

**CABOT BOSTON CREDIT UNION**  
TWO SEAPORT LANE, SUITE 1400  
BOSTON, MA 02210  
(617) 342-6154/3

**NOTICE OF SPECIAL MEETING OF THE MEMBERS  
ON PROPOSAL TO MERGE  
CABOT BOSTON CREDIT UNION  
(MERGING)**

The Board of Directors of Cabot Boston Credit Union ("CBCU") has called a Special Meeting of the members of this credit union at Cabot Boston Credit Union, Two Seaport Lane, Suite 1400, Boston, MA 02210 on Thursday, November 21, 2024, at 2:00 p.m. EST. The purpose of this meeting is:

**The Meeting Has Two Purposes:**

1. To consider and act upon a plan and proposal for merging CBCU with and into Merrimack Valley Credit Union ("MVCU"), whereby all assets and liabilities of CBCU will be merged with and into MVCU. All members of CBCU will become members of MVCU and will be entitled to and will receive shares in MVCU for the shares they own in CBCU 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 CBCU, 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 CBCU encourages you to attend the meeting and 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 to the NCUA's Office of Credit Union Resource Expansion (CURE) 1775 Duke Street, Alexandria, VA 22314-3428. 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. You may also submit comments to the Massachusetts Division of Banks, 1000 Washington Street, 10th Floor, Boston, MA 02118, Attn: Legal Unit, (617) 956-1500.

**Reasons for merger:** The CBCU Board of Directors has concluded that the proposed merger is desirable and in the best interests of members for the following reasons:

Both CBCU and MVCU are, measured in financial terms, relatively small in comparison to competing financial institutions. CBCU's modest resources limit its ability to invest in technology and other services that members increasingly demand. Combining CBCU and MVCU will deliver to our members a greater level of member service through a larger branch network and a broader array of better products and services, such as enhanced online banking, including online account opening, free credit counseling services, and a larger menu of loan products, such as MassHousing, FHA and VA mortgage loans, checking accounts with ATM surcharge reimbursements, rewards checking accounts with higher yielding interest and debit card cash back options.

MVCU does not plan to close CBCU's office or reduce any staff following the Merger. The CBCU office is subject to the continuing permission of Cabot Corporation. Members of both MVCU and CBCU will automatically become members of the Continuing Credit Union under its bylaws following the Merger.

**Net worth:** The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. CBCU has a higher net worth ratio than MVCU. CBCU's net worth ratio was 17.67% as of June 30, 2024, as compared with MVCU's net worth ratio of 9.92% as of June 30, 2024.

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**Share adjustment or distribution:** CBCU 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 CBCU's net worth, is unnecessary because CBCU would not be able to obtain sufficient growth on a stand-alone basis to project a valuation that warrants any adjustment in shares.

**Location of merging and continuing credit union:** CBCU's main office at Two Seaport Lane, Boston, MA 02210 will remain open as a branch office of the Continuing Credit Union, subject to the permission of the sponsor organization, Cabot Corporation.

MVCU's main office is located at 500 Merrimack Street, Lawrence, MA 01843. All MVCU's community branch offices with ATMs, which are listed below, will remain open as branch offices of the Continuing Credit Union:

- 500A Merrimack Street, Lawrence, MA 01843
- 350 Winthrop Ave., Rte. 114, North Andover, MA 01845
- 436 Broadway, Methuen, MA 01844
- 2 Water Street, Haverhill, MA 01830
- 24 Plastow Road, Plaistow, NH 03865
- 345 Main Street, Tewksbury, MA 01876
- 29 Andover Street, Danvers, MA 01923
- 100 Macy Street, Amesbury, MA 01913
- 700 Lafayette Road, Unit 103A, Seabrook, NH 03874
- 600 Main Street, Waltham, MA 02452
- 365 Boylston Street, Brookline, MA 02445
- 1205 Adams Street, Dorchester, MA 02124
- 451 Boston Post Road, East, Marlborough, MA 01752
- 213 Independence Avenue, Quincy, MA 02169
- 1095 Washington Street, Hanover, MA 02339
- 530 Grafton Street, Worcester, MA 01604
- 75 Main Street, Bridgewater, MA 02324
- 29 Home Depot Drive, Plymouth, MA 02360
- 41 Fairhaven Commons Way, Fairhaven, MA 02719

The main office of the Continuing Credit Union will be as follows:

Merrimack Valley Credit Union  
500 Merrimack Street  
Lawrence, MA 01843

**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. No consideration, monetary or otherwise, has been paid, given, or offered to any official or employee of CBCU or MVCU in connection with the Merger.

**Additional information about the proposed merger:** NCUA Regulations require that this notice be accompanied by certain financial information about MVCU and CBCU. NCUA Regulations also permit that this notice be accompanied by additional explanatory materials that give further details to members regarding the information provided in this notice. Such financial information and additional explanatory materials are included in the Information Statement attached to this notice as Exhibit A.

