



Notice of Meeting of the Members of Empower Credit Union

The Board of Directors of Empower Credit Union ("**Empower**") has called a special meeting of the members of this credit union at our West Allis branch located at 10635 W. Greenfield Ave, West Allis, WI 53214 on December 16, 2024, at 5:00 PM.

The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Empower (the merging credit union) with and into Educators Credit Union (hereinafter referred to as "**Educators**" or the "**Continuing Credit Union**"), whereby all assets and liabilities of Empower will be merged with and into the Continuing Credit Union (the "**Merger**"). All members of Empower 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 Empower on the effective date of the Merger.
2. To ratify, confirm and approve the action of the Board of Directors of Empower in authorizing the officers of Empower, 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 Empower 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 (the "**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 Empower 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 of Empower 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 a separate document. In addition, the following information applies to the proposed Merger.

Background: On July 31, 2024, Empower and Educators entered into an Agreement and Plan of Merger (the “**Agreement**”), pursuant to which Empower intends to merge with and into Educators based on the terms and conditions of the Agreement. Each party has determined that there is substantial member value and synergies between Empower and Educators and that consummating the Merger would provide better member services, offer expanded products and delivery systems, and create a combined financially stronger institution to effectively compete in the future.

Reasons for Merger: The Board of Directors of Empower has concluded that the proposed Merger is desirable and in the best interests of members because we want to bring members the best value from our credit union while ensuring we continue to grow and thrive. Financial services today are highly competitive and require a higher level of scale, financial strength, and resources than ever before. When filling critical roles and economies of scale became clear challenges to Empower and its future, Empower found a partner in Educators that would offer value to its members, support to its communities, and opportunities for its employees. Moreover, the increased scale from the Merger will enable Empower to grow and expand its products and services, fill key executive positions, successfully advertise its services to better compete with its financial competitors. Educators and Empower Credit Unions share common values and have been friendly competitors through the years, and this relationship should result in a seamless transition for both organizations. The Boards of Directors, CEOs, and leadership teams of both organizations are unanimously in favor of this partnership and believe it will be in the best interests of both credit unions’ members long-term.

As a result of the proposed Merger, the Continuing Credit Union will result in the following benefits:

- **Expanded Branch and ATM Network** across twenty-four branch locations, additional credit union-owned ATMs throughout the combined charter, and an increased number of surcharge-free ATMs nationwide. Although no changes are currently contemplated to Empower’s branches, the Continuing Credit Union has committed to maintain the Empower branches for at least 24 months following the Merger.
- **Enhanced Convenience** through phone and secure chat services, offering more options to address your member service needs.
- **Expanded Digital Capabilities** with higher mobile deposit limits, the ability to make online loan payments, open new accounts online, and personal financial tools for monitoring spending and budgets.
- **Additional Products and Services**, including access to investment and retirement services.
- **Enhanced Financial Wellness** resources and tools for making well-informed financial decisions.
- **Consistency through Knowledgeable and Friendly Employees** with the retention of all Empower employees, who will have access to improved training resources within the larger

organization and will be offered the same or similar jobs at the same locations with the same or higher base pay.

- **Deepened Community Presence** by expanding community outreach initiatives and reinforcing our presence in the areas we serve, aiming for a more significant impact on the lives of members and neighbors. This includes charitable contributions of \$5,000 each to HAWS of Waukesha, Urban Ecology Center and Hunger Task Force for a minimum of one year following the Merger.
- **Established Competitive Financial Partner** by leveraging the advantages of a larger credit union to increase efficiencies and return savings to members through greater access, new technology and services, competitive loan and deposit rates, and an unwavering commitment to the community.

