

Overview of the Vote

DUCA Financial Services Credit Union Ltd. (DUCA) is holding two **Special Virtual Meetings** on **March 10, 2026**, one for Class A Shareholders and one for all DUCA Members, to approve important amendments to the terms of Class A Special Shares (the “Class A Shares”). These changes are necessary to align with legal requirements.

Understanding Patronage Shares & Class A Shares

Profit-sharing is a core principle of cooperative banking, and DUCA has been sharing its success with Members since **1998** through patronage returns, paid both in cash and through a special class of shares known as **Class A Shares**.

Class A Shares serve a dual purpose:

1. **They act as Patronage Shares**, representing a Member’s participation in DUCA’s legacy profit-sharing process.
2. **They contribute to DUCA’s regulatory capital (Tier 1 Capital)**, helping to strengthen DUCA’s financial position by absorbing unexpected volatility in earnings and ensuring the long-term stability and growth of the credit union.

Upon further review of the terms and conditions of **Class A Shares** relative to the definition of **Patronage Shares** under the **Credit Unions and Caisses Populaires Act, 2020** (the “Act”), technical adjustments are required to maintain compliance.

What proposed changes will be voted on?

To meet the definition of **Patronage Shares** under the Act, and qualify for **Tier 1 capital treatment**, DUCA is proposing to amend its **Articles of Amalgamation** to align Class A Shares with requirements under the Act.

The Changes are:

1. **Clarifying that Class A Special Shares do not carry rights to dividends.** Current terms and conditions do not provide an automatic right to a stated dividend such that a “right” to a dividend may only occur if DUCA’s Board of Directors declared dividends at its discretion. Payment of dividends on Class A Shares were discontinued since 2022 pursuant to the introduction of the Do More Profit-Sharing Program. This change is technical in nature to align with the definition of patronage shares under the Act.
2. **Restricting the transfer of Class A Shares only to a credit union, not to another Member.** Currently, DUCA procedures disallow the transfer of Class A shares between Members. This change aligns with both existing procedure and the requirements of the Act.

Why vote in favour?

These changes ensure that Class A Shares comply with requirements of the Act to **qualify as Patronage Shares** underlying DUCA’s legacy profit-sharing program and to maintain **Tier 1 capital treatment**, which is important to DUCA’s capital structure.

Approval Process

These changes are subject to approval by:

- **Class A Shareholders** at a Special Meeting on **March 10, 2026, at 5pm.**
- **DUCA Members** at a subsequent Special Meeting immediately after the Class A Shareholder vote held at **5:30pm.**

Voting Details & Next Steps

Key Dates

- **Class A Shareholder Special Virtual Meeting: March 10, 2026, at 5pm,** Shareholders vote on amendments to share terms and condition.
- **DUCA Member Special Virtual Meeting:** Immediately after the Shareholder Meeting, starting at 5:30 pm, Members vote on Articles of Amendment and By-Law updates to reflect changes made to terms and conditions of Class A Shares.

Voting Requirements & Participation

- **Class A Shareholder Vote:**
 - 2/3 majority vote required.
 - One vote per share.
 - Proxy voting available – Shareholders unable to attend can assign a proxy vote on their behalf, nominating **Doug Conick, President & Chief Executive Officer**, as their proxy.
- **DUCA Member Vote:**
 - 2/3 majority vote required.
 - One vote per Member.
- **Quorum Requirement:**
 - A minimum of 20 participants must be present for each meeting.

Voting Process

Meeting Notices & Proxy Forms

- Your meeting notice and proxy form (for Class A Shareholders only) are enclosed in this package.
- A summary of the proposed changes and their impact is also included.
- Class A Shareholders who cannot attend the live virtual meeting to vote may provide proxy instructions to allow DUCA management to vote on their behalf.
- To ensure delivery of materials, DUCA uses multiple communication methods including email and physical mail where appropriate. For emails, delivery failures are monitored, and follow-up action is taken (e.g., resending or mailing physical copies). Physical mail returned to sender is logged and alternative delivery methods are attempted when possible.
- While updates are also posted on [duca.com](https://www.duca.com), we recognize that not all Class A Shareholders and Members may regularly visit the website. As such, direct delivery of meeting notices and voting documents is a key part of our communication approach.
- How to Submit Your Proxy Form:
 - **By Email:** classashareholdervote@duca.com
 - **By Mail:** Send your completed proxy form to:
DUCA Financial Services Credit Union
5255 Yonge Street, 4th Floor. Toronto, Ontario. M2N 6P4
Attn: Corporate Secretary
 - **In Person:** Drop off your completed proxy form at any DUCA branch during regular business hours.

We encourage Shareholders to submit early to ensure their proxy is received before the deadline of **March 3, 2026**. If you are submitting your proxy form by Canada Post mail, please allow sufficient time for delivery.

How To Vote

1. Register to vote by **March 3, 2026** here: <https://www.duca.com/about-us/leadership-team-governance>
2. **Real-Time Voting:** Conducted during the virtual meetings on **March 10, 2026**, at
 - **5pm (for Class A Shareholders)**
 - **5:30pm (General Members)**
3. **Proxy Voting (For Class A Shareholders only):**
 - Download and complete the Proxy Form (*attached*) if they cannot attend the live virtual meeting to vote.
 - Submit the completed form before the deadline of **March 3, 2026**. If you are submitting your proxy form by Canada Post mail, please allow sufficient time for delivery.

What Happens Next?

- If the resolutions are approved, DUCA will proceed with amending its **Articles of Amalgamation** to reflect the new terms and conditions of Class A Shares.
- The changes will take effect following regulatory confirmation and final implementation steps.