



NORWICH TELOPS FEDERAL CREDIT UNION

P.O. BOX 749
11 EAST PARK PLACE
NORWICH, NY 13815
(877) 336-4988

August 8, 2022

Dear Members,

We are excited to share that Norwich Telops Federal Credit Union has the opportunity to merge with GHS Federal Credit Union. The financial service industry has become very complex, and with increasing compliance and regulatory requirements, it has become harder for our credit union to provide the types of service our membership deserves and wants.

GHS Federal Credit Union is a local credit union that has served our community for over 80 years. GHS offers extensive services that we believe will meet our member's needs, while continuing to provide you the personal service that you have come to expect in a financial partner. In addition to the products and services that you have always appreciated at Norwich Telops FCU, GHS Federal Credit Union also provides:

- Extended and Saturday In-Person Service Hours
- Mobile Banking
- Online Bill Pay
- Picture Pay
- Remote Deposit Capture (for check deposits)
- Local Drive through and ATM
- Online Loan Applications
- VISA Credit Cards
- Home Equity and Mortgage Lending
- Online Loan Applications
- Business and SBA Lending

To learn more about GHS Federal Credit Union visit their website at www.GHSFCU.com.

We will be holding a Special Meeting of Norwich Telops members to vote on the proposed merger. This meeting will take place at the Guernsey Memorial Library, 3 Court Street, Norwich, NY 13815, at 10:00 am Eastern Time on October 8, 2022. We will also provide Zoom meeting information for members who are not able to attend in person.

Specific information from the National Credit Union Administration (NCUA) is contained in the enclosed Notice of Meeting of the Members of Norwich Telops Federal Credit Union. Additionally, we have enclosed a Ballot for Merger Proposal. If you would like to return the Ballot for Merger Proposal to Norwich Telops Federal Credit Union you can drop it off at our branch at 11 East Park Place, Norwich, NY 13815, or mail it to P.O. Box 749, Norwich, NY 13815-0749, or bring it to the Special Meeting of the Members. All ballots must be received by October 8, 2022 by 10:00 am.

To RSVP to attend the meeting, or for questions and concerns, please feel free to email norwichtelops@frontiernet.net, or call us at (607) 336-4988.

Sincerely,

Maire Dykstra, Chairperson

Sheryl Harmon, Treasurer/Manager

Notice of Meeting of the Members of

Norwich Telops Federal Credit Union

The Board of Directors of Norwich Telops Federal Credit Union have called a special meeting of the members of this credit union at the Guernsey Memorial Library, 3 Court Street, Norwich, NY 13815, at 10:00 am Eastern Time, on October 8, 2022. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Norwich Telops Federal Credit Union with and into GHS Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the Norwich Telops Federal Credit Union will be merged with and into the Continuing Credit Union. All members of Norwich Telops 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 Norwich Telops 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 Norwich Telops 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 Norwich Telops 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> or to CURE at 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 because members of Norwich Telops Federal Credit Union will have additional account and loan options not currently available. Hours of operation will be extended later each day and on Saturdays for members to receive in-person and telephone service and support. Members with businesses will be able to apply for commercial loans and Small Business Administration (SBA) loans through the continuing credit union. GHS Federal Credit Union also offers members drive-up service to offer greater convenience to members. Additionally, Norwich Telops FCU members share pledge will be reduced to \$1.00.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Norwich Telops Federal Credit Union has a higher net worth ratio than GHS Federal Credit Union.

Share adjustment or distribution: Norwich Telops 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 Norwich Telops Federal Credit Union's net worth is unnecessary because it would reduce Norwich Telops FCU transferring Net Worth below 7.00%, due to the distribution of \$300,000 to credit union employees as a result of the merger.

Locations of merging and continuing credit union: Norwich Telops Federal Credit Union's main office at 11 East Park Place, Norwich, New York, 13815 will close. GHS Federal Credit Union has the following locations that are near Norwich Telops Federal Credit Union that include a drive-through and ATM that is 0.20 miles from Norwich Telops Federal Credit Union: GHS FCU – Norwich, 35 East Main Street, Norwich, New York, 13815.

Changes to services and member benefits: Norwich Telops FCU members will have access to a drive-through branch, lending products including mortgages and business loans, Saturday banking hours, and web and mobile banking options.

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
Sheryl Harmon	Manager	Retirement Bonus	\$100,000.00
Joanne Parkhurst	Asst. Manager	Retirement Bonus	\$100,000.00
Sharon Perry	Loan Officer	Retirement Bonus	\$100,000.00

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 Norwich Telops Federal Credit Union by delivering it in person to the branch at 11 East Park Place, Norwich, NY 13815, or mailing it to P.O. Box 749, Norwich, NY 13815-0749 To be counted, your Ballot must be received by October 8, 2022 at 10:00 AM Eastern Time.

BY THE ORDER OF THE BOARD OF DIRECTORS:

Marie Dykstra

Maire Dykstra, Chairperson

July 27, 2022
Date

Ballot for Merger Proposal

Instructions for NCUA 6306A: Submit a draft ballot with your merger request submission. (These instructions can be deleted from the form.) The merging credit union must conduct the membership vote only after receiving the appropriate approval from the NCUA Regional Director and the applicable State Supervisory Authority.

After receiving the appropriate approvals, the merging credit union must email, at least fifteen (15) calendar days prior to mailing the notice to the members, a copy of the member notice of the meeting to vote on a merger proposal and the merger ballot to the Office of Credit Union Resources and Expansion (CURE) at CUREMail@ncua.gov, with a copy to the appropriate regional office. Not more than 90 or less than 45 days before the date of the vote, the merging credit union must provide its members the member notice and merger ballot.

Name of Member: _____

Account Number: _____

Your credit union must receive this ballot by 10/8/22

Please mail or bring it to:

Norwich Telops Federal Credit Union, 11 East Park
Place, PO Box 749, Norwich, New York, 13815-0749

I have read the Notice of Special Meeting for the members of Norwich Telops Federal 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.

Member Signature

Date

Member Name (printed)