

Notice of Meeting of the Members of Mountain Empire Federal Credit Union

The Board of Directors of Mountain Empire Federal Credit Union have called a special meeting of the members of this credit union at Mountain Empire Federal Credit Union, 1413 N. Main Street, Marion, VA on January 11, 2024 at 5:30pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Mountain Empire Federal Credit Union with and into United Southeast Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the Mountain Empire Federal Credit Union be merged with and into the Continuing Credit Union. All members of Mountain Empire 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 Mountain Empire 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 Mountain Empire 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 Mountain Empire 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/credit-union-merger-resources/comments-proposed-credit-union-mergers>. You may also mail your comments to: National Credit Union Administration, Office of Credit Union Resources and Expansion, 1775 Duke Street, Alexandria, VA 22314. 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 interests of members for a number of reasons, such as better pricing and services, additional products, enhanced convenience and account access and lower operating costs as a larger combined institution. The merged credit union will also achieve economies of scale which will permit it to better compete in the increasingly competitive financial services industry. By joining together, Mountain Empire Federal Credit Union and United Southeast Federal Credit Union will retain their members-first philosophy and be better positioned to serve members now and into the future. As a result, the Board of Directors has determined that the opportunity to merge with United Southeast Federal Credit Union is in the best interest of the members.

If the merger is approved by the members, your savings with the Continuing Credit Union will remain federally insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration, and backed by the full faith and credit of the United States Government.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Mountain Empire Federal Credit Union (9.12%) has a smaller net worth ratio than United Southeast Federal Credit Union (11.81%).

Share adjustment or distribution: Mountain Empire 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 Mountain Empire Federal Credit Union's net worth is unnecessary because United Southeast Federal Credit Union's net worth ratio is higher than Mountain Empire Federal Credit Union's. In addition, once all one-time merger costs (including early contract termination fees, integration costs for core banking and other data systems and write-downs of fixed and other assets to be retired) are accounted for, the Continuing Credit Union's extensive infrastructure and beneficial services and product offerings that will be available to Mountain Empire Federal Credit Union members are taken into consideration.

Locations of merging and continuing credit union: Mountain Empire Federal Credit Union's office at 1413 N. Main Street, Marion, VA 24354, will remain open following the merger. In addition, United Southeast FCU has five branch locations in the service area, resulting in six convenient locations for members of the Continuing Credit Union.

1413 N. Main Street, Marion, VA 24354
1545 Bluff City Highway, Bristol, TN 37620
2555 Lee Highway, Bristol, VA 24201
4718 North Roan Street, Johnson City, TN 37615
1060 West Main Street, Suite 1, Abingdon, VA 24210
1672 East Main Street, Lebanon, VA 24266

Changes to services and member benefits: The credit unions have made no post-merger plans to reduce branch facilities, ATM network access, or existing accounts and services offerings currently offered or available to Mountain Empire Federal Credit Union members.

Member Approval and Ballot:

Please note that the proposed merger must have the approval of the majority of


members who vote. In accordance with its Bylaws, Mountain Empire Federal Credit Union is conducting the member vote on the merger proposal through a mail-in or in-person ballot to the Mountain Empire Federal Credit Union members. The ballot distribution, collection, custody and tabulation will be conducted by an independent third party company, Graham Law, PC.

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:

Graham Law, PC
Attn: MEFCU Merger
111 N. Park Street
Marion, VA 24354

To be counted, your Ballot must be received prior to the meeting on January 11, 2024 at 5:30pm. Branches cannot accept ballots or mail ballots for members.

BY THE ORDER OF THE BOARD OF DIRECTORS:


Amanda Currin, MEFCU Board Chair

11/9/2023
Date