



January 13, 2026

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>
<<CITY>>, <<STATE>> <<ZIP>>

Dear <<NAME>>,

Notice of Special Meeting of the Members of CALCOE Federal Credit Union

On September 10, 2025, the Board of Directors of CALCOE Federal Credit Union approved a proposition to merge with Idaho Central Credit Union (ICCU). The Board of Directors of CALCOE have called a special meeting for the members of CALCOE at the Yakima Branch located at 1209 North 16th Avenue on March 6, 2026. The Special Meeting on the proposed merger with ICCU will begin at 3:00pm PST. All ballots must be submitted by 4:00pm PST, at which time voting will be closed. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging CALCOE with and into ICCU, whereby all assets and liabilities of CALCOE will be merged with and into ICCU. All members of CALCOE will become members of ICCU and will be entitled to and will receive shares in ICCU for the shares they own in CALCOE 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 CALCOE, 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 CALCOE 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://ncua.gov/support-services/credit-union-resources-expansion/credit-union-merger-resources/comments-proposed-credit-union-mergers>.

Or by mail to:

NCUA – Office of Credit Union Resources and Expansion
1775 Duke Street
Alexandria, VA 22314
RE: Member to Member Communication for CALCOE FEDERAL CREDIT UNION

The NCUA will post comments received from members on its website, along with the members' 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 statements of the continuing credit union, follow as separate documents. In addition, the following information applies to the proposed merger.

Reason for the merger: The Board of Directors has concluded that the proposed merger is desirable and in the best interests of the members because:

- It is increasingly difficult to keep up with rapid regulatory change. ICCU has the resources to ensure your credit union is up to date and in compliance.
- It is increasingly difficult to offer competitive salaries and benefits to the employees that service your accounts. ICCU has the resources to ensure the employees that service your accounts will receive a competitive salary and benefits. The merger would also positively impact CALCOE employees by opening new paths for career advancement, training, and education.
- You deserve the latest technology to access and protect your accounts. ICCU's focus on security and technology will enhance the financial experience of CALCOE members.
- Our Credit Union, together with the Yakima Valley, stands to gain immensely from the proposed merger with ICCU—a credit union deeply committed to enriching the lives of its members and uplifting the communities in which they serve.
- We believe ICCU is a great choice for a merger and they will pick up where CALCOE left off and take you into the future.

Share Adjustment or Distribution: CALCOE 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 CALCOE's net worth is unnecessary. ICCU has a \$25 minimum share deposit and CALCOE's is \$5. Upon completion of the merger, ICCU will deposit \$20 into each regular membership share that is merged to ensure they all meet the minimum share value requirement.

Net Worth: The net worth of a merging credit union transfers to the continuing Credit Union at the time of merger. CALCOE has a higher net worth ratio than ICCU, while ICCU's total net worth of \$1.07B is higher than CALCOE's total net worth of \$5.1MM.

Locations of Merging and Continuing Credit Union

CALCOE's current branches will remain open and available after the merger; additionally, you will have access to ICCU's local Kennewick branch:

Yakima Branch – Main Office 1209 North 16 th Avenue Yakima, WA 98902	Moxee Branch 223 West Moxee Avenue Moxee, WA 98936	ICCU Kennewick Branch 3270 S Zintel Way Kennewick, WA 99337
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Changes to Services and Member Benefits

Following completion of the merger, you will have access to three local branches as well as branches and ATM locations throughout Idaho, Arizona, and Eastern Washington. You can access a complete list of ICCU's locations at <https://www.iccu.com/locations/>.

You will also have access to a wide range of digital services including CO-OP's expansive ATM Network, VideoChat services, and eBranch Mobile & Online Banking. Within online banking, you'll have access to several features including bill payment, Zelle®, mobile deposit, CardControl, credit monitoring, account alerts, and more.

Merger Related Financial Arrangements

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 disclosures below are required for the following employees of CALCOE (referred to as "covered persons"):

- Leslie Johnson, President/Chief Executive Officer

Retention Bonuses: The continuing credit union is committed to retaining the CALCOE staff that members know and trust. Retention bonuses are commonly utilized in credit union mergers to incentivize employees of a merging credit union to remain employed with a continuing credit union. Employee retention provides benefits to members by ensuring they continue to work with CALCOE personnel who they have grown accustomed to working with, while reducing expenses and inefficiencies associated with having to recruit and train new employees to replace employees who leave in connection with the merger. Provided the covered employee remains continuously employed with the Credit Union through the one-year anniversary of the effective date of the merger, Ms. Johnson will be entitled to receive a retention bonus equal to \$13,600, payable on the first regular payroll date following the one-year anniversary of the merger. In addition, provided that Ms. Johnson remains continuously employed with the Credit Union through the two-year anniversary of the merger date, the executive will be entitled to receive an additional retention bonus equal to \$13,600, payable on the first regular payroll date following the two-year anniversary of the merger.

Employment Agreements: In connection with the merger, Ms. Johnson has entered into an employment agreement with the continuing credit union that will become effective upon the closing of the merger. The employment agreement confirms Ms. Johnson will remain employed as a Market Strategist with the continuing credit union following the merger, which benefits members by ensuring their availability to assist with the transition of CALCOE's products, services, and technologies to ICCU. The employment agreement will remain in effect for two (2) years following the effective date of the merger. Pursuant to the employment agreement, Ms. Johnson will receive a base salary of \$136,000 per annum that will be prorated as of the effective date. Ms. Johnson's current base salary with CALCOE FCU is \$129,973.

Split Dollar Agreement: ICCU will establish a collateral assignment split dollar arrangement for the CEO of the merging credit union, which after five and one-half years following the effective date is projected to provide access to \$30,000 per year over a twenty (20) year period. 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 agreement), the continuing credit union will pay the accrued obligations within ten (10) days of the effective date of the release, and to the extent that they have not been paid, the retention bonuses will be payable within ten (10) days of the effective date of the release. In addition, the covered person(s) is eligible to participate in the continuing credit union's group health plan pursuant to COBRA for eighteen (18) months following their date of termination, whereby the continuing credit union will pay a cash lump sum payment equal to the cost of the monthly premiums, which the covered person(s) can use to pay the monthly premiums directly.

Voluntary Termination: The covered persons(s) may resign from employment during the term upon at least thirty (30) days prior written notice to the Credit Union, provided however, that the Credit Union may accelerate the date of termination upon receipt of written notice. In the event the covered person(s) resigns, the continuing credit union's sole obligation will be to pay any accrued obligations.

No member of the Board of Directors or other official of CALCOE Federal Credit Union is entitled to receive any payments or benefits pursuant to any merger-related financial arrangement.

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 CALCOE Federal Credit Union, 1209 North 16th Avenue, Yakima, WA 98902. To be counted, your ballot must be received by March 6, 2026. Please note that the proposed merger must have the approval of the majority of members who vote.

BY ORDER OF THE BOARD OF DIRECTORS



Tony Roth, Board Presiding Officer

January 13, 2026

Date



BALLOT FOR MERGER PROPOSAL

Name of Member: <<NAME>>

Account Number: <<ACCOUNT NUMBER>>

Your credit union must receive this ballot by March 6, 2026, at 4:00pm PST. Please mail or bring it to:

CALCOE FEDERAL CREDIT UNION
1209 North 16th Avenue
Yakima, WA 98902

I have read the Notice of Special Meeting for the Members of CALCOE. 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 of the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.

[] DO NOT APPROVE of the proposed merger.

Signed: _____ Date: _____
(Member's signature)