



Notice of Meeting of the Members of HONEA FEDERAL Credit Union

The Board of Directors of HONEA FEDERAL CREDIT UNION Credit Union have called a special meeting of the members of this credit union to be held virtually via the Internet (instructions will be forthcoming) on 10/06/2021 at 5:30 P.M. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging HONEA FEDERAL CREDIT UNION with and into HONOLULU FEDERAL CREDIT UNION (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the HONEA FEDERAL CREDIT UNION will be merged with and into the Continuing Credit Union. All members of HONEA 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 HONEA 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 HONEA 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 HONEA 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/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 HONEA 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 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 of the increase in financial products and services, and the number of branches that Honolulu Federal Credit Union will provide.

Net worth: The net worth of a merging credit union at the time of a merger transfer to the continuing credit union. HONEA FEDERAL CREDIT UNION does not have a higher net worth ratio than HONOLULU FEDERAL CREDIT UNION.

Share adjustment or distribution:

HONEA 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 HONEA FEDERAL CREDIT UNION's net worth is unnecessary because net worth will decrease another 2%. A lower Net Worth will be detrimental to the feasibility of the merger.

Locations of merging and continuing credit union:

HONEA FEDERAL CREDIT UNION's main office at 223 Walker Dr., Fort Shafter, HI which is currently closed, will remain closed. HONEA FCU does not have any branches.

HONOLULU FEDERAL CREDIT UNION has the following locations that are near HONEA FEDERAL CREDIT UNION:

Main Office: 2305 S. Beretania St. Honolulu, HI 96826

Airport Branch: 3600 Aolele St., Honolulu, HI 96820

Ewa Beach Branch: 91-1717 B Fort Weaver Road, Ewa Beach, HI 96706

Federal Branch: Prince Kuhio Federal Building, 300 Ala Moana Blvd. #1-137, Hon, HI, 96850

Tripler Branch: 459 Patterson Road, Room 1-C100, E-Wing, Hon, HI. 96819

Changes to services and member benefits:

Members of HONEA FCU will benefit from the increase in financial services and products and branches of the continuing 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 individuals have received or will receive such compensation:

Name	Title	Description of increase	Amount
Fred Dalit	Manager	Consideration for reduction of salary	\$100,000

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: CUBallot Election Processing, P.O Box 3156, Dublin, OH 43016. To be counted, your Ballot must be received by 10/06/2021 at 5:30 P.M.

BY THE ORDER OF THE BOARD OF DIRECTORS:

Edward Yoshimura

Edward Yoshimura, President

August 6, 2021

Date

Edward Yoshimura