**Effective Date:** Subject to approval by the Massachusetts Division of Banks, National Credit Union Administration, Massachusetts Share Insurance Corporation, and members of CBCU, the credit unions have planned an effective date for the merger as January 1, 2025.

**Merger and Bylaw Amendment Approvals and Vote:** To complete the merger, it is necessary to obtain the approval of a simple majority of the CBCU members who vote on the proposal. To vote, you must be 18 years of age or older, and a member of CBCU for at least three (3) months prior to the Special Meeting date. You may cast your vote in person at the special meeting to be held at Two Seaport Lane, Suite 1400, Boston, MA 02210 on Thursday, November 21, 2024, at 2:00 p.m. EST.

**BY THE ORDER OF THE BOARD OF DIRECTORS:**



Philip H. Doiron, Board Chairperson

September 4, 2024

Date

**CABOT BOSTON CREDIT UNION  
MERGER WITH MERRIMACK VALLEY CREDIT UNION**

**EXHIBIT A**

**INFORMATION STATEMENT  
INTRODUCTION**

This Information Statement is being provided to you by the management of Cabot Boston Credit Union ("CBCU") in connection with the Special Meeting of Members of CBCU to be held at 2:00 p.m. EST on Thursday, November 21, 2024, at Two Seaport Lane, Suite 1400, Boston, MA (the "Special Meeting"). The Special Meeting is being held to vote to approve a proposal to merge (the "Merger") CBCU with and into Merrimack Valley Credit Union ("MVCU"), with MVCU being the continuing credit union after the Merger (the "Continuing Credit Union").

MVCU and CBCU have entered into a Merger Agreement dated as of April 4, 2024 (the "Merger Agreement"), which requires, among other things, that the Merger be approved by the members of CBCU in accordance with applicable law. This Information Statement provides information about the Merger and the Special Meeting.

The Directors and management of CBCU have concluded that the Merger is in the best interests of CBCU and its constituencies, including CBCU's members, employees, and the communities that CBCU serves.

Currently, MVCU does not plan to close its main office or reduce any staff following the Merger. Members of both MVCU and CBCU will automatically become members of the Continuing Credit Union under MVCU's by-laws following the Merger.

**SUMMARY OF THE MERGER AGREEMENT**

The Board of Directors of MVCU and the Board of Directors of CBCU have adopted and approved the Merger Agreement under which CBCU will merge with and into MVCU under the charter, by-laws, and name of MVCU, with MVCU being the Continuing Credit Union.

**Conditions to Closing**

Under the Merger Agreement, the closing of the Merger is subject to the satisfaction of several important closing conditions, none of which may be waived by either MVCU or CBCU, including:

- The approval of the Merger by the members of each of MVCU and CBCU; and
- The receipt of all applicable regulatory approvals, including the approvals of the Massachusetts Commissioner of Banks, the NCUA and the Massachusetts Credit Union Share Insurance Corporation.

The consummation of the Merger is also subject to the satisfaction of the following additional closing conditions, each of which apply to both MVCU and CBCU unless waived by MVCU against CBCU or by CBCU against MVCU, including:

- Between the date of the Merger Agreement and the closing date of the merger, there has been no change in the business, assets, financial condition, or results of operations of either credit union that has had, or is reasonably likely to have, a material adverse effect with respect to either credit union.
- All the representation and warranties of each party contained in the Merger Agreement must remain true and correct in all material respects at the time of the closing of the Merger; and
- Each party must have performed and satisfied all covenants and agreements imposed on it by the Merger Agreement.

**Termination; Effect of Termination**

The Merger Agreement permits MVCU and CBCU to terminate the Merger Agreement under the following circumstances:

- By MVCU or CBCU, if the other party has materially breached the terms of the Merger Agreement;
- By MVCU or CBCU, if the members of the other party fail to approve the Merger; and
- By MVCU or CBCU, if the closing of the Merger shall not have occurred by December 31, 2024.

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## **Employee Matters**

The Continuing Credit Union will retain all employees of CBCU who accept employment with the Continuing Credit Union under the terms provided by MVCU (subject to MVCU's normal and customary employment procedures, practices, and satisfactory employment performance). CBCU employees who choose to become employees of the Continuing Credit Union immediately following the Merger will receive an annual salary/wage and benefits from the Continuing Credit Union that are not less favorable than those received from CBCU immediately prior to the Merger. The Merger Agreement also provides that CBCU's vacation and leave policies will continue to remain in effect for such employees for a period of twenty-four (24) months after the Merger. Currently, there are no office closures or service reductions planned or expected from the Merger.

