

Proposed Merger Between M&C Menlo Park FCU and Affinity FCU

Notice of Special Meeting of the Members of

M&C Menlo Park Federal Credit Union

The Board of Directors of M&C Menlo Park Federal Credit Union has called a special meeting of the members of this credit union at 12:00PM on January 23, 2025, at 25 Middlesex-Essex Turnpike, Iselin, NJ 08830. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging M&C Menlo Park Federal Credit Union with and into Affinity Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the M&C Menlo Park Federal Credit Union will be merged with and into the Continuing Credit Union. All members of M&C Menlo Park 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 M&C Menlo Park Federal Credit 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 M&C Menlo Park 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 M&C Menlo Park Federal Credit Union encourages you to attend the meeting, either in person or virtually, 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 M&C Menlo Park 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. Our corporate sponsor is closing the site where we operate. We cannot afford to open a new location.
2. Both our membership and financial results have been declining for the past few years and there is little opportunity for growth in order to restore long-term viability.
3. Affinity Federal Credit Union offers a wider range of products and services at competitive prices, can provide service through local branches and digitally on their cell phone app, on-line and via their call center.

Net Worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. As of June 30, 2024, M&C Menlo Park Federal Credit Union had a higher net worth ratio than Affinity Federal Credit Union. However, as of the date of the Notice of this Special Meeting, M&C Menlo Park Federal Credit Union has a lower net worth ratio than Affinity Federal Credit Union.

Share adjustment or distribution:

Each member will have the same share balance after the merger as they had before the merger.

M&C Menlo Park Federal Credit Union 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 M&C Menlo Park Federal Credit Union's net worth is unnecessary because its net worth ratio is less than Affinity Federal Credit Union's net worth and members will have access to additional products and services at Affinity Federal Credit Union.

Locations of merging and continuing credit union:

M&C Menlo Park Federal Credit Union's main office at 25 Middlesex-Essex Turnpike, Iselin, NJ 08830 will cease branch operations as of the effective date of the merger.

Affinity Federal Credit Union has the following locations that are near M&C Menlo Park Federal Credit Union:

598 Central Ave., New Providence, NJ 07974 - Branch
2190 New Jersey 27, Edison, NJ 08817 – Branch
1342 Centennial Ave., Piscataway, NJ 08854 - Branch
346 George Street, New Brunswick, NJ 08901 - Branch

Additional Locations:

73 Mountainview Boulevard, Basking Ridge NJ 07920 – Headquarters and Branch

1520 US-206, Bedminster, NJ 07921 - Branch
235 Ridgedale Ave., Cedar Knolls, NJ 07927 – Branch
25 Pocono Road, Denville, NJ 07834 - Branch
275 US-202/31, Flemington, NJ 08822 - Branch
315 Route 206, Hillsborough, NJ 08844 – Branch
138 Franklin Corner Road, Lawrence Township, NJ 08648 - Branch
18 Elmer Stret, Madison, NJ 07940 - Branch
1365 Route 35 North, Middletown, NJ 07748 - Branch
1098 Mt Kemble Ave., Morristown, NJ 07960 - Branch
913 Kinderkamack Road, River Edge, NJ 07661 - Branch
35 Bardonia Rd., Bardonia, NY 10954 - Branch
35 S. Liberty Dr. (9W), Stony Point, NY 10980 - Branch
177 Hillside Ave, Greenburgh, NY 10607 - Branch
250 Westport Avenue, Norwalk, CT 06851 - Branch
55 Whitney Avenue, New Haven, CT 06510 - Branch

Changes to services and member benefits: Affinity Federal Credit Union offers a wide variety of financial education, deposit products and loans as well as wealth management and insurance products. Members of M&C Menlo Park Federal Credit Union will have access to a broader number of branches and ATM network. Affinity Federal Credit Union is constantly investing in its digital channels (phone app and on-line) and call center to provide additional state of the art capabilities and improve access to members. While Affinity Federal Credit Union does not offer vacation or holiday club accounts, it does offer deposit products with very competitive interest rates that can be used in place of these types of accounts.

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:

None. While the current CFO/Treasurer will be hired by Affinity Federal Credit Union for a period of three months to assist with the post-merger integration, there is no planned increase in compensation.

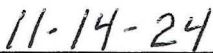
Please note that the proposed merger must have the approval of the majority of members who vote.

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 M&C Menlo Park Federal Credit Union, C/O BASF Corporation, 25 Middlesex-Essex Turnpike, Iselin, NJ 08830. To be counted, your mailed Ballot must be received by 12:00 PM on January 21, 2025 (see Ballot for fax and email options).

BY THE ORDER OF THE BOARD OF DIRECTORS:



Board Chairperson



Date

Proposed Merger Between M&C Menlo Park FCU and Affinity FCU

Ballot for Merger Proposal

Name of Member: _____ Account Number: _____

Your credit union must receive this ballot by **January 23, 2025** (date of vote).

If voting by mail, please mail your ballot so it is received by 12:00 PM on January 21, 2025, to:

M&C Menlo Park Federal Credit Union
BASF Corporation
25 Middlesex-Essex Turnpike
Iselin, NJ 08830

If voting by email, please email your ballot by January 22, 2025, to MCMenloPark@aol.com

If voting by fax, please fax your ballot by January 22, 2025, to 732-205-6857

If voting in person or virtually, attend the Special Meeting at 12:00 PM on January 23, 2025, at:

M&C Menlo Park Federal Credit Union
BASF Corporation
25 Middlesex-Essex Turnpike
Iselin, NJ 08830

I have read the Notice of Special Meeting for the members of M&C Menlo Park 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 accomplish the merger.

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

Member Signature: _____

Date: _____

Member Name (printed): _____