

Notice of Meeting of the Members of The Municipal Federal Credit Union

The Board of Directors of The Municipal Federal Credit Union have called a special meeting of the members of this credit union at Thompson Electric – 2300 7th St. Sioux City, IA 51105 on, March 7th 2024, at 6pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging The Municipal Federal Credit Union with and into Premier Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of the Municipal Federal Credit Union will be merged with and into the Continuing Credit Union. All members of The Municipal Federal Credit Union will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in The Municipal Federal Credit Union on the effective date of the merger.
2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of The Municipal Federal Credit Union, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of The Municipal Federal Credit Union encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot to vote on the proposed merger.

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at <https://www.ncua.gov/support-services/credit-union-resources-expansion/resources/comments-proposed-credit-union-mergers> or mail to:

NCUA - Office of Credit Union Resources and Expansion
1775 Duke Street
Alexandria, VA 22314
RE: Member-to-Member Communication for The Municipal Federal Credit Union

The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of the continuing credit union, follow as separate documents. In addition, the following information applies to the proposed merger.

Reasons for merger: The Board of Directors has concluded that the proposed merger is desirable and in the best interest of the members, staff, and board. The staff will benefit from increased employee benefits. Additionally, the staff will have a more focused scope of work. The members will benefit from more products, serviced and a further dedicated staff. The credit union and board will benefit from the enhanced policies, procedures, and risk mitigation. As the financial industry landscape continues to transform, so do the challenges for small credit unions. The cybersecurity, regulatory, compliance, board, and lending demands and risk are creating challenges for TMFCU.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. The Municipal Federal Credit Union has a higher net worth ratio than Premier Credit Union.

Share adjustment or distribution:

☒ The Municipal Federal Credit Union will not distribute a portion of its net worth to its members in the merger. The board of directors has determined a share adjustment, or other distribution of The Municipal Federal Credit Union's net worth is unnecessary because of the mutual benefits to both credit unions. The Municipal Federal Credit Union members will have access to more savings and lending products, along with more technology. The safety and soundness will improve due to Premier Credit Union's strength in cybersecurity, policies, and procedures, etc. Additionally, the employees will have access to more benefits and structure. Finally, the board will be able to turn over its roles and responsibilities.

Locations of merging and continuing credit union: The Municipal Federal Credit Union's main office at 103 S Fairmount St. Sioux City IA 51106 will remain open.

Changes to services and member benefits:

The proposed merger is believed to be a merger of equals. The members of TMFCU would have access to, but not limited to, the following additional products and services following a merger:

Money Market, Small Business Checking, Small Business Savings, Small Business money Market, Recreational Vehicle Loans, Student Loans, Enhanced Mortgage Loans (ex. ITIN, Second Homes, Investment Properties, etc.), AD&D Insurance, Auto & Home Insurance, Credit Life & Credit Disability, Guaranteed Auto Protection, Mechanical Breakdown Protection, Vehicle Protection Plan.

PCU pays dividends to members after \$100 whereas currently TMFCU members receive distributions after \$300. This would be an added member benefit. It is also believed that TMFCU will benefit from better savings and loan rates due to the proposed merger.

Merger-related financial arrangements: NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. The following individuals have received or will receive such compensation:

No commitments have been made. In the future, if commitments are considered, any required disclosures will be conducted. It is the intent for the merging credit union's employees to receive equitable benefits to Premier Credit Union's employees. The benefits TMFCU employees receive will be consistent with Premier Credit Union's staff.

Name	Title	Description of increase	Amount
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, please complete the Ballot, and return it to 103 S Fairmount Street Sioux City, IA 51106. To be counted, your Ballot must be received by March 7th, 2024 at 5pm.

BY THE ORDER OF THE BOARD OF DIRECTORS:



President

103023

Date

Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Your credit union must receive this ballot by **March 7th, 2024**, at **6pm CST**

Please mail or bring it to: **Mail - 103 S Fairmount Street, Sioux City, IA 51106**

In person - Thompson Electric 2300 7th Street, Sioux City, IA 51105

I have read the Notice of Special Meeting for the members of The Municipal Federal Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

☐ **Approve** the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.

☐ **Do not approve** the proposed merger.

Member Signature

Date

Member Name (printed)