

## **Notice of Meeting of the Members of SMART Federal Credit Union**

The Board of Directors of SMART Employees Federal Credit Union have called a special meeting of the members of this credit union at 3454 N. High Street, Columbus, Ohio 43214 on September 26, 2024, at 5:00 p.m. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging SMART Federal Credit Union (SMART) with and into Pathways Financial Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of SMART will be merged with and into the Continuing Credit Union. All members of SMART 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 SMART 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 SMART, 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 SMART 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. You may also cast your vote electronically at <https://smartfedcu.cuballot.com>.

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://ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-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 SMART 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.

NCUA 6305A (05/20)

*Reasons for merger:*

The directors of Pathways and SMART have reached the conclusion that the proposed merger is desirable for the following reasons:

This strategic merger will result in members of SMART gaining access to many new products/services and enhanced electronic access to their credit union membership accounts. Members will also gain additional full-service branch access, as the combined credit union will offer up to eleven (11) full-service branches.

Pathways will be delivering a Comprehensive Digital Experience for SMART members. Pathways has the resources to improve account management with the latest technologies, including a full-service online access program with bill pay, mobile check deposit, mobile account access, pay anyone payments, text alerts, 24/7 online loan application solutions, and more.

Both credit unions share similar philosophies and a commitment to a high level of service, so apart from the benefits of an increased branch network and access to new products/services, members should see very little change during the transition. All staff members employed by SMART will continue to be employed at Pathways.

*Net worth:*

SMART does not have a higher net worth ratio than Pathways. Upon the merger, the net worth of SMART will transfer to Pathways.

*Share adjustment or distribution:*

The directors of Pathways and SMART carefully analyzed the assets and liabilities of each credit union and appraised each credit union's share and loan values. They determined that the net worth of SMART (merging credit union) is 10.44% compared to Pathways Financial Credit Union's net worth of 11.01% as of December 31, 2023. SMART wishes to recognize its members for maintaining deposits and loans with the Credit Union and will distribute a portion of its net worth to its members as part of the merger. The board of directors has agreed to distribute \$600,000 of SMART's net worth as a special dividend to members. The dividend will be based on the average of members' savings and loan account balances as of December 31, 2023, and June 30, 2024. All closed accounts and negative balance accounts will be excluded from the special dividend. All eligible accounts will receive at least \$20.00, and the maximum paid to any one account will be \$5,000.00. If the merger is approved, the special dividend will be distributed into each eligible member's share account prior to the merger effective date.

*Locations of continuing credit union:*

***Pathways Financial Credit Union has branch office locations throughout the state of Ohio. The following is a list of all our publicly accessible branch offices:***

***Springfield***

**Springfield**

1850 S. Limestone Street  
Springfield, OH 45505

***Dayton and Southwest Ohio***

**Aberdeen**

1100 U.S. Rt. 52  
Aberdeen, OH 45101

**Beavercreek**

3562 Dayton Xenia Road  
Beavercreek, OH 45432

**Englewood**

175 W. Wenger Road  
Englewood, OH 45322

***Columbus and Central Ohio***

**Columbus West**

750 Georgesville Road  
Columbus, OH 43228

**Delaware**

879 W. William Street  
Delaware, OH 43015

**Gahanna/New Albany**

5665 N. Hamilton Road  
Columbus, OH 43230

**Grandview**

1445 W. Goodale Blvd.  
Columbus, OH 43212

**Marysville**

121 Emmaus Road  
Marysville, OH 43040

**Whitehall**

5025 E. Main Street  
Whitehall, OH 43213



*Changes to services and member benefits:*

This merger will provide the resources to bring SMART members greater value through additional products/services, advanced technological capabilities, an expanded branch/ATM network, and extremely competitive deposit and loan rates. Other merger benefits include:

- Expanding from one branch to 11 full-service branch locations
- Continued access to the nationwide Shared Branch network
- Competitive deposit rates
- Earn 1.5% cash back with Pathways Cash Back Rewards Mastercard
- More consumer and real estate loan options
- Health Savings and IRAs
- Financial education resources
- Credit and budget counseling services
- Drive-thru teller service at most branches
- Deposit insurance through NCUA and Excess Share Insurance (ESI)
- Expanded mobile banking services
- High-Yield Owner Rewards Savings Account
- Ohio Homebuyer Plus
- Retirement and Investment Services

*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 may receive in connection with the merger.

The Board of Directors of SMART and Pathways wish to recognize the service of SMART's management and staff and to encourage them to continue to serve the membership before/after the merger. SMART Federal Credit Union staff members who remain with the Continuing Credit Union will be eligible to receive an Employee Retention and Years of Service Bonus. The following individuals have received or will receive such compensation: Jodi Henricks, CEO \$36,760; Scott Brown, CFO \$32,616; Jesi Daniel, COO \$31,384; Derek Wendt, Lending & Member Service \$28,952; Audra Maxwell, Member Service/BSA \$29,430.

*Merger Approval and Ballot:*

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.

Please complete the Ballot and return it to the address below.

E Space Communications, Inc.  
P.O. Box 3156  
Dublin, OH 43016-9842

To be counted, your Ballot must be received by 5:00 p.m. on September 26, 2024. Mail and electronic ballots received after this date and time will not be counted. You may also cast your vote electronically at <https://smartfedcu.cuballot.com>.

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BY THE ORDER OF THE BOARD OF DIRECTORS:

DocuSigned by:  
  
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\_\_\_\_\_  
President

June 13, 2024  
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Date