

## Notice of Meeting of the Members of Proctor Federal Credit Union

The Board of Directors of Proctor Federal Credit Union have called a special meeting of the members of this credit union at 401 2<sup>nd</sup> Avenue Proctor MN 55810 on Thursday November 6, 2024, at 5:30pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Proctor Federal Credit Union with and into Centricity Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the Proctor Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Proctor 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 Proctor 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 Proctor 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 Proctor 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 Proctor 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 interests of members because

1. **Shared Values:** Both our credit unions share a common mission of providing exceptional financial services to our members while maintaining financial stability.
2. **Enhanced Services:** Through this merger, we can offer an expanded range of products and services, including improved digital banking solutions, competitive loan rates, and personalized member support.
3. **Operational Efficiency:** By streamlining our operations and leveraging economies of scale, we can reduce costs and enhance efficiency.
4. **Security and Technology:** Combined resources to invest in and provide state of the art solutions for a better (member and employee) end user experience.
5. **Enhanced Oversight:** Board and Committee representation from both institutions.
6. **Expanded Service Area:** Field of Membership will consist of St. Louis County MN, Lake County MN, Carlton County MN, Pine County MN and Douglas County WI. Combined we would have expanded branch locations in Proctor, West Duluth, Hermantown, Lakeside and in Superior.
7. **Enhanced Benefits:** Bringing together the best of both credit unions to offer employees more choices in a reduced to no cost benefit package.
8. **Employee Growth and Advancement Opportunities:** Leadership roles and development, career pathing, enhanced earning power, ability to specialize, relocation opportunities, remote work opportunities and better work life balance.

*Net worth:*

The net worth of the merging credit union at the time of the merger transfers to the continuing credit union. Proctor Federal Credit Union does not have a higher net worth than Centricity Credit Union.

*Distribution:*

Proctor Federal Credit Union will distribute a portion of its net worth to its members in the merger. The board of directors has determined to distribute a portion of Proctor Federal Credit Union's net worth as a merger bonus dividend equal to approximately 0.64% of regular shares (savings), share draft share certificate and IRA balances as of June 30, 2024.

Locations of merging and continuing credit union:

Proctor Federal Credit Union locations will remain open:

410 2<sup>nd</sup> Avenue  
Proctor, MN 55810

3924 Grand Avenue  
Duluth, MN 55807

Centricity Credit Union has the following full-service locations that are near Proctor Federal Credit Union:

25 Belknap Street  
Superior, WI 54880

2501 London Road  
Duluth, MN 55812

4477 LaVaque Road  
Hermantown, MN 55811

*Changes to services and member benefits:* Additions – Commercial Savings and Lending, Money Market, Debit Card Rewards, ATM's, Enhanced Online and Mobile Platforms, Person to Person Payments, Internal Call/Contact Center, Enhanced Technology, Security and Fraud Monitoring Systems and additional Staff and Branch Locations to meet your needs.

*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:

Name	Title	Description of increase	Amount
		NONE	

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 410 2<sup>nd</sup> Avenue Proctor, MN 55810 . To be counted, your Ballot must be received by November 6, 2024, at 5:00pm.

BY THE ORDER OF THE BOARD OF DIRECTORS:

Daniel Rohwede

9/12/24

President

Date