

Notice of Meeting of the Members of Flasher Community Credit Union

The Board of Directors of Flasher Community Credit Union have called a special meeting of the members of this credit union at the Flasher Branch (105 N Main Street, Flasher, ND 58535) on February 12, 2024, at 4 p.m. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Flasher Community Credit Union with and into Capital Credit Union (hereinafter referred to as the “Continuing Credit Union”), whereby all assets and liabilities of the Flasher Community Credit Union will be merged with and into the Continuing Credit Union. All members of Flasher Community 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 Flasher Community 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 Flasher Community 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 Flasher Community 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/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 Flasher Community 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 the continuing credit union will have the ability to offer additional products and services, potential lower loan rates, potential higher dividends, more convenient locations, additional technology offerings, more bench strength in critical areas and economies of scale.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Flasher Community Credit Union does not have a higher net worth ratio than Capital Credit Union.

Share adjustment or distribution: Flasher Community 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 Flasher Community Credit Union's net worth is unnecessary because Flasher Community Credit Union's net worth is lower than Capital Credit Union's net worth.

Locations of merging and continuing credit union: Flasher Community Credit Union's main office at 105 N Main St. will remain open. Capital Credit Union has the following locations that are near Flasher Community Credit Union. **List address and type of location—i.e. main office, full-service branch for each non-ATM location of the continuing credit union in reasonable proximity to the locations of the merging credit unions.**

Bismarck Main Office - 204 W Thayer Ave, Bismarck, North Dakota 58501
Mandan Branch - 600 E Main St, Mandan, ND 58554
New Salem Branch - 316 Main Ave, New Salem, ND 58563
Bismarck South Branch - 835 S. Washington St, Ste 3 Bismarck, ND 58504
Bismarck NorthWest Branch - 1550 Burnt Boat Dr, Bismarck, ND 58503
Bismarck North Branch, 3101 N 11th St, Ste 3, Bismarck, ND 58503
Bismarck Sunrise Branch - 3103 Yorktown Dr, Ste 3, Bismarck, ND 58503
Hazen Branch - 145 Main St E, Hazen, ND 58545
Beulah Branch - 131 W Main St. Beulah, ND 58523
Fargo-13th Ave Branch, 4900 13th Ave. S., Ste. 5, Fargo, ND 58103
Fargo-Veterans Blvd Branch, 3216 Veterans Blvd, Fargo, ND 58104

Changes to services and member benefits: The members of Flasher Community Credit Union will be offered the same services and member benefits.

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:

Name	Title	Description of increase	Amount
N/A	N/A	N/A	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:

Brady Martz and Associates
Attn: Ryan Bakke
PO Box 848
Minot, ND 58702-0848

To be counted, your Ballot must be received by 12 p.m. on February 12, 2024.

BY THE ORDER OF THE BOARD OF DIRECTORS:



President

11-21-23

Date

Ballot for Merger Proposal

Name of Member: _____

Membership Number: _____

To be counted, your Ballot must be received by 12 p.m. on February 12, 2024.

Please mail to:

Brady Martz and Associates
Attn: Ryan Bakke
PO Box 848
Minot, ND 58702-0848

I have read the Notice of Special Meeting for the members of Flasher Community Credit Union. The meeting will be held at the Flasher Branch (105 N Main Street, Flasher, ND 58535) on February 12, 2024, at 4 p.m. 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)

Merger Q & A

1. Why is a merger being proposed between Flasher Community Credit Union and Capital Credit Union?

A merger will allow two community-based credit unions to join their strengths and provide a stronger credit union presence and greater value to members in the communities they each serve.

2. Who is Capital Credit Union?

Capital Credit Union has more than \$737 million in assets and serves approximately 31,383 members. The credit union has 11 branches in the communities of Bismarck, Mandan, Fargo, Beulah, Hazen and New Salem and 158 employees. Their Main Office is located at 204 W. Thayer Ave. in Bismarck.

3. Who is Flasher Community Credit Union?

Flasher Community Credit Union has nearly \$14 million in assets and serves approximately 850 members. The credit union has one office located at 105 N. Main. St. in Flasher and four employees.

4. How would a merger affect you as a Flasher Community Credit Union member?

Should a merger be approved, your Flasher Community Credit Union membership number will have a "35" added to the beginning and will become a Capital Credit Union membership number. In addition, you will have access to 11 Capital Credit Union branches across North Dakota and all the products and services offered by Capital Credit Union.

5. How would a merger affect Flasher Community Credit Union employees?

Employees of both credit unions are highly valued and will retain their employment status.

6. If a merger is approved, will Flasher Community Credit Union's name change?

Yes, if a merger is approved, the official name of Flasher Community Credit Union will change to Capital Credit Union.

7. What if I'm currently a member of both Flasher Community Credit Union and Capital Credit Union?

You will retain two separate membership numbers. Your Flasher Community Credit Union membership number will have a "35" added to the beginning and will become a Capital Credit Union membership number. Your Capital Credit Union membership number will not change.