

NOTICE OF SPECIAL MEETING OF THE MEMBERS OF VERMILLION FEDERAL CREDIT UNION

The Board of Directors of Vermillion Federal Credit Union have called a special meeting of the members of this credit union on Wednesday, April 19th, 2023, at 4:00 pm at the Main Street Center, 320 West Main Street, Vermillion, SD 57069. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Vermillion Federal Credit Union (hereinafter referred to as "Vermillion") with and into Voyage Federal Credit Union (hereinafter referred to as "Voyage"), whereby all assets and liabilities of Vermillion will be merged with and into Voyage. All members of Vermillion will become members of Voyage and will be entitled to and will receive shares in Voyage for the shares they own in Vermillion 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 Vermillion, 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 Vermillion 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. Note that each member may vote only one (1) time (e.g., by mail ballot, online, or electronically in-person at the meeting).

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 Vermillion 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.

You may vote on the proposed merger by mail, electronically in-person at the special meeting, or online at:
<https://www.cuballot.com/vermillionfcu> (Scan QR code to be taken directly to the ballot).



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 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 Vermillion FCU CEO has expressed her desire to retire at the end of 2023. It has served as a challenge to find a replacement for the current CEO. Both Vermillion FCU and Voyage FCU are well-operated, financially sound and share a common service culture.
- Vermillion FCU has a small staff which tends to pull the team in various directions. Merging with Voyage FCU will allow for the Vermillion FCU staff to focus more of their time on the member experience and less on operational functions. Voyage FCU has a team that can support IT services, Accounting, Human Resources and Marketing.
- Vermillion FCU has invested in many products and services that today's members demand. However, Voyage FCU will be able to enhance these products. Loan products such as jumbo mortgages, construction & lot loans, and home equity lines of credit will become available. The inability to grow loans in the current rate environment can be problematic. The Vermillion FCU Board of Directors has concerns that the inconsistent rate environment will deteriorate the earnings and success of the credit union.
- The below table outlines the additional products and services that will be available to the Vermillion FCU membership upon merging with Voyage FCU.

| Expanded Mortgage Services | Business Services | Deposit Products | ATM Networks |
|---|---|---|---|
| <ul style="list-style-type: none"> - Purchase mortgage financing - Jumbo loans - Construction loans - Lot loans - Bridge loans - Home-equity line of credit (HELOC) loans | <ul style="list-style-type: none"> - Equipment loans - Commercial real estate loans - Credit cards - Lines of credit - Deposit services - SBA loans | <ul style="list-style-type: none"> - IRAs - Money market accounts - Zelle® | <ul style="list-style-type: none"> - MoneyPass, approximately 61,000 machines nationwide - COOP, approximately 30,000 machines nationwide |

Net Worth:

The net worth of Vermillion Federal Credit Union at the time of the merger transfers to Voyage Federal Credit Union. Voyage Federal Credit Union has a net worth ratio (9.86%) higher than Vermillion Federal Credit Union (9.73%).

Share Adjustment or Distribution:

Vermillion 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 Vermillion's net worth is unnecessary because each of the credit union's net worth ratios are similar.

Merger-related Financial Agreements:

Janet Mount, President/CEO of Vermillion Federal Credit Union will be eligible for the following merger related benefits:

- A one-time bonus of \$10,000
- A pay increase of \$2,434 to off-set the cost of increased health insurance coverage at Voyage FCU.
- Key-person life insurance cash value benefit of \$17,606 will be transferred from Vermillion Federal Credit Union into Janet Mount's name.

Julie Becker, COO of Vermillion Federal Credit Union will be eligible for the following merger related benefits:

- A one-time bonus of \$1,500
- A pay increase of \$2,434 to off-set the cost of increased health insurance coverage at Voyage FCU.
- Key-person life insurance cash value benefit of \$11,373 will be transferred from Vermillion Federal Credit Union into Julie Becker's name.

Locations of Merging and Continuing Credit Union:

Vermillion's office located at 105 East Cherry Street, Vermillion, SD 57069 will remain open. See below for a complete listing of all Voyage locations.

Voyage Locations

- Main Branch: 3823 South Kiwanis Circle, Sioux Falls, SD 57105
- Dawley Farms Branch: 5800 East 18th Street, Sioux Falls, SD 57110
- North Branch: 124 South Kiwanis Avenue, Sioux Falls, SD 57104
 - This branch will be relocating in 2023 to 4420 West Crossroads Place, Sioux Falls, SD 57106
- Vermillion Branch: 105 East Cherry Street, Vermillion, SD 57069

Effective Date:

Subject to approval by the NCUA and members of Vermillion Federal Credit Union, the Credit Unions have planned an effective date for the merger of May 1st, 2023.

Merger Approval and Ballot:

In order to accomplish the merger, it is necessary to obtain approval of a majority of the members of Vermillion who vote on the proposal. In accordance with its Bylaws, Vermillion is conducting the member vote on the merger proposal through a mail or online ballot to Vermillion members, as well as an in-person special meeting where they may vote in-person via electronic voting. Voting will close at 4:30 pm on April 19th, 2023. The ballot distribution, collection, custody, and tabulation will be conducted entirely by an independent 3rd-party facilitator.

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 online or return the enclosed ballot by U.S. Mail using the pre-labeled and pre-paid postage envelope included. Your mail ballot must be received by no later than 10am on April 19th, 2023. Mail ballots received after this date and time will not be counted. You may also cast your vote electronically online or in-person at the meeting. Electronic voting will close at 4:30 pm on April 19th, 2023.

BY THE ORDER OF THE BOARD OF DIRECTORS:



Cathi Powell
Chairperson

Dated: February 22nd, 2023