Davey, President & CEO of Access Credit Union, would become the CEO of the new entity. Candace Martyszenko, CEO of Carpathia Credit Union, would transition to a Senior role with Access Credit Union. Candace is committed to continuing to lead Carpathia Credit Union through this merger process.

What would happen to the Carpathia branches?

All Carpathia Credit Union branches would remain open. Like any business, we would regularly review our operations and evaluate our combined branches to ensure that we continue to be accessible and are meeting the needs of our members.



Why do you need to merge?

As costs of business increase, fewer resources can be dedicated to products and services that are important to employees, members, and communities. By bringing Carpathia together with Access Credit Union, Carpathia members and employees would have access to those technological investments while eliminating any duplication of business expenses that may have been restrictive previously. A great example would be technology that both organizations would have had to purchase individually. With one organization, buying power is increased, and there's no duplicated expense.

Is my money safe? Are we in trouble?

Yes, all deposits at both Access and Carpathia are 100% secure by the Deposit Guarantee Corporation of Manitoba. Although Carpathia Credit Union remains financially stable today, the Boards have noted pressures associated with pending legislative requirements, including payments modernization costs (2022) and consumer-directed finance (open banking) conditions (2023). Carpathia has also identified challenges with keeping pace with technological investments and changing member needs.

Would there be layoffs as a result of the merger?

All employees are guaranteed positions in the new organization, however those positions may change, requiring more in depth knowledge or specialization in order to serve members and internal staff more effectively. We would work together to maximize opportunities for training and development which would result in some new career paths and opportunities.

Would my account number have to change?

While there are several options to consider, this process would be one of many aspects of the merger implementation. Until we advise you of something different, it would remain business as usual.

Would my services and products change?

Carpathia members would have access to Access Credit Union's competitive suite of products and services.

Larger CUs are becoming too impersonal. Won't this just make you more like a bank as the largest CU in Manitoba?

The same great service you are provided today by staff in the Carpathia branch would not change as a result of this proposed merger. The size of the organization has no impact on the smiling faces you see! One of the added benefits is access to a larger branch network. For example, when you need to visit a branch while at the lake, our Interlake branches are there. Or, if you are in Winnipeg and need to visit a branch, there are multiple locations for your convenience. And you just might meet some new faces along the way. Our hope is that with our increased resources, we would be able to provide more training opportunities for our employees and more service support to our Member Service Representative team.

What would happen to the community programs that the credit unions are currently involved in?

Each Board recognizes the importance of community investment and the ongoing sustainability and health of our communities. Each organization gives back to the community through its corporate giving program, which includes donations and employee volunteerism. We believe there will be an opportunity to expand on the work that is already being done to have a greater impact on our communities. Carpathia's Board also sees the strength of Access' patronage program and would allow for the new organization the ability to pay out patronage to the collective membership.

Where would the head office be? Where would the executive team be?

All current corporate offices would be maintained and headquartered for the executive team. Through the use of technology, they would have a flexible location appropriate to their role. For legal purposes, our official head office will be the location of the Corporate Secretary at Access' Stanley Business Centre located in Southern Manitoba.