

Notice of Meeting of the Members of Arizona Copper Federal Credit Union

The Board of Directors of Arizona Copper Federal Credit Union have called a special meeting of the members of this credit union at Constitution Hall, 912-E Tilbury Dr., Kearny, AZ 85137, on July 9, 2024, at 5:00pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Arizona Copper Federal Credit Union with and into American Southwest Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of Arizona Copper Federal Credit Union be merged with and into the Continuing Credit Union. All members of Arizona Copper 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 Arizona Copper Federal Credit Union 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 Arizona Copper 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 Arizona Copper Federal Credit Union 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>. You may also mail your comments to: National Credit Union Administration, Office of Credit Union Resources and Expansion, 1775 Duke Street, Alexandria, VA 22314. 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 a number of reasons, such as better pricing and services, additional products, enhanced convenience and account access and lower operating costs as a larger combined institution. The merged credit union will also achieve economies of scale which will permit it to better compete in the increasingly competitive financial services industry. By joining together, Arizona Copper Federal Credit Union and American Southwest Credit Union will retain their members-first philosophy and be better positioned to serve members now and into the future. As a result, the Board of Directors has determined that the opportunity to merge with American Southwest Credit Union is in the best interest of the members.

If the merger is approved by the members, your savings with the Continuing Credit Union will remain federally insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration, and backed by the full faith and credit of the United States Government.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Arizona Copper Federal Credit Union has a lower net worth ratio than American Southwest Credit Union.

Share adjustment or distribution: Arizona Copper 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 Arizona Copper Federal Credit Union's net worth is unnecessary because Arizona Copper has a lower net worth ratio than American Southwest Credit Union.

Locations of merging and continuing credit union: The Arizona Copper Federal Credit Union main branch location in Kearny, Arizona, will remain open following the merger. In addition, American Southwest has five branch locations in the service area, resulting in seven branch locations for members of the Continuing Credit Union.

112 Williams Lane, Kearny, AZ 85137 – Arizona Copper Main Office
3090 E. Fry Boulevard, Sierra Vista, AZ 85635 – American Southwest Main Office
654 East 7th Street, Benson, AZ 85602
1094 N. San Antonio Avenue, Douglas, AZ 85607
Winrow Road, Building #41331, Fort Huachuca, AZ 85613
1225 W Duval Mine Road, Green Valley, AZ 85614
3915 W Main Street, Thatcher, AZ 85552

In addition, American Southwest Credit Union is a member of the nationwide shared branching network, allowing members access to over 5,000 branch locations throughout the United States.

Changes to services and member benefits: The credit unions have made no post-merger plans to reduce branch facilities, ATM network access, or existing accounts and services offerings currently offered or available to Arizona Copper Federal Credit Union members.

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:

The current Chief Executive Officer, Dan Thurman, will accept the position of Executive Vice President at the continuing credit union. Due to the increased size and complexity of the larger credit union, Dan Thurman will receive a retention bonus of \$11,800, an increase in salary from \$83,918 to \$118,000, and an increase in indirect compensation of 401k match from \$4,195 to \$6,500. No other qualifying executives will receive an increase in compensation and/or benefits that exceeds 15% of total current compensation.

Member Approval and Ballot:

Please note that the proposed merger must have the approval of the majority of members who vote. In accordance with its Bylaws, Arizona Copper Federal Credit Union is conducting the member vote on the merger proposal through a mail-in or in-person ballot to the Arizona Copper Federal Credit Union members. The ballot distribution, collection, custody and tabulation will be conducted by an independent third-party company, Waypoint Advisory Services.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting or vote electronically, please complete the Ballot and return it to:

Waypoint Advisory Services, Inc.
2100 S. Polk St
Amarillo, TX 79109

To be counted, your Ballot must be received by July 9, 2024, at 5:00 pm. You may also cast your vote in-person at the meeting. Branches cannot accept ballots or mail ballots for members.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Ralph Dubois III, Chairman

May 7, 2024

Date