

Notice of Meeting of the Members of Penobscot County Federal Credit Union

The Board of Directors of Penobscot County Federal Credit Union have called a special meeting of the members of this credit union to be held on **Monday, December 21, 2020 at 5:30 p.m.** Due to the social distancing precautions currently in effect, the "Special Meeting of the Members" will be offered virtually in lieu of an in person meeting. To participate, you must send an email request to specialmeeting@penobscotfcu.com at least 72 hours in advance. Upon receipt of your request, instructions will be sent to you via email on how to join the meeting. Members choosing to attend the "virtual meeting" will have an opportunity to vote at that time. Those choosing not to attend the "virtual meeting" can mail in their ballot. We appreciate your understanding as we work through the challenges associated with COVID-19. We want to assure the safety of everyone involved and offering the "virtual meeting" alternative provides our members with an opportunity to participate in the process.

The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Penobscot County Federal Credit Union with and into The County Federal Credit Union (continuing credit union), whereby all assets and liabilities of the Penobscot County Federal Credit Union will be merged with and into The County Federal Credit Union (continuing credit union). All members of Penobscot County Federal Credit Union will become members of The County Federal Credit Union (continuing credit union) and will be entitled to and will receive shares in The County Federal Credit Union (continuing credit union) for the shares they own in Penobscot County 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 Penobscot County 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 Penobscot County 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/services/Pages/resources-expansion/comments-proposed-merger.aspx>) or mail to:

NCUA – 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.

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 unanimously concluded that the proposed merger is desirable and in the best interests of members and recommends approval of the merger for the following reasons:

A combined organization will result in:

- economies of scale
- opportunities to increase services and lower service delivery costs
- an increase in the number of available service locations
- an increase in management efficiencies and operations

Both credit unions share the member first, people helping people philosophy and apply those principles every day in every member interaction.

Net Worth:

The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Penobscot County Federal Credit Union does not have a higher net worth ratio than The County Federal Credit Union.

Share Adjustment/Distribution:

Penobscot County 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 Penobscot County Federal Credit Union's net worth is unnecessary because there is no material difference in the values of the shares of the two credit unions.

Locations:

Penobscot County Federal Credit Union's main office at 205 Main Street, Old Town, Maine 04468 will remain open. Additionally, all existing branches of Penobscot County Federal Credit Union, listed below, will remain open.

Branch-
466 Main Street
Bangor, ME 04401
Phone: (207) 941-6373
Fax: (207) 941-0979
ATM available on site

Branch-
16 Coffin Street
Howland, ME 04448
Phone: (207) 732-5607
Fax: (207) 941-0979
ATM available on site

The County Federal Credit Union has the following existing locations that will also remain open:

Branch-
82 Bennett Drive
Caribou ME 04736
Phone: (207) 498-8756
Fax: (207) 498-4109
ATM available on site

Branch-
776 Main Street
Presque Isle, ME 04769
Phone: (207) 768-5051
Fax: (207) 764-5267
ATM available on site

Branch-
232 Main Street Suite 6
Fort Fairfield, ME 04742
Phone: (207) 472-5710
Fax: (207) 472-1140
ATM available on site

Branch-
247 North Street
Houlton, ME 04730
Phone: (207) 532-7325
Fax: (207) 532-7658
ATM available on site

Branch-
1 Benjamin St
Mars Hill, ME 04758
Phone: (207) 425-8008
Fax: (207) 425-2003
ATM available on site

Operations Center-
110 Carmichael Street
Presque Isle, ME 04769
Phone: (207) 554-4700
Fax: (207) 554-4004

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 plan for the merger between Penobscot County Federal Credit Union and The County Federal Credit Union includes no financial compensation arrangement for any employee.

Please note that the proposed merger was approved by the National Credit Union Administration (NCUA) however, the merger must also receive 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 205 Main Street, PO Box 434, Old Town, ME 04468. **To be counted, your Ballot must be received by December 21, 2020 at 5:00 p.m.**

BY THE ORDER OF THE BOARD OF DIRECTORS:

John St. Peter

10/16/2020

John St. Peter
Board Chairman

Date