

Notice of Meeting of the Members of Lowland Credit Union

The Board of Directors of Lowland Credit Union (LCU) has agreed to merge with ORNL Federal Credit Union (ORNL FCU). Therefore, the Board has called a special meeting of all members to be held:

Tuesday, April 23, 2024, at 5:00 PM

Morristown Landing
4355 Durham Landing
Morristown, TN 37814

The purpose of the meeting is to:

1. Consider and act upon a plan and proposal for merging LCU with and into ORNL Federal Credit Union (ORNL FCU), whereby all assets and liabilities of LCU will be merged with and into the continuing credit union (ORNL FCU). All members in good standing with LCU 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 LCU on the effective date of the merger.
2. Ratify, confirm, and approve the action of the Board of Directors in authorizing the officers of LCU, 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 LCU 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> or mail to:

NCUA - Office of Credit Union Resources and Expansion
1775 Duke Street
Alexandria, VA 22314
RE: Member-to-Member Communication for LCU and ORNL FCU merger.

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 the reasons stated below:

A merger with ORNL FCU will bring financial strength and stability, a broader branch network, continued community focus, expanded products and services, guaranteed employment, and uninterrupted service. LCU and ORNL FCU have a clear vision of a stronger, unified organization where employees and members greatly benefit.

Net worth:

The net worth of a merging credit union at the time of a merger transfers to the continuing credit union; as of the period ending September 30, 2023, LCU at 7.11% has a lower net worth ratio than ORNL FCU Credit Union at 11.14%.

Share adjustment or distribution:

LCU 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 LCU's net worth is unnecessary. 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, LCU's net worth will be reduced. Because ORNL FCU has a higher net worth ratio, the members' equity will not be substantially impacted.

Locations of merging and continuing credit union:

ORNL FCU's main office is located at 221 S. Rutgers Ave., Oak Ridge, TN 37830. LCU's main office at 1216 East Main St., Morristown, TN 37814, will remain open, along with the other branches:

Morristown Main Branch - 1216 E Main St
Newport - 344 West Broadway
West Morristown - 3610 West Andrew Johnson Hwy

ORNL FCU Branch Locations: (East TN area)

Alcoa - 103 Hamilton Crossing Drive	Madisonville - 4201 Hwy 411
Athens - 103 Washington Ave	Maryville - 2441 US Hwy 411 S
Bearden - 5505 Kingston Pike	Maynardville Food City - 4344 Maynardville Hwy
Clinton - 1117 N Charles Seivers Blvd	Middlebrook Pike - 9570 Middlebrook Pike
Decatur - 17640 State Highway 58	Millertown Pike - 5409 Millertown Pike
East Knoxville - 3634 E Magnolia Ave	Morristown - 1730 W Andrew Johnson Hwy
Farragut - 11405 Municipal Center	North Knoxville - 808 Victor Dr
Fountain City - 5208 N Broadway	Northshore - 2077 Town Center Blvd
Halls - 4510 E Emory Rd	Oak Ridge - 215 S Rutgers Ave
Karns - 7228 Oak Ridge Hwy	Oak Ridge Walmart - 373 S Illinois Ave
Kingston - 1204 N Kentucky St	Sevierville - 699 Parkway #5
Lab - Oak Ridge National Lab	South Knoxville - 7325 Chapman Hwy
LaFollette - 2229 Jacksboro Pike	West Knoxville - 8721 Kingston Pike
Lenoir City - 895 Hwy 321 N	
Loudon - 2859 Hwy 72	

Please go to ornlfcu.com/locations for detailed information on ORNL FCU's 28 branch locations in the East Tennessee area.

Changes to services and member benefits:

On the effective date of the merger, LCU will continue to operate with the existing products and services, and ORNL FCU services will be introduced during a conversion period over the following months. Expanded services will include access to the extended branch network, 24/7 call center, and high quality online and mobile banking 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 will receive in connection with the merger. The following individuals have received or will receive such compensation:

Mark Creech, President and Chief Executive Officer. The Board of LCU approved a salary increase of \$29,536 and a retention bonus of 50% of his pre-merger salary on November 21, 2023 with an effective date of November 6, 2023. When Mark joins ORNL FCU, he will receive an additional salary increase of \$50,000 and a second retention bonus of 50% of his post-merger salary on the day of system conversion no later than six months after the merger is effective. He will also receive a one-time retirement payout equal to 100% of his current annual salary in recognition of his 30+ years of service six months after the merger is complete.

Will McKinney, Chief Financial Officer. Will received a salary increase of \$19,032 on November 21, 2023 with an effective date of November 6, 2023. When Will joins ORNL FCU, he will receive an additional salary increase of \$22,000. He will receive a retention bonus of 25% of his pre-merger salary before the merger is

effective and of 25% of his post-merger salary on the day of system conversion no sooner than 60 days and no later than six months after the merger is effective. In addition, he will receive four \$15,000 bonuses in the following two years at six-month intervals. ORNL FCU has committed to pay for Will to attend executive leadership training consistent with what ORNL FCU offers to current leaders at an estimated value of \$35,000.

Sonya Antrican, Chief Lending Officer, Heather Moore, VP Compliance & Support, and Charles Fine, IT Manager, will each receive the following bonuses for staying: 10% of their annual salary the day before the effective date of the merger and \$10,000 at system conversion no sooner than 60 days and no later than six months after the merger is effective.

Mark Creech's LCU-sponsored Collateral Assignment Split Dollar (CASD) insurance plan becomes fully vested on the effective date of the merger. The LCU-sponsored executive retirement benefits for Will McKinney, Heather Moore, and Sonya Antrican will be fully funded, vested, and payable on the merger effective date. The LCU Board and officials are volunteers and will not receive any compensation in relation to this merger.

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. Please complete and mail the ballot using the self-addressed, postage-paid envelope enclosed or vote online at lowlandcu.org/together.

To be counted, your paper ballot must be received by 5:00 PM on Monday, April 22 or your online vote submitted by 6:00 PM Tuesday, April 23.

BY THE ORDER OF THE BOARD OF DIRECTORS:
Chairperson of the Board:



Tommy Musser
Date: February 26, 2024