In specific support of the proposed Merger, the following is a summary of the many financial products, services and benefits that Educators can provide to Empower members:

- **Personal Banking** – Checking, savings, change-up savings, Saver’s Sweepstakes, Certificate of Deposits, IRA and HSA accounts. Home, auto, personal, student loans, auto leasing, credit cards, debit cards, Buy now Pay later.
- **Digital Services** – Online and Mobile banking, Educators Connect Cam, Card Management Tool, Mind and Money and Voice and Telephone banking.
- **Business Services** – Checking, savings, credit cards and loans.
- **Other Services** – Instant Issue Debit and Credit Cards, U Choose Points, Vehicle Solutions, Investment Services, Financial Literacy tools, fraud and theft protection resources.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Empower does have a higher net worth ratio than Educators. Both credit unions are well-capitalized.

Share adjustment or distribution: Empower will distribute a portion of its net worth to its members in the Merger. After regulatory and membership approval of the Merger, but prior to the effective date of the Merger, an amount totaling approximately \$2,500,000 will be distributed to Empower members in good standing. The dividend and/or rebate will be based on the Eligible Member’s length of membership as of June 30, 2024, as set out below.

Years	Special Dividend
Less than 1	\$125
1 – 5	\$225
5 – 10	\$375
10 – 20	\$575
20+	\$825

Membership accounts opened after June 30, 2024, closed memberships, and membership accounts with charged-off balances as of the date of payment will be excluded from the special dividend. Only one dividend will be paid per account, regardless of the number of signers on an account.

Locations of merging and continuing credit union: The Continuing Credit Union intends to maintain Empower's two existing locations provided below.

- **Main office** 10635 W. Greenfield Ave, West Allis, WI 53214
- **Layton Ave** 6126 W. Layton Ave, Greenfield, WI 53220

The Continuing Credit Union is required to maintain the two existing branch locations above for at least two years immediately following the Merger.

In addition, Educators has the following corporate and branch locations:

- **Corporate Office** 1326 Willow Road, Mount Pleasant, WI 53177
- **Glendale** 7139 N. Port Washington Road, Glendale WI 53217
- **Loomis** 4000 W. Loomis Road, Milwaukee WI 53221
- **Park Place** 10811 W. Park Place, Milwaukee WI 53224
- **Prospect** 2243 N. Prospect Avenue, Milwaukee WI 53202
- **Forest Home** 3355 W. Forest Home Avenue, Milwaukee WI 53215
- **Appleton Ave** 7025 W. Appleton Avenue, Milwaukee WI 53216
- **Center Street** 6131 W. Center Street, Milwaukee WI 53210
- **Mukwonago** 100 Chapman Farm Blvd, Mukwonago WI 53149
- **New Berlin** 15350 W. Howard Avenue, New Berlin WI 53151
- **Oak Creek** 130 West Town Square Way, Oak Creek WI 53154
- **Pleasant Prairie** 7431 91st Avenue, Pleasant Prairie WI 53142
- **Newman** 1400 Newman Road, Racine WI 53406
- **Rapids Drive** 3525 Rapids Drive, Racine WI 53404
- **South Milwaukee** 1201 Marquette Avenue, South Milwaukee WI 53172
- **Sturtevant** 1300 90th Street, Sturtevant WI 53177
- **Waukesha** 1600 Summit Avenue, Waukesha WI 53188
- **Beloit** 1154 Cranston Road, Beloit WI 53511
- **Burlington** 448 Falcon Ridge Drive, Burlington WI 53105
- **Elkhorn** 611 East Geneva Street, Elkhorn WI 53121
- **Janesville** 2652 N. Lexington Drive, Janesville WI 53545
- **Parkside** 900 Wood Road, Kenosha WI 53141
- **Kenosha** 4215 Green Bay Road, Kenosha WI 53144

Changes to services and member benefits: Your savings will continue to be federally insured by the National Credit Union Share Insurance Fund to the maximum limit allowed by applicable law.

As an Educators member, you will be eligible to apply for any Educators product that is offered to its members. All currently offered products align favorably between the two credit unions. However, upon the completion of the Merger, Empower will cease offering its current services and begin offering Educators' current branch services instead. A summary of the products offered by Educators is

described above. As an Educators member, you will be eligible to apply for any Educators product that is offered to its members. The proposed Merger will offer the combined membership access to expanded locations and service offerings as noted above while leveraging the service best practices from each credit union.

