

NOTICE OF SPECIAL MEETING OF CERTAIN MEMBERS OF MOUNTAIN AMERICA FEDERAL CREDIT UNION

The Board of Directors of Mountain America Federal Credit Union (“MACU”) have called a special meeting of the affected members of MACU at the office for the Greater Albuquerque Association of Realtors, 1635 University Blvd. NE, Albuquerque, NM 87102, on October 28, 2024, at 5:30 pm. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for spinning-off certain Select Groups and the membership of certain members of MACU, who are the named recipients of this notice, into Sandia Laboratory Federal Credit Union (“SLFCU”), whereby certain assets and liabilities of MACU, and a portion of MACU’s field of membership, will be spun-off and transferred to SLFCU. All members of MACU, receiving this notice, will become members of SLFCU and will be entitled to and will receive shares in SLFCU for the shares they own in MACU on the effective date of the spin-off.

2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of MACU, 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 spin-off.

The Board of Directors of MACU encourages you to attend the meeting and vote on the proposed spin-off. 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 spin-off.

If you wish to submit comments about the spin-off to share with other members, you may submit them to the National Credit Union Administration (NCUA) by posting them to the NCUA’s website 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 NCUA
Alexandria, VA 22314
RE: Member-to-Member Communication for
Mountain America 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 SPIN-OFF (SUMMARY OF THE SPIN-OFF PLAN):

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 post spin-off financial statement of SLFCU,

follow as separate documents. In addition, the following information applies to the proposed spin-off.

Reasons for the spin-off: The Board of Directors has concluded that the proposed spin-off is desirable and in the best interests of members because MACU has decided to allocate resources in areas outside of New Mexico and SLFCU continues to build on its long-term strategy to expand across the southwest to accelerate growth in every community.

In 1948, 15 employees of Sandia National Laboratories saw the need for a credit union in Albuquerque. Since then, SLFCU has grown and evolved but remains dedicated to offering high value and outstanding personal service. Today, SLFCU has 14 branches in New Mexico and California's Bay Area, 137,000+ members, and more than \$3.4 billion in assets. MACU and SLFCU have a similar focus on member service and organizational cultures which develop their employees. With several branches and their corporate office in the local area, SLFCU offers added convenience for the affected MACU members. It also provides greater presence and career opportunities for the affected employees.

SLFCU recently established a new strategic, significant growth plan, which it refers to as, "Vision 2035". The "why" behind this work is to redefine the cooperative spirit in financial services. SLFCU's strategy is to be THE economic engine for communities in the southwest United States. It does that by creating an exceptional culture that attracts and retains top talent. It personalizes the tools and expertise people use to manage their money. It creates and delivers financial products that create jobs, housing, security, and growth for its members. It provides a simple, digitally-integrated experience for its employees and the members they collectively serve. It will measure its progress toward this strategic goal by:

- Economic return to the community
- Making it easier for members
- Financial strength of the Credit Union
- Evolving the culture

In light of SLFCU's Vision 2035 strategy and MACU's decision to allocate resources outside of New Mexico, the parties both feel that SLFCU is **best** situated to meet the financial services needs of the members impacted by the proposed spin-off.

Net worth: Prior to the spin-off MACU has a net worth ratio of 9.18%, as of June 30, 2024. Following the spin-off MACU's estimated net worth ratio will be 9.36%. Prior to the spin-off SLFCU has a net worth ratio of 9.77%, as of June 30, 2024. Following the spin-off SLFCU's estimated net worth ratio will be 9.20%.

Share adjustment or distribution: Neither MACU nor SLFCU will make a share adjustment or distribute a portion of their net worth to members as part of the spin-off for the following reasons:

- 1- The spin-off will not significantly affect either party's financial condition and both parties are considered well-capitalized by all required regulatory standards;

- 2- Retaining net worth will continue to ensure a strong net worth ratios for both parties; and
- 3- Affected members will have the benefit of a larger local branch network with nine SLFCU branches in the Albuquerque market area versus only two MACU branches.

Locations: MACU's branches located at 8021 Ventura Street NE, Albuquerque, New Mexico and 9200 Golf Course Road NW, Albuquerque, New Mexico will become SLFCU branches and will continue in operation following the spin-off. This will add to SLFCU's branch footprint in Albuquerque, bringing the number of SLFCU branches in Albuquerque to nine.

Changes to services and member benefits: The only significant differences between SLFCU and MACU fees are that SLFCU charges a \$25.00 nonsufficient funds fee, while MACU charges a \$9.00 nonsufficient funds fee. All other services, rates, fees and member benefits are comparable.

Please note that the proposed spin-off must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Spin-Off Proposal. If you cannot attend the meeting, please complete the Ballot and return it via hand delivery, or mail to:

Mountain America Federal Credit Union
8021 Ventura Street NE
Albuquerque, NM 87109

Or

Mountain America Federal Credit Union
9200 Golf Course Road NW
Albuquerque, NM 87114

To be counted, your Ballot must be received by October 28, 2024, at 5:30 pm.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Chairman

August 21, 2024