## **Management after the Merger**

The executive officers of the Continuing Credit Union immediately following the Merger will consist of the following individuals who are currently executive officers of MVCU:

- John J. Howard      President/Chief Executive Officer
- Michael E. Valley      Executive Vice President and Chief Financial Officer
- Richard Wright      Special Advisor to the President
- Nicole James      Executive Vice President and Chief Retail Officer
- Bradford P. Egan      Executive Vice President and Chief Lending Officer

All current directors of MVCU that wish to serve on the Board of Directors of the Continuing Credit Union will become members of the Board of Directors of the Continuing Credit Union immediately following the Merger, until their successors are duly elected or appointed in accordance with applicable law. No current directors of CBCU will become members of the Board of Directors of the Continuing Credit Union as a result of the merger.

## **FINANCIAL INFORMATION**

The appraisal of the share values for each of MVCU and CBCU is attached hereto along with the individual and consolidated financial statements of the credit unions. The Probable Asset/Share Ratio (or "PAS") shown on each credit union's appraisal of share values reflects the relative worth of \$1 of shares in the credit union, assuming it will be an on-going concern. The PAS ratio is computed by dividing the net value of assets by the credit union's total shares.

## **REGULATORY APPROVALS REQUIRED**

The Merger requires the approval of the Massachusetts Commissioner of Banks, NCUA, and MSIC. An application is pending before the Massachusetts Commissioner of Banks, NCUA, and MSIC. Neither MVCU nor CBCU have any reason to believe that the applications will not be approved in a timely manner.

## **VOTES REQUIRED FOR APPROVAL**

At the Special Meeting, each member of CBCU will be entitled to cast one vote with respect to the Merger. Ballots may only be cast in person at the meeting, according to instructions provided in the ballot.

A quorum must be present at the Special Meeting for approval of the Merger to be considered. Under CBCU's By-laws, a quorum consists of not less than fifteen (15) members attending the meeting.

At the Special Meeting, the members of CBCU will be asked to vote on the approval of the Merger. By approving the Merger, the members would be approving the merger of CBCU with and into MVCU under the terms and conditions of the Merger Agreement.

The affirmative vote of a majority of those members of CBCU duly voting is required to approve the Merger.

A copy of the Merger Agreement will be made available to any member by writing to *Cabot Boston Credit Union, Two Seaport Lane, Suite 1400, Boston, MA 02210 (attention: Marta A. Carney, Manager)* or calling, 617-342-6154.

CBCU's Board of Directors knows of no other business to be transacted at the Special Meeting.

**THE BOARD OF DIRECTORS URGES MEMBERS TO VOTE IN PERSON "FOR" APPROVAL OF THE MERGER.**

Company Name	Merrimack Valley Credit Union	Cabot Boston Credit Union	Combined Entity
BALANCE SHEET	2024-Q2	2024-Q2	2024-Q2
<b>ASSETS</b>			
Cash & Cash Equivalents	74,011,127	2,044,334	76,055,461
Total Securities	428,635,456	299,941	428,935,397
Total Real Estate Loans	1,262,154,686	1,004,773	1,263,159,459
Non-Real Estate Loans	295,744,012	2,256,651	298,000,663
Gross Loans & Leases	1,557,898,698	3,261,424	1,561,160,122
Con: Less Unearned Income	0	0	0
Total Loans & Leases	1,557,898,698	3,261,424	1,561,160,122
Total Reserves	13,077,694	33,869	13,111,563
Net Loans & Leases	1,544,821,004	3,227,555	1,548,048,559
Premises & Fixed Assets	21,560,307	2,845	21,563,152
Total OREO (RE Invest + Other OREO)	45,292	0	45,292
Total Intangible Assets (CU Only)	0	0	0
NCUSIF Deposit	18,642,314	48,811	18,691,125
Deposits in & Loans to Credit Unions	0	0	0
Other Assets	120,253,866	13,495	120,267,361
TOTAL ASSETS	2,207,969,366	5,636,981	2,213,606,347
<b>LIABILITIES &amp; CAPITAL:</b>			
Total Deposits (Incl Dom & For)	1,933,447,888	4,580,492	1,938,028,380
Total Borrowings	45,000,000	0	45,000,000
Other Liabilities	43,641,096	60,679	43,701,775
Total Liabilities	2,022,088,984	4,641,171	2,026,730,155
Redeem Prf Stk & Min Int	0	0	0
Preferred Stock & Surplus	0	0	0
Common Stock & Surplus	0	0	0
Retained Earnings & Other Comp Inc	95,070,025	599,232	95,669,257
Other Comprehensive Income	(30,704)	0	(30,704)
Other Equity Components	90,841,061	396,578	91,237,639
Total Equity	185,880,382	995,810	186,876,192
Total Liabilities Min Int & Equity	2,207,969,366	5,636,981	2,213,606,347