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 disclosures are required for the following persons of Empower (referred to as “covered persons”):

- Michael Brandt, Chief Executive Officer
- Cari Bray, Chief Operating Officer
- Dennis Lyon, Chief Lending Officer
- Kemaine Holland, Consumer Loan Officer
- Angela Alvarez, Branch Manager

Description of the Merger-Related Compensation for the Covered Persons

Covered Person	Title	Description of Increase	Amount
Michael Brandt	President and Chief Executive Officer	Pursuant to Mr. Brandt’s employment agreement (as described below) with the Continuing Credit Union, his base salary will increase to \$150,000 per annum, which will increase from \$135,960.	\$14,040
		Pursuant to Mr. Brandt’s employment agreement with the Continuing Credit Union, he is entitled to a retention bonus of \$150,000 in consideration of the successful completion of the Merger.	\$150,000
		TOTAL =	\$164,040
Cari Bray	Chief Operating Officer	Pursuant to Ms. Bray’s employment agreement (as described below) with the Continuing Credit Union, her base salary will increase to \$105,014 per annum, which will increase from \$92,000.	\$13,014
		Pursuant to Ms. Bray’s employment agreement with the Continuing Credit Union, she is entitled to a retention bonus of \$10,501 if she remains continuously employed with the Continuing Credit Union for 90 days after the Merger.	\$10,501
		TOTAL =	\$23,515
Dennis Lyon	Chief Lending Officer	Pursuant to Mr. Lyon’s employment agreement (as described below) with the Continuing Credit Union, his base salary will increase to \$95,992 per annum, which will increase from \$90,000.	\$5,992
		Pursuant to Mr. Lyon’s employment agreement with the Continuing Credit Union, he is entitled to a retention bonus of \$9,599 if he remains continuously employed with the Continuing Credit Union for 90 days after the Merger.	\$9,599
		TOTAL =	\$15,591

Retention Bonuses. Educators is committed to retaining the Empower staff that members know and trust. As a means of ensuring that, all Empower employees, including each covered person above except for Mr. Brandt, are eligible to receive a retention bonus equal to 10% of his or her current base salary, provided the employees remain continuously employed with the Continuing Credit Union for 90 days of the closing of the Merger.

Employment Agreements. In connection with the Merger, Mr. Brandt, Ms. Bray and Mr. Lyon have entered into employment agreements with the Continuing Credit Union that will become effective upon the closing of the Merger (the “**Employment Agreements**”) and will remain in effect for one (1) year thereafter (unless further extended as mutually agreed to by the parties). Pursuant to the Employment Agreements, Mr. Brandt, Ms. Bray and Mr. Lyon will receive base salaries per annum of \$150,000, \$105,014 and \$95,992, respectively. Mr. Brandt is entitled to a retention bonus of \$150,000, which will be payable immediately upon the closing of the Merger in consideration of its successful completion. As noted above, Ms. Bray and Mr. Lyon are entitled to receive a retention bonus equal to 10% of his or her base salary, provided Ms. Bray and Mr. Lyon remain continuously employed with the Continuing Credit Union for 90 days following the closing the of the Merger.

In the event of the executive’s termination without cause (other than due to death or disability) or voluntary resignation for good reason (as defined by the Employment Agreements), the Continuing Credit Union must pay the executive a cash severance equal to the amount of base salary that the executive would have earned if he or she remained continuously employed for the remaining term of the Employment Agreement. The maximum severance payable to Mr. Brandt, Ms. Bray and Mr. Lyon under each Employment Agreement in the event of his or her qualifying termination event immediately after the effective date of the Merger is \$150,000, \$105,014 and \$95,992, respectively.

