



NOTICE OF MEETING OF THE MEMBERS OF FORT SMITH DIXIE CUP FEDERAL CREDIT UNION

The Board of Directors of FORT SMITH DIXIE CUP FEDERAL Credit Union have called a special meeting of the members of this credit union at the Fort Smith Dixie Cup Federal Credit Union 4411 Midland Boulevard, Fort Smith, AR 72904 on January 9th, 2025, at 2 PM.

The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging FORT SMITH DIXIE CUP FEDERAL CREDIT UNION with and into BAPTIST HEALTH FEDERAL CREDIT UNION (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the FORT SMITH DIXIE CUP FCU will be merged with and into the Continuing Credit Union. All members of FORT SMITH DIXIE CUP FCU 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 FORT SMITH DIXIE CUP FCU 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 FORT SMITH DIXIE CUP FCU, 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 FORT SMITH DIXIE CUP FCU 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://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 FORT SMITH DIXIE CUP FCU

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 of additional services to be made available and the credit union's sponsor group has requested the credit union to vacate their office within their premises and to change the name of the credit union.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. FORT SMITH DIXIE CUP FCU does have a higher net worth ratio than BAPTIST HEALTH FEDERAL CREDIT UNION.

Share adjustment or distribution:

FORT SMITH DIXIE CUP FCU 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 FORT SMITH DIXIE CUP FCU 's net worth in an amount of \$75,000.00. The distribution will be paid to the members as follows: 10% - \$100.01 – 500.00 Tier, 25% - \$500.01 - \$5,000.00 Tier and 65% - \$5,000.00 and over Tier. The other will help to pay the costs of establishing a stand-alone branch to continue servicing its members along with the members of Baptist Health Federal Credit Union.

Locations of merging and continuing credit union: FORT SMITH DIXIE CUP FCU 's main office at 4411 Midland Blvd, Fort Smith will close. BAPTIST HEALTH FCU currently has a branch near FORT SMITH DIXIE CUP FCU with an ATM at 1001 Towson Ave, Fort Smith, AR 72904.

Changes to services and member benefits:

- Full line of mortgage loan products
- A2A and P2P
- On-line account and loan applications

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: **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 Joe Sullivan, Sullivan & Company P.A., PO Box 13068 Maumelle, AR 72113.

To be counted, your Ballot must be received by January 9th, 2025 at 4:00 PM.

BY THE ORDER OF THE BOARD OF DIRECTORS:



President

11-4-24

Date



Ballot for Merger Proposal

Name of Member: _____

Account Number: _____

Your Credit Union must receive this ballot by January 9th, 2025.

Please mail to:

Sullivan and Company P.A.
PO Box 13068
Maumelle, AR 72113

I have read the Notice of Special Meeting for the Members of Fort Smith Dixie Cup 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 complete the merger.

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

Member Signature

Date

Member Name (Printed)