Company Name	Merrimack Valley Credit Union	Cabot Boston Credit Union	Combined Entity
GROWTH RATES (%)	2024-Q2	2024-Q2	2024-Q2
Asset Growth	-4.88	-12.87	-4.91
Loan Growth	0.89	-12.47	0.86
Deposit Growth	-6.83	-12.32	-6.84

Company Name	Merrimack Valley Credit Union	Cabot Boston Credit Union	Combined Entity
INCOME STATEMENT	2024-Q2	2024-Q2	2024-Q2
<b>INTEREST INCOME:</b>			
Interest Income: Loans & Leases	41,811,296	80,238	41,891,534
Interest Income: Deposits & Inv Secs	9,204,976	36,257	9,241,233
Interest Income: Other Assets	0	0	0
TOTAL INTEREST INCOME	51,016,272	116,495	51,132,767
Div Inc Not Subj FASB115	0	0	0
<b>INTEREST EXPENSE:</b>			
Int Exp: Total Deposits	14,812,982	4,520	14,817,502
Int Exp: Interest on Borrowed Money	377,836	0	377,836
TOTAL INTEREST EXPENSE	15,190,818	4,520	15,195,338
Net Interest Inc (Before Credit Loss Expense)	35,825,454	111,975	35,937,429
Credit Loss Expense	1,200,000	15,000	1,215,000
Net Interest Income after Credit Loss Expense	34,625,454	96,975	34,722,429
<b>NON-INTEREST INCOME:</b>			
Noninterest Income: Fee Income	5,678,046	269	5,678,315
Noninterest Income: Other Income	1,344,548	0	1,344,548
Noninterest Income: Gain (Loss) Fixed Assets	(178,365)	0	(178,365)
TOTAL NON-INTEREST INCOME	6,844,229	269	6,844,498
<b>NON-INTEREST EXPENSE:</b>			
NIE: Salary and Benefits	19,078,623	104,064	19,182,687
NIE: Occupancy & Fixed Asset	2,548,093	0	2,548,093
NIE: Amortization of Intangibles & Oth NIE	15,234,810	34,703	15,269,513
TOTAL NON-INTEREST EXPENSE	36,861,526	138,767	37,000,293
Net Income before Gain	4,608,157	(41,523)	4,566,634
Realized Gain on Securities	0	0	0
Net Income Before Taxes & Oth Adj	4,608,157	(41,523)	4,566,634
Income Taxes	0	0	0
Minority Interest	0	0	0
Income Before Extraordinary Items	4,608,157	(41,523)	4,566,634
Extraordinary Items & Adjustments of Inc.	0	0	0
Taxes	0	0	0
NET INCOME	4,608,157	(41,523)	4,566,634

*\*Figures as of June 30, 2024*

**PROBABLE ASSET/SHARE RATIO: MERRIMACK VALLEY CREDIT UNION (Continuing Credit Union) 06-30-2024**

	Book Value	Market Value
<i>ADDITIONS:</i>		
Cash	74,011,127	74,011,127
Loans	1,544,821,004	1,544,821,004
Investments	428,635,456	428,635,456
Fixed Assets (includes OREO)	21,605,599	21,605,599
Other Assets (includes NCUSIF Dep.)	138,896,180	138,896,180
Total (A)	2,207,969,366	2,207,969,366
<i>DEDUCTIONS:</i>		
Notes Payable	45,000,000	45,000,000
Accounts Payable	43,641,096	43,641,096
Other Recorded Liabilities	0	0
Contingent and/or Unrecorded Liabilities	0	0
Subsidiary Ledger Differences (Losses) Other Losses	0	0
Total (B)	88,641,096	88,641,096
Net Value of Assets (A-B)	2,119,328,270	2,119,328,270
Total Shares	1,933,447,888	1,933,447,888
Probable Asset/Share Ratio	1.10	1.10

**PROBABLE ASSET/SHARE RATIO: CABOT BOSTON CREDIT UNION (Merging Credit Union) 06-30-2024**

	Book Value	Market Value
<i>ADDITIONS:</i>		
Cash	2,044,334	2,044,334
Loans	3,227,555	3,227,555
Investments	299,941	299,941
Fixed Assets (includes OREO)	2,845	2,845
Other Assets (includes NCUSIF Dep.)	62,306	62,306
Total (A)	5,636,981	5,636,981
<i>DEDUCTIONS:</i>		
Notes Payable	0	0
Accounts Payable	60,679	60,679
Other Recorded Liabilities	0	0
Contingent and/or Unrecorded Liabilities	0	0
Subsidiary Ledger Differences (Losses) Other Losses	0	0
Total (B)	60,679	60,679
Net Value of Assets (A-B)	5,576,302	5,576,302
Total Shares	4,580,492	4,580,492
Probable Asset/Share Ratio	1.22	1.22