Severance. Empower employees without an Employment Agreement or similar type of severance arrangement (which includes Kemaine Holland and Angela Alvarez) who are terminated for any reason other than “for cause” within 12 months following the Merger are entitled to receive severance in an amount equal to two (2) weeks of base pay for each employee’s year of combined service, rounded up, with Empower and Educators, with a minimum of four (4) weeks of severance and a maximum of twenty-six (26) weeks of severance (the “**Severance Amount**”), with such amount payable in a cash lump sum on the next regularly scheduled payroll date of the Continuing Credit Union following such termination of employment. Such Severance Amount is contingent upon the affected employee executing and not revoking a general waiver and release of claims in a form reasonably acceptable and agreed to by the parties. If the following covered persons has a qualifying termination event immediately after the effective date of the Merger, such covered person would be entitled to severance as follows:

Covered Person	Estimated Potential Severance Payment
Kemaine Holland	\$29,838
Angela Alvarez	\$28,470

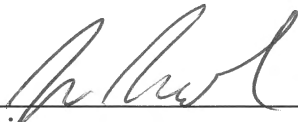
No member of the board of directors or supervisory committee of Empower is entitled to receive any payments or benefits pursuant to any merger-related financial arrangement.

Member Approval and Voting Information: 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 Empower Credit Union, c/o Doeren Mayhew, 8785 SW 165 Avenue, Suite 303, Miami, FL 33193.

To be counted, your mailed in ballot must be received by December 13, 2024.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Chairman

10/16/24
Date

	Educators - 66448	Empower - 68317	Combined
	Jun-2024	Jun-2024	Jun-2024
ASSETS:	Amount	Amount	
<u>Cash & Other Deposits¹</u>	308,575,307	9,000,201	317,575,508
<u>Total Investments</u>	644,182,160	12,097,298	656,279,458
Loans Held for Sale	0	0	0
<u>Total Loans</u>	2,281,323,640	64,768,258	2,346,091,898
(Allowance for Loan & Lease Losses or Allowance for Credit Losses on Loans & Leases)	(20,205,639)	-(215,955)	(19,989,684)
Land And Building	44,084,413	3,394,794	47,479,207
Other Fixed Assets	11,438,744	119,236	11,557,980
NCUSIF Deposit	27,727,967	662,259	28,390,226
All Other Assets	68,547,474	910	68,548,384
<u>TOTAL ASSETS</u>	<u>3,365,674,066</u>	<u>90,735,903</u>	<u>3,456,409,969</u>
LIABILITIES, SHARES & EQUITY:			
Accounts Payable, Accrued Interest on Borrowings, & Other Liabilities ²	92,400,037	1,755,431	94,155,468
Accrued Dividends & Interest Payable on Shares & Deposits	2,344,379	3,295	2,347,674
Allowance for Credit Losses on Off-Balance Sheet Credit Exposures	7,865	0	7,865
<u>Borrowings Notes & Interest Payable</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Shares & Deposits</u>	<u>2,928,796,637</u>	<u>70,670,170</u>	<u>2,999,466,807</u>
<u>TOTAL LIABILITIES³</u>	<u>3,023,548,918</u>	<u>72,428,896</u>	<u>3,095,977,814</u>
Undivided Earnings	425,542,956	18,375,592	443,918,548
Other Reserves	-83,417,808	-68,585	-83,486,393
TOTAL EQUITY	342,125,148	18,307,007	360,432,155
TOTAL LIABILITIES, SHARES, & EQUITY	3,365,674,066	90,735,903	3,456,409,969
Capital	12.6%	20.3%	12.8%



Ballot for Merger Proposal

Name of Member:

Account Number or Unique ID Number Assigned:

This ballot must be received by mail at the address below by 5:00 pm EST on December 13, 2024, or you may personally vote at the special meeting at 5:00 pm CST on December 16, 2024.

Please mail to:

Teller of Election – Empower Credit Union
c/o Doeren Mayhew
8785 SW 165 Avenue, Suite 303
Miami, FL 33193

I have read the Notice of Special Meeting for the members of Empower 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.

Signed: _____

Member's Name (Print): _____

